# City Council Agenda

**City Manager:**
Gino Grimaldi
**City Recorder:**
Amy Sowa 541.726.3700

**City Hall**
**225 Fifth Street**
**Springfield, Oregon 97477**
**541.726.3700**
**Online at www.springfield-or.gov**

**Mayor**
**Christine Lundberg**

**City Council**
**Sean VanGordon, Ward 1**
**Hillary Wylie, Ward 2**
**Sheri Moore, Ward 3**
**Dave Ralston, Ward 4**
**Marilee Woodrow, Ward 5**
**Bob Brew, Ward 6**

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The meeting location is wheelchair-accessible. For the hearing-impaired, an interpreter can be provided with 48 hours notice prior to the meeting. For meetings in the Council Meeting Room, a "Personal PA Receiver" for the hearing impaired is available. To arrange for these services, call 541.726.3700.
**Meetings will end prior to 10:00 p.m. unless extended by a vote of the Council**.

All proceedings before the City Council are recorded.

May 5, 2014

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6:00 p.m. Work Session
Jesse Maine Room

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*(Council work sessions are reserved for discussion between Council, staff and consultants; therefore, Council will not receive public input during work sessions. Opportunities for public input are given during all regular Council meetings)*

CALL TO ORDER

ROLL CALL - Mayor Lundberg ___, Councilors VanGordon___, Wylie___, Moore____, Ralston___, Woodrow ___, and Brew___.

1. Springfield 2030 Urban Growth Boundary (UGB) Study: Council Discussion and Results of Stakeholder Outreach (Metro Plan Amendment File No. LRP 2009-00014).
   [Linda Pauly/Len Goodwin] (60 Minutes)

ADJOURNMENT

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7:00 p.m. Regular Meeting
Council Meeting Room

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CALL TO ORDER

ROLL CALL - Mayor Lundberg ___, Councilors VanGordon___, Wylie___, Moore____, Ralston___, Woodrow ___, and Brew___.

PLEDGE OF ALLEGIANCE

SPRINGFIELD UPBEAT

1. Mayor's Recognition

2. Other

   a. Earth Day Poster Winners.
      [Ross Mills/Loralyn Spiro] (05 Minutes)

CONSENT CALENDAR

1. Claims

2. Minutes

   a. April 7, 2014 – Regular Meeting
   b. April 14, 2014 – Council Goal Setting
   c. April 21, 2014 – Work Session

3. Resolutions

   a. RESOLUTION NO. 1 – A RESOLUTION TO ACCEPT CITY PROJECT P21046; 58th STREET RELIEF SANITARY SEWER LINE & BYPASS MANHOLE.
   b. RESOLUTION NO. 2 – A RESOLUTION TO ACCEPT CITY PROJECT P21064; JASPER TRUNK SANITARY SEWER PHASE 2
   c. RESOLUTION NO. 3 – A RESOLUTION TO ACCEPT CITY PROJECT P21005; 'A' STREET OVERLAY.
   d. RESOLUTION NO. 4 – A RESOLUTION TO ACCEPT CITY PROJECT P21062; THURSTON ROAD OVERLAY.

4. Ordinances

5. Other Routine Matters

   a. Authorize City Manager to Enter into a Contract with PacificSource Health Plans, in the Amount not to Exceed $850,000 to Provide 2014 Third Party Administrative Services for City Self-Funded Health Insurance.
   b. Approve the Gateway Pavement Preservation (P20193) Intergovernmental Agreement No. 29760 Between the City of Springfield and Oregon Department of Transportation and Authorize the City Manager to Execute the Agreement on Behalf of the City.
   c. Award the Subject Contract to H&J Construction, Inc. in the Amount of $490,912.00 for Project P21078 South Second Street Sanitary Sewer Replacement.
   d. Authorize the City Manager to Sign a Three-year Audit Services Contract with the Firm Grove, Mueller & Swank, P.C. as Auditors for the City, MWMC, SEDA, and the Regional Fiber Consortium and in the Amount of $45,000 for each of the Three Years.

**MOTION: APPROVE/REJECT THE CONSENT CALENDAR**

ITEMS REMOVED FROM THE CONSENT CALENDAR

PUBLIC HEARINGS - **Please limit comments to 3 minutes. Request to speak cards are available at both entrances. Please present cards to City Recorder. Speakers may not yield their time to others.**

1. Proposed Resolution Setting Local and Regional Wastewater and Stormwater User Fees.
   [Katherine Bishop] (10 Minutes)

   RESOLUTION NO. 5 – A RESOLUTION OF THE CITY OF SPRINGFIELD COMMON COUNCIL SETTING LOCAL AND REGIONAL WASTEWATER (SEWER) USER FEES AND LOCAL STORMWATER USER FEES AS SET FORTH IN THE SPRINGFIELD MUNICIPAL CODE

   **MOTION: ADOPT/NOT ADOPT RESOLUTION NO. 5.**

2. Liquor License Endorsements for the Renewal Period of 2014-2015.
   [Sophia Seban] (10 Minutes)

   **MOTION: 1. GRANT; 2. NO RECOMMENDATIONS; 3. DO NOT GRANT UNLESS (APPLICANT DEMONSTRATES COMMITMENT TO OVERCOME LISTED CONCERNS); OR 4. DENY THE LIQUOR LICENSE ENDORSEMENTS FOR THE RENEWAL PERIOD OF 2014-2015.**

3. Fiscal Year 2014-2015 One-Year Action Plan of the Eugene-Springfield Consolidated Plan for Housing and Community Development (City of Springfield Section).
   [Kevin Ko] (10 Minutes)

   **MOTION: ADOPT/MODIFY/NOT ADOPT THE SPRINGFIELD SECTION OF THE FY2014-2015 ONE-YEAR ACTION PLAN.**

4. Annexation of Territory to the City of Springfield – Annex 3.84 Acres of Property Located at 3491, 3521 and 3535 Game Farm Road, Springfield.
   [Andy Limbird] (15 Minutes)

   ORDINANCE NO. 1 – AN ORDINANCE APPROVING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF SPRINGFIELD, AND WILLAMALANE PARK AND RECREATION DISTRICT; AND WITHDRAWING THE SAME TERRITORY FROM THE WILLAKENZIE RURAL FIRE PROTECTION DISTRICT AND THE RAINBOW WATER DISTRICT (FIRST READING).

   NO ACTION REQUESTED. FIRST READING ONLY.

BUSINESS FROM THE AUDIENCE - **Limited to 20 minutes. Please limit comments to 3 minutes. Request to Speak cards are available at both entrances. Please present cards to City Recorder. Speakers may not yield their time to others.**

1. Dan Larsen, Springfield, OR.
   Mr. Larsen will be given 5 minutes to speak as approved.

COUNCIL RESPONSE

CORRESPONDENCE AND PETITIONS

BIDS

ORDINANCES

BUSINESS FROM THE CITY COUNCIL

1. Committee Appointments

2. Business from Council

   a. Committee Reports

   b. Other Business

BUSINESS FROM THE CITY MANAGER

1. Ratification of the Metropolitan Wastewater Management Commission (MWMC) FY 2014-15 Regional Wastewater Program Budget and Capital Improvement Program (CIP).
   [Matt Stouder] (10 Minutes)

   **MOTION: ADOPT/NOT ADOPT A MOTION RATIFYING THE FY 2014-15 REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENT PROGRAM (CIP).**

2. Council Goal Setting Projects Update
   [Jeff Towery] (10 Minutes)

BUSINESS FROM THE CITY ATTORNEY

ADJOURNMENT

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8:15 p.m. Executive Session
(Estimated Time)
Pursuant to ORS 192.502(1),
ORS 192.502(9), and ORS 192.660(2)(d)
Council Meeting Room

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CALL TO ORDER

ROLL CALL - Mayor Lundberg ___, Councilors VanGordon___, Wylie___, Moore____, Ralston___, Woodrow ___, and Brew___.

1. Labor Negotiations Between the City and Springfield Police Association (SPA).
   [Mary Bridget Smith] (15 Minutes)

ADJOURNMENT

# AGENDA ITEM SUMMARY

| | |
|---|---|
| **Meeting Date:** | 5/5/2014 |
| **Meeting Type:** | Work Session |
| **Staff Contact/Dept.:** | Linda Pauly/ Len Goodwin/DPW |
| **Staff Phone No:** | (541)726-4608 |
| **Estimated Time:** | 60 minutes |
| **Council Goals:** | Mandate |

**S P R I N G F I E L D**
**C I T Y C O U N C I L**

**ITEM TITLE:** SPRINGFIELD 2030 URBAN GROWTH BOUNDARY (UGB) STUDY: COUNCIL DISCUSSION AND RESULTS OF STAKEHOLDER OUTREACH (METRO PLAN AMENDMENT FILE NO. LRP 2009-00014)

**ACTION REQUESTED:** Review *Results of Stakeholder Outreach* (ATT 1-A) and discuss the Springfield 2030 Plan, potential UGB expansion areas and options for growth.

**ISSUE STATEMENT:** At Council's request, staff compiled a summary document *Results of Stakeholder Outreach* to present comments received about Springfield's UGB study (ATT1- A). The summary organizes input from stakeholders by study area and organizes other public comments about the potential UGB expansion by topic. The City Council's 2030 Plan UGB proposal and the final UGB may include land within the five study areas or other lands identified through the 2030 Plan process, consistent with the prioritization requirements of ORS 197.298 and the Oregon Land Use Goal 14 Administrative Rule.

**ATTACHMENTS:**

1. Council Briefing Memo with Attachments
2. Study Area Maps

**DISCUSSION/ FINANCIAL IMPACT:** This is the second of a series of Council Work Sessions to discuss potential UGB expansion areas and options for growth to meet the City's commercial and industrial land needs. At the first session the Council received information to compare the probable costs of providing urban levels of service to the five study areas. Another work session is scheduled for May 12, 2014.

At the July 8, 2013 Work Session, the Council packet included a log of public comment received in response to a focused stakeholder outreach conducted by staff May-June 2013. The log listed comments by date received. At Council's request, staff has organized these comments and other comments received since then, by study area to aid the Council in their discussion and consideration of options for expanding the UGB.

Staff encourages Council to request any additional information that may be helpful, and when convenient, to continue a conversation among the members of the Council to reach a consensus on what parcels the Council wishes to include in a proposed expansion. Staff will be available to provide any technical information Council may need to facilitate that discussion.

**M E M O R A N D U M** **City of Springfield**

**Date:** 5/5/2014

**To:** Gino Grimaldi

**From:** Len Goodwin, DPW Director
Linda Pauly, DPW Principal Planner

**Subject:** SPRINGFIELD 2030 URBAN GROWTH BOUNDARY STUDY: RESULTS OF STAKEHOLDER OUTREACH AND SUMMARY OF PUBLIC INVOLVEMENT (METRO PLAN AMENDMENT FILE NO. LRP 2009-00014)

**COUNCIL BRIEFING MEMORANDUM**

**ISSUE:**

At Council's request, staff compiled a summary document *Results of Stakeholder Outreach* to present comments received about Springfield's UGB study (Exhibit A). The summary organizes input from stakeholders by study area and organizes other public comments about the potential UGB expansion by topic. The City Council's 2030 Plan UGB proposal and the final UGB may include land within these five study areas or other lands identified through the 2030 Plan process, consistent with the prioritization requirements of ORS 197.298 and the Oregon Land Use Goal 14 Administrative Rule.

**COUNCIL GOALS/ MANDATE:**

Council Goals: Mandate

Oregon Statewide Planning Goals require cities to maintain a 20-year commercial and industrial land supply.

**DISCUSSION:**

Results of the Focused Stakeholder Outreach

Beginning in April 2013, staff conducted a focused outreach to property owners of lands being considered for potential expansion of Springfield's UGB. A letter, 11 x 17" color maps, staff's contact information and an invitation to provide input were mailed to property owners within five study areas: North Gateway, North Springfield Highway, Mill Race/ South 28th, Mahogany Lane and Seavey Loop. Since then, staff has conducted a series of meetings and presentations to neighborhoods groups upon request (Mahogany Lane and Seavey Loop Neighbors), met with individuals, and communicated through telephone and email to get input from stakeholders, service providers and affected agencies. The City has also received letters that contain additional information and comments about the study areas and about the UGB study in general (Exhibit B). Service provider comments were previously provided to the Council in the April 28, 2014 Work Session AIS packet.

**EXHIBITS**

1. Results of Stakeholder Outreach (Exhibit A)
2. Letters received (Exhibit B)
3. Summary of the 2030 Plan Public Process (Exhibit C)

# Results of Stakeholder Outreach

## Springfield 2030 Refinement Plan - UGB Study

This summary of input was prepared at the request of the City Council. It includes comments and other information received that are specific to a particular study area in response to a letter mailed by City staff in May 2013 to property owners and residents within five study areas. It does not constitute a summary of all public input received through the 2030 Plan process (File No. LRP 2009-00014).

Comments marked with an * are staff's brief summaries of letters, email or other documents received. Letters are included in Attachment 1-B. Complete documents are available upon request.

## North Gateway Study Area

| **Name** | **Comments**<br>(date and form of contact) |
|---|---|
| Walter & Sandra Johnson | * In favor of being included in UGB. Large tracts and few land owners. Lived on land 67 years. Area is well suited to accommodate employment and warehousing. Has farmed all the tillable land within the area (including Wicklund, Knox/Puzzle Parts, Johnson and Duce properties, approx. 140 acres. Has spent several thousand hours tilling, irrigating, planting and harvesting on these properties. **Soils** are varied. "While these soils could produce crops for some time to come, all properties within the area have significant restrictive characteristics which limit the types of crops which our climate allows…as well as restricting productivity (and thus profitability) of those crops the soils still support.<br><br>Economic viability is essential for sustainable **agricultural use**, and I believe approximately 50% of the North Gateway soils are incapable of supporting reasonably profitable agronomic returns." Coarse sandy soils or surface rock, competitive weed species, and extra costs associated with more frequent irrigations and expensive fertilization procedures to achieve acceptable results. "The poorer production soils are scattered throughout the various properties in such a way as to make it unfeasible to merely avoid tilling and planting these zones. I have been leasing additional land with better soil characteristics all my life as a way to stay in business, together with using N.G. Area soils as judiciously as possible but with very limited selected crops. The easiest way to deal with the issues the soils present has been to no longer lease them."<br><br>"Competition for **water** will increase in the future. Higher water inputs on the Area soils will become more of an issue as time passes." |

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| | **Floodplain**: "My observations over the past 60 years: There has been a natural deepening and widening of the McKenzie River channel in our area, and is capable of carrying more water than 50 years ago. Dams have been constructed. The last 100 year flood event in 1996 did not inundate the Area except in the floodway located on the Wicklund property, and allowed a slight amount to cross our land as well. A small berm of 2 feet by 40 feet long would have prevented water from entering our land."<br><br>"The Area could remain in farming until needed for other uses." (2-16-14 letter)<br><br>"Best land is west of I-5. He has a retail operation so he can make it. Yield is low. (telephone 3-25-14)<br><br>Difficult to farm their 17 acres, poor soil, very rocky, growing pumpkins there (7-1-13 telephone)<br><br>Army Corps of Engineers placed rip rap in the 1950's and had to revisit the area to add more rip rap 25 years later because it was undercut by the river. (JPC public hearing 3-16-10) |
| Steven Pickert | * Not outright opposed to inclusion in UGB but has concerns:<br>Doesn't support add'l development of **agricultural land**, we may need it someday.<br>There appears to be a number of parcels within current UGB that could be revitalized – consider these before taking more ag land out of production effects on his property taxes if land brought into UGB – "will I be taxed off my property?" (1-21-14 email) |
| Earle D. Wicklund | * Dorcas L. Wicklund Living Trust supports including the large 110 acre parcel located at 3951 Maple Island Farm Road in the UGB. Parcel is singularly owned. "The coarse alluvial nature of the earth makes it impossible to generate profitable crop yields to sustain reasonable expenses." (1-15-14 letter)<br><br>*Submitted letter dated July 8, 2013 to share information about "what a commercial development within the North Gateway flood plain might look like," and included illustrated development concepts for his property.<br><br>Submitted a second email: "To meet future development on the Wicklund Trust's flood plain if we assume it receives a Campus Industrial zoning that today carries a 30% landscape requirement. Very expensive when owner/users look to keep their respective costs per square foot competitive in the market place. However, if the UGB expands to the McKenzie River then we could orient the buildings as seen on the attachments earlier today not back from the Floodway line rather at the Floodway line. From the Floodway line to the river that |

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| | lower valued land could then meet landscape requirements since no improvements can be built in the Floodway while street alignments would then be closer to the Maple Island Slough. You might want to discuss that tonight in the work session.<br>As of right now, we are thinking the Floodway would be an excellent location for Nursery stock, sawdust jogging paths and an outdoor amphitheater. "(7-8-13 letter, 7-30-13 email)<br><br>"Since the Wicklund property's **floodplain** designation has constraints I feel quick and accurate reaction to questions or issues raise by the City in the future is vital to bringing jobs to the community in the shortest period of time." (6-12-13 email)<br><br>Discussed flood plain issue. Recommended we look at Creekside in Beaverton, Tualatin Commons developing in flood plain. Cleanwater Services vegetated the Fanno Creek floodway. 1996 flood water on his site was groundwater, rise in water table. (6-18-13 email)<br><br>*Jordan Schrader submittals for this property 2-18-09, 2-23-09 include **agronomic suitability analysis** by NW Ag Consulting (file 5) |
| Richard Hunsaker | "The Know property is owned by Puzzle Parts LLC (Richard Boyles, Alan Evans and myself. It is located just north of the cruise line call center and is 72 acres in size. It abuts Wicklund parcel and the Johnson parcel and is bordered by the McKenzie River to the NE. It is an area proposed for inclusion into the UGB and subject to future annexation. (5-31-13 email)<br><br>Will submit historic photos of river channel.<br>Interested in donating land for bike/ped connectivity if land added to UGB (6-5-13 email) |
| Jamie Porter, Superintendent Rainbow Water District | Partners with SUB to provide water service system. Include I-5 wells site in UGB. |

## North Springfield Highway/ N. 52nd Study Area

| Name | Comments<br>(date and form of contact) |
|---|---|
| Arlene Dietz, Rice Farms | Owns about 75 acres, currently a productive hazelnut orchard, off of High Banks Road.<br>Most lucrative and productive orchards. Are restoring and improving the orchards now.<br>Concerned that raising land in N Gateway would impact flooding east of river where they live. Tax impacts?<br>Their shops, etc. are already in UGB.<br>Also owns a new orchard at Harvest Lane. (email and met w staff 5-7-13) |
| Sarah Miller | Owns land east of the study areas Thinks the area is good for business. Has live there 50 years. 1996 flood was the biggest she has seen. Pro business. (7-22-13 email) |

## Mill Race/South 28th Study Area

| Name | Comments<br>(date and form of contact) |
|---|---|
| Tim Marshall,<br>Knife River | Interested in following process<br>Add to interested parties list (4-29-13 email) |
| Stephanie Booth<br>Songchild | Owns 10 ac parcel, lots of noise, trucks, SUB, Knife River, mill and junkyard activity. "Not viable as a neighborhood or as EFU anymore." Light industrial OK with them, they would sell and move. Shared anecdotal info. (6-6-13 telephone) |

## Mahogany Lane/South Jasper Study Area

| Name | Comments<br>(date and form of contact) |
|---|---|
| Mike Kelly | Yes, the owners in the Mahogany Lane Study Area are definitely interested in discussing the possible inclusion of our properties into an Urban Holding Area. When the City was undergoing its "needs" study several years ago, the Mahogany owners jointly hired Rick Satre to put together a development plan for our area. It contains our proposal for annexation (at the time) and likely would be useful for your current study process. In summary, it highlighted area attributes including:<br><br>1. Over 600 acres were, at that time, under joint development agreement. This would need to be updated but I do not believe anything has changed.<br>2. The average property size was well in excess of 20 acres<br>3. Our area has excellent access/egress with Jasper Road being a State Highway under County control and the new Bob Straub Expressway.<br>4. A sanitary trunk sewer line has recently been installed in our area.<br>5. Rail Service is available<br>6. Jasper Road has two primary inter- state Telecommunication Cables within its R/W<br>7. The Mahogany Lane Study site sits just across the street from the Jasper Natron Development Area<br>8. The property owners have committed to making a storm drainage easement available from Jasper Road all the way to the Willamette River for drainage from lands in the city to the north<br>9. There are sufficient swales, sloughs and large irrigation ponds to allow any created storm water to be retained or detained on site.<br><br>Beyond listing area attributes, the study detailed soil types for the various properties, location of wetlands, flood ways, flood plains, a proposed street layout, etc.(4-27-13 email)<br><br>Submitted a Flood Certification document dated 1997 showing that his home structure is not located in the flood plain. Some neighbors would "welcome some higher density residential development mixed in with future industrial development." (6-25-13 emails) |
| Margaret and | Had wetland surveyed, will send map to staff. House is 5" above flood elevation. |

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| William Nagel | Worked with staff Hopkins re 2011 UGB line. 1965 Palaniuk property "water didn't come in." (4-3-13 telephone)<br><br>Her parcel is split by the existing UGB. Requested info re line location. (8-26-13 telephone) |
| Randy Hledik Wildish | Interested in possibility. Protect ability to mine sand and gravel. Concerned about including land for parks and open space. Nature Conservancy does not own 8.2 and 7.5 ac parcels as shown on map, see 18020900 TL900, Wildish owns. (5-3-13 email) |
| Melissa Olson, The Nature Conservancy | Communications to correct TNC ownership of parcels shown in map (email, telephone 5-8-13) |
| Neighborhood Meeting 6-19-13 | Staff was invited to a neighborhood meeting hosted by Mike Kelly to discuss the UGB study. Attendees who signed in:<br>Phil Velie, rep. McDougal Bros.<br>Reesa Wills, rep. Lloyd and Ireta Whiteaker<br>Richard Randle<br>Grant Spies<br>Mike Kelly<br>Randy Hledik<br>All owners of northern portion of study area (Whiteaker family reps, McDougal rep, Spies, Kelly) are in favor of the UGB expansion including their land and would be willing to transact in planning period. Wildish want to retain potential to mine sand and gravel on their land.<br>Richard Randle intends to keep farming and wants to expand his operations. Stahlbush lease fields, grows wheat, corn, pumpkins. Kelly and Spies have letters from FEMA re flood elevations. "Rivulets" of flood water go through McDougal site. (meeting 6-19-13) |
| Richard and Chris Holmes | Grant property on Mahogany Lane (5 ac + 15 ac) is in foreclosure, they are in favor of UGB and willing to transact in the future when they get it back. Please send notice of hearing. |

## Seavey Loop Study Area

| Name | Comments<br>(date and form of contact) |
|---|---|
| Bill Kloos | *(2-7-14 email with link to his firm's website and all supporting exhibits) filed on behalf of his client Johnson Crushers International. "Letter and exhibits A through M, explain why the Seavey Loop area must be elevated to the first priority of land in the city's review of expansion options. It must be first, whereas the most recent staff recommendation would make it last." "I will mail the city the entire package on CD for inclusion in the record.""JCI and a number of other existing industrial and commercial uses inhabit the Seavey Loop area, are contiguous to the existing UGB, have all the basic infrastructure needed for an urban level of use, and have been chafing for years under rural Lane County regulations that effectively stifle their potential growth and production of jobs." Documents are posted on Mr. Kloos' firm's website: http://www.landuseoregon.com/projects/project-springfield-ugb-expansion-for-goal-9/ |
| Jim Straub | *(7-26-13 letter) Managing member of Oak Management LLC and Straub Family Trust, who own several parcels in the study area. Supports expansion. Combined parcels in their ownership form one of the larger contiguous parcels. Five tax lots total 59.18 contiguous acres. Owned since 1958. "Have attempted to farm, but parcels are not high value farm land, yielding only a single crop of hay each year. They are, however, mostly flat." The properties have several valuable easements on them, which the owners have maintained over the years in anticipation of possible future development. These non-exclusive access and utility easements serve any of the properties. Attended Seavey Neighborhood meeting on 6-4-13. "While there is clearly a vocal minority opinion in opposition to the UGB expansion, I did not get the impression that opposition to the UGB expansion was the majority opinion." Was disturbed by an article in the RG that interviewed only one neighbor. Did not get the impression that the majority opinion was in opposition to the UGB expansion. "It makes no sense to us to use high value farmland when we have so many parcels… that are not high value farmland." (letter 7-26-13) |
| Tom Scates | *Supports including his property in UGB (34009 Twin Buttes Rd), believes it would make a good access to the southern portion of the study area. (5-22-13 email) |
| Laura Strother<br>(Strother Trust) | Why is their entire acreage not shown on map?<br>Land is wet with creek |
| Randy Jones<br>Johnson Crushers | Very interested<br>Wants to expand operations and cannot. 18.8 ac + owns land in the "wedge" (5-3-13 email, telephone) |

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| International | |
| John Helmer | Seavey Loop Neighbors group organizer<br>Supportive of process. Has email list, group meets occasionally<br>Invited staff to neighborhood meeting (5-4-13 Email, phone) |
| Melissa Olson<br>Willamette Confluence Restoration Coordinator<br>Nature Conservancy | Q re ownership of parcels |
| Minx Ravenwood and Ira Towell | Asked for criteria used to determine which areas are "Employment Opportunity" sites and asked is there is a definition of "Employment Opportunity" sites. (5-16-13 email) |
| Jim Evonuk,[<br>Scott and Mary Moore, John Helmer,<br>Normandy Helmer, Chris Orsinger, Dan Menk, Larry Norris, Paul Rea, Bill and Beki Montgomery,<br>Ronald and Darlene Gilman, Mary Chalmers<br>Oak Management ,<br>Rob Castleberry, Cristman Lumsden, Minx Ravenwood, Ralph and Dani Zack, Charlotte Helmer, Tom LoCascio | Names of "Seavey Loop Neighbors" group who signed in at a meeting organized by John Helmer, hosted by Scott and Mary Moore at their "Me and Moore" Farm. Mr. Helmer invited staff to the meeting. (6-4-13). Most attendees are property owners in the study area and in the vicinity of the study area, and some are property managers associated with Buford Park/Mt Pisgah. Not all attendees signed in, spoke or submitted comments at the meeting.<br><br>Many expressed opposition to UGB expansion. Themes: Development threatens agricultural community and natural resource protections. Keep Seavey Loop agricultural. Land to produce local food is necessary in our vision for the future.<br><br>The Straub family/Oak Management (owns 50 acre site) is interested in the long term (20 years out) and have cross easements in place to connect their property holdings to infrastructure for future development.<br><br>Some attendees submitted individual comment cards at the meeting:<br>Chris Orsinger, Executive Director Friends of Buford Park and Mount Pisgah: "Thank you for coming. Friends of Buford Park and Mt Pisgah board of directors have not taken a position on the proposed UGB expansion. It is likely that we would support protection of floodplains and farmlands.<br><br>Bill and Beki Montgomery: "We don't think that more commercial and industrial development makes sense in the Seavey Loop area for ecological and economic reasons. We urge the City of Springfield to not encourage further development in this area." |

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| | Anonymous: "Thank you for coming to speak with us. You mentioned that the cities are required by Oregon Law to prove that they have the capacity to meet projected growth estimates for housing, employment, etc. Is there a similar mandate which requires the City to provide local food sources to a % of the population? Maybe a better vision for us in our future."<br><br>Tom LoCascio, Site Manager Mt Pisgah Arboretum: "Strongly opposed to any development which threatens agricultural community, Nature Conservancy goals and the Howard Buford Recreation Area."<br>John F. Helmer: "I am not in favor of the UGB expansion to the Seavey Loop area."<br><br>Cindy and Dan Menk: "Are adamantly opposed to the proposed expansion to the Springfield UGB to the Seavey Loop Area. We recently chose to construct our home in this area and do not wish to see Businesses in "our" backyard – as well as all the resulting traffic. We would like to be kept informed on all aspects of this planning decision."<br><br>Straub family: Owns 50+ acres and access easements. Has interest in being included in UGB.<br><br>John F. Helmer:"I am not in favor of the UGB expansion to the Seavey Loop area." |
| Jim Straub | Gave staff a map showing cross easements on their property holdings and a contact phone # for Willamette Water Company (DPW front counter 6-5-13) |
| Cristman Lumsden | *Had to leave meeting early to take son home to bed. "We (Kate and I) are opposed to the expansion. We feel the cost outweighs the gains. Seavey loop is special and best kept family farm/ agricultural. It sounds like larger plots near Jasper make far more sense for future development." (6-6-13 email) |
| Jeff Demers<br>Willamette Water Company | Staff telephoned Mr. Demers, asked him to reviewed the 2/17/2010 testimony submitted by Mr. Kloos; directed him to a web link of the testimony document; and asked him to review and provide any update to describe the water service in the area. Mr. Demers replied by email "I have had an opportunity to review the letter Bill Kloos submitted on behalf of Willamette Water Co in 2010 and can advise there are no updates to submit into the record." (6-21-13 email)* see excerpt from 2/17/2010 in ATT 1-B. |
| Jeff Elliot,<br>President<br>Johnson Crushers International | Very favorable to including their land in the UGB to expand their 270-employee company. 5-year company plan would add 125 new jobs. Will send a follow up letter. He needs a 15-20 ac site/30,000 sq. ft. bldg., room for outdoor storage of heavy equipment, rental fleet parking. (6-25-13 telephone)<br><br>*JCI's main facilities are across Franklin Blvd to the Northwest and adjacent to subject property at 86470 Franklin. Supports inclusion of subject property TL 18-03-11-30-03500 the UGB. JCI is in the business of engineering, manufacturing, marketing, selling, supplying aftermarket parts and service for a product line of rock crushing and screening equipment. Its products are sold worldwide to the mining, construction, energy |

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| | and recycling industries. Currently employs some 270 people with an annual payroll and benefits in excess of $19 million, pays $131,330 in property taxes. Wants to add 125-140 labor and professional positions. This requires facility expansion and capital improvements. Wants to maintain a single campus.(6-28-13 letter) |
| David Wolting<br>Captain, Goshen Fire District & Pleasant Hill FD | *Concerned about city taking part of Goshen Fire District response area. District is in the process of spending 1.4 million on infrastructure. (7-3-13 email)<br>Question about annexation of Franklin Blvd, concerns about change to fire district if Seavey included in UGB. Clearwater Landing area is served by Pleasant Hill FD. (7-11-13 telephone) |
| Tom Miller | Lives on ½ acre. Against being included in UGB, doesn't want his taxes raised. (7-13-13 telephone) |

## General Comments - All Study Areas & 2030 UGB Study in General

| Name | Comments<br>(date and form of contact) |
|---|---|
| Mia Nelson<br>1000 Friends | Concerned about no work session on EOA, will appeal if we go forward as is, says assumptions are not justified, says land need is not supported by the data in the EOA, supports historic pattern, ref'd letter October 10, 2012 re job densities. (5-28-12 meeting with staff)<br>*(10-10-12 letter) |
| State agency staff team | Developing in flood plain increases cost and risk for developers; it's hard for these sites to compete with sites elsewhere not in flood plain.<br>Concurred with staff's recommended areas. Springfield's natural assets are economic assets. Grow in ways that promote our unique assets. Don't leave out the wetlands and riparian areas when you draw the line, developers will need places to mitigate impacts on site. Look at South Albany study. Mill Race/So. 28th could be an attractive "tech park" near the open space amenity of the Middle Fork Path. Agrees with implementing highest standards for ultra low impact development. Concurs that Puget Sound standards are a good model to look at as we write ours. (meeting 6-26-13)<br><br>Gary Van Huffel& Sierra Gardner, Oregon Business Development Department<br>(Business Oregon)<br>Kirk Jarvie, Department of State Lands (DSL)<br>Tom Hogue,Department of Land Conservation and Development (DLCD) |
| Sandy Lindstrom<br>Industrial Development Regional Manager<br>Union Pacific Railroad | Most potential for future industrial growth with freight rail transportation service:<br>areas with existing track and siding: I.P. site, Jasper Natron site (North of Straub Parkway/Jasper Rd intersection), Mill Race/So. 28th , south of South A St. (meeting 6-27-13) |
| George Grier | Concerned about cost of extending infrastructure to new areas (7-9-13 telephone); requested copy of 7-22-13 powerpoint presentation (email 7-23-13). |
| Jeff Ziller & Brian | *ODFW 9-20-13: Protect and enhance fish and wildlife habitats for use and enjoyment by present and future |

| | |
|---|---|
| Wolfer<br>District Fish Biologist, Joy Vaughan<br>Land Use and Waterways Alteration Coordinator<br>Oregon Dept. of Fish and Wildlife | generations; ODFW Sensitive Species List, federal Endangered Species Act: Spring Chinook salmon, Bull trout, Oregon chub are known to use aquatic habitat adjacent to locations under consideration for UGB expansion; Avoid reducing the river's ability to interact with the flood plain, maintain riparian vegetation and habitat connectivity; other Sensitive Species, many non-listed fish and wildlife species and sensitive bird roosting sites such as heron rookeries may be impacted by growth decisions. (9-20-13 letter)<br><br>Mahogany/South Jasper study area: potential to reconnect old river channel, there could be Oregon chub in the side channel habitat. Diversion at south end is unscreened, so fish are present. Blue Water ponds would make a great public park for family fishing." (meeting 8-7-13) |
| Bob Keefer<br>Vince Martorello<br>Willamalane | Please include the entry to Ruff Park in UGB. Provided input on proposed plan designations and proposed zoning of Willamalane's sites (7-24-13 meeting, 9-5-13 email)<br><br>* There are five (5) parks currently outside the existing UGB that Willamalane is interested in having included within the UGB. These parks are:<br>1. Weyerhaeuser-McKenzie Natural Area Park (Tax Lots 17022900002901, 1702300000401). These tax lots are approximately 55 acres in size;<br>2. Jack B. Lively Memorial Park (Lively Park) (Tax Lot 1702270001101). This park is a community park and is approximately 32 acres in size;<br>3. Ruff (Wallace M Jr.) Memorial Park (Tax Lots 1702270001502, 1702341115500). This park is a special use park and is 9.79 acres in size;<br>4. Clearwater Park (Tax Lots 1802080000300, 1802080000400, 1802080000500, 1802080000600). This park is a special use park and is approximately 66 acres in size.<br>5. Georgia-Pacific Park (Tax Lot 1802060004501, 180207000801—on their map. There are more TL's … are these only ones that need to move into the UGB?). This park is approximately 125 acres in size and is classified as a natural area park. It is jointly owned by SUB, City of Springfield and Willamalane. Plans include developing the Mill Race Path through the park, connecting to the Middle Fork Path. A majority of Georgia-Pacific Park is already located within the UGB. Of the 125 acres, approximately 12 acres is outside the UGB. The Comprehensive Plan, and agreements with SUB and the City, calls for the joint development of a management plan and master plan for the park. Having the entire park included in the UGB will facilitate a joint management approach to the park.<br><br>• By including these properties within UGB, the City is increasing Willamalane's service area within the UGB and within the City's jurisdiction, which is consistent with Willamalane being the park and recreation service provider for the City. |

<table>
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- By incorporating both Clearwater Park and all of Georgia-Pacific Park into the UGB, the City of Springfield incorporates a regional path system within its jurisdiction. The Middle Fork Path and the Mill Race Path (once completed), will be an eight mile multi-use path that connects downtown to the Middle Fork Willamette River
- The City is bringing into its jurisdiction an increased amount of natural area parks that offer the community the opportunity to access nearby waterways, unique vegetative habitats, and an expanding network of trails and paths.
- The UGB line truncates several of these Parks: Lively, Ruff, G-P … moving the UGB so that the entire park is within City of Springfield's jurisdiction makes sense for land use and park management considerations (or something)
- Once within the UGB, it is anticipated that the public safety of the parks may increase since the City of Springfield will have jurisdiction over these parks and could provide for quicker response time for emergency services compared to County enforcement and emergency services. (11-26-13 email)

</td></tr>
<tr><td>Mark Rust<br>Lane County Administration Community & Economic Development</td><td>In materials for 7-22 meeting, didn't see discussion about the statutory priorities in terms of what land gets considered first for UGB expansion. Has there been an evaluation done in terms of the prime agricultural soils that are present within each area? Any information on these issues would be greatly appreciated. (7-19 email)</td></tr>
<tr><td>Bruce Pokarney<br>Oregon Department of Agriculture</td><td>Staff requested employment data and information re typical site characteristics for food processing industries in Oregon. Provided staff with more contacts and emailed links to reports. (8-2-13 email, telephone)</td></tr>
<tr><td>Springfield Utility Board</td><td>*Requests inclusion of SUB's properties in the UGB. SUB owns 172.8 ac in the South Mill race area, not including the 120 acres owned jointly with City and Willamalane. Willamette Well field and Slow sand Treatment facility, their new corrosion control facility, outdoor pipe storage and indoor equipment storage. Anticipates construction of new facilities in this area.<br>**The table below compares the three areas relative to their hydrogeologic connection to Springfield's drinking water sources:**

<table>
<tr><th></th><th>Most Sensitive Time-of-Travel Zone (TOTZ)</th><th>Affected Well(s)</th><th>Impact to Surface Water Intake?</th></tr>
<tr><td>North Gateway</td><td>0 – 1</td><td>I-5 wells (owned and operated by Rainbow Water District)</td><td>No</td></tr>
<tr><td>South Millrace</td><td>0 – 1</td><td>Willamette Wellfield</td><td>No</td></tr>
<tr><td>Mahogany Lane</td><td>1 - 5</td><td>Willamette Wellfield</td><td>Yes</td></tr>
</table>

</td></tr>
</table>

| | |
|---|---|
| | SUB is concerned about protecting Springfield's drinking water quality and quantity and cautions that "the UGB proposal should include careful consideration of how to promote a new development landscape that is highly protective of our drinking water" such as low-impact development standards and "looks forward to collaborating with the City to design development standards for these areas that will mitigate against potential adverse impacts to the drinking water supply." (9-10-13 letter) |
| Richard Boyles | Interested in discussing redesignation of the Patrician site (4-14 telephone) |
| John Lively | Requested update on UGB study schedule. Rep. Johnson Crushers International (4-17-14 telephone) |

## Previous Requests (pre 2013) to Include Other Sites in UGB

| **Name** | **Comments (date and form of contact)** |
|---|---|
| Ralph Wheeler | 3840 Hayden Bridge 1.5 ac (testimony 4-7-09) (file #5) |
| Greg Harmon | 30 acres in Gateway area south of Beltline (testimony 2-24-09) (file #5) |
| Michael Farthing | Rep. Gordon Webb, asked to consider 18-02-02 TL400 and 18-02-01 TL 100 for residential expansion, large areas of moderate slopes, poor soils, access to Straub Parkway, single ownership (6-1-09) |
| Randy Hledik | Consider land SE of Area 7 Clearwater, considerate amount of dry land. (open house 5-18-09) |
| Anonymous | Potential to expand commercial development at Marcola Rd/Camp Creek. (open house 5-18-09) |
| Anonymous | East Springfield- logical extension of Thurston. (open house 5-18-09) |
| Randy Hledik | Consider Wildish lots except 1401; mix of flood plain and not; logical addition to UGB; new access road to property from Jasper Rd.; was built in addition to access from Mahogany Lane; consider for residential, commercial or industrial use. (4-24-09 email)(file 6) |
| Anonymous | Infill Clearwater/Mahogany; go all the way to the river so City can control over Greenway, sloughs, riparian areas and other natural resources. Easy to serve w public services. Opportunity to protect riverfront; willing property owners. (7-17-09 open house) |
| Anonymous | "The Elbow" poor soils, mod slopes, Webb single owner, access to Straub, Steep areas further east. Better forest land is inside UGB. Outside UGB is "scrub" neither good farm or forest. 50-70 ac "ideal for residential development." |
| Dwight Purdy, rep. Springfield School District | Asked to bring the district's 19-acre Clearwater property into the UGB to allow it provide for a new school to serve the Jasper- Natron area. (Minutes JPC hearing 3-16-10) |

| Previous General Comments - All Study Areas & 2030 UGB Study in General | |
|---|---|
| **Name** | **Comments**<br>**(date and form of contact)** |
| LandWatch Lane County<br><br>Robert Emmons, LandWatch Lane County | Protect large employment sites from subdivision and rezoning; use higher jobs/acre in EOA to allocate more jobs to redevelopment;<br>Why use scarce land for warehouse and distribution? (staff was invited to 6-17-09 LW meeting)<br><br>(Minutes JPC hearing 3-16-10) |
| Anonymous | North Gateway Study Area: "Don't dilute the growth potential at RiverBend and Gateway Campus Industrial" (5-18-09 open house comment card) |
| Mia Nelson | Job density issue is a policy choice. Asked if it wise to use the last of Springfield's buildable land for such a low job density requirement. (Minutes JPC hearing 3-16-10) |
| George Grier<br>Lane CO Farm Bureau | Served on the CIBL Stakeholder Committee and SDC CAC. Springfield had experienced growth during the last 20 years that it was unlikely to see again. Much of the remaining land was in flood plain or agricultural land. Concerned that agricultural land continued to be developed as food security and food safety issue grew. Urged commissioners to look at all alternatives to protect agricultural land before increasing the UGB. It did not make sense to move to constrained areas in the flood plain because it was expensive to provide urban services and the City did not have the resources to do so. It made more sense to develop within the existing UGB. (Minutes JPC hearing 2-17-10) |
| Tom Bowerman | Represented property owners owning 400 acres of land. Agrees with testimony of 1000 Friends and George Grier. Advocates for preservation of what was in place. His children moved to smaller communities because Eugene-Springfield was too big for them. Some people moved elsewhere to avoid sprawl, and it had crossed his mind as well. Mr. Bowerman compared Corvallis downtown to Springfield downtown and suggested Corvallis was more vibrant and he attributed that to public policy. He believed the result would be lower property values if resource lands were impinged upon. (Minutes JPC hearing 3-16-10) |
| Rick Satre | In favor of the UGB expansion and protection of agricultural lands which he believed could occur at the same time. Asked commissions to consider implementing measures to protect high value farmland where it occurred |

| | |
|---|---|
| | within the UGB expansion areas. He suggested that could be accomplished with the application of an agricultural overlay zone. Acknowledged the existing soils information data bases and the fact that many soil areas designated high value were not necessarily so. Recommended the City could create measures where property-specific data updates could occur appropriately. (Minutes JPC hearing 3-16-10) |

JORDAN SCHRADER
ATTORNEYS AT LAW

JORDAN SCHRADER RAMIS PC

VIA E-MAIL & FIRST CLASS MAIL

March 5, 2010

City of Springfield Planning Commission
c/o Linda Pauly, City of Springfield Community Development
225 Fifth St
Springfield OR 97477

DAMIEN R. HALL

*Admitted In:*
Oregon and California

*Direct Dial*
(503) 598-5535

*E-mail*
damien.hall@jordanschrader.com

Re: **Inclusion of Wickland Property in the Springfield UGB Formation**
Our File No. 50068-36936

Dear Ms. Pauly:

This firm represents the Wicklund Trust and its Trustee, Mr. Earle Wicklund. The Trust owns property that is currently located outside of the Eugene Springfield UGB, but is under consideration for inclusion within the Springfield UGB when it is formed. The Trust's property is located within the area designated as the North Gateway Employment Opportunity Area ("NGA"). This letter and supporting documentation explain why the NGA and Trust property achieve the City's employment and job creation objectives, meets the applicable legal requirements for inclusion into the UGB, and requests that the Springfield Planning Commission request the inclusion of the NGA into the Springfield UGB.

**A. The suitability of the NGA Land justifies its inclusion in the UGB**

The land priority statutes are not as rigid as some have suggested. In fact, the Goal 14 locational factors justify including the NGA land, despite arguments about statutory priorities.

While the City is required to consider statutorily defined land priorities in conducting its alternative analysis, the legislature and courts have indicated that Goal 14 locational factors can and should defeat land priorities so that local governments are able to bring the most quality suitable land into a UGB, even if it is not the highest priority in quantity. *See City of West Linn v. LCDC*, 201 Or App 419, 440, 119 P3d 285 (2005). On this subject, the Court of Appeals held that,

100 BEST COMPANIES 2005 Oregonians



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> "ORS 197.298(1) expressly provides that the priorities that it describes apply in addition to any requirements established by rule addressing urbanization such as the locational factors of Goal 14. As a result, that other high priority land may exist somewhere else adjacent to the UGB does not necessarily mean that the land will be adequate to accommodate the locational considerations of Goal 14. In other words, the statutory reference to 'inadequate' land addresses suitability, not just quantity, of higher priority land." *Id.* (emphasis added).

As City Staff has described in greater detail, ORS 197.298 establishes a priority of lands suitable for consideration in UGB expansions, that informs the alternatives analysis required by OAR 660-024-0060, and which the Commission is currently undertaking. However, a local government can promote lower priority land for UGB inclusion ahead of higher priority in instances where the lower priority land is more suitable for specified objectives of the local government or the Goal 14 urbanization criteria. OAR 660-024-0060(1)(e), (5); ORS 197.298(3). The Court of Appeals more recently clarified it's stance on the matter stating that "ORS 197.298(3) relaxes the prioritization requirements in certain circumstances," and that "The ranking of land under ORS 197.298(1) is a function of its prior classification as urban reserve land, exception land, marginal land, or resource land, as well as the application of the qualitative factors under Goal 14 and ORS 197.298(3)." *Hildenbrand v. City of Addair Village,* 217 Or App 623, 633, 635, 177 P3d 40 (2008).

**B. The NGA land is more suitable thn other lands with different statutory priority.**

Here, the NGA should be included in the UGB ahead of higher priority lands because it is more suitable to meeting the Goal 14 objectives than the other employment opportunity areas. As you can tell from the above referenced holdings of the Court of Appeals, the City should be considering the suitability of each of the employment opportunity areas under Goal 14 criteria and ORS 197.298(3), on equal footing with the land priority designation. Inclusion of the NGA into the UGB is consistent with the Goal 14 objective of providing for the orderly and efficient transition to urban land use, to accommodate urban population and employment, to ensure efficient use of land, and to provide for livable communities.

At section F-14 of the most recent version of the *Draft Refinement Plan,* dated January 29, 2010, staff indicates the four specific Goal 14 criteria to be considered in the alternatives analysis. The criteria are listed as 1-4 below and the ways in which the NGA and Trust property comply with each are bulleted.

1) Efficient Accommodation of identified land needs

- NGA was identified by the Technical Advisory Committee as one of the three employment opportunity areas best suited for employment and large sites. *Draft 2030 Refinement Plan,* section F-17.

- The NGA is the most suitable of the employment opportunity areas to support the needed building types identified by the economic opportunities analysis. The NGA is "highly suitable" for Warehousing and Distribution, General Industrial, Office, and Other Services, as well as being "somewhat suitable" for retail. Other than the NGA, each employment opportunity area is unsuitable for at least one of the identified building types, with most being unsuitable for two or three building types. Also, no employment areas other than the NGA is highly suitable for more than two of the identified building types. *Draft 2030 Refinement Plan,* Table 2, section F-10-12.

- The NGA is adjacent to and directly accessible from I-5, therefore inclusion would provide for efficiency of access to transportation facilities from the NGA, and a more livable community for employees who would commute to and from there. *Draft 2030 Refinement Plan,* Map 9, section F-19.

2) Orderly and economic provision of public facilities and services

- The NGA is adjacent to the UGB and within the Metro Plan Boundary, therefore inclusion would provide for an efficient extension of public services and utitlities. *Draft 2030 Refinement Plan,* Map 9, section F-19.

- The NGA has is adjacent to and directly accessible from I-5, therefore inclusion would provide for efficiency of access to transportation facilities. *Draft 2030 Refinement Plan,* Map 9, section F-19.

- There is existing sewer in close proximity to the NGA, allowing for the orderly and efficient extension of sewer facilities the area. *Draft 2030 Refinement Plan,* Table 1, section F-8.

- The Fire Department has indicated that urban levels of service can be easily provided to the NGA, under both the current fire department deployment and if the station is relocated as proposed. This allows for the efficient and orderly extension of fire, life and safety facilities to the NGA. *Draft 2030 Refinement Plan,* section F-34.

3) <u>Comparative environmental, energy, economic and social consequences</u>

- Only the portions of the Wicklund property that are directly adjacent to the McKenzie River have the required characteristics to be considered a wetland. Therefore, riparian setbacks are sufficient to protect the wetland portion of the property if included in the UGB. A copy of the Raedeke and Associates report from an on-site investigation of the Wicklund property is attached hereto as Exhibit A.

- The Wicklund property is not high value farm land because it does not consist of predominantly high value soils as described in ORS 215.710(3) and OAR 660-033-0020(8). The report of Agronomist Tom Thomson is attached hereto as Exhibit B.

4) <u>Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB</u>

- The Wicklund property is hemmed in by the McKenzie River, I-5 and commercial and industrial development. Exhibit B.

- The Wicklund property could be easily absorbed into the Springfield UGB without adversely affecting the agricultural economy of the surrounding area. Exhibit B.

While the legislature and courts have made it clear that the rational inclusion of suitable lands should trump a rigid adherence to the land priority criteria, to include lower priority land requires heavily fact driven findings. In as much as my client or I can assist the City to obtain additional information as needed to make such a finding, we are more than willing. Please feel free to contact me directly with any questions or concerns that are raised by this letter or the attached supporting reports.

For the above stated reasons we reiterate our client's request that the North Gateway Employment Opportunity Area be included into the Springfield UGB. And should inclusion of the NGA in its entirety not be found preferable, the inclusion of the 110 acre Wicklund property is requested.

Sincerely,

JORDAN SCHRADER RAMIS PC

Damien Hall by Jennifer De Gregorio

Damien R. Hall

Enclosures

cc: Earle Wicklund

**Bill Monahan** COPY

**From:** Earle Wicklund [wicklund_associates@comcast.net]
**Sent:** Thursday, February 12, 2009 12:02 PM
**To:** 'Chad Egge'
**Cc:** Bill Monahan
**Subject:** Chad Egge RE: Wicklund Property analysis by Agronomist Tom Thomson

Chad,
Thank you for your comments regarding Mr. Thomson's agricultural report.

Earle Wicklund

---

**From:** Chad Egge [mailto:eggeseed@gmail.com]
**Sent:** Thursday, February 12, 2009 10:35 AM
**To:** Earle Wicklund
**Subject:** Re: Wicklund Property analysis by Agronomist Tom Thomson

To whom it may concern:

I have been farming the Wicklund Trust property since 2005.

I have considered the report on the property prepared by Northwest Agricultural Consulting, and I agree with the conclusions reached by Tom Thomson in the report.

Chad Egge

Egge Farms

# NORTHWEST AGRICULTURAL CONSULTING

Agronomic Suitability Analysis of Wicklund Trust Property located in Lane County, Oregon and described as Section 15, T17S, R3W, WM also designated as Tax Lot 1703154000400.

**PREPARED BY:**

Northwest Agricultural Consulting
1275 Oak Villa Road
Dallas, Oregon 97338
503-623-0468 Phone/FAX

1-27-09

Tom Thomson - Owner/Agronomist — Date
ARCPACS Certified Professional Soil Scientist No. 24781

ARCPACS
TOM THOMSON
CERTIFIED PROFESSIONAL SOIL SCIENTIST
NO. 24781
EXP. 12-31-09

# Agronomic Suitability Analysis of Wicklund Trust Property.

## INTRODUCTION:

Mr. Earle Wicklund, a representative of the Wicklund Living Trust, is making application for the inclusion of a parcel of property owned by the Trust into the Urban Growth Boundary (UGB) of the City of Springfield, OR. The property is located in Lane County, Oregon and described as Section 15, T17S, R3W, WM also designated as Tax Lot 1703154000400.

The property is approximately 110 acres of which 70 acres are tillable with the remainder as follows: 20 acres forest or slough, 3 acres orchard, 10 acres pasture, and the remaining 7 acres are homestead and roadway.

This report is in support of the application by the Wicklund Living Trust and contains data collected from a site investigation as well as data from various sources substantiating the conclusions required by the City.

## METHODS:

An on-site investigation was carried out at the site on October 31, 2008. A thorough physical examination of the property included a review of topography, slope and aspect, and other physical characteristics of the site as well as vegetation currently on the subject property and surrounding properties.

Inferences made as to agronomic practices and cropping sequences are based on my experience as a farmer and agronomic consultant. Soils information was obtained from the Soil Survey of Lane County issued in 1981 by the U. S. Department of Agriculture Natural Resources Conservation Service. Acreages of the soil series were obtained from the USDA Web Soil Survey at (http://websoilsurvey.nrcs.usda.gov/app). Economic information was obtained from the Oregon State University Enterprise Budget Sheets and Chemeketa Community College Farm Business Management Program Annual Reports. GIS programs were used to generate maps and interpretations for this evaluation.

## NARRATIVE

### Characteristics of Subject Property:

The subject property is located on the south bank of the McKenzie River northeast of the intersection of Interstate 5 and Beltline Road. The site is essentially flat ground bounded by commercial and industrial development to the south and west and the river.

The subject property currently is and has been a working farm for many years. The property has the family home and outbuildings on the southern portion. The Wicklund family grew many crops in years past but settled on green beans which were utilized in their spiced

bean business which were sold nationally. The spiced bean company closed its doors in January 2008 when it no longer could compete with rising costs associated with buying the raw product necessary for its spiced bean process. Crops previously grown on this property have included Blue Lake green beans pole and bush varieties, wheat, kale, ryegrass, dill, etc.

The property is currently leased on a cash rent annual lease to Chad Egge of Egge Farms who farms the 70 tillable acres of the parcel. Mr. Egge currently grows perennial ryegrass for seed.

The remaining 40 acres are composed of alluvial sand and gravels which are not conducive to agricultural activity due the lack of water and nutrient holding capacity.

**Characteristics of Adjacent Lands:**

The following analysis is based upon the area in the northeast corner of the I-5/Beltline Road intersection and bounded by the McKenzie River on the northwestern side in Section 15:

East: The McKenzie River bounds the property which prevents any access to lands across the river.

South: Commercial and industrial development bounds the property to the south and restricts any expansion of farming activities in that direction. There are some small parcels to the southeast which are farmed similar to the subject property which are also farmed by Mr. Egge.

North and West The area to the north and west consists of small farmed parcels interspersed with a nursery and some wooded areas. Sprague Road provides access to the other side of I-5. The Trust has no easement with adjacent property owner, Mr. Walt Johnson, to its NW corner however historically the Trust has had verbal permission to use the access if necessary. Interstate 5 is approximately 1000 feet to the west of the property and restricts access to lands on the other side.

**Relationship between Subject Property and Adjacent Land:**

The area surrounding the subject property has been in agricultural use for many years and over the last 15 years urban development encroached on the area. Many acres in the area were devoted to cannery crops such as beans, beets and corn. However, growers lost a market when the cannery closed. The few growers with the ability to add value to their crops were able to stay in business. The construction of the Mall and residential construction in the southeast corner of the Beltline/I-5 intersection served to quicken the pace of the development on the east side of I-5. Also, the landscaped Roundabouts and the large

amount of traffic on these roads at all hours of the day serve to not only impede the flow of agricultural implements but also create some safety concerns for their operators.

Although the subject property is currently being utilized for commercial farming purposes, that use is rapidly changing and its value diminished. New commercial construction is underway adjacent to the property and more to come as evidenced by numerous for sale signs on vacant and unused land.

Although an EFU designation protects the land for farm use, that designation is not a measure of economic viability. Although the land was farmed by the Wicklund family for many years, economic profitability came via a value added enterprise operated on the farm. Once the market for that business ended in 1985, they were unable to maintain profitability and would have needed to expend a significant amount of money to upgrade equipment to modern standards.

The Wicklund family has grown Blue Lake Pole green beans (1952 to 1977) and Blue Lake bush beans (1978 to 1985). In 1986 the property was leased to various local farming operations such as Jon Jaqua, Doug Siefert and Chad Egge.

Currently, the landowners receive $4500.00 per year rent for the land from the lessee, Egge Farms. This works out to approximately $75 per acre in rent for the tillable acres and no income for the rest of the parcel. Mr. Egge farms approximately 1200 acres under various leases which affords him economies of scale that would otherwise not be available to an individual operator attempting to farm the 70 acres alone. Thus, the parcel is uneconomical to farm by itself.

Many factors affect production of grasses grown for seed in the Willamette Valley. However, the three main factors which largely determine yields of grasses grown for seed are 1) the species-specific genetics of the crop which determines their hardiness, 2) the type of soil and its condition, and 3) the wide variation in weather during the growing season – mainly February through June. The Willamette Valley is quite notable for offering a favorable climate for grass seed production; however the vagaries of weather within any given growing season largely determine the seed production capacity of the plant for that year. Thus, the range in yield of tall fescue could genetically be anywhere from 500 to 2000 pounds per acre depending on whether it was a forage or turf type, early or late bloomer, etc. However, for any given variety of tall fescue the yield range for that variety may be 900-1100 pounds with the actual yield dependent on all factors impinging on the plant during the crop year.

Mr. Egge has stated intermediate ryegrass produced about 1400 pounds per acre on this site but previous experience with this crop in other locations often resulted in yields of greater than 2000 pounds per acre. As intermediate ryegrass currently (2008) is sold at $0.38 per pound the 600 pound per acre yield deficit resulted in a $228.00 per acre reduction in gross profit. After deducting fixed and variable costs, the expected net profit would at 1400 lbs is 64% less per acre than expected As the enterprise budget was written

In 2000, a reasonable allowance for inflationary pressure on seed, fertilizer, fuel, etc must be made which would alter the above assumption of profit.

Overseeding of golf courses and pastures and new lawns for houses are typical markets for this seed. The current national economic crisis has resulted in lowered demand for grass seed at all levels and many seed companies have not shipped any seed in many months. Lack of sales depresses farm prices which results in further erosion of profit. One may assume that Mr. Egge might try to only farm land which offers the best yields at the least cost. Incidental factors besides crop inputs which may affect that decision are distance to market, ease of access to the property, etc.

Thus, considering current as well as future market and input cost conditions, the removal of this property from agricultural production would most likely have no effect on the profitability of Egge Farms. However, its loss would have some, as yet unknown, impact on the two smaller properties to the north and south which are also farmed by Mr. Egge.

**Existing Adjacent Uses:**

The City of Springfield's city limits and Urban Growth Boundary abut the subject property on the south. As noted above the predominate use of the land in the area surrounding the subject property is industrial and commercial use with residential use

**Existing Public Facilities and Services (water and sewer lines etc):**

The Trust has grandfathered water rights to the McKenzie River in addition it has three drinking water wells on the property. Based on the commercial and industrial development on adjacent lands to the south, is it clear that those properties are served by urban level public facilities, utilities and services.

**Neighborhood and regional characteristics:**

As noted above, the predominate land use in the area is commercial industrial with some residential uses interspersed. Lands not occupied by some form of dwelling or business seem to be evenly split between idle properties with for sale signs or those with some form of agricultural enterprise.

**Natural or man-made features or other impediments separating the Subject Property from adjacent resource land , such as roads, water courses, utility lines, rights of way, that effectively impede practicable resource use of all or part of the Subject Property:**

As noted above, the McKenzie River and Interstate 5 which, along with the heavy development to the south, create access barriers to and from the property

**Other relevant factors:**

**Soils:**

The main soil types on this parcel are those found near and in the flood plain of larger rivers. The property is a remnant island formed in an oxbow of the McKenzie River. The Newberg-Camas-Cloquato Association is formed upon level and well to excessively drained flood plains. The soils are of alluvial origin and contain a large proportion of sand and gravel indicative of those origins.

The Lane County Soil Survey lists the following agricultural uses for these soils: small grains, grass and legumes for seed, hay, pasture, berries, and timber. Crops previously grown on the property have included green beans, wheat, kale, ryegrass, dill, and perennial ryegrass. Because of the high risk associated with raising berries, melon and potatoes, the Trust opted never to engage in those enterprises.

The following table summarizes the characteristics of the soils:

**Table 1. Soil characteristics within the subject property.**

| Soil Series | Symbol | Area(%) | Capability Class |
|---|---|---|---|
| Camas gravelly sandy loam | 22 | 14.5 | IVw |
| Fluvents | 48 | 35.1 | VIIw |
| Newberg fine sandy loam | 95 | 44.9 | IIw |
| Riverwash | 114 | 5.4 | VIIw |

NOTE: The soils percentages were calculated from a downloaded image from Lane County Maps which was digitized in GIS to estimate the percentage of soils within the taxlot.

The property does not qualify as High Value Farmland as defined in the LCDC administrative rule OAR 660-033-020(8) and ORS 215.710(3), because only 45% of the soil qualifies as high value (Newberg fine sandy loam). For this reason, the subject property should be given higher priority in the UGB amendment process than other resource land that is high value farmland, under state law (ORS 297.298(4).

The fluvents and riverwash soils occupy the actively developing floodplains immediately adjacent and within present stream channels. These areas contain large amounts of sand and gravel which contributes to the excessive drainage of these soils.

As can be seen in the above table, the main limiting factor for this property is wetness, usually due to a seasonally high water table due to the proximity of the river. The lower lying Newberg soils regularly flood while the Camas soils flood only in times of very high water.

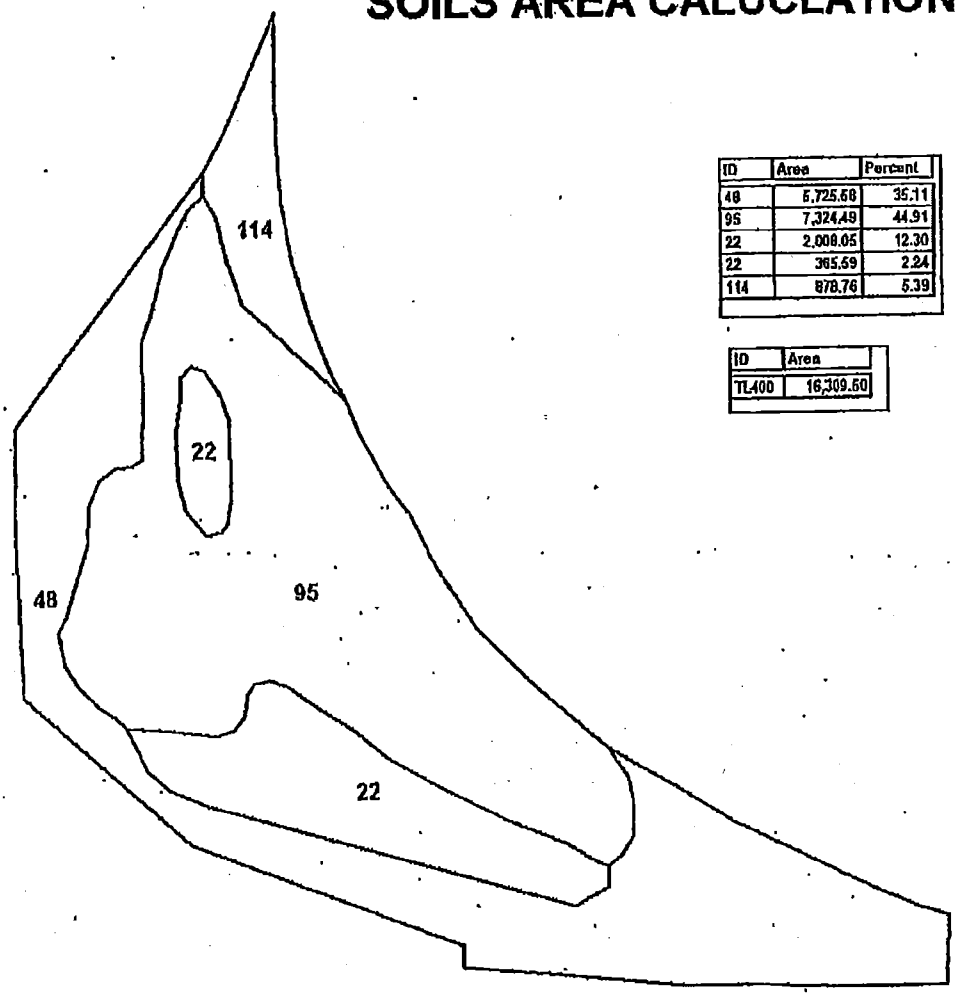
The main problem with the soils from an agronomic perspective is the coarse texture of the soils which limits their water holding capacity. Fine sands, sands, and gravels have the capability to grow some good crops if irrigations is properly applied.

## CONCLUSIONS:

The Wicklund Trust Property consists of soils which are not High Value Farmland as defined by LCDC rule, and has been shown to be difficult to farm due to increasing urbanization which makes access to the property for large farm equipment difficult. The property is hemmed in by the McKenzie River, Interstate 5, and commercial/industrial development.

Considering the characteristics of the subject parcel, the characteristics of adjacent lands, and the relationship between the two, this property could easily be absorbed into the UGB of Springfield without adversely affecting the agricultural economy in the area and ought to be given a higher priority than lands better suited to agricultural enterprises.

# WICKLUND UGB
# SOILS AREA CALUCLATIONS




| ID | Area | Percent |
|---|---|---|
| 48 | 5,725.68 | 35.11 |
| 95 | 7,324.49 | 44.91 |
| 22 | 2,008.05 | 12.30 |
| 22 | 365.59 | 2.24 |
| 114 | 878.76 | 5.39 |

| ID | Area |
|---|---|
| TL400 | 16,309.60 |

NORTH

Scale: 1 inch = 30 feet

GIS Mapping by Northwest Ag Consulting

Christine Lundberg/city council/Mayor
Greg James , Chair planning commission
777 Pearl St
Eugene, OR 97401

February 16, 2014

I ,Walter Johnson, together with my wife Sandra Johnson are property owners in the "North Gateway Area" proposed for inclusion in the revised UGB in Springfield.

We are both in favor of expansion of the city in this area for several reasons as follows:

1) The North Gateway Area has large tracts and few landowners all of which are willing to see growth happen in our area.
2) I have lived on this land my entire 67 years, observed the two cities add nearly 200,000 residents in that time. The need will be there for employment and warehousing in the near future, and this Area is well situated to accommodate such use.
3) Concern with regards to agriculture and its potential removal from our Goal 5 resource inventory is an issue I can address from unique personal experience. I have farmed all the tillable land within the Area , which includes Wicklund, Knox(now Puzzle Parts), Johnson, and the Duce properties, approximately 140 acres.

a) I have spent several thousand hours tilling,irrigating,planting,and harvesting on these properties. The soils represented thereon possess considerable variation. The conclusion I bring for your consideration is this: while these soils could produce crops for some time to come, all properties within the N.Gateway Area have significant restrictive characteristics which limit both the type of crops which our climate allows(and other soils can sustain),as well as restricting productivity ( and thus profitability) of those crops the soils still support.

b) Economic viability is essential for sustainable agricultural use, and I believe approximately 50% of the North Gateway Area soils are incapable of supporting reasonably profitable agronomic returns.

c) This incapacity for reasonable economic returns is directly related to coarse sandy soils, or surface rock, presence of competitive weed species which cannot be eradicated or controlled within most cropping options, and extra costs associated with more frequent irrigations and more expensive fertilization procedures to achieve acceptable results. The poorer production soils are scattered throughout the various properties in such a way as to make it unfeasible to merely avoid tilling and planting these zones.

d) I have been leasing additional land with better soil characteristics all my life as a way to stay in business, together with using the N.G. Area soils as judiciously as possible with very limited selected crops. The easiest way to deal with the issues the soils present has been to no longer lease them.

Date Received: 3-4-14
Planner: LP

4) Competition for water will increase in the future. Higher water inputs on the Area soils will become more of an issue as time passes.

5) The Area lies within a floodplain. My observations over the past 60 years :

There has been a natural deepening and widening of the McKenzie River channel in our area, and is capable of carrying more water than 50 years ago. dams have been constructed . The last 100 year flood event in 1996 did not inundate the Area except in the floodway located on the Wicklund property, and allowed a slight amount to cross our land as well. A small berm of 2 feet by 40 feet long would have prevented water from entering our land.

6) The Area could remain in farming until needed for other uses

We hope the foregoing will be of assistance in your decision making process.
Regards,
Walter and Sandra Johnson

January 17, 2014

Re: Springfield Refinement Plan Project &

Proposed Urban Growth Boundary Change

Dear Ms. Pauly,

This is in response to your letter dated April 26, 2013. I own property in the North Gateway area that is being studied for expansion of the urban growth boundary. Although I am not outright opposed I do have some concerns that I would like to have considered.

First I do not support additional development of agricultural land, we may need it someday. There appears to be a number of parcels within the current boundary that could stand to be revitalized. Although they might not meet the 20+ acre sites I believe these parcels should be considered for development/redevelopment prior to taking more agricultural land out of production.

My second concern is what will I be paying property taxes on , commercial property or agricultural property? In your letter you state that the land would stay in agricultural use until the owner requests annexation. Does this mean the land will be taxed as agricultural until that time? Will I be taxed off my property? If I am to be taxed at a commercial value as soon as the property is included in the urban growth boundary I would be very much opposed to the proposed change.

Thank you for the opportunity to participate in your planning efforts.

Sincerely,

Steven Pickert

Property owner

89800 Sprague Road

Date Received: 1-21-14
Planner: LP

Wicklund Living Trust

3951 Maple Island Farm Rd
Springfield, OR 97477

RECEIVED
JAN 21 2014
By

January 15, 2014

Ms. Christine Lundberg, Mayor
Mr. Greg James, Planning Commission Chair
**CITY OF SPRINGFIELD**
225 Fifth Street
Springfield, OR 97477

**Re: North Gateway Area**

Dear Madam Mayor/Chair James;

On behalf of the Dorcas L. Wicklund Living Trust ("Trust"), property owner in what's more commonly referred to by the City of Springfield as the "North Gateway Area", it is our intent by this letter to support the City's proposed modification of its Urban Growth Boundary (UGB) to include the large 110 acre parcel of real estate located at 3951 Maple Island Farm Road, Springfield, OR 97477 which is singularly owned.

As stewards of the property for over 6 decades the real estate's highest and best use as agriculture has long since past. The coarse alluvial nature of the earth makes it impossible to generate profitable crop yields to sustain reasonable expenses.

The Trust's real estate is a logical addition to complement the City's *Commercial Industrial Buildable Lands 2030 Refinement Plan*. It ideally complements the City's cluster development scheme with long range costs associated with infrastructure de minimis to the enormous sources of revenue to be collected in real property taxes, utilities, income taxes and goodwill associated with jobs created.

I strongly support the City's proposed modification to the Urban Growth Boundary to include property owned by the Trust.

Respectfully,

Earle D. Wicklund
Attorney in Fact/Trustee
Dorcas L. Wicklund Living Trust

EDW/jdc

C: Amy Sowa
Brenda Jones

Date Received: 1-21-14
Planner: LP

## PAULY Linda

**From:** Earle Wicklund [wicklund_associates@comcast.net]
**Sent:** Tuesday, July 30, 2013 4:29 PM
**To:** PAULY Linda
**Subject:** North Gateway Urban Growth Boundary study area

Linda,
With regard to the FLOODWAY, I cannot find where lands designated Floodway are restricted from use to meet landscape requirements on contiguous FLOODPLAIN. About the only restriction I find is the 75' setback from the river as mandated by FEMA. Has the City held internal discussions about this concept as a way to increase USEABLE land for CIBL purposes?

For the past approximate 6 years I have watched you navigate through the arduous 2030 Refinement Plan's public process and concluded there will come a time when you wish you could go back and amend a decision without once again holding a required public hearing. Case in point; landscape requirements. It is for this reason I ask, would it not make sense to move the UGB line all the way to the river with a Rider, the City can consider the floodway to meet landscape requirements for the floodplain.

I believe this is an important topic of discussion as suitable land for development is limited in the North Gateway area and makes sense to maximize developable land by reducing landscape requirements. This is not to mean we do away with landscaping, quite the contrary, a beautiful development can occur by taking that which some might consider a blight and turn it into a feature, such as Beaverton, OR did in its Creekside development off Nimbus Avenue.

Look forward to your feedback.

**Earle Wicklund**

Trustee and Attorney in Fact
Wicklund Lving Trust
3951 Maple Island Farm Road
Springfield, OR 97477

P: 503-641-3062 |F: 503-641-0980 | Cell: 503-887-0058
Email: wicklund_associates@comcast.net

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Date Received: 8-5-13
Planner: LP

## PAULY Linda

**From:** Earle Wicklund [wicklund_associates@comcast.net]
**Sent:** Monday, July 08, 2013 7:08 AM
**To:** PAULY Linda
**Subject:** Linda Pauly Work Session 7.8.2013
**Attachments:** Wicklund Living Trust Linda Pauly July 8.2013 UGB work session.pdf

Linda,

Please find attached information from the Trust's perspective that I should think will address floodplain issues for those who have no real estate development or construction background. Flood plain lands have been developed since the first settlers arrived in America and in Oregon. As history proves all of Eugene was once underwater which is why Eugene Skinner built his home on Skinner Butte after native Kalupuya Indians warned him of Willamette River Floods. Today the City remains dry because of innovative flood plain engineering.

Should you have any questions please do not hesitate to contact me.

**Earle Wicklund**

Trustee
Wicklund Living Trust
3951 Maple Island Farm Road
Springfield, OR 97477

Lincoln Tower - 10260 SW Greenburg Road, Suite 400
Portland, OR 97223-5514
P: 503-641-3062 | F: 503-641-0980 | Cell: 503-887-0058

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Date Received: 7-8-13
Planner: LP

# WICKLUND LIVING TRUST

July 8, 2013

Ms. Linda Pauly
Planning Supervisor
Community Planning & Revitalization
225 5th Street
Springfield, OR 97477
541.726.4608
lpauly@ci.springfield.or.us

Ms. Pauly:

As City and County prepare for their Joint Public hearing November 4, 2013 I would like to share for your consideration what a commercial development within the North Gateway flood plain might look like. Please see the attached site plan. Also included are a few building exteriors.

**QUESTION:** If land is raised above base flood plain elevations would they then be eligible for Industrial Lands Certification? The Wicklund Trust Property Base Flood Elevation ("BFE") as provided by the US Department of Homeland Security is 427.50' for structures. One structure is ½ foot above while another is a couple of feet below. The BFE for the Trust's NW corner of the property and contiguous to Puzzle Parts property is unknown. Perhaps the City has data it can share on this subject. Raising property above BFE is a straightforward process. Construction companies do this every day. As you will note from the site plan attached, the Wicklund Trust development is not within 75' of the McKenzie River. In fact with the extension of Corporate Way through its property, future improvements may even be 100' from the Floodway line. This orients a building some 500' from the McKenzie River. The Trust feels at least 50 acres of its property can be used for industrial/commercial development in conjunction with the September 2009 COMMERCIAL and INDUSTRIAL BUILDABLE LANDS INVENTORY and ECONOMIC OPPORTUNITIES ANALYSIS by ECONorthwest. Improvements such as multi-story office and hospital buildings and flex industrial buildings are all believed to be in compliance with City desired Cluster Development activity and would compliment the Trust property nicely.

1996 flood maps may appear to show the Trust property underwater. However, the Trust recently had the property studied by Radeke Associates. Albeit not engineers, rather biologists, they conclude given reasonable access by way of Corporate Way and Maple Island Road through the slough habitat area the site could easily be accessed as it lacked at least one criteria necessary to be considered wetland with no evidence of flow through the slough to or from the Mckenzie River nor is there a continuous ordinary high water mark indicating the slough would be navigable. There is no Mckenzie river infall but an Army Corps of Engineers outfall exists at the NW corner of the property. ½ of the Trust's Mckenzie River frontage has Army Corps of Engineer revetment.

To dispel 1996 satellite imagery during the McKenzie River's highest river level since 1964 the Trust property saw its subsurface water table rise. That rise combined with rainfall gives the illusion the property is flooded. Once the rain stops the rain water subsides back underneath the surface as a result of its coarse alluvial composition. These waters dissipate within hours.

3951 Maple Island Farm Road, Springfield, OR USA 97477 Phone: 541-726-7577 Fax: 541-747-7299

The Wicklund property is not high value farm land because it does not consist of predominantly high value soils as described in ORS 215.710(3) and OAR 660-033-0020(8) and a report by agronomist Tom Thomson supports the Trust's assertion.

Under OAR 660-033-020(8) and ORS 215.710(3) the subject property does not fall under "High Valued Farm Land" because (i) less than 45% of the property is classified high value; (ii) contains large amounts of sand and gravel which contributes to the excessive drainage of these soils, (iii) seasonally high water table due to proximity of the river and (iv) the coarse texture of the soils which limits water holding capacity. A recent 2009 professional Agronomic Suitability Analysis of Wicklund Trust Property supports the above.

**ANCEDOTAL:**
As one of North Gateway Region's 50+ acre contiguous land owners perhaps some anecdotal storm water background might prove helpful as you prepare for your July 8, 2013 work session.

Prior to construction of PEACE HEALTH's Sacred Heart Hospital its land was owned by the Connelly family who grew bulbs, such as tulips and daffodils. When there was a high water breach of McKenzie River banks at Riverbend the Peace Health property would flood and many of the bulbs found their way down a natural ditch now called International Way.

Prior to the purchase of approximately 30 acres and construction of Sony's Disc Manufacturing plant at 123 International Way in 1994, *now occupied by Peace Health's OML medical laboratory*, and Shorewood Packaging's purchase of 14.10 acres (*555 International Way*) diagonally northwest across International Way from Sony in 1995 a natural storm water ditch meandered through north gateway. Adjacent property owners to the ditch were; Larry Brabham, Harold Rice, Paul Koppe, and Harry Mersdorf. The high water would flow west down the ditch towards the now Eugene Register Guard property more commonly referred to as 3500 Chad Drive west of I-5 freeway. The elevation of the OML plant is at approximately 435' feet above sea level while the Register Guard's property is approximately 425'.

In approximately 1995 the City of Springfield constructed International Way filling in the natural ditch. A year later the Trust understands Mr. Thomas Costabile, Senior Vice President of operations for the Sony Disc Plant threatened legal action against City Engineers because his plant flooded in the 1996 flood. Sony discovered the City storm water system was not adequate to discharge water into the McKenzie River while the river's banks were swollen. So where did the water go? It went where it always did, down International Way toward Sony's plant backing up through the storm water pipes.

The Trust believes steps were taken shortly after Mr. Costabile's complaint to mitigate future Sony storm water flooding by adding improvements upstream along Peace Health's Riverbend property and Baldy View Lane. The point here is, a solution was found.

Why the history lesson? The City's engineering department does an excellent job working off engineered drawings but in Sony circumstance not the best job using historic and anecdotal information from local property owners. As the City now begins to look to the EcoNorthwest Economic Analysis as it relates to commercial industrial buildable lands (CIBL) the Trust is optimistic its property will contribute significantly toward meeting City future CIBL land needs.

3951 Maple Island Farm Road, Springfield, OR USA 97477 Phone: 503-641-3062 Fax: 503-641-0980
Email: Wicklund_Associates@comcast.net

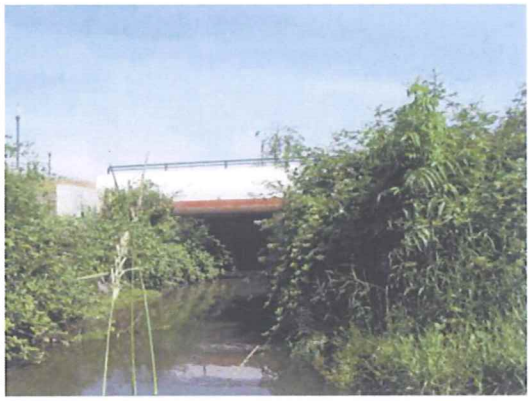
In addition, The Trust believes its real estate will have little impact on "AS IS" channel and riparian area improvements for water quality along Maple Island Slough as the Wicklund's property has its own natural storm water *outfall* dynamic already with the McKenzie River bordering its property to the north and the Maple Island Slough to the south. Downstream properties will not be impacted by Trust impervious surfaces as the Maple Island Slough and McKenzie River will discharge all of its storm water. In addition, there is no access from the McKenzie River at the Trust's NE property corner as it is 13' above the current river table to the Maple Island Slough. In fact a forest abuts the Trust's eastern property line providing amazing stability to the property. Because of the unique characteristics of the Wicklund Trust Property's storm water will have little to no impact on the hydrologic regime for both flow and volume. Below I will discuss bridge mitigation over the slough that may play an important role in your overall Storm water Management Plan and provide the "AS IS" benefit the Trust now enjoys with the Maple Island Slough to extend to adjacent property owners to the south.

In the "*Storm water Management Plan Addendum 1*", it states downstream property owners must accept water that naturally comes to their land from above. The Wicklund Trust property with the forest to its east and slough to its south has never been influenced by upstream property owners, in part because of the aforementioned ditch (now International Way) and the Maple Island Slough. Even with International Way's construction the 1996 flood waters that impacted Sony's property did not impact the Trust's property. Other than Shorewood Packaging and perhaps Royal Caribbean no water discharges from "upstream property owners" onto the Wicklund property. Shorewood has what appears to be an 8" man made storm water line discharging water into the Maple Island Slough and Royal Caribbean has more of a canal feature engineered through City of Springfield land.

John Hammer property. (See Next Page)

A large bioswale designed to remove silt and pollution from surface runoff water was constructed by City engineering in about 1995 and is situated just east of Corporate Way and south of the Trusts property. To date it handles very little storm water from adjacent property. The Maple Island Farm Road that now crosses the slough and leads to the Wicklund Trust's 110 acres will surely act as a dam to waters discharged into the slough to the east of the bridge/road should that bioswale become active. The SOLUTION would be an immediate construction of a bridge similar to that now seen at 42nd and Industrial Avenue in Springfield and constructed to accommodate the Mt Hood Beverage building on the

3951 Maple Island Farm Road, Springfield, OR USA 97477 Phone: 503-641-3062 Fax: 503-641-0980
Email: Wicklund_Associates@comcast.net



With regard to the aforementioned bioswale, little water is seen in it at this time as no impervious surfaces exist today that would otherwise discharge storm water into it and subsequently into the Maple Island Slough east of the Wicklund bridge. The Trust feels the solution would be to add two bridges similar to that seen above, one at Corporate Way and the other at Maple Island Road (*a City of Springfield Planned alignment*).

As you will also see on attachments there are ways to mitigate water on Flood Plain and Creekside Business Center in Beaverton, OR is a perfect example. Fanno Creek is a significant tributary that runs along Creekside through the City of Tualatin, Oswego Lake in Lake Oswego and discharges into the Willamette River.

Should you have any questions please do not hesitate to contact me.

Thank you.

Sincerely,

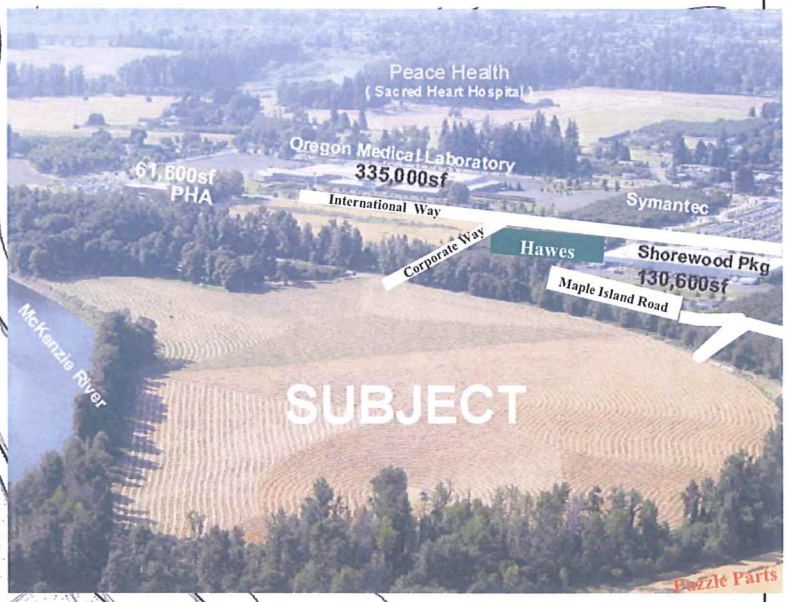
Earle D. Wicklund
Trustee
Wicklund Living Trust

C:
Wicklund Living Trust
Jordan Schrader
Richard Satre

3951 Maple Island Farm Road, Springfield, OR USA 97477 Phone: 503-641-3062 Fax: 503-641-0980
Email: Wicklund_Associates@comcast.net

**Wicklund Trust Property**

Puzzle Parts

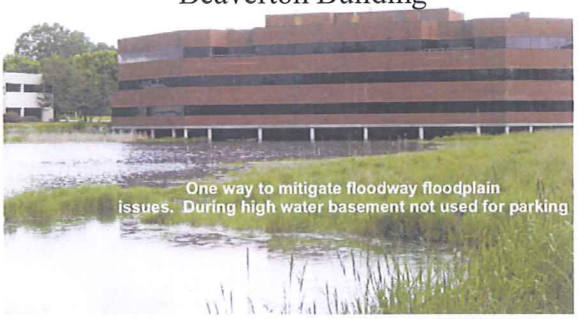


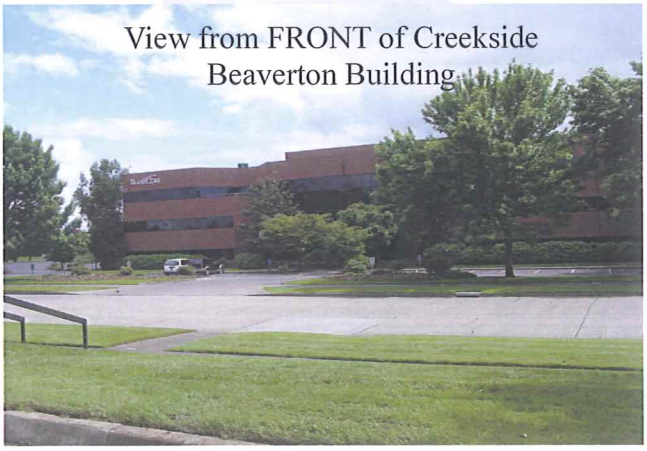
**Wicklund Trust Property**

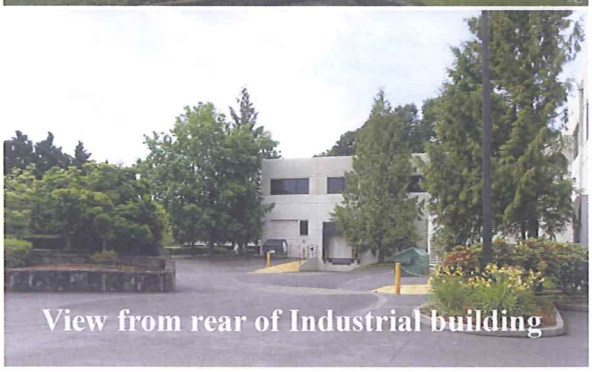
**Rough location of Floodway Line**

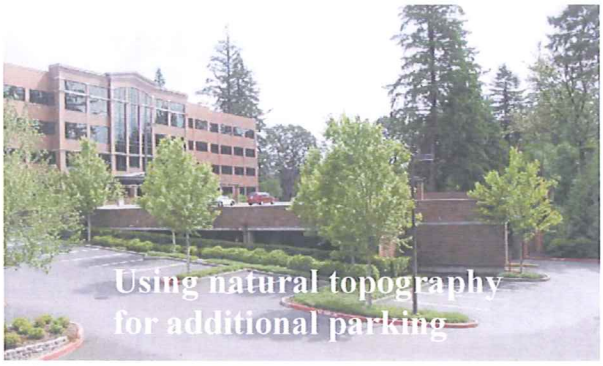
Wicklund Trust Property
3951 Maple Island Farm Road
Springfield, OR 97477

View from REAR of
Creekside Business Center
Beaverton Building





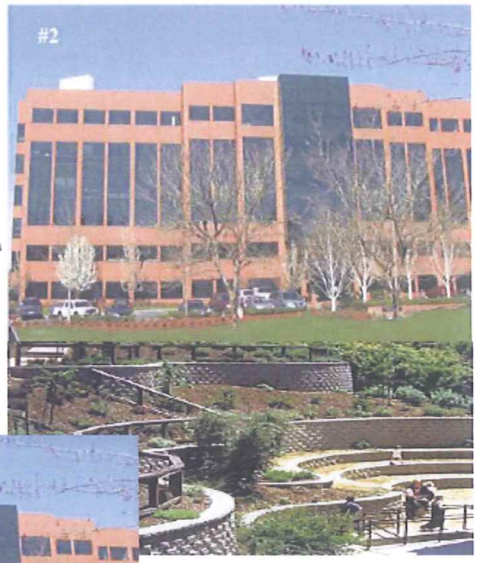



This building featured with water underneath as seen on previous page
SW Cirrus Dr
SW Stratus St
SW Hall Blvd
SW Cascade Ave
SW Nimbus Ave
Fanno Creek Trail
Fanno Creek
Winter rain sees this entire basin underwater
217
© 2013 Google
Google earth
Imagery Date: 8/15/2012 45°27'27.29" N 122°47'27.40" W elev 167 ft eye alt 3205 ft

Gabion Wall used to mitigate Flood Plain issues

Several concepts
For same
building

Woven mesh gabion
wall



Shaped boulders

Concrete wall with rock feature.
Also a nice concept for amphitheater

For more information contact:

Earle Wicklund
Wicklund & Associates LLC
Beaverton, OR
503-641-3062
Email: wicklund_associates@comcast.net

## PAULY Linda

**From:** Earle Wicklund [wicklund_associates@comcast.net]
**Sent:** Monday, July 08, 2013 3:59 PM
**To:** PAULY Linda
**Subject:** Floodway used for landscape requirements Linda Pauly Work Session 7.8.2013

Linda,

Thank you.

You got me thinking about landscape requirements. To meet future development on the Wicklund Trust's flood plain if we assume it receives a Campus Industrial zoning that today carries a 30% landscape requirement. Very expensive when owner/users look to keep their respective costs per square foot competitive in the market place. However, if we the UGB expands to the McKenzie River then we could orient the buildings as seen on the attachments earlier today not back from the Floodway line rather at the Floodway line. From the Floodway line to the river that lower valued land could then meet landscape requirements since no improvements can be built in the Floodway while street alignments would then be closer to the Maple Island Slough. You might want to discuss that tonight in the work session.

As of right now, we are thinking the Floodway would be an excellent location for Nursery stock, sawdust jogging paths and an outdoor amphitheatre.

Earle

---

**From:** PAULY Linda [mailto:lpauly@springfield-or.gov]
**Sent:** Monday, July 08, 2013 11:43 AM
**To:** 'Earle Wicklund'
**Subject:** RE: Linda Pauly Work Session 7.8.2013

Thank you. I've added this into the record.

Linda

Linda Pauly, AICP
Principal Planner
City of Springfield
(541) 726-4608 Fax (541) 726-3689
http://www.springfield-or.gov/dpw/ComprehensivePlanning.htm

SPRINGFIELD OREGON

**From:** Earle Wicklund [mailto:wicklund_associates@comcast.net]
**Sent:** Monday, July 08, 2013 7:08 AM
**To:** PAULY Linda
**Subject:** Linda Pauly Work Session 7.8.2013

Linda,

Please find attached information from the Trust's perspective that I should think will address floodplain issues for those who have no real estate development or construction background. Flood plain lands have been developed since the first settlers arrived in America and in Oregon. As history proves all of Eugene was once underwater which is why Eugene Skinner built his home on Skinner Butte after native Kalupuya Indians warned him of Willamette River Floods. Today the City remains dry because of innovative flood plain engineering.

Should you have any questions please do not hesitate to contact me.

**Earle Wicklund**

Trustee
Wicklund Living Trust
3951 Maple Island Farm Road
Springfield, OR 97477

Lincoln Tower - 10260 SW Greenburg Road, Suite 400
Portland, OR 97223-5514
P: 503-641-3062 | F: 503-641-0980 | Cell: 503-887-0058

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KPI-JCI
ASTEC COMPANIES

Johnson Crushers International, Inc.

June 28, 2013

Ms. Linda Pauley
Project Manager, Principal Planner
City of Springfield
Development and Public Works Department
225 Fifth St.
Springfield, OR 97477

RE: Springfield 2030 Refinement Plan Project & Proposed Urban Growth Boundary Change
Subject Land: Tax lot 18-03-11-30-03500

Dear Ms. Pauley,

Johnson Crushers International, Inc. (JCI) owns 18.8 acres that is located within the area identified as potential UGB expansion area – Seavey Loop. This is tax lot 18-03-11-30-03500. JCI's main facilities are across Franklin Blvd to the North West and adjacent to subject property at 86470 Franklin Blvd, Eugene, OR 97405. The purpose of this letter is to express our desire that the subject land be included in the UGB expansion.

JCI is a wholly owned subsidiary of Astec Industries, Inc. (ASTEC). JCI is in the business of engineering, manufacturing, marketing, selling, supplying aftermarket parts and service for a product line of rock crushing and screening equipment. Its products are sold worldwide to the mining, construction, energy, and recycling industries. JCI currently employs some 270 people with an annual payroll and benefits in excess of $19 million. JCI pays property taxes in the amount of $131,330.

Our business plan for the next 5 years includes adding 125 – 140 labor and professional positions. If we accomplish our plan, it will require facility expansion and capital improvements. JCI's main facilities wouldn't support that growth and additional land for factory expansion is most likely required. Our preference would be to maintain the business on a single campus.

I look forward to the opportunity to testify at the upcoming public hearing on November 4, 2013. If you have questions, please feel free to contact me.

Sincerely,

Jeff Elliott
President, JCI, Inc.

Date Received: 7-10-13
Planner: LP

cc: Christine Lundberg, Springfield Mayor
Gino Grimalkin, Springfield City Manager
Len Goodwin, Development and Public Works Director
Sid Liken, Chair, Lane County Board of Commissioners
Matt Laird, Lane County Land Management Division Manager

MAIN OFFICE
800-314-4656/541-736-1400
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SALES DEPARTMENT
800-314-4656
FAX: 541-736-1424

PARTS DEPARTMENT
888-474-0115
FAX: 541-988-9487

SERVICE DEPARTMENT
866-875-4058
FAX: 541-988-9501

86470 Franklin Boulevard, Eugene, OR 97405 USA
WWW.KPI-JCI.COM

#12

**LAW OFFICE OF BILL KLOOS, PC**

OREGON LAND USE LAW

375 W. 4th STREET, SUITE 204
EUGENE, OR 97401
TEL (541) 954-1260
FAX (541) 343-8702
E-MAIL BILLKLOOS@LANDUSEOREGON.COM

February 17, 2010

City of Springfield and Lane County Planning Commissions
City of Springfield Planning Department
225 Fifth Street
Springfield, Oregon 97477

Re: Springfield 2030 Refinement Plan

Dear Planning Commissioners:

We represent the Willamette Water Company in the Springfield 2030 Refinement Plan proceedings and submit this letter and attached exhibits for entry into the record. The Willamette Water Company supports Concept 1, which proposes to expand the Springfield urban growth boundary (UGB) to include 235 suitable acres for employment use (420 total acres) in the Seavey Loop/Goshen area.

**The Willamette Water Company**

The Willamette Water Company is a Public Utilities Commission (PUC) regulated, quasi-municipal utility established in 1972. It currently serves domestic, commercial, industrial and public/institutional customers in the greater Goshen area. A map of the Willamette Water Company service area is attached hereto as Exhibit A. The current service area for the Willamette Water Company is heavily in commercial and industrial use, with non-residential customers accounting for approximately 70 percent of water usage and sales revenue. Its top customers include the BPA Alvey electrical substation, Emerald Peoples Utility District, JCI Fabricators and Conc Lumber.

The existing water distribution system in the Seavey Loop/Goshen area is robust. It is composed of approximately 40,000 feet of ductile iron main pipeline, varying from 20 inches to 6 inches in diameter. A map showing the diameters of the Willamette Water Company's water system is attached as Exhibit B. Ductile iron pipe provides a service life of over 90 years. The approximate age of the current system is 32 years. The system currently has 171 service meters, ranging in size from ¾ inch to 8-inch. There are also 47 fire hydrants, which are utilized by the Goshen Fire Department. A map showing the hydrant and valve locations for the Willamette Water Company's system is attached as Exhibit C. The system is gravity fed by the Eugene Water and Electric Board's Bloomberg Reservoir, with an overflow elevation of 700 feet.

The Willamette Water Company currently has a 4 CFS water right on the McKenzie River. While this water right is ample to supply the projected 40 year demand in the current service area, Willamette Water has applied for an additional 34 CFS water right on the McKenzie River to supply safe drinking water to an expanded service territory in the southern Willamette Valley.

The current population of approximately 23,000 in this expanded service area is projected to grow to about 51,000 over the next 40 years. This population increase, combined with poor water quality and low water production in the area, will result in a high demand for a source of clean, treated surface water. The Willamette Water Company is positioned to fulfill this need.

As is evident from the above, Willamette Water Company has existing infrastructure in place to provide water service to the Seavey Loop/Goshen area under consideration for inclusion into the City of Springfield's UGB.

**The Seavey Loop/Goshen Area Contains the Only Exception Lands Dedicated to Employment Use and is the Highest Priority Land for Inclusion into the UGB.**

As staff has explained throughout the HB 3337 process, Goal 14 and the Oregon Revised Statutes prescribe a precise hierarchy regarding the priority of land types that can be included within a proposal to expand an urban growth boundary.

ORS 197.298 sets out both the priority and the permitted exceptions for including lands within an urban growth boundary.[1] The highest priority land for consideration is land designated urban

---

1 ORS 197.298 **Priority of land to be included within urban growth boundary** provides:

"(1) In addition to any requirements established by rule addressing urbanization, land may not be included within an urban growth boundary except under the following priorities:

"(a) First priority is land that is designated urban reserve land under ORS 195.145, rule or metropolitan service district action plan.

"(b) If land under paragraph (a) of this subsection is inadequate to accommodate the amount of land needed, second priority is land adjacent to an urban growth boundary that is identified in an acknowledged comprehensive plan as an exception area or nonresource land. Second priority may include resource land that is completely surrounded by exception areas unless such resource land is high-value farmland as described in ORS 215.710.

"(c) If land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247 (1991 Edition).

"(d) If land under paragraphs (a) to (c) of this subsection is inadequate to accommodate the amount of land needed, fourth priority is land designated in an acknowledged comprehensive plan for agriculture or forestry, or both.

"(2) Higher priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use.

"(3) Land of lower priority under subsection (1) of this section may be included in an urban growth boundary if land of higher priority is found to be inadequate to accommodate the amount of land estimated in subsection (1) of this section for one or more of the following reasons:

"(a) Specific types of identified land needs cannot be reasonably accommodated on higher priority lands;

"(b) Future urban services could not reasonably be provided to the higher priority lands due to topographical or other physical constraints; or

"(c) Maximum efficiency of land uses within a proposed urban growth boundary requires inclusion

reserve land. Since the City of Springfield has no urban reserve land, the city must move to the next highest priority land as prescribed by ORS 197.298(1)(b). The second priority land is land that is adjacent to the UGB that is acknowledged as an exception area or as nonresource land.

Of the areas under consideration for UGB expansion, the Seavey Loop/Goshen area is the only area that includes exception land planned for employment uses and is the area that has the highest concentration of exception land of all types. In short, if any area is brought into the City of Springfield to meet the identified employment land need, it must be land in the Seavey Loop/Goshen area.

While ORS 197.298(3)(c) allows for a city to include land of lower priority in conjunction with land of higher priority for the purposes of maximizing land use efficiency, the statute does not readily allow a city to skip higher priority lands to include lower priority lands instead. This point was made clear in DLCD's recent order to the City of Bend regarding its proposed UGB expansion. That order is attached hereto as Exhibit D (The full 156 page order is provided with the original of this letter; copies include only the cover page). In that order, DLCD concluded that the methodology and approach used by the City of Bend improperly excluded a substantial amount of land planned and zoned as exception lands in favor of including large amounts of lower priority lands. Exhibit D, page 115 of 156. As the LCDC order for Bend demonstrates, the hurdle for bypassing higher priority lands altogether in favor of lower priority lands is extremely high.

The Joint Planning Commissions should recommend that the Springfield City Council and the Lane County Commissioners include all of the acknowledged exception lands in the Seavey Loop/Goshen area, as well as those lower priority lands that will provide for maximum efficiency in providing services to those exception lands, in the new City of Springfield UGB.

**Concept 1 is an efficient and defensible approach to fulfilling the City's employment land needs.**

The Commercial and Industrial Buildable Lands Study/Goal 14 Analysis (CIBL) indicates that the City of Springfield needs an additional 640 acres of employment land to meet its needs over the next twenty years. With the guidance of the technical committee, staff and EcoNorthwest have developed three concepts as to how this need can be met. These three concepts are presented in the staff report.

The Willamette Water Company urges the Planning Commissioners to recommend adoption of Concept 1. It represents an efficient and defensible approach to fulfilling the City's employment land needs.

As noted above, the Seavey Loop/Goshen area represents the only area for consideration that

---

of lower priority lands in order to include or to provide services to higher priority lands."

includes exception land planned and zoned for employment (commercial and industrial) use and contains the largest area of exception land under consideration. It is the highest priority land for consideration and must be brought into the city if the city expands at all. The question is, how much land should be brought in?

The three concepts contain two different proposals for UGB expansion into the city. Concepts 2 and 3 envision bringing in a total of 260 acres to acquire 90 acres suitable for development. Those concepts include only exception lands in the Seavey Loop/Goshen area, which results in a jigsaw puzzle configuration of parcels.

Concept 1 envisions bringing in a total of 420 acres to provide 235 acres suitable for employment land use. Consistent with the principles set forth by ORS 197.298(1) and (3), Concept 1 includes lower priority lands entirely surrounded by exception lands or areas that will allow for the maximum efficiency of land uses in order to provide facilities and services to the exception lands in the area. As you can see from the graphic for Concept 1, it fills in the gaps of the puzzle.

Because the City of Springfield must include the Seavey Loop/Goshen area in any UGB expansion, it represents responsible planning and governance to do it in the most efficient manner possible. The way to do that is by recommending that the City Council and County Commissioners adopt Concept 1. It represents an efficient and defensible decision.

One final point should be made about the Seavey Loop/Goshen area. Map 9 from the staff report, entitled "Study Area Summaries," at page 647 of the staff report indicates that the Seavey Loop/Goshen area (Area 9/10) consists of 1,791 acres/399 tax lots. While the initial study area may have been that large, the Willamette Water Company is concerned that persons may believe that the entire area is under consideration for UGB expansion. It is not. There is no way the city could justify bringing in the large areas of farmland on the eastern portion of the study area.

Only the areas envisioned by the three proposed concepts represent defensible UGB expansion decisions, and of the three, Concept 1 is the best.

**The Public Facilities and Services Analysis in the Staff Report is Misleading. There are Existing Water and Fire Services Available in the Seavey Loop/Goshen Area.**

The staff report for this hearing contains information prepared by the public works staff regarding the Goal 14 Boundary Location Factor 2, which requires consideration of the orderly and economic provision of public facilities and services. That information is misleading.

The information provided in the staff report assumes that it is the City of Springfield and the Springfield Utility Board that is to provide the public facilities and services. So, for example, the Seavey Loop/Goshen area is identified as having no existing water service. See Section F-28, Staff Report p. 656. As this letter explains above, that is a factually incorrect statement.

Importantly, the assumption made in the city's analysis – that the city can and should limit its

review of public facilities and services to those that it provides – is not defensible. Again, the DLCD's order in the Bend case provides guidance on this issue. In the Bend proceeding, the city established review criteria that required lots to be serviceable by "city" water and sanitary services and is within the regional stormwater plan service area. DLCD commented that the serviceable criteria was permissible "except for the limitation to *city* facilities" for the sanitary systems. See Exhibit D, page 118, Table 3. A notation referring to the analysis for the sanitary facilities was made for the water and stormwater facilities.

In short, the appropriate consideration is whether public facilities and services can be provided to an area in an orderly and economic manner, not whether "city" facilities and services can be provided. Here, the Joint Planning Commissions and the local governments should know that the Seavey Loop/Goshen area considered for inclusion into the Springfield UGB already has existing water and fire services.

As discussed above and shown in Exhibits A through C, the Willamette Water Company has the existing infrastructure in place to provide water to the entire area considered for inclusion into the UGB. The Planning Commissioners should understand that water is not a "constraint" for the Seavey Loop/Goshen Area (see Staff Report p. 656, F-28), and will not be "difficult" to provide water services to (see Staff Report p. 661, F-33).

The case is the same for fire and life safety issues. Attached hereto as Exhibit E is a diagram showing the Goshen Fire Department service area. That diagram shows that the Seavey Loop/Goshen areas considered for inclusion into the City of Springfield are currently provided with fire and emergency services. There is no reason why these services could not be continued into the near-term future. There is no basis to conclude that fire services are constrained or difficult to provide for this area.

It is also worth noting that the staff report discusses the fact that Springfield fire services will need to expand to serve the southern Glenwood area as it develops. Any expansion plans that include the full Glenwood area can readily incorporate services to the Seavey Loop/Goshen area. In the mean time, public fire and emergency services already exist for the area and can efficiently be continued into the near-term future.

We urge the Joint Planning Commissions to recommend adoption of Concept 1 to the Springfield City Councilors and Lane Planning Commissioners.

Thank you for your consideration.

Sincerely,

Bill Kloos

**Exhibits**

| | |
|---|---|
| Exhibit A | Map – Willamette Water Company Service area |
| Exhibit B | Willamette Water Company Pipe Size Map |
| Exhibit C | Willamette Water Company Hydrant and Valve Location Map |
| Exhibit D | DLCD Order 001775 – Report on Bend and Deschutes County's Amendment to the Bend Urban Growth Boundary (cover only, full copy provided to staff) |
| Exhibit E | Map showing the Goshen Fire Department Service Area |

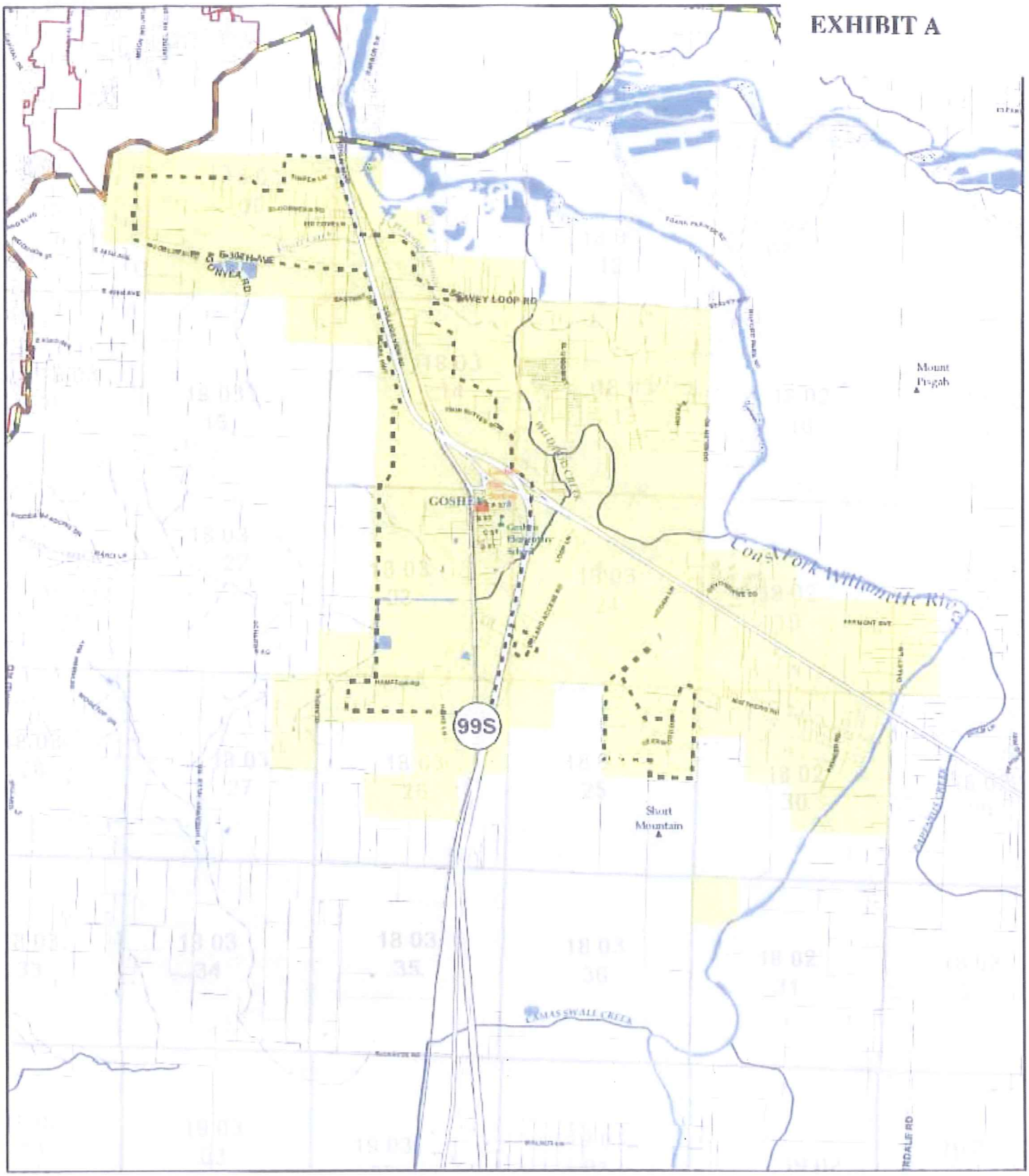
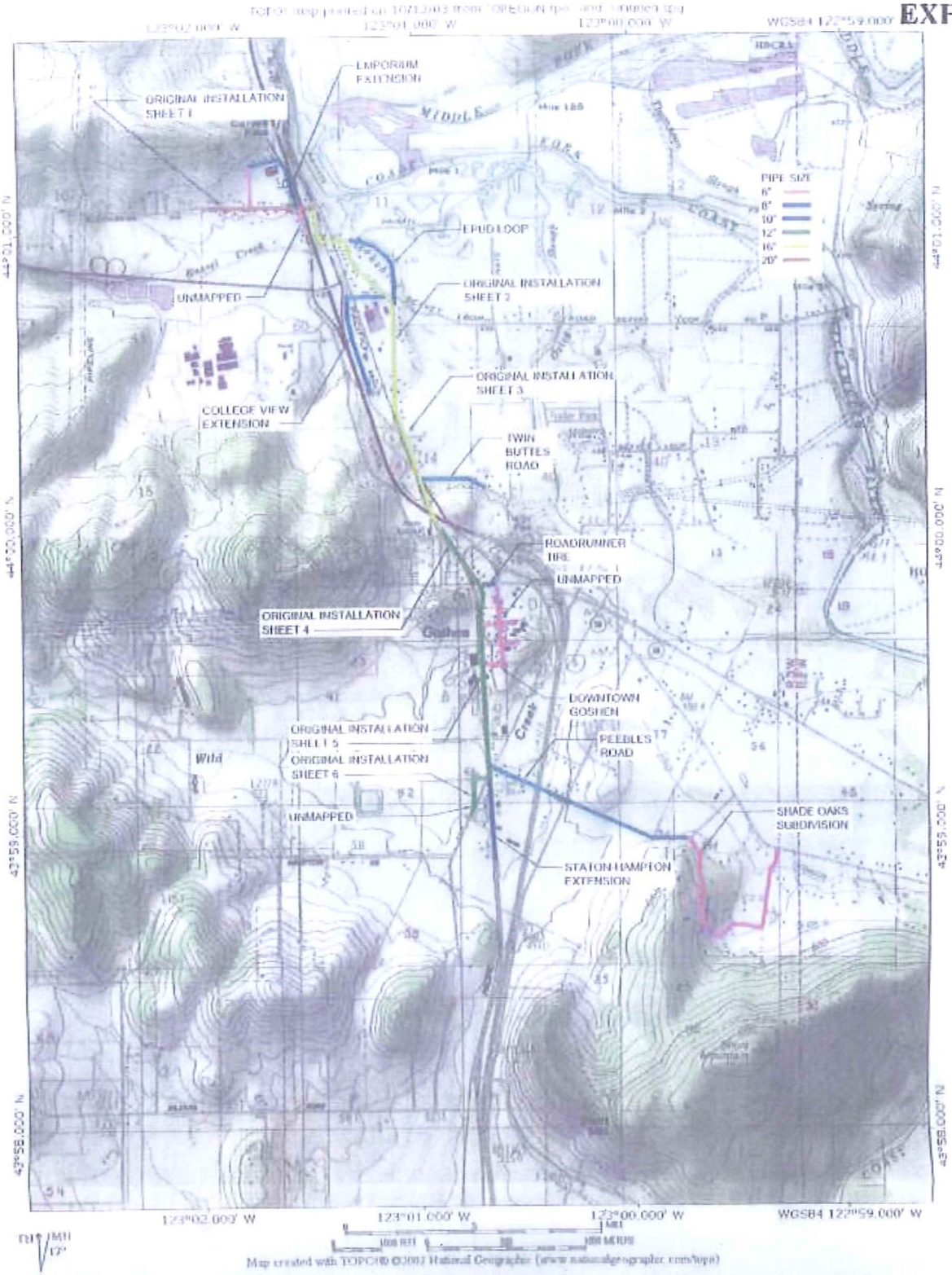


EXHIBIT A
GOSHEN
99S
Mount Pisgah
Short Mountain
Long Tom Willamette River
Willamette Water Company
Willamette Water Co. Service Area
Rivers and Streams
Existing Water Right
Artificial

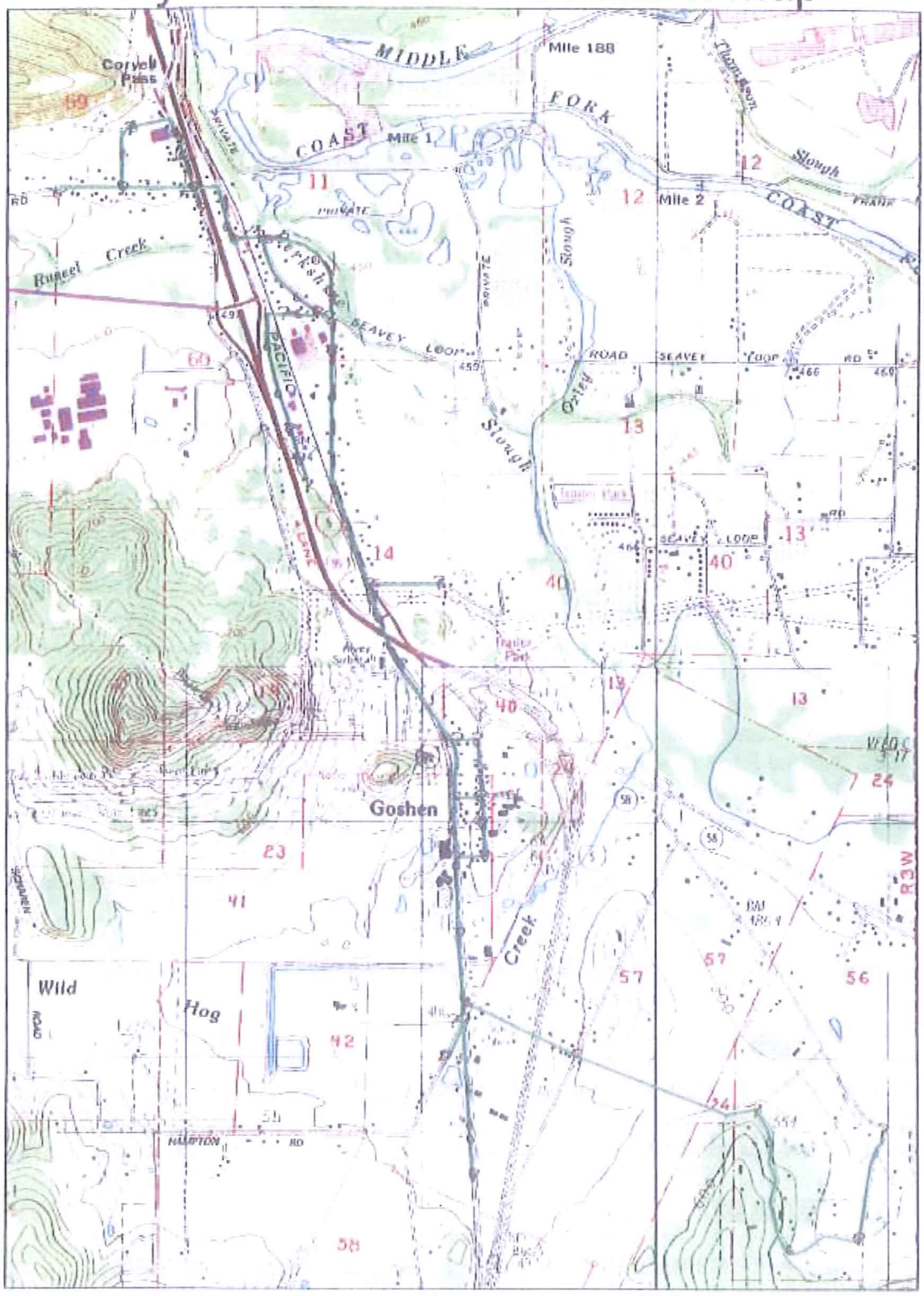
**EXHIBIT B**




Goshen Water Distribution System

# Hydrant and Valve Location Map

**EXHIBIT C**




0 0.3 0.6 1.2 Miles

6 Hydrants
? 6 Valves
? 8 Valves
? 13 Valves
? 17 Valves
? 16 Valves
20 main connections
System Mainline

S

Intended map use is for approximate valve locations and reference purposes only and should not be used for mainline locating. The map producer assumes no responsibility or liability for map accuracy or item location discrepancies.

**EXHIBIT D**

# DEPARTMENT OF LAND CONSERVATION & DEVELOPMENT

## REPORT ON BEND AND DESCHUTES COUNTY'S AMENDMENT TO THE BEND URBAN GROWTH BOUNDARY

## DLCD ORDER 001775

January 8, 2010

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EXHIBIT A: Excerpts from the July 7, 1981 LCDC Compliance Acknowledgment Order for the Bend comprehensive plan

EXHIBIT B: April 14, 2005 staff report to LCDC regarding UGB location factors


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## PAULY Linda

**From:** Bill Kloos <billkloos@landuseoregon.com>
**Sent:** Friday, February 07, 2014 12:26 PM
**To:** Mary Bridget Smith (mbs@emeraldlaw.com); CLARK Andy; Emily Jerome (emily@speerhoyt.com); PAULY Linda; MILLER Keir C
**Cc:** Jeff Elliott (jelliott@jcieug.com); MOTT Gregory; Bill Kloos
**Subject:** RE: Springfield Commercial Industrial UGB Expansion

Linda et al:

The letter and all the supporting exhibits are now posted on our website – here: http://www.landuseoregon.com/projects/project-springfield-ugb-expansion-for-goal-9/

Bill Kloos
Law Office of Bill Kloos, PC
375 W. 4th Avenue, Suite 204
Eugene, OR 97401
Phone: (541) 343-8596
e-mail: billkloos@landuseoregon.com
Web www.LandUseOregon.com

Please do not read, copy or disseminate this communication unless you are the intended addressee. This e-mail communication may contain confidential and/or privileged information intended only for the addressee. If you have received this e-mail in error, please call immediately at 541-343-8596. Also, please notify me by e-mail. Thank you.

---

**From:** Bill Kloos
**Sent:** Thursday, February 06, 2014 2:44 PM
**To:** Mary Bridget Smith (mbs@emeraldlaw.com); Andy Clark (Andy.CLARK@co.lane.or.us); Emily Jerome (emily@speerhoyt.com); Linda Pauly (lpauly@springfield-or.gov); Keir.miller@co.lane.or.us
**Cc:** Bill Kloos; Jeff Elliott (jelliott@jcieug.com); Greg Mott (gmott@ci.springfield.or.us)
**Subject:** Springfield Commercial Industrial UGB Expansion

Mary Bridget and Linda:

I understand that, in light of the recent Court of Appeals decision in the matter of the Woodburn UGB expansion, that the city is slowing, just a bit, its consideration of the alternatives for expanding the UGB for Industrial and Commercial lands, and, therefore, there will not be hearing at the end of February.

Attached is a letter related to that topic, filed on behalf of our client, Johnson Crushers International. The letter, and supporting exhibits A through M, explain why the Seavey Loop area must be elevated to the first priority of land in the city's review of expansion options. It must be first, whereas the most recent staff recommendation would make it last.

The letter and supporting exhibits are lengthy. I will mail the city the entire package on a CD for inclusion in the record. I will also promptly post the letter and all the exhibits on my office website – here: http://www.landuseoregon.com/projects/

JCI and a number of other existing industrial and commercial uses inhabit the Seavey Loop area, are contiguous to the existing UGB, have all the basic infrastructure needed for an urban level of use, and have been chafing for years under rural Lane County regulations that effectively stifle their potential growth and production of jobs. We trust that, based on the attached letter, the city will conduct its final review of candidate expansion areas applying the mandatory state priorities, and conclude the Seavey Loop area must be the first priority for expansion.

Date Received: 2-7-14
Planner: LP

Bill Kloos
Law Office of Bill Kloos, PC

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## PAULY Linda

**From:** Tom Scates [cheapscates@hotmail.com]
**Sent:** Wednesday, May 22, 2013 10:30 AM
**To:** PAULY Linda
**Subject:** Urban Growth Boundary Change

Hello Ms. Pauly,

I have reviewed the packet you recently sent to me.

I live in the Seavey Loop/Goshen area.
I believe Springfield should grow in this area.
I am "for" including my property in the UGB.
I believe my property maybe a good access to the southern portion of the study area.

I would like to be notified about processes, meetings or any other discussions about this area.

Thank you for your time.

Tom Scates
34009 Twin Buttes Road
Eugene, Oregon 97405
Tax Lot 1803140002400
Cell 541 913 0562

## PAULY Linda

**From:** Chief David A. Wolting [goshenfire@comcast.net]
**Sent:** Wednesday, July 03, 2013 5:00 PM
**To:** PAULY Linda
**Cc:** STEWART Faye H; GROVES Randall B
**Subject:** RE: Seeking Fire District's comments on the Springfield UGB Expansion Study

Linda
I am looking for some answers and clarifications. It has come to my attention that the City of Springfield now has police and fire jurisdiction on Franklin Blvd. to the I -5 NB on ramp. I found this out as a result of NOT being dispatched to a significant MVA call.
Please help me to understand how it is that the city can simply come in and "take away part of my response area" I know there is conversation regarding expanding the UGB but I was under the impression that it was in the "planning" stages.

I am concerned that the city can simply come in and take part of my area. My district is in the process of spending 1.4 million dollars on our infrastructure, I am beginning to think we should wait and turn the keys over to the city. Why wasn't I notified of this?

Please help of direct me to someone that can help me better understand this process so that I can explain it to my board of directors. Can I take over the city of Eugene?

Kindest Regards,

***Chief David A. Wolting***

**GOSHEN FIRE DISTRICT**
85880 First Street
Eugene. Oregon 97405
goshenfire@comcast.net
541-747-3104

**PLEASANT HILL FIRE DISTRICT**
36024 Hwy 58
Pleasant Hill, Oregon 97455
chief@pleasanthillfire.org
541-747-8016

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---

**From:** PAULY Linda [mailto:lpauly@springfield-or.gov]
**Sent:** Thursday, June 27, 2013 11:00 AM
**To:** 'goshenfire@comcast.net'
**Subject:** Seeking Fire District's comments on the Springfield UGB Expansion Study

Chief Wolting,
Thank you for speaking with me yesterday regarding Springfield's study of possible locations to expand the City's Urban Growth Boundary.

July 26, 2013

Jim Straub
Oak Management LLC
Straub Family Trust
1603 Oak Street
Eugene, OR 97401

Mayor Christine Lundberg, City of Springfield
Councilor Sean VanGordon, City of Springfield
Councilor Hillary Wylie, City of Springfield
Councilor Sheri Moore, City of Springfield
Councilor Dave Ralston, City of Springfield
Councilor Marliee Woodrow, City of Springfield
Councilor Bob Brew, City of Springfield
225 Fifth Street
Springfield, OR 97477

Dear Mayor Lundberg and Springfield City Council:

My name is Jim Straub, and I'm contacting you in regards to the proposed expansion of the Springfield Urban Growth Boundary (UGB). I am a managing member of Oak Management LLC and Straub Family Trust, who own several parcels within the proposed expanded UGB, including parcels that when combined form one of the larger contiguous parcels within the Seavey Loop area proposed UGB. For your reference, these parcels are:

| | | |
|---|---|---|
| Map: 18-03-11-30 | Tax Lot: 3900 | 3.1 Acres |
| Map: 18-03-11-0 | Tax Lot: 1600 | 3.77 Acres |
| | | 6.87 Contiguous Acres Total |
| | | (SW corner of Franklin Blvd & Seavey Loop) |
| Map: 18-03-14-10 | Tax Lot: 300 | 38.12 Acres |
| Map: 18-03-14-10 | Tax Lot: 1400 | 5.11 Acres |
| Map: 18-03-14-10 | Tax Lot: 1305 | 15.92 Acres |
| | | 59.15 Contiguous Acres Total |

Oak Management LLC and Straub Family Trust have owned these parcels since 1958, and although we have attempted to farm this property, the parcels are just not high value farmland, yielding only a single crop of hay each year. They are, however, mostly flat. The properties also have several valuable easements on them, which Oak Management LLC and Straub Family Trust have carefully maintained over the years in anticipation of possible future development of the properties. The easements are non-exclusive for access and utilities, serve any of the properties and are not exclusive to tax lots. These easements are:

| | | |
|---|---|---|
| Map: 18-03-14-10 | Tax Lot: 300 | 60 foot easement from Seavey Loop to the North, leading to the middle/East of this parcel |
| Map: 18-03-14-10 | Tax Lot: 1305 | 20 foot easement from Franklin to the West, leading to the property |

Map: 18-03-14-10 Tax Lot: 1400 60 foot easement from Franklin to the West, leading to the property

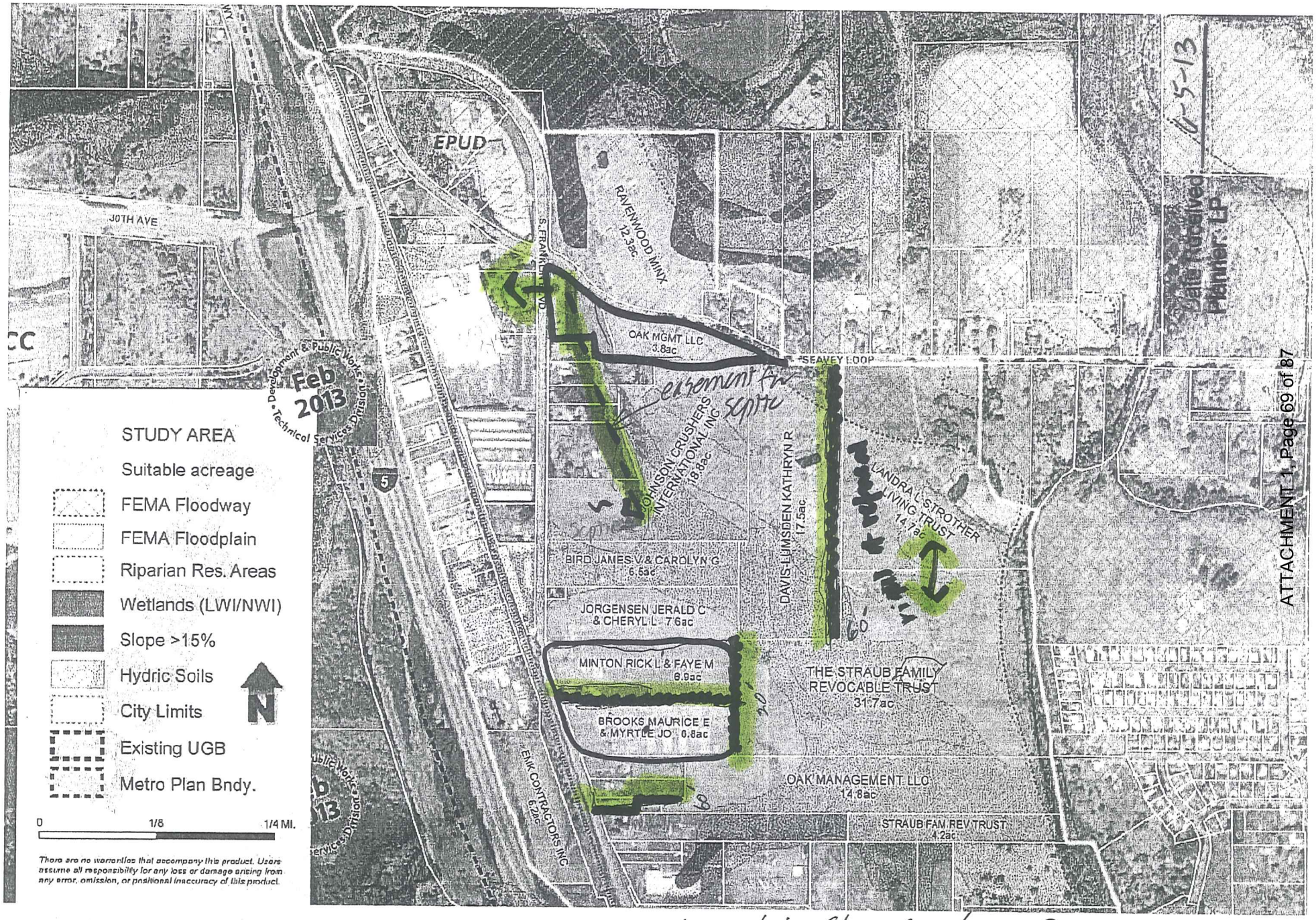
I recently attended the Seavey Loop neighborhood meeting on June 4th facilitated by Springfield Planner Linda Pauly and read the Register-Guard article of July 21st regarding the proposed UGB. It was the Register Guard article, in fact, that moved me to write. While there is clearly a vocal minority opinion in opposition to the UGB expansion, I did not get the impression from the neighborhood meeting that opposition to the UGB expansion was the majority opinion. In fact, I was disturbed that the Register-Guard interviewed only one neighbor, who owns only a single five acre parcel (misquoted in the article as owning 25 acres), and suggested that an opinion in opposition to the UGB expansion was the opinion commonly held by owners within the proposed expansion of the UGB.

I and the owners of Oak Management LLC and Straub Family Trust are in favor of the proposed UGB expansion and will absolutely support the city's efforts to complete this expansion. We have retained multiple easements to our properties over the years with the specific expectation of such an expansion and subsequent development. Additionally, we would even consider removing the two single family dwellings on the properties in order to support development of the parcels if this met future development goals.

We completely support the city's goal of putting land to its best possible use. It makes no sense to us to use other property, some of which is potentially high value farmland, when we have so many parcels within the proposed UGB expansion which are not high value farmland and which might be put to its best use within the goals of the expanded UGB. Please feel free to contact me with any questions or to discuss this matter further.

Thank you,

Jim Straub
Oak Management LLC
Straub Family Trust
541-912-6979




existing easements - map provided by Jim Straub June 5, 2013

1000 friends of Oregon

534 SW Third Avenue, Suite 300 • Portland, OR 97204 • (503) 497-1000 • fax (503) 223-0073 • www.friends.org
Southern Oregon Office • PO Box 2442 • Grants Pass, OR 97528 • (541) 474-1155 • fax (541) 474-9389
Mid-Willamette Valley Office • 189 Liberty Street NE, Suite 307A • Salem, OR 97301 • (503) 371-7261 • fax (503) 371-7596
Willamette Valley Office • 220 East 11th Avenue, Suite 5 • Eugene, OR 97401 • (541) 520-3763 • fax (503) 575-2416

October 10, 2012

Linda Pauly
Principal Planner
City of Springfield
225 Fifth Street
Springfield, OR 97477

Re: Proposed UGB expansion

Dear Linda:

Following is our focused review of the September 2009 draft *Springfield Economic Opportunities Analysis (EOA)*, along with suggestions for how Springfield could move forward with a 50-100 acre industrial UGB expansion that 1000 Friends would support.

## NEED DETERMINATION

The EOA's fundamental weakness is extremely low assumed job densities. For example:

Industrial on sites over 20 acres ..... 0.8 jobs per acre
Industrial overall ..... 1.5 jobs per acre
Retail overall ..... 11.3 jobs per acre
Office overall ..... 14.8 jobs per acre
**Average for all new employment ..... 7.9 jobs per acre**

These job densities are plainly unreasonable. Springfield has already achieved job densities far in excess of these assumptions. For example, while the EOA proposes an overall job density of just 7.9 employees per acre, Springfield's current job density is *three times* higher, at 24 employees per acre.[1]

The low employment densities lead to absurd results. For example, the *EOA* claims that 500 acres of large-lot industrial land are needed for just 375 workers. The *EOA* offers no explanation or facts to support these outcomes.

The authors of the *EOA* were aware of the difference between Springfield's historic job densities and what was ultimately proposed. Table C-10 on page 141 identifies the number of needed sites that would be needed based on "historic employment patterns." The final line, however, presents a range of needed sites that is far greater than Table C-10's tally, both for every specific site size and in aggregate. This overage is carried over into Table C-11. The following table summarizes

[1] See the attached Springfield EOA Job Density Analysis for details.

the substantial differences between the "historic employment pattern" and the *EOA's* presumed future need.

| | SITE SIZE | | | | | |
|---|---|---|---|---|---|---|
| | <1 | 1 to 2 | 2 to 5 | 5 | 20 to 50 | >50 |
| Table C-10 "Historic Pattern" | 181 | 38 | 30 | 20 | 2 | 2 |
| Table C-11 Assumed Future Need | 225 | 60 | 48 | 30 | 5 | 3 |
| Increase From "Historic" | 124% | 158% | 160% | 150% | 250% | 150% |

The EOA offers no evidence in support of such a dramatic departure from the Table C-10 determination. We urge the city not to proceed with the Table C-11 proposal.

Instead, we recommend that the city pursue more the reasonable Table C-10 site needs determination. This would still be an aggressive departure from past trends, and would still result in a much higher land need determination than current trends indicate is necessary. Despite Table C-10's "historic employment pattern" label, as the attached Springfield EOA Job Density Analysis shows, the job density that would result from Table C-10 is only 13 jobs per acre, much lower than Springfield's current 24 jobs per acre.

While we do have concerns about Table C-10's conclusions, in the interests of compromise, we are willing to support a site needs determination that is consistent with Table C-10.

## SUPPLY DETERMINATION

There appears to be an error in Table 5-1. As shown below, this table claims there are five 5-20 acre parcels, one 20-50 acre redevelopable parcel, and nothing over 50 acres:

**Table 5-1. Comparison of vacant land supply and site needs, industrial other employment land, Springfield UGB, 2010-2010**

| | Site Size (acres) | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 | 1 to 2 | 2 to 5 | 5 to 20 | 20 to 50 | Greater than 50 |
| **Buildable Land Inventory** | | | | | | |
| **Vacant** | | | | | | |
| Industrial | 72 | 24 | 20 | 12 | 0 | 0 |
| Commercial and Mixed Use | 104 | 14 | 6 | 4 | 0 | 0 |
| **Redevelopable** | | | | | | |
| Industrial | 122 | 28 | 31 | 5 | 1 | 0 |
| Commercial and Mixed Use | 305 | 20 | 15 | 0 | 0 | 0 |
| **Total Buildable Sites** | | | | | | |
| Industrial | 194 | 52 | 51 | 23 | 1 | 0 |
| Commercial and Mixed Use | 409 | 34 | 21 | 4 | 0 | 0 |

However, as shown below, Table 2-10's tally of redevelopable land shows eleven 5-20 acre parcels, two 20-to-50 parcels, and one 50+ acre parcel:

**Table 2-10. Buildable acres in potentially redevelopable tax lots by plan designation and parcel size, Springfield UGB, 2008**

| | Lot Size (Buildable Acres) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Plan Designation | <0.25 | 0.25-0.49 | 0.50-0.99 | 1.00-1.99 | 2.00-4.99 | 5.00-9.99 | 10.00-19.99 | 20.00-50.00 | 50+ | Total |
| **Total Acres** | | | | | | | | | | |
| **Industrial** | | | | | | | | | | |
| Campus Industrial | 0.2 | 0.5 | 1.9 | 3.4 | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 11.0 |
| Light Medium Industrial | 3.9 | 10.0 | 10.6 | 12.4 | 36.3 | 19.4 | 0.0 | 0.0 | 0.0 | 92.7 |
| Heavy Industrial | 1.4 | 2.8 | 9.7 | 24.5 | 53.7 | 32.7 | 22.4 | 0.0 | 89.5 | 236.7 |
| Special Heavy Industrial | 0.0 | 0.0 | 0.0 | 1.7 | 0.0 | 0.0 | 12.4 | 63.2 | 0.0 | 77.4 |
| **Subtotal** | **5.5** | **13.3** | **22.2** | **42.0** | **95.0** | **52.1** | **34.9** | **63.2** | **89.5** | **417.7** |
| **Commercial** | | | | | | | | | | |
| Commercial | 7.6 | 13.7 | 21.8 | 12.7 | 22.6 | 0.0 | 0.0 | 0.0 | 0.0 | 78.4 |
| Community Commercial | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Major Retail Center | 1.5 | 1.8 | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4.3 |
| **Subtotal** | **9.1** | **15.5** | **22.8** | **12.7** | **22.6** | **0.0** | **0.0** | **0.0** | **0.0** | **82.7** |
| **Mixed Use** | | | | | | | | | | |
| Commercial Mixed Use | 9.6 | 7.8 | 14.3 | 10.0 | 8.9 | 0.0 | 0.0 | 0.0 | 0.0 | 50.6 |
| Light Medium Industrial Mixed Use | 0.1 | 0.3 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 |
| Medium Density Res Mixed | 0.4 | 0.3 | 2.5 | 1.2 | 9.2 | 0.0 | 0.0 | 0.0 | 0.0 | 13.5 |
| Mixed Use | 1.5 | 2.2 | 2.8 | 3.8 | 12.4 | 0.0 | 0.0 | 0.0 | 0.0 | 22.7 |
| **Subtotal** | **11.6** | **10.5** | **20.2** | **15.0** | **30.5** | **0.0** | **0.0** | **0.0** | | **87.9** |
| **Total** | **26.2** | **39.4** | **65.2** | **69.7** | **148.1** | **52.1** | **34.9** | **63.2** | **89.5** | **588.2** |
| **Number of Tax Lots** | | | | | | | | | | |
| **Industrial** | | | | | | | | | | |
| Campus Industrial | 1 | 1 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 8 |
| Light Medium Industrial | 38 | 26 | 14 | 9 | 13 | 3 | 0 | 0 | 0 | 103 |
| Heavy Industrial | 22 | 6 | 12 | 16 | 16 | 5 | 2 | 0 | 1 | 80 |
| Special Heavy Industrial | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 2 | 0 | 4 |
| **Subtotal** | **61** | **33** | **28** | **28** | **31** | **8** | **3** | **2** | **1** | **195** |
| **Commercial** | | | | | | | | | | |
| Commercial | 70 | 37 | 31 | 9 | 6 | 0 | 0 | 0 | 0 | 153 |
| Community Commercial | | | | | | | | | | |
| Major Retail Center | 17 | 6 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 24 |
| **Subtotal** | **87** | **43** | **32** | **9** | **6** | **0** | | | | **177** |
| **Mixed Use** | | | | | | | | | | |
| Commercial Mixed Use | 69 | 22 | 21 | 7 | 3 | 0 | 0 | 0 | 0 | 122 |
| Light Medium Industrial Mixed Use | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Medium Density Res Mixed | 2 | 1 | 3 | 1 | 2 | 0 | 0 | 0 | 0 | 9 |
| Mixed Use | 11 | 7 | 4 | 3 | 4 | 0 | 0 | 0 | 0 | 29 |
| **Subtotal** | **83** | **31** | **29** | **11** | **9** | **0** | **0** | **0** | | **163** |
| **Total** | **231** | **107** | **89** | **48** | **46** | **8** | **3** | **2** | **1** | **535** |

Source: City of Springfield GIS data; analysis by ECONorthwest
Note: Buildable acres includes "constrained" acres and "unconstrained" acres
Note: Acres may not sum to tenths due to rounding errors.

Below is a comparison of the corrected Table 5-1 land supply determination and the Table C-10 "Historic" site needs. There is a surplus in every category except the >50-acre size range.

| | SITE SIZE | | | | | |
|---|---|---|---|---|---|---|
| | <1 | 1 to 2 | 2 to 5 | 5 | 20 to 50 | >50 |
| Table C-10 "Historic Pattern" | 181 | 38 | 30 | 20 | 2 | 2 |
| Corrected Table 5-1 Supply | 603 | 86 | 72 | 27 | 2 | 1 |

If the city determines that the needed >50-acre site cannot be created via assembly of smaller sites, then we would support expansion of the UGB to provide that site, up to a maximum of 100 acres.

## ADDITIONAL CONSIDERTIONS

First, the city should focus its planning and funding efforts on the industrial site that can be most easily served with infrastructure. Public facilities must be provided to the new site in a timely

manner, in order for this expansion to be genuinely helpful to Springfield's land supply. Our experience has been that industrial sites without available services are not attractive in the market. Failure to serve industrial land also sets the stage for conversion to other uses. After many years without an industrial buyer, frustrated property owners may subsequently request redesignation to a more marketable use, such as residential.

Springfield should also ensure that the large site is protected from future divisions. Springfield already has enough employment land in terms of acreage. Since the purpose of the UGB expansion would be solely to provide a large site, the site must be preserved for that use. It could take decades for this large site to develop; the city should not allow an impatient landowner to split the site in the interim. This protection is especially critical in light of Springfield's constrained future land supply. There will not be a lot of options for replacing large industrial sites that are lost to poorly planned development.

Finally, the city should remember that if the new industrial site develops quickly, that use would be important substantive evidence that can be used to justify another expansion to replace the site. In addition, work is underway now to reform UGB expansion rules to make it easier to create and maintain a perpetual regional supply of large industrial sites. Pursuing a more modest – but defensible – UGB expansion now does not tie the city's hands regarding future expansions. The city may revisit its *EOA* at any time.

Thank you for the opportunity to provide these comments.

Sincerely,

Mia Nelson
Willamette Valley Advocate
1000 Friends of Oregon
220 East 11th Avenue, Suite 5
Eugene, OR 97452
541.520.3763

Attachment: Springfield EOA Job Density Analysis

Cc: Ed Moore, DLCD

# SPRINGFIELD EOA JOB DENSITY ANALYSIS

| FORECASTED JOBS, Table C-9 | <1 | 1 to 2 | 2 to 5 | 5 to 20 | 20 to 50 | >50 | TOTAL |
|---|---|---|---|---|---|---|---|
| Warehousing/Distribution | 46 | 21 | 9 | 221 | 41 | 12 | |
| General Industrial | 141 | 161 | 167 | 168 | 20 | 302 | |
| Office | 1024 | 448 | 400 | 645 | 338 | 632 | |
| Retail | 143 | 65 | 116 | 76 | 535 | 576 | |
| Other Services | 817 | 451 | 460 | 869 | 520 | 752 | |
| TOTAL FORECASTED JOBS | 2171 | 1146 | 1152 | 1979 | 1454 | 2274 | 10176 |

| SITES NEEDED, Table C-11 | <1 | 1 to 2 | 2 to 5 | 5 to 20 | 20 to 50 | >50 |
|---|---|---|---|---|---|---|
| Warehousing/Distribution | | | 3 | 5 | 1 | |
| General Industrial | 5 | 7 | 10 | 11 | 3 | 3 |
| Office | 100 | 20 | 20 | 5 | 1 | |
| Retail | 70 | 15 | 10 | 4 | | |
| Other Services | 50 | 18 | 5 | 5 | | |
| TOTAL SITES NEEDED | 225 | 60 | 48 | 30 | 5 | 3 |

| AVERAGE SITE SIZE, Table S-3 | <1 | 1 to 2 | 2 to 5 | 5 to 20 | 20 to 50 | >50 |
|---|---|---|---|---|---|---|
| Warehousing/Distribution | 0.5 | 1.5 | 3 | 15 | 50 | 100 |
| General Industrial | 0.5 | 1.5 | 3 | 15 | 50 | 100 |
| Office | 0.3 | 1.5 | 3 | 15 | 40 | 50 |
| Retail | 0.3 | 1.5 | 3 | 15 | 40 | 50 |
| Other Services | 0.3 | 1.5 | 3 | 15 | 40 | 50 |

| ACREAGE NEEDED (computed) | <1 | 1 to 2 | 2 to 5 | 5 to 20 | 20 to 50 | >50 | TOTAL |
|---|---|---|---|---|---|---|---|
| Warehousing/Distribution | 0 | 0 | 9 | 75 | 50 | 0 | |
| General Industrial | 3 | 11 | 30 | 165 | 150 | 300 | |
| Office | 30 | 30 | 60 | 75 | 40 | 0 | |
| Retail | 21 | 23 | 30 | 60 | 0 | 0 | |
| Other Services | 15 | 27 | 15 | 75 | 0 | 0 | |
| TOTAL ACREAGE NEEDED | 69 | 90 | 144 | 450 | 240 | 300 | 1293 |

| JOBS PER ACRE (computed) | <1 | 1 to 2 | 2 to 5 | 5 to 20 | 20 to 50 | >50 | OVERALL |
|---|---|---|---|---|---|---|---|
| Warehousing/Distribution | ** | ** | 1.0 | 2.9 | 0.8 | ** | 2.6 |
| General Industrial | 56.4 | 15.3 | 5.6 | 1.0 | 0.1 | 1.0 | 1.5 |
| Office | | | | | | | 14.8 |
| Retail | | | | | | | 11.3 |
| Other Services | | | | | | | 29.3 |
| AVERAGE JOBS PER ACRE | 31.7 | 12.7 | 8.0 | 4.4 | 6.1 | 7.6 | 7.9 |
| | | | | | | | ^ |

| | | |
|---|---|---|
| 2008 SPRINGFIELD EMPLOYMENT, Table C-2 | 41133 | \| |
| 2008 DEVELOPED EMPLOYMENT LAND, Table 2-5 | 1710 | \| |
| 2008 JOBS PER ACRE (computed) | 24 | <----------COMPARE |

| USING CLAIMED "HISTORICAL" SITE NEEDS | | | | | | | |
|---|---|---|---|---|---|---|---|
| AVERAGE SITE SIZE | <1 | 1 to 2 | 2 to 5 | 5 to 20 | 20 to 50 | >50 | TOTAL |
| Average of industrial/commercial | 0.4 | 1.5 | 3 | 15 | 45 | 75 | |
| Need per historical, Table C-10 | 181 | 38 | 30 | 20 | 2 | 2 | |
| TOTAL ACRES NEEDED | 72 | 57 | 90 | 300 | 90 | 150 | 759 |
| Resutling OVERALL EPA | 30 | 20 | 13 | 7 | 16 | 15 | 13 |

Still much lower than existing 24 EPA ^

| | |
|---|---|
| **From:** | MUELLER Will |
| **To:** | PAULY Linda |
| **Cc:** | MUELLER Will |
| **Subject:** | Springfield UGB Employment Land Suitability Analysis_LTD Ranking |
| **Date:** | Friday, June 28, 2013 11:33:46 AM |
| **Attachments:** | Spfld_UGB_Employment Land Suitability_LTD Analysis_130628.docx |

Linda:

Thanks for giving Lane Transit District staff the opportunity to review and rank the areas being considered in the City of Springfield's UGB Employment Land Suitability Analysis. The filled-in template with LTD staff comments is attached.

First, a couple of overarching comments:

- The connecting roadways & streets within the areas would be constructed by the city to standards that support LTD's transit buses including sufficient lane width, intersection curb radii, and sidewalk width at prospective bus stops to meet whatever ADA standards are in effect at the time of construction (currently minimum 8-foot sidewalk width at bus stops).
- The intensity of development, employee parking provisions, and the project developer's decision to utilize (or not) LTD's group pass program will go a long way to determining the ultimate transit modal spilt to be expected from these employment centers and whether or not LTD would provide service to these areas.

~ will

**Will Mueller**
Lane Transit District
Service Planning Manager
P: 541-682-6194 | C: 541-501-7559 | F: 541- 682-6111
Contact us at ltd.org

*Be kind, for everyone you meet is fighting a hard battle. ~ Plato*

Oregon
John A. Kitzhaber, MD, Governor

**Department of Fish and Wildlife**
Springfield Field Office
3150 East Main Street
Springfield, OR 97478
(541) 726-3515
FAX (541) 726-2505
www.dfw.state.or.us

September 20, 2013

Linda Pauly, Project Manager
City of Springfield
225 Fifth Street
Springfield, OR
97477

RE: Springfield 2030 Refinement Plan Project and Proposed Urban Growth Boundary Change

Dear Ms. Pauly:

Thank you for providing the Oregon Department of Fish and Wildlife (ODFW) with the opportunity to comment on the City of Springfield's 2030 Refinement Plan Project and Proposed Urban Growth Boundary Change. ODFW appreciates the ability to provide input about potential impacts to fish and wildlife based on the various proposals under consideration for expansion and anticipates providing further input as prospective locations for urban growth expansion are refined.

ODFW's mission is to protect and enhance Oregon's fish and wildlife and their habitats for use and enjoyment by present and future generations (ORS 496.012). In support of this mission, ODFW's Fish and Wildlife Habitat Mitigation Policy (OAR 635-415-0000 through 635-415-0025) provides guidance in evaluating the potential impacts of development actions on fish and wildlife habitat. In addition, ODFW will also reference Oregon's Statewide Planning Goals and Guidelines to frame comments where applicable for fish and wildlife resources.

ODFW maintains a Sensitive Species List which identifies naturally reproducing fish and wildlife species, subspecies or populations facing threats to populations and/or habitats. The list includes species listed under the federal Endangered Species Act (ESA) and may be used to maximize effectiveness of conservation actions. Spring Chinook salmon, bull trout and Oregon chub are known to use aquatic habitat adjacent to some of the locations under consideration for urban growth expansion. These species are listed on ODFW's Sensitive Species List, and under the federal ESA. Other state sensitive species that may be affected by Springfield's proposed urban growth boundary expansion include, but are not limited to, coastal cutthroat trout, western brook and Pacific lamprey, western pond turtle, northern red legged frog, acorn woodpecker, white-breasted nuthatch, and western grey squirrel. In addition, many non-listed fish and wildlife species, as well as sensitive bird roosting sites such as heron rookeries, may be impacted by the City of Springfield's growth decisions, and as such should be considered.

As part of this process, Goal 5 habitat protection standards should be maintained. Rather than address site-specific concerns for locations that may not continue to be considered for expansion, ODFW has some general comments at this time. These recommendations include but are not limited to:

1. *Avoid reducing a river's ability to interact with its floodplain.* Rivers are dynamic systems and move within their floodplains over time. When the ability of a river to move within its floodplain is reduced or eliminated as a result of bank protection (riprap or levee construction, for example), the ability of the river to provide complex habitats necessary for diverse life histories of various organisms is diminished. When these habitats are already limiting for species, additional impacts may have permanent, long-term deleterious effects upon these species.

2. *Maintain riparian vegetation along the river's edge.* Riparian vegetation can shade the river, thus reducing water temperatures. Vegetation can also reduce flood impacts by slowing water velocities during high water events. This vegetation can capture nutrients and provide habitat and forage for fish and wildlife at various flows.

3. *Maintain habitat connectivity.* By providing habitat linkages or corridors, wildlife species may have the opportunity to continue to derive benefit from remaining habitat. Nearby intact habitats may remain functional if connectivity to other intact habitats is maintained.

As mentioned above, these comments and recommendations are broadly applicable to resource protection. As the City narrows its selection for urban growth boundary expansion, ODFW looks forward to additional opportunities to provide input into this process. Please do not hesitate to contact ODFW local or headquarters staff to discuss any questions you might have.

Thank you for this opportunity to consider Oregon's fish and wildlife resources as part of your growth process.

Sincerely,

Jeff Ziller
District Fish Biologist
South Willamette Watershed District
Springfield Field Office
Jeffrey.S.Ziller@state.or.us

Brian Wolfer
District Wildlife Biologist
South Willamette Watershed District
Springfield Field Office
Brian.H.Wolfer@state.or.us

Joy Vaughan
Land Use and Waterway Alterations Coordinator
Salem Headquarters Office
Joy.R.Vaughan@state.or.us

cc: Ed Moore, DLCD

**PAULY Linda** AG

**From:** Bruce A Pokarney <bpokarney@oda.state.or.us>
**Sent:** Tuesday, August 20, 2013 2:39 PM
**To:** PAULY Linda
**Subject:** Lane County ag stats
**Attachments:** 11 LANE.pdf; cp41039.pdf

Hi Linda,

Attached are two snapshots of Lane County agriculture– one from the US Census of Agriculture and the other from an OSU database. These provide just a little bit of production value information and will serve best to give you a glimpse of what kind of ag is taking place in your county. I recommend a conversation with the two ODA employees I mentioned:

Jim Johnson, land use specialist, <jjohnson@oda.state.or.us> or 503-986-4706
Jerry Gardner, business development manager, <jgardner@oda.state.or.us> or 503-872-6608

I will try to contact Jim this afternoon and have him call you, but if you don't hear from him in a timely fashion, either contact him directly or let me know.

Hope this helps.

bp

Bruce Pokarney
Director of Communications
Oregon Department of Agriculture
(503) 986-4559 office
(503) 799-9297 cell
bpokarney@oda.state.or.us

Web: http://oregon.gov/ODA
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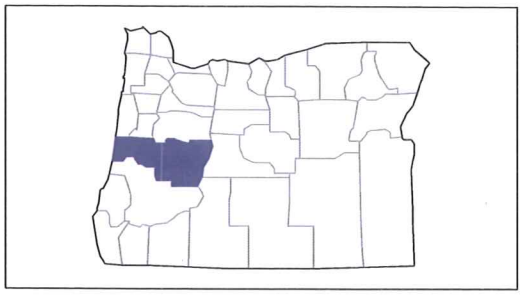
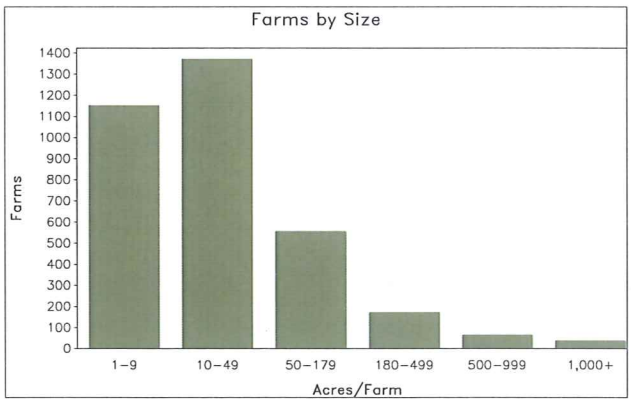
# 2007 CENSUS OF AGRICULTURE

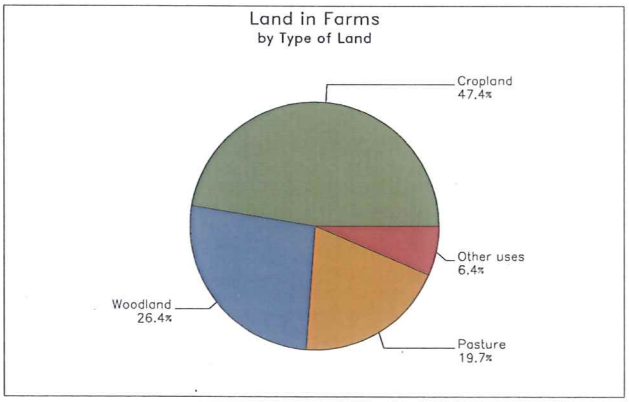
County Profile



## Lane County
## Oregon

| | 2007 | 2002 | % change |
|---|---|---|---|
| **Number of Farms** | 3,335 | 2,577 | + 29 |
| **Land in Farms** | 245,531 acres | 234,807 acres | + 5 |
| **Average Size of Farm** | 74 acres | 91 acres | - 19 |
| **Market Value of Products Sold** | $131,089,000 | $87,824,000 | + 49 |
| Crop Sales $92,446,000 (71 percent)<br>Livestock Sales $38,644,000 (29 percent) | | | |
| Average Per Farm | $39,307 | $34,080 | + 15 |
| **Government Payments** | $759,000 | $674,000 | + 13 |
| Average Per Farm Receiving Payments | $5,343 | $7,404 | - 28 |




USDA
United States Department of Agriculture
National Agricultural Statistics Service
www.agcensus.usda.gov

# 2007 CENSUS OF AGRICULTURE

County Profile

## Lane County – Oregon

### Ranked items among the 36 state counties and 3,079 U.S. counties, 2007

| Item | Quantity | State Rank | Universe [1] | U.S. Rank | Universe [1] |
|---|---|---|---|---|---|
| **MARKET VALUE OF AGRICULTURAL PRODUCTS SOLD ($1,000)** | | | | | |
| Total value of agricultural products sold | 131,089 | 11 | 36 | 659 | 3,076 |
| Value of crops including nursery and greenhouse | 92,446 | 11 | 36 | 421 | 3,072 |
| Value of livestock, poultry, and their products | 38,644 | 11 | 36 | 976 | 3,069 |
| **VALUE OF SALES BY COMMODITY GROUP ($1,000)** | | | | | |
| Grains, oilseeds, dry beans, and dry peas | 1,523 | 18 | 31 | 1,863 | 2,933 |
| Tobacco | - | - | - | - | 437 |
| Cotton and cottonseed | - | - | - | - | 626 |
| Vegetables, melons, potatoes, and sweet potatoes | 5,743 | 14 | 33 | 301 | 2,796 |
| Fruits, tree nuts, and berries | 13,811 | 11 | 34 | 120 | 2,659 |
| Nursery, greenhouse, floriculture, and sod | 32,810 | 6 | 33 | 105 | 2,703 |
| Cut Christmas trees and short rotation woody crops | 3,655 | 6 | 26 | 16 | 1,710 |
| Other crops and hay | 34,904 | 6 | 36 | 49 | 3,054 |
| Poultry and eggs | 12,794 | 4 | 36 | 511 | 3,020 |
| Cattle and calves | 9,895 | 16 | 36 | 1,203 | 3,054 |
| Milk and other dairy products from cows | 11,135 | 8 | 32 | 441 | 2,493 |
| Hogs and pigs | 300 | 7 | 36 | 1,138 | 2,922 |
| Sheep, goats, and their products | 1,833 | 4 | 36 | 60 | 2,998 |
| Horses, ponies, mules, burros, and donkeys | 928 | 6 | 36 | 232 | 3,024 |
| Aquaculture | 1,101 | 4 | 29 | 195 | 1,498 |
| Other animals and other animal products | 658 | 10 | 33 | 307 | 2,875 |
| **TOP CROP ITEMS (acres)** | | | | | |
| Field and grass seed crops, all | 39,089 | 6 | 28 | 7 | 931 |
| Forage - land used for all hay and haylage, grass silage, and greenchop | 33,097 | 11 | 36 | 608 | 3,060 |
| Hazelnuts (Filberts) | 3,698 | 5 | 17 | 5 | 342 |
| Cut Christmas trees | 3,668 | 5 | 26 | 13 | 1,756 |
| Vegetables harvested for sale | (D) | 15 | 32 | 380 | 2,794 |
| **TOP LIVESTOCK INVENTORY ITEMS (number)** | | | | | |
| Broilers and other meat-type chickens | 581,193 | 3 | 33 | 372 | 2,476 |
| Layers | 93,402 | 4 | 36 | 398 | 3,024 |
| Pullets for laying flock replacement | (D) | 3 | 35 | (D) | 2,627 |
| Cattle and calves | 22,657 | 19 | 36 | 1,303 | 3,060 |
| Sheep and lambs | 20,830 | 3 | 36 | 51 | 2,891 |

### Other County Highlights

| Economic Characteristics | Quantity |
|---|---|
| Farms by value of sales: | |
| Less than $1,000 | 1,427 |
| $1,000 to $2,499 | 605 |
| $2,500 to $4,999 | 436 |
| $5,000 to $9,999 | 282 |
| $10,000 to $19,999 | 197 |
| $20,000 to $24,999 | 73 |
| $25,000 to $39,999 | 68 |
| $40,000 to $49,999 | 22 |
| $50,000 to $99,999 | 79 |
| $100,000 to $249,999 | 61 |
| $250,000 to $499,999 | 32 |
| $500,000 or more | 53 |
| Total farm production expenses ($1,000) | 130,004 |
| Average per farm ($) | 38,982 |
| Net cash farm income of operation ($1,000) | 10,914 |
| Average per farm ($) | 3,273 |

| Operator Characteristics | Quantity |
|---|---|
| Principal operators by primary occupation: | |
| Farming | 1,249 |
| Other | 2,086 |
| Principal operators by sex: | |
| Male | 2,404 |
| Female | 931 |
| Average age of principal operator (years) | 57.6 |
| All operators by race [2]: | |
| American Indian or Alaska Native | 38 |
| Asian | 21 |
| Black or African American | 14 |
| Native Hawaiian or Other Pacific Islander | 9 |
| White | 5,384 |
| More than one race | 75 |
| All operators of Spanish, Hispanic, or Latino Origin [2] | 76 |

See "Census of Agriculture, Volume 1, Geographic Area Series" for complete footnotes, explanations, definitions, and methodology.
(D) Cannot be disclosed. (Z) Less than half of the unit shown.
[1] Universe is number of counties in state or U.S. with item. [2] Data were collected for a maximum of three operators per farm.

SPRINGFIELD UTILITY BOARD

MAIN OFFICE 250 A Street, PO Box 300 Springfield, OR 97477-0077 Tel 541.746.8451 Fax 541.746.0230 www.subutil.com

September 10, 2013

The Honorable Christine Lundberg, Mayor of Springfield
and Members of the Springfield City Council
City of Springfield
225 Fifth Street
Springfield, OR 97477

**SUBJECT: CITY OF SPRINGFIELD PROPOSED UGB EXPANSION**

Dear Mayor Lundberg and Members of the City Council,

As the City of Springfield evaluates its options for expanding the urban growth boundary (UGB), I would like to provide you with a brief summary of SUB's view of the expansion proposal. SUB has two primary interests related to the proposed UGB expansion. The first is the inclusion of SUB-owned property into the expanded Springfield UGB. The second relates to protection of our drinking water sources. I will address each of these interests separately.

*Inclusion of SUB-Owned Properties in Springfield UGB*
SUB owns 172.8 acres within the South Millrace potential UGB expansion area, not including the 120-acre property jointly owned by SUB, the City of Springfield, and Willamalane. SUB's properties include our existing Willamette Wellfield and Slow Sand Treatment Facility, our new corrosion control facility, outdoor pipe storage, and indoor equipment storage.

As SUB grows, both to meet demand and to address regulatory requirements, we anticipate construction of new facilities on our South Millrace properties. The Willamette Wellfield currently accounts for approximately 40% of SUB's total water supply, and we expect that percentage to increase as we expand our surface water capacity. Possible future uses of our properties include additional equipment and materials storage, new or expanded treatment facilities, new or expanded intake structures, new wells, fencing, and above-ground distribution facilities. In general, we plan to continue to use both our developed and undeveloped properties for the full range of land uses associated with the collection, treatment, and distribution of drinking water.

We believe that including SUB's properties in the City UGB will provide SUB and the City another tool for working and planning together efficiently to serve the people of Springfield. We appreciate the time that City of Springfield staff has devoted to helping us evaluate the UGB expansion proposal. Based on our conversations, it appears that SUB will be able to carry out its development plans for its South Millrace properties within the framework of the Springfield Development Code; therefore, SUB requests that the City of Springfield approve inclusion of SUB-owned properties in the UGB expansion.

*Protection of Drinking Water Sources in UGB Expansion Areas*
The three expansion areas that City staff is recommending for consideration—Mahogany Lane, South Millrace, and North Gateway—are all within Springfield's Wellhead Protection Area (WHPA). The prospect

of converting hundreds of undeveloped acres within the WHPA presents a major change to the landscape that currently surrounds much of Springfield's drinking water source.

The table below compares the three areas relative to their hydrogeologic connection to Springfield's drinking water sources:

| | Most Sensitive Time-of-Travel Zone (TOTZ) | Affected Well(s) | Impact to Surface Water Intake? |
|---|---|---|---|
| North Gateway | 0 – 1 | I-5 wells (owned and operated by Rainbow Water District) | No |
| South Millrace | 0 – 1 | Willamette Wellfield | No |
| Mahogany Lane | 1 - 5 | Willamette Wellfield | Yes |

Both the North Gateway and South Millrace areas include 0 – 1 year TOTZs, highly sensitive portions of the WHPA where contamination has the potential to reach a well in less than a year. The Mahogany Lane area, which includes a 1 – 5 year TOTZ, is just upstream of SUB's intake on the Middle Fork Willamette River. In this area the travel time of any contamination that reaches the river, either through stormwater discharge or spills directly to the river, has a travel time of less than one hour to SUB's intake.

In addition to protecting our drinking water sources from contamination or degradation, SUB is concerned about protecting water quantity. In fact, quality and quantity go hand-in-hand when it comes to delivering superior drinking water to our community. Springfield's wells are recharged (or replenished) by precipitation that filters through the ground and into the aquifer. The proposed UGB expansion areas all occur in critical recharge areas for Springfield's wells. When land surfaces convert from pervious to impervious, precipitation runs off and has less opportunity to infiltrate, reducing the amount of water that reaches the aquifer. When stormwater runoff does infiltrate, it can carry a load of contaminants with it.

I raise these concerns about the potential impacts to water quality and quantity not to caution the City against expansion but to explain why we believe that the UGB expansion proposal should include careful consideration of how to promote a new development landscape that is highly protective of our drinking water. SUB was pleased to hear from City planners that they are addressing this concern by evaluating options for low-impact development (LID) standards. Within a LID framework, for example, we could implement stormwater management that promotes infiltration of clean stormwater on a broad scale. SUB looks forward to collaborating with the City to design development standards for these areas that will mitigate against potential adverse impacts to the drinking water supply.

SUB supports the City of Springfield's effort to create new employment areas for our community. We recognize that the City will inevitably grow to fill its space between the rivers, which means developing in critically sensitive drinking water protection areas. SUB does have outstanding questions about potential proposals that might otherwise limit SUB's ability to efficiently maintain and invest in utility infrastructure to serve the needs of the Springfield community. SUB is confident that, working together as we have in the past, we can ensure that Springfield's new development brings opportunity, maintains our community's high quality drinking water, and continues to provide SUB the ability to provide cost effective services.

Sincerely,

Jeff Nelson
General Manager

cc: Linda Pauly, City of Springfield

C:\Documents and Settings\JudyB\Local Settings\Temporary Internet Files\Content.Outlook\GYTUAQYV\2013-09-10_UGB Expansion_SUB Comments.docx

Willamalane Park and Recreation District Parks
Inclusion in Springfield's Urban Growth Boundary

Willamalane Park and Recreation District (WPRD) is designated in the Eugene-Springfield Metropolitan Area General Plan as the park and recreation service provider for Springfield and its urbanizable area. Willamalane owns 783 acres of land (recent acquisitions not included), 37 facilities, seven community recreation and support facilities, and three undeveloped properties in the greater Springfield area.

The planning area for Willamalane's 20-year Park and Recreation Comprehensive Plan is generally defined by Springfield's urban growth boundary (UGB). There are a few minor exceptions to this circumstance where the district boundary is outside the UGB. In those cases the planning area is defined by the district boundary. In addition, the district's boundary generally coincides with the Springfield city limits, but there are some instances where the district boundary is outside the city limits and UGB both. It should be noted that developed areas annexed by the City of Springfield are automatically annexed to the District.

**Community Needs Assessment**

As part of the update to Willamalane's Park and Recreation Comprehensive Plan (Comprehensive Plan) an extensive community needs assessment was completed (refer to Appendix A of the Comprehensive Plan). The Community Needs Assessment included public involvement activities such as surveys and workshops in which community input was solicited from a range of cohort groups. Information on parks and facilities, recreation services, and maintenance and operations was gathered to identify future needs for park and recreation services and infrastructure to meet a growing population.

The district population forecast is the same as the forecast used by the City of Springfield for the residential, commercial, and industrial buildable lands study. Over the next 20 years, the population is projected to increase by 22 percent within the Willamalane planning area. As such, WPRD will have to increase services, parks and facilities just to maintain the current level of service for the planning area.

WPRD uses a parkland standard of 14.00 acres per 1,000 residents. Based on this standard, 160 additional acres of parkland are currently needed. By 2030, that total increase to 364 acres. The future parkland need of approximately 364 acres includes 68 acres of Neighborhood Parks, 102 acres of Community Parks, and 194 acres of Natural Area.

**Recent Planning Activity**

WPRD has recently developed Quartz Park, in the Jasper-Natron area of south east Springfield. The land is owned by Springfield Public Schools. The site is a future location of a school and the park will be co-managed by the school district and Willamalane once the school is constructed. Until then, Willamalane has sole management responsibility. Quartz Park is approximately 3.5 acres in size and is classified as a Neighborhood Park. This past spring, WPRD acquired Pacific Park in north west Springfield, and plans to develop approximately 3.27 acres of the land acquired into a Neighborhood Park. The remaining portion will stay undeveloped and assist with storm water conveyance. The development plans will be consistent with the standards for a neighborhood parks and will include such amenities as a playground, basketball court, seating areas, and interior concrete pathways.

**Urban Growth Boundary**

There are five (5) parks currently outside the existing UGB that Willamalane is interested in having included within the UGB. These parks are:

1. Weyerhaeuser-McKenzie Natural Area Park (Tax Lots 17022900002901, 1702300000401). These tax lots are approximately 55 acres in size. The City of Springfield transferred this property to WPRD in October of 2013. This natural area is one of a few locations in Springfield that offers potentially ADA accessibility to the McKenzie River. Currently the site is improved with an informal parking area, an internal access road and bridge, and a well field operated by Springfield Utility Board. Willamalane has plans to improve the area with a formal parking area and universal access to the water. These plans are consistent with the McKenzie River Oxbow Natural Area Master Plan (the master plan for this natural area). This plan was approved by the City of Springfield on June 18, 2001.

WPRD has plans to complete restoration of the property consistent with recommendations in the Oxbow Natural Area Master Plan. In addition, the use of this property as a natural area park and creating an accessible connection to the McKenzie River is consistent with the WPRD's Comprehensive Plan and its Community Needs Assessment.

2. Jack B. Lively Memorial Park (Lively Park) (Tax Lot 1702270001101). This park is a community park and is approximately 32 acres in size. A portion of the park is currently outside the UGB. The park is improved with SPLASH, a regional recreational pool facility, a playground, basketball court, sand volleyball court, walking trails, two picnic shelters and a dog park. The tax lot proposed to be included in the UGB is 9.74 acres in size and currently contains soft-surface walking trails, a footbridge, and the north portion of the dog park, consistent with the 2005, Lively Park Master Plan. WPRD does not have any plans to further develop this area.

The existing trail system on the 9.74 acre parcel is consistent with the Jack B. Lively Memorial Park Master Plan and the WPRD Comprehensive Plan and Community Needs Assessment to provide additional opportunities for walking.

3. Ruff (Wallace M Jr.) Memorial Park (Tax Lots 1702270001502, 1702341115500). This park is a special use park and is 9.79 acres in size. It is located at 1161 66th Street in the Thurston area of Springfield. The park can be accessed from 66th Street and via a pedestrian path from Jacob Lane, which is to the south of the park. The park is currently improved with walking trails, extensive planting of Magnolia trees, and a foot bridge over Cedar Creek. In the spring of 2013 WPRD acquired Tax Lot 1702341115500, which is 6.1 acres in size and is south of the existing Ruff Park.

Although WPRD does not currently have plans to develop this newly acquired land, any future development within the park, including the panhandle portion will be consistent with the park standards for special use parks per the WPRD Comprehensive Plan and the Ruff Park master plan. Currently the park serves the residents within Levi Landing subdivision, which is immediately south of the park and within the UGB. Since Ruff Park serves the residents in the UGB, it should be in the UGB

4. Clearwater Park (Tax Lots 1802080000300, 1802080000400, 1802080000500, 1802080000600). This park is a special use park and is approximately 66 acres in size. The Park has been undergone many changes in the last 3-5 years. It was recently upgraded with a new boat ramp/landing, parking,

restroom, park host site, and soft surface trails. The inlet and new channel for the Springfield Mill Race was developed in 2010. It is also the eastern trailhead for the 4-milie Middle Fork Path. Future use in the park is planned to include archery range, 9-hole disc golf, a nature play-ground, and additional soft surface trails.

The park offers a place for recreating with family and friends and connecting with nature. The combination of the Middle Fork Willamette River, Springfield Mill Race and their diverse habitat types, presents an opportunity to enhance natural areas, water quality and wildlife habitat while concurrently providing outdoor education and recreation amenities for the people of Springfield. This is a unique destination in south Springfield.

Georgia-Pacific Park (Tax Lot 1802060004501, 180207000801—on their map. There are more TL's … are these only ones that need to move into the UGB?). This park is approximately 125 acres in size and is classified as a natural area park. It is jointly owned by SUB, City of Springfield and Willamalane. Plans include developing the Mill Race Path through the park, connecting to the Middle Fork Path. A majority of Georgia-Pacific Park is already located within the UGB. Of the 125 acres, approximately 12 acres is outside the UGB. The Comprehensive Plan, and agreements with SUB and the City, calls for the joint development of a management plan and master plan for the park. Having the entire park included in the UGB will facilitate a joint management approach to the park.

Besides developing a portion of the Mill Race Path within Georgia-Pacific Park, Willamalane has no additional development plans. Willamalane staff has conceptualized this area for soft surface trails, and habitat restoration. This is a unique destination in south Springfield. By including this entire property in the UGB, the City is increasing Willamalane's service area within the UGB and within the City's jurisdiction, which is consistent with Willamalane being the park and recreation service provider for the City.

**Conclusions**

- By including these properties within UGB, the City is increasing Willamalane's service area within the UGB and within the City's jurisdiction, which is consistent with Willamalane being the park and recreation service provider for the City.
- By incorporating both Clearwater Park and all of Georgia-Pacific Park into the UGB, the City of Springfield incorporates a regional path system within its jurisdiction. The Middle Fork Path and the Mill Race Path (once completed), will be an eight mile multi-use path that connects downtown to the Middle Fork Willamette River
- The City is bringing into its jurisdiction an increased amount of natural area parks that offer the community the opportunity to access nearby waterways, unique vegetative habitats, and an expanding network of trails and paths.
- The UGB line truncates several of these Parks: Lively, Ruff, G-P … moving the UGB so that the entire park is within City of Springfield's jurisdiction makes sense for land use and park management considerations (or something)
- Once within the UGB, it is anticipated that the public safety of the parks may increase since the City of Springfield will have jurisdiction over these parks and could provide for quicker response time for emergency services compared to County enforcement and emergency services.

The public record for the 2030 Plan and UGB study is lengthy. Complete documentation of public input received through the multi-year process conducted 2008-2014 is available upon request, including:

Public Input from the 2010 Joint Planning Commissions Public Hearing on 2030 Plan

In February-May 2010, the Springfield and Lane County Planning Commission conducted a public hearing on the 2030 Plan, including three early concepts for expanding the UGB. The following summary lists the testimony received related to the UGB study areas and the commercial and industrial land supply. Some testimony addressed other issues and aspects of the 2030 Plan proposals.

February 2, 2010 Minutes

February 17, 2010 Minutes and Testimony:

- Johnson
- Kloos – Home Builders
- Leno
- Light
- Spickerman
- Kloos
- Cosette Rees
- Richard Satre

March 16, 2010 Minutes

- Michael Reeder representing Amigos III 3-16-10
- Michael Reeder representing Rosboro 3-16-10
- 1000 Friends 3-14-10
- DLCD 3-14-10
- Michael Reeder representing Amigos III – letter to Greg Mott
- Cynthia Pappas
- George Grier
- Dwight Purdy – Springfield School District #19
- Wicklund Trust 3-16-10
- Robert Emmons, LandWatch 3-16-10
- Rick Satre 3-16-10
- Donald Grant
- Kenneth Schmidt
- Tom Bowerman

April 20, 2010 Minutes and Testimony

- Steve and Sheri Tofflemoyer
- Greg Harmon
- Ralph Wheeler
- Jennifer Gericke
- Sandra and Walt Johnson
- Hugh & Phyllis Miller
- Eugene & Emma Murr
- Gregory & Lorrisa Leno
- Frank M Light
- Walter Johnson

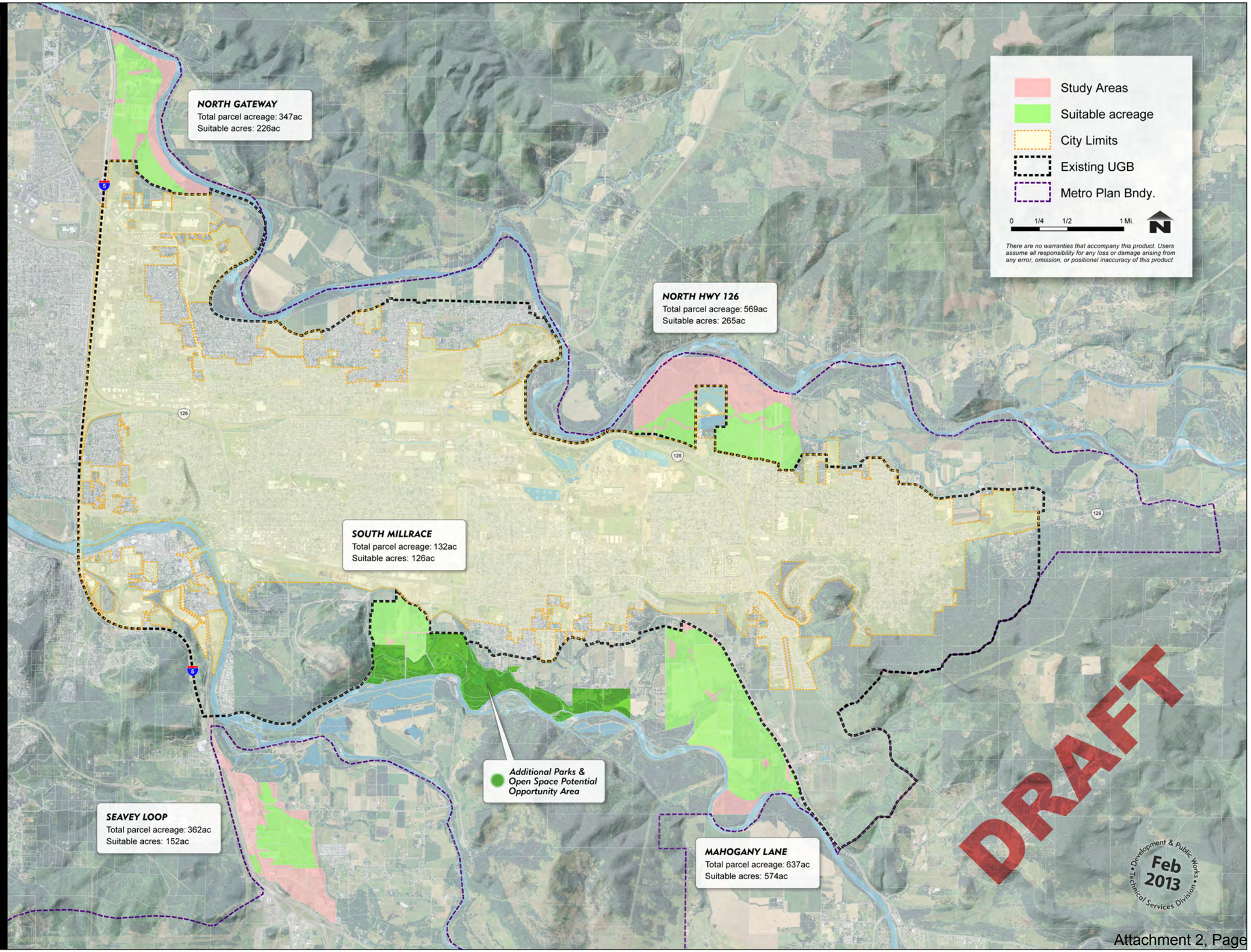
- Marcia L Sexton
- Ralph Wheeler
- Richard and Rit Proulx
- Mike Miller
- Randy Hledick
- Michael E Farthing for Gordon Webb
- Jordan Schrader for Wicklund Trust
- Raedeke Associates for Wicklund Farm Property
- Earle Wicklund
- Jeff De Franco for Springfield School District
- James W Spickerman for Puzzle Parts LLC
- Michael A Kelly
- Ed Moore, DLCD
- Ted Corbin for Springfield Historic Commission
- Bill Kloos for Willamette Water Company
- Mia Nelson, 1000 Friends of Oregon
- Arnold Gallager Percell Roberts and Potter –post hearing testimony of Rosboro

Public Input from Open Houses

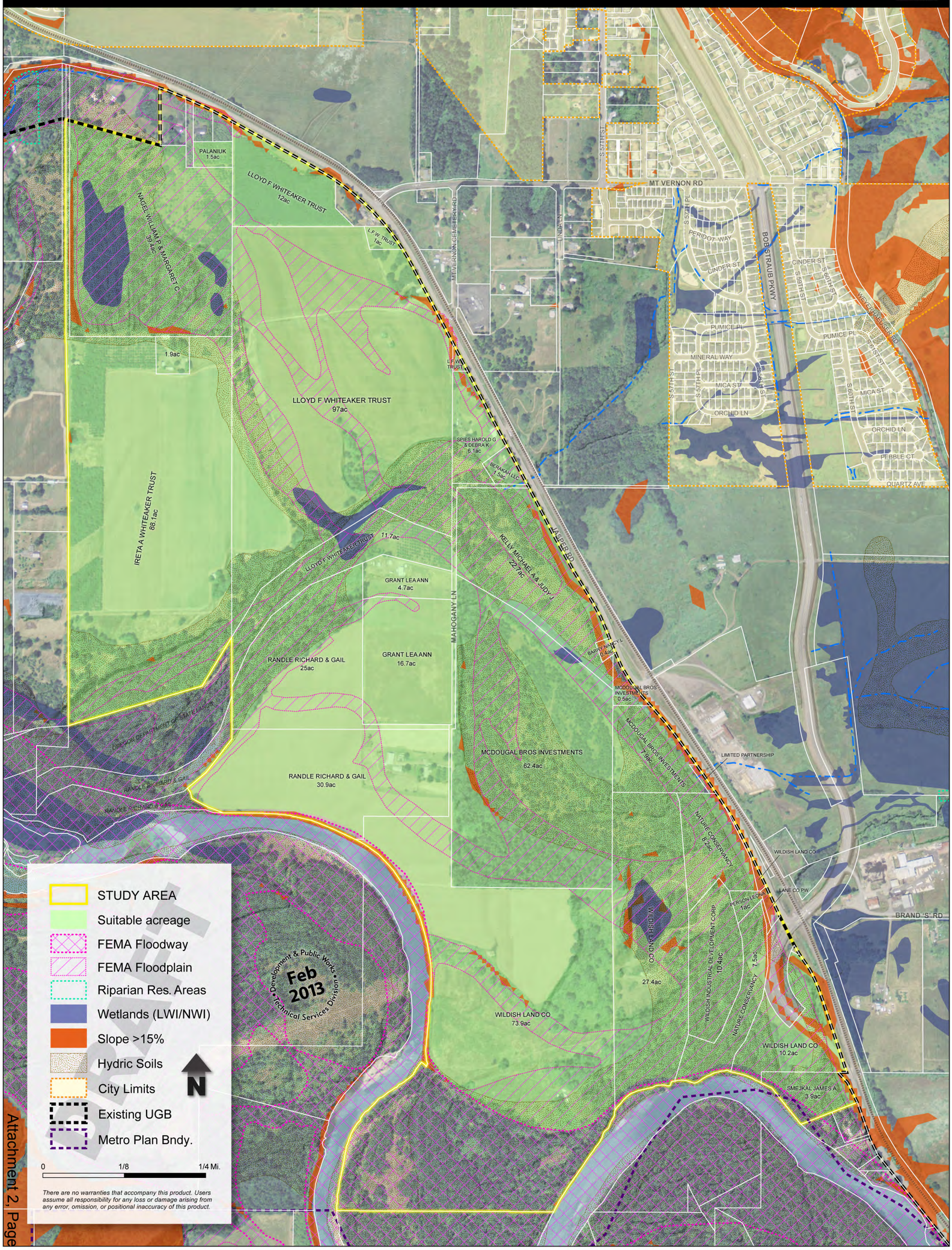
Public Input from 2009 and 2010 PC and CC Hearings on Draft CIBL Study

Public Input from 2008-2009 CIBL Stakeholder Committee Process, Community Development Workshop and Community Development Survey

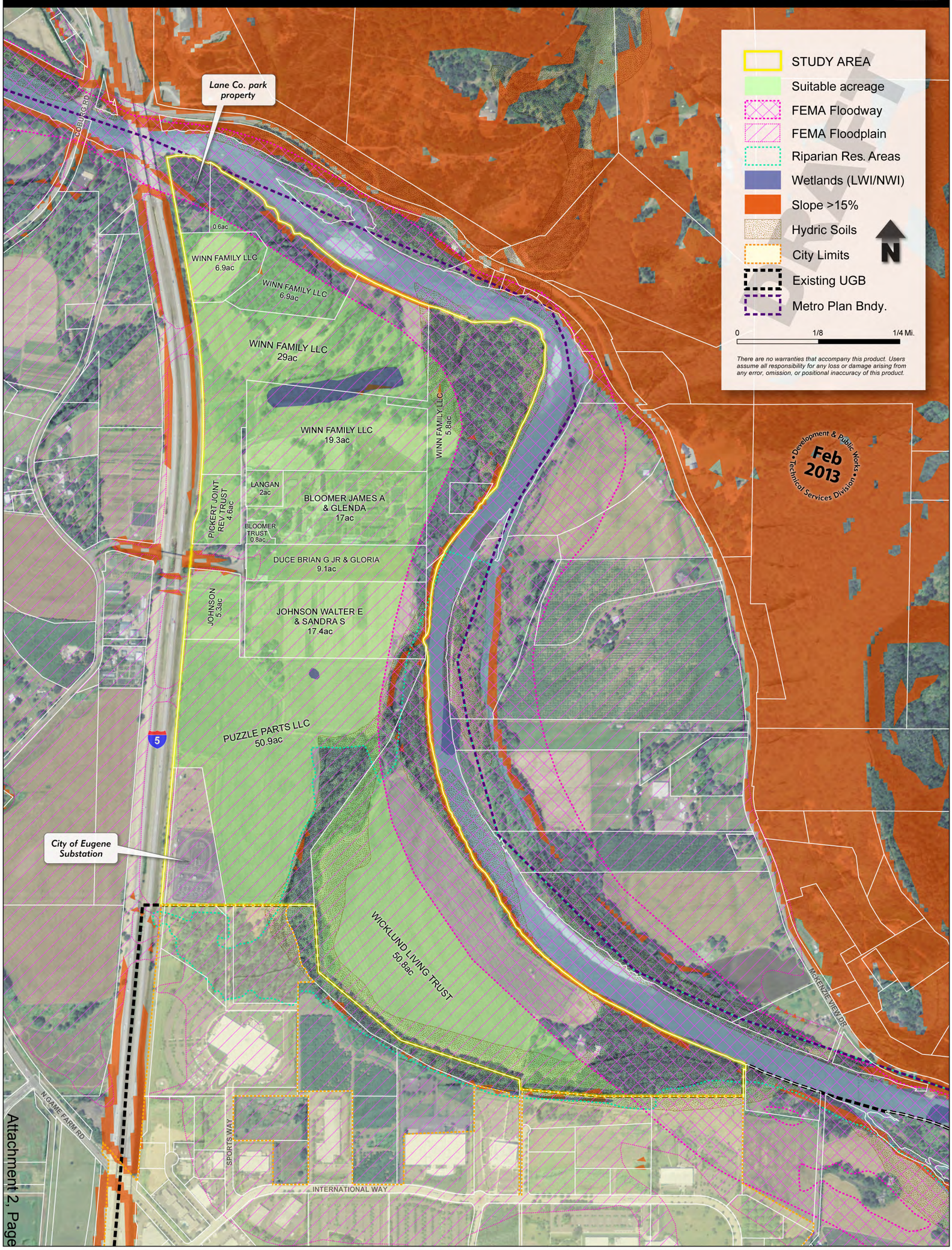
# SPRINGFIELD 2030 REFINEMENT PLAN: *Potential UGB Expansion Areas*



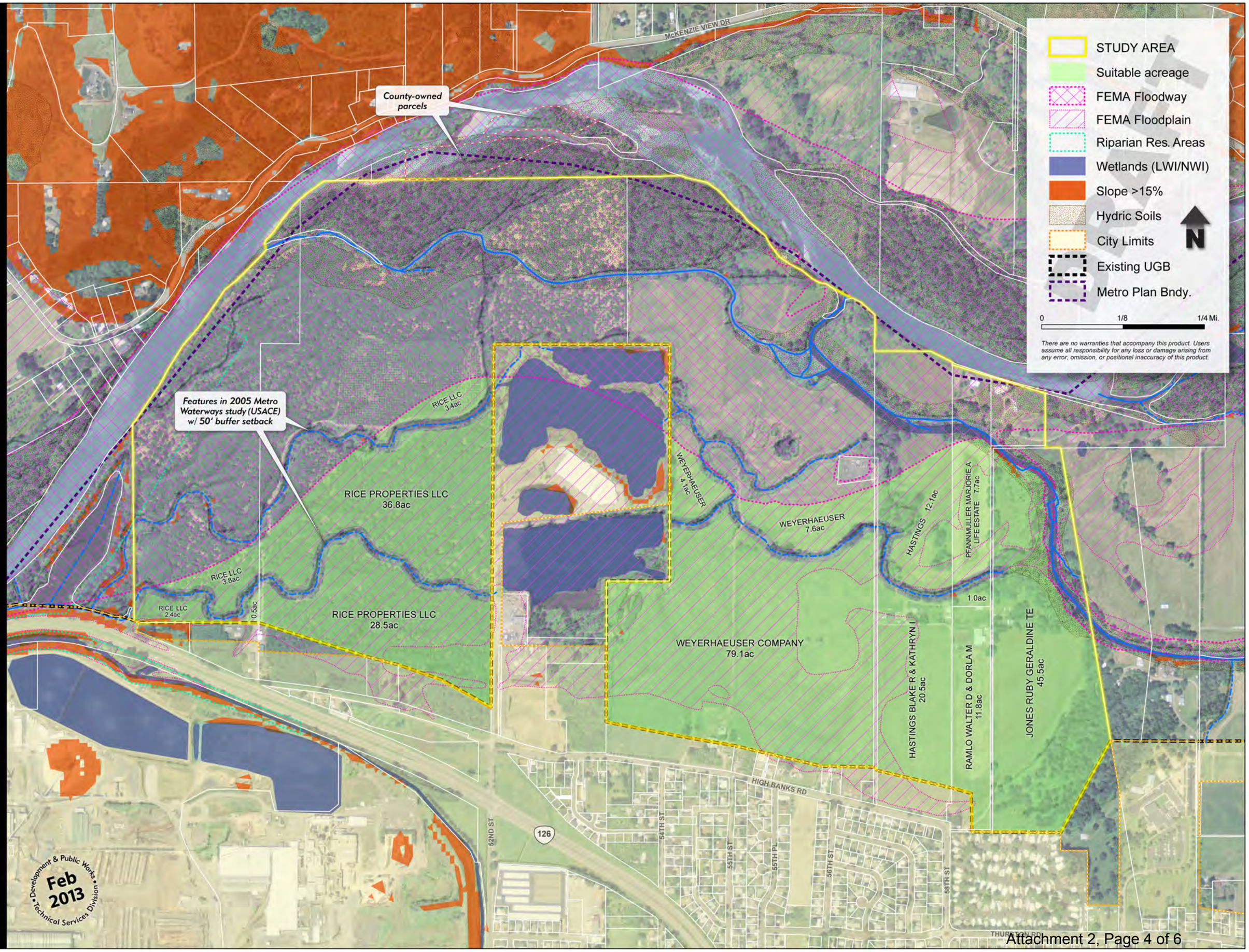
# SPRINGFIELD 2030 REFINEMENT PLAN: Potential UGB Expansion Areas - *Mahogany Lane*



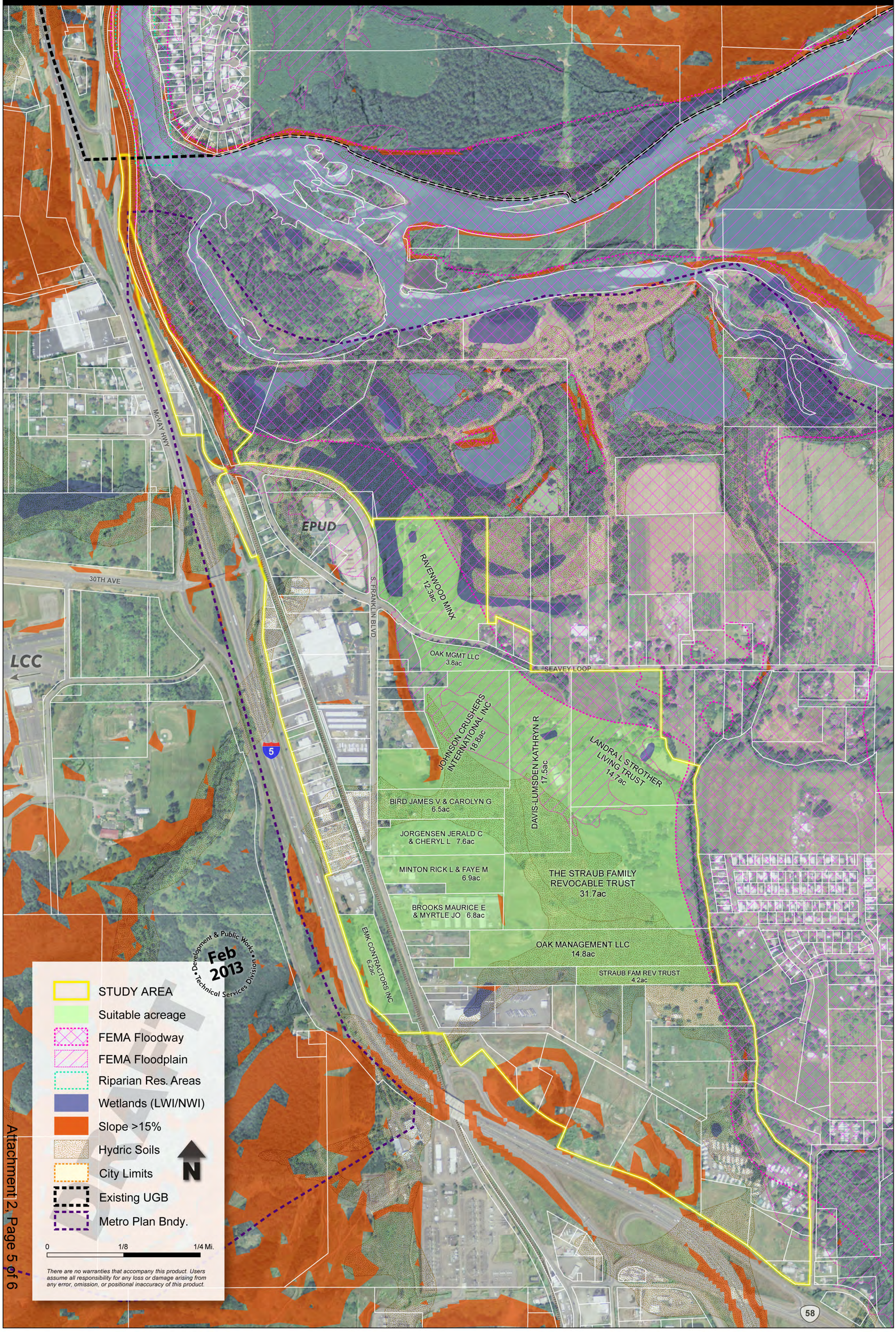
# SPRINGFIELD 2030 REFINEMENT PLAN: Potential UGB Expansion Areas - *North Gateway*



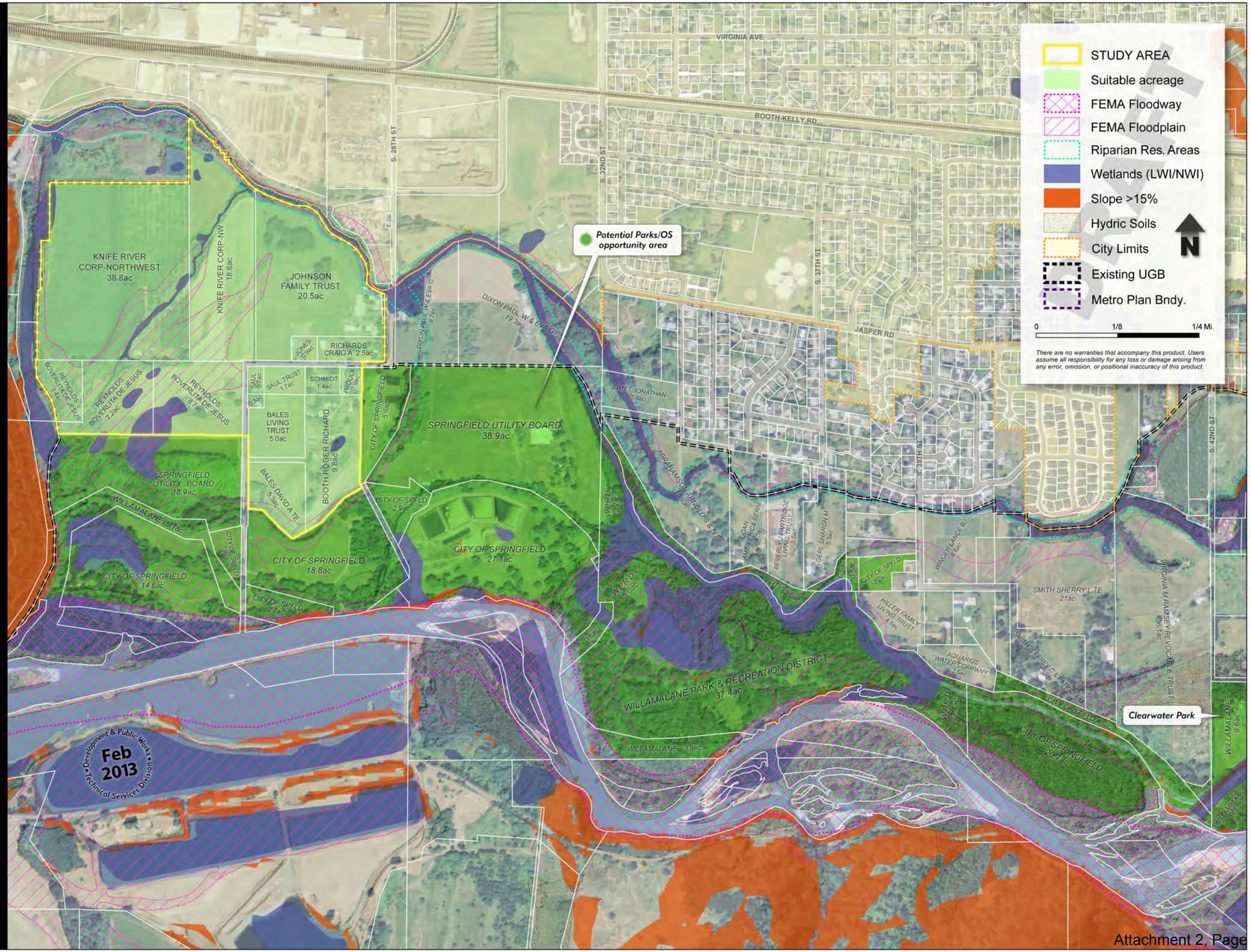
# SPRINGFIELD 2030 REFINEMENT PLAN: Potential UGB Expansion Areas - *North Hwy 126*



# SPRINGFIELD 2030 REFINEMENT PLAN: Potential UGB Expansion Areas - *Seavey Loop*



# SPRINGFIELD 2030 REFINEMENT PLAN: Potential UGB Expansion Areas - *South Millrace*



**May 5, 2014**
**Springfield Upbeat**
**2014 Earth Day Poster Contest Winners**
**Ross Mills/Loralyn Spiro**

William Boggs – 1st Place

Heather Araujo – 2nd Place

Jennifer Ortega – 3rd Place

Autumn Jones – 4th Place

Ciera Johnson – 5th Place tie

Emily Schneider – 5th Place tie

| | | |
|---|---|---|
| **AGENDA ITEM SUMMARY** | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Amy Sowa |
| | **Staff Phone No:** | 541-726-3700 |
| | **Estimated Time:** | Consent Calendar |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Mandate |

**ITEM TITLE:**

COUNCIL MINUTES

**ACTION REQUESTED:**

By motion, approval of the attached minutes.

**ISSUE STATEMENT:**

The attached minutes are submitted for Council approval.

**ATTACHMENTS:**

Minutes:

a) April 7, 2014 – Regular Meeting
b) April 14, 2014 – Council Goal Setting
c) April 21, 2014 – Work Session

**DISCUSSION/ FINANCIAL IMPACT:**

None.

City of Springfield
Regular Meeting

MINUTES OF THE REGULAR MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, APRIL 7, 2014

The City of Springfield Council met in regular session in the Council Chambers, 225 Fifth Street, Springfield, Oregon, on Tuesday, April 7, 2014 at 7:08 p.m., with Mayor Lundberg presiding.

ATTENDANCE
Present were Mayor Lundberg and Councilors VanGordon, Wylie, Moore, Ralston, Woodrow and Brew. Also present were City Manager Gino Grimaldi, Assistant City Manager Jeff Towery, City Attorney Lauren King, City Recorder Amy Sowa and members of the staff.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Lundberg.

SPRINGFIELD UPBEAT

1. Mayor's Recognition

    a. Caregiver Recognition Day Proclamation.

Mayor Lundberg read from the proclamation, proclaiming April 8, 2014 as Caregiver Recognition Day in Springfield.

CONSENT CALENDAR

1. Claims

2. Minutes

    a. February 24, 2014 – Work Session
    b. March 3, 2014 – Work Session
    c. March 3, 2014 – Regular Session
    d. March 11, 2014 – Joint Elected Officials Meeting
    e. March 17, 2014 – Work Session
    f. March 17, 2014 – Regular Meeting

3. Resolutions

    a. RESOLUTION NO. 2014-06 – A RESOLUTION TO ACCEPT CITY PROJECT P20154; FIRESTATION #4 WASHRACK.

    b. RESOLUTION NO. 2014-07 – A RESOLUTION TO ACCEPT CITY PROJECT P20513; SANITARY SEWER REHABILITATION 2007.

4. Ordinances

5. Other Routine Matters

   a. Award the Subject Contract to H&J Construction, Inc. in the Amount of $997,122.00, for project P21067 – 10th and N Sewer Upgrade, Phase 2.
   b. Authorize City Manager to Sign a Contract Extension with Life Flight Network, LLC to Provide Inter-facility Critical Care Ambulance Transport Services from the Springfield Ambulance Service Area (ASA #5) to Other Locations.

**IT WAS MOVED BY COUNCILOR WYLIE WITH A SECOND BY COUNCILOR WOODROW TO APPROVE THE CONSENT CALENDAR. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.**

ITEMS REMOVED FROM THE CONSENT CALENDAR

PUBLIC HEARINGS - Please limit comments to 3 minutes. Request to speak cards are available at both entrances. Please present cards to City Recorder. Speakers may not yield their time to others.

1. Ordinance Adopting a Temporary Moratorium on the Siting of Medical Marijuana Dispensaries.

   ORDINANCE NO. 1 - AN ORDINANCE DECLARING A TEMPORARY MORATORIUM ON THE SITING OF MEDICAL MARIJUANA DISPENSARIES IN THE CITY OF SPRINGFIELD AND DECLARING AN EMERGENCY.

City Attorneys Mary Bridget Smith and Lauren King presented the staff report on this item. The Oregon Health Authority (OHA) is authorized by statute (HB3460) to establish and regulate a medical marijuana facility (dispensary) registration system. A companion law (SB 1531) allows local governments to impose "reasonable regulations" on dispensaries. Additionally, SB 1531 also allows local governments to declare a temporary moratorium on the establishment of these dispensaries to allow time to enact any "reasonable regulations."

On March 24, staff and the City Attorney's Office sought Council preference regarding whether a moratorium should be enacted while the City considers and adopts local regulations of the dispensaries. Council directed staff to return on April 7 with options, including temporary moratoriums and a suggestion of the types of additional regulations that qualify under the statute as "reasonable regulations." If Council decides to adopt a moratorium, the attached draft ordinances address the different options. If Council decides to take action, only one ordinance is necessary. However, the moratorium options described below are not mutually exclusive and in some circumstances could be adopted together into one ordinance. If necessary, staff will revise the ordinance to reflect Council's decision.

The options presented are:

1. Take No Action—this defaults to the state rules without additional local regulations

2. Adopt a Moratorium—Council has the flexibility as to how long the moratorium lasts and whether the moratorium temporarily prohibits all dispensaries or only those dispensaries that

have not yet been licensed. Additionally, Council can adopt a moratorium and direct staff to begin preparing reasonable regulations. The following are the moratorium options:

a. Adopt a 90-day moratorium to address "place" concerns
b. Adopt a 90-day moratorium to address "time" and "manner" concerns
c. Adopt a moratorium effective May 1 , 2014 but allow dispensaries that receive a license prior to May 1, 2014 operate subject to further regulations
d. Adopt a moratorium that lasts until May 1, 2015 or until regulations are developed

3. Do Not Adopt a Moratorium but direct staff to develop additional regulations

Ms. King noted that the purpose of the moratorium was not to ban medical marijuana dispensaries, but rather allow the City the opportunity to address how this new use could co-exist with Springfield residents and businesses. She reviewed the three options listed above. If the Council chose not to take any action (Option 1), the OHA has rules that will regulate the dispensaries. No dispensary can operate without an OHA license. The OHA regulations considered who can be responsible for a facility, where a dispensary may operate, and how a dispensary may dispense medical marijuana. The license expires yearly and would need to be renewed through the OHA after proof of compliance with all regulations. Some of the regulations include being limited to certain zones, not within 1000 feet of an elementary or high school, and not within 1000 feet of another dispensary. The City was currently implementing the minimum development review standards. This procedure was triggered by the fact this was a new use. Dispensary owners had been to the City and were going through those minimum development standards and confirming they were within the zone as allowed by the OHA. If Council decided to adopt a moratorium, action needed to be taken by May 1 and would sunset no later than May 15, 2015. Council did have the ability to implement a shorter time frame. Because this was a new use, the City didn't know of the potential regulations a city may be interested in or that might be necessary. The recommendation from the City Attorney's office focused on the idea of looking closer at 'place' because once a business was in place, it was more challenging to decide that location is not appropriate. If Council decided not to do a moratorium, but to direct staff to look at developing additional regulations, Council could still consider place, time and manner regulations, but the place regulations would be more challenging to implement after someone was already located.

Councilor Woodrow asked if any of the options included looking into a business license.

Ms. King said Council could direct staff to begin work on preparing a business license without adopting a moratorium. There could be a concern if the business license included requirements or restrictions on place. If a business license was later developed and required, existing businesses would need to come back in to get their license.

Councilor Brew referred to Attachment 1 which cited the OHA regulation, "The name of a person responsible for a dispensary is confidential and is not subject to disclosure without court order". He said that was highly unusual. There was no other business that had that requirement. If the City put in place a license, he would expect to make disclosure a requirement.

Ms. King said that would be a reasonable regulation. Part of OHA's rules made it so someone did not have to disclose their name because it was associated with having the medical marijuana card and not subject to disclosure. If the City required a business license, the owner would need to disclose their name to the City, but the City wouldn't make that a public record without a court order to protect that person's identity.

Councilor Brew said he didn't know why we would need to keep someone's name off the public record when every other business was listed. He understood that most banks would not accept deposits from marijuana dispensaries because the federal government still considered it a Class 1 drug. He asked if the City would be at risk taking cash from a marijuana sale.

Ms. King said currently the federal government was not regulating marijuana as heavily as other drugs and the law was very much in flux. There was a potential if the federal government did decide to regulate, although it was not anticipated.

Councilor VanGordon asked how long it took someone to get their license from the OHA once the application is submitted.

Ms. King said it has been taking a couple of weeks. To date, only one operator in Springfield has been issued a license.

Councilor Ralston said he suspected the reason their names are not subject to disclosure was due to the criminal element and risk in knowing where they lived, similar to police officers.

Ms. King said it could be that being responsible for a dispensary was associated with having a medical marijuana card, which was a requirement. If the City did have a business license with that information, the City would try to make an effort to keep that information as confidential as possible.

Councilor Woodrow asked if a person getting a license for a dispensary was also required to have a medical marijuana card.

Ms. King said there are different licenses under the Oregon Medical Marijuana law for caregivers, growers or patients. To get a license for a dispensary, the individual needed to be registered with the OHA. She was not sure of their requirements to get a license.

Councilor Woodrow said if they put a business license in place, they wouldn't have to identify anything beyond the person responsible, such as personal information. The City wouldn't have to know which type of card the person had as long as they had met the requirements of the OHA.

Ms. King said they could look into that more closely.

Councilor Wylie said the Federal Administration enforced the Health Insurance Portability and Accountability Act (HIPAA) laws to protect privacy around medical and health care. She would assume the medical marijuana card would fall under those laws.

Ms. Smith said they weren't sure if HIPAA applied to having a medical marijuana card holder, but the disclosure language was in the OHA rules. They would check into that further.

Councilor Moore asked about existing city codes that restricted liquor dispensaries and adult video stores. She asked if there were any city codes related to the e-cigarettes.

Mr. Donovan said there were state regulations that addressed liquor stores. They were considered a standard retail use and had no significant additional regulations. Subject to the state rules, a liquor store could be located in a commercial district. Adult stores were protected by constitutional rights and

did not enter into the City's regulation of a commercial retail establishment. The City adhered to the state regulations for all three of her examples and had not imposed additional regulations.

Ms. King said there was a business license for liquor stores in addition to the state Oregon Liquor Control Commission (OLCC) license.

Councilor Moore asked if a similar license could be applied to medical marijuana dispensaries.

Mr. Donovan said there were differences between Municipal Code and licensing. It would be within reason to consider licensing, place, manner and location regulations through the Municipal Code.

Councilor Brew said in comparing medical marijuana dispensaries with pharmacies, the current zoning would not allow pharmacies in agricultural or industrial zones. Under the State rules, that would be allowed. If the City were to treat medical marijuana dispensaries like pharmacies, rules needed to be put in place.

Mr. Donovan said although there are agricultural uses within the urban growth boundary (UGB), Springfield does not currently have Agricultural Zones, although we could in the future.

Mayor Lundberg explained the process and asked that everyone be respectful of each speaker.

Mayor Lundberg opened the public hearing.

1. Caitlin Sullivan, Q Street, Springfield, OR. Ms. Sullivan said she was an Oregon Medical Marijuana Plan (OMMP) patient who recently received her card. She was diagnosed with fibro myalgia about 10 years ago making it difficult for her to get out of bed at times. She had tried a number of pharmaceuticals, but they had not worked for her. Throughout the day, she needed different types of strains of marijuana to address different physical pain. Her family was very low-income and she had difficulty finding a job because she was an OMMP patient. Having a dispensary open would provide a place where she could access her medications, and also would create jobs and revenue for the City. This could offer her an employment opportunity. Not everyone has access to their medications and not every patient-to-grower connection was fair or accessible. She asked them not to implement a moratorium.

2. Bee Young, Main Street, Springfield, OR. Ms. Young was the current licensed dispensary owner and was also representing the Lane County Cannabis Industry Association. One of the reasons Colorado had done so well with their legalization program was because they had the dispensary program to bridge them over. Those with their licenses were responsible. As a licensed individual, she was allowed to waive her right to disclosure, which she and others had done. The disclosure element was related to HIPAA rules and also to protect them from people wanting to rob them for products. Banks often closed accounts of dispensary operators once it is known they were associated with the industry, so operators maintained funds. The Council concerns were valid, so the Association wanted to work with the City and help them understand what this industry would do for Springfield. It meant jobs for people that could not get jobs because they test positive for marijuana due to their medicinal use. The OMMP industry does drug testing as well and doesn't accept any other drug than what has been prescribed. She hoped the Council would allow the Association to work with the City to make this transition. If they are banned, businesses would move to Eugene, but she chose Springfield and would like to stay.

3. Sarah Duff, Missouri Avenue, Portland, OR. Ms. Duff said she was here representing some of her patients in Springfield. It was very difficult to connect with patients, especially those that live in a different community. She would appreciate it if there were places for the patients to get their medications. She spoke regarding a patient with skin cancer that needed medication immediately in order to treat his disease. She suggested that if Council wanted to do a temporary moratorium, that it be for a short period of time and would allow businesses that were already in place to continue to operate. The City of Ashland chose to eliminate all of the retail establishments within 100 feet of a purely residential area and that had worked well for them. She supported that type of reasonable regulation.

4. Jeremy B, Eugene, OR. Jeremy said he had someone that would speak on his behalf.

5. Jim Murphy, Greenhill, Junction City, OR. Mr. Murphy said allowing the fate of the applicants to rely on the quick actions of the government by May 1 was wrong and unfair. There were a lot of people that had applied for a license that had not yet been contacted. Allowing those that are open by one date to continue, and not others created a monopoly. The way that seemed the most fair was Option 3. There should have been some thought into this already and Option 3 would allow everyone to start and the City to make rules. A business using an agricultural model would fail as this was a retail use. The 90-day moratorium wasn't a bad idea to get something in place and would be his second choice.

6. Larry Becker, High Street, Eugene, OR. Mr. Becker said he was here on behalf of medical marijuana patients in Lane County. Most of what the Council did would likely be pre-empted in a year anyway. The law was passed for safe access for patients. A moratorium would make that difficult to impossible for many people. If the Council's interest was in promoting the health and safety of the citizens, the moratorium should not be passed. If one is passed, it should be for as brief a period as possible.

7. Leslie Hysell, Lebanon, OR. Ms. Hysell said although she did not currently live in the area, she would be moving back soon. She had previously worked for the Springfield Police Department and been a parent volunteer in a local school district. She was stepping out as a cannabis patient because of the need. If someone was unable to produce their own medicine, they had to go through the streets, which was non-quality. After years of working in this area in the medical, police, and veterinary fields, she became disabled in 2009 and an opiate addict. She was told she had no other choices than to have an implant of morphine, but she chose not to do that and sought medical cannabis. In 2010, she became opiate free and she would like to stay that way. She agreed they needed regulations, but she asked that any delay was short.

8. Dan Koozer, Pioneer Parkway, Springfield, OR. Mr. Koozer said as a political activist he had worked on getting the initiative to legalize medical marijuana in 1997. Now we had dispensaries, but unfortunately the State legislature had doubled fees and now were giving cities the option of implementing a moratorium. There was now a resource for medicine, but that could be stalled up to a year which was unconscionable because this was medicine. He noted examples of decreased crime in areas that allowed dispensaries. The dangers weren't there, but the benefits were. He asked the Council to drop the moratorium and let patients have their medicine.

9. Chamelle MacKenzie, South 79th Street, Springfield, OR. Ms. MacKenzie said as a patient she was excited about the possibility of being able to go to a dispensary for her medication, legally and safely. As a citizen of Springfield, she wanted to buy her medicine in Springfield. Currently, there was one dispensary that had received a license from OHA, but there was a need for more than one to provide options for patients. Some dispensaries may not offer all of the different types of medical marijuana available, so having more dispensaries open provided those options. She felt implementing a moratorium while the City worked things out was reasonable, but one year was too long. She wanted to support the business owners in Springfield.

10. Travis MacKenzie, Springfield, OR. Mr. MacKenzie said his wife had covered what he wanted to say.

11. Dan Larsen, Walnut Ridge Drive, Springfield, OR. Mr. Larsen said he had been a resident of Springfield for the last 18 years, and was a native Eugenian. He thanked the Council for the work they did in cleaning up downtown over the last few years. He knew it was a lot of work. He felt that if they allowed dispensaries in Springfield, we would be reverting back into the old days. He noted the new development in Glenwood and the number of visitors coming into our area. There were pages of security measures required by the dispensaries because of the products in the dispensaries. He suggested implementing a one-year moratorium. If people needed their marijuana, they could go to Eugene. Springfield was being open-minded by having a public hearing, something Eugene did not do. Marijuana was a very dangerous drug and was a mind-altering drug. He noted an article about a young man in Colorado who died after using marijuana. He suggested Springfield study how other communities handle dispensaries and the issues they encounter. Once a rule or place was established, it was very hard to change.

12. Mike Cozad, Homeless Veteran. Mr. Cozad said he was a former caregiver. His mother-in-law lives in Springfield and has been a medical marijuana user for about five years. The biggest problem she had was finding a reliable source. For people who are very ill, specific cannabinoids were needed and new information is being learned all the time about the different properties of each. For her condition, she needs a specific strain and that is very difficult to get. With a dispensary, the patient would know the quality, type and contents. There is still a stigma about marijuana being a dangerous drug. Anything could be dangerous if used incorrectly, and that is likely what happened in Colorado. Marijuana has valuable medicinal use. He has seen what it can do for a variety of maladies that don't react well to prescription medications, which have their own side effects. If a moratorium is implemented, there are people that might not be around in a year and having this medication could improve their quality of life. They needed to have an honest conversation about cannabis and responsible medical use, and get rid of the stigma. He hoped Springfield would take the time and not block what was coming.

13. Kris McAlister, Springfield, OR Mr. McAlister said he was born, raised and still lived in Springfield. He currently qualifies for five of the eleven allowed uses for medical marijuana and perhaps six with his declining health and genetic disorder. He has three concerns regarding the moratorium. He believed this ban could be endangering patients to illegal markets and exposing them to other substances that already invaded our community. This could create more potential issues in additional to issue patients already face. There are approximately 6,275 patients that could be affected because Eugene only has one or two

dispensaries open. The cost of this medicine for his condition is one-third of his rent. He has seen numerous doctors and tried hundreds of medications to address his condition. A moratorium puts the weight of caring for Springfield patients on Eugene. As Springfield citizens, we had Springfield responsibilities. He was not a pot-head, but had medical conditions. He had served this State, the community and he cared about our people. This was our problem and we needed to fix it and care for our people. He was not supportive of taxing the dispensaries as it would cost the patient more.

14. Robyn Broadbent, Springfield, OR. Ms. Broadbent said she was going to provide a testimonial, but felt others had said what she had planned to say.

15. Jayson Thomas, Main Street, Springfield, OR. Mr. Thomas said he was trying to open a dispensary at 1936 Main Street. As a dispensary owner, he was able to find a bank in Arizona that would give him a credit/merchant service as well as full banking. He received his provisional license, his security system was installed and he could open any day but out of respect for the City is waiting to see what action the Council takes. According to OHA, there are currently 1700 grow sites in Springfield and over 6000 patients in Lane County. He commended the Police Department for doing a good job of regulating this program. The security program (for dispensaries) was four pages long, as noted earlier, making them safer than a bank. That should give the Council and all of the Springfield citizens assurance of safety. When he moved to Springfield, he did a comparison of crime rates and cost of living and Springfield beat out Eugene in every department and has for a number of years. For Eugene to be more welcoming for these types of businesses and provide safe access to medicines was ridiculous. Springfield is a progressive, safe and diverse city and we should take advantage of turning this already existing industry into a more legitimate avenue. He would need to open in 40 days to remain viable, so a 90-day moratorium would shut him down. He planned on operating at cost for the first six months and was not out to make a lot of money. He had worked on his facility since November, had invested in the facility and had employees ready to start work.

16. Jack Martin, 21st Street, Springfield, OR. Mr. Martin said he was a native of Springfield and lived here for over 75 years. He liked the way the town had been run, but felt a moratorium was needed to get all of the rules and regulations in place that they knew of now and also things they may learn about. Whether it was 90 days or one-year was at the discretion of the Council, but it needed to be long enough to take a close look at State regulations and any other regulations we may want in Springfield.

17. Bethany Sherman, W 11th Avenue, Eugene, OR. Ms. Sherman serves as the Executive Director of Oregon Growers Analytical, a new cannabis testing laboratory in Eugene. She is also on the board for the Lane County Cannabis Industry Association. She would like to encourage the Council and citizens to consider the impact of a moratorium on patient's access to safe medicine. The state required that dispensaries have all their products tested. With this regulation, they are able to provide patients with critical data they need access to so they knew what they are consuming. If a moratorium is implemented in Springfield, the over 6000 Lane County patients will either go to Eugene to spend their money, will turn to the black market, or continue to suffer without their medication. In any of those situations, Springfield would lose out on valuable tax revenue and job opportunities. Allowing dispensaries to operate under State law, Springfield could look forward to a growing economy where patients had access to clean, safe medicine and the information needed to make the right decision for what they are

purchasing. The black market would have a reduced capacity to operate with regulation in place. She noted that reports from Colorado since they legalized marijuana showed a 9% decrease in traffic fatalities, approximately 3% decrease in teen use of marijuana, and a decrease in some types of violent crime. The State regulation for medical marijuana dispensaries was defined over several months by a comprehensive team of educated people from several sectors. They continued to work on further defining those regulations, which are very comprehensive, at the State level.

18. Antony Johnson, Hawthorne, Portland, OR. Mr. Johnson said he was here representing the Oregon Cannabis Industry Association. He urged the Council not to impose a long moratorium or lengthy, stringent regulations that would zone out medical cannabis facilities in Springfield. Many of the fears and concerns are understood by the cannabis community. They, too, want to have safe neighborhoods, safe roads, and to keep marijuana out of the hands of children. The best way to do that is to have licensed and regulated medical cannabis access. He sent to the Council an email with links to a number of studies that showed that crime did not go up in states with medical marijuana dispensaries, and often decreased. The roads are not more dangerous, and often are safer. Licensed and regulated establishments do a better job of checking for identification of medical marijuana cards than black market dealers. Forcing patients to go to other communities was a hardship to many patients. The facility operators are willing to work with the City and address concerns of the community. To fully address the concerns of the community, licensed and regulated establishments, audited and inspected by the State, are the best way to have safe neighborhoods, safe roads, and keep marijuana out of the hands of children. He urged the City to work with the dispensary operators as a community that wants to provide safe access to patients and do what is best for the community.

19. Eric Rosso, Wallace Creek Road, Springfield, OR. Mr. Rosso said in looking up the marijuana related death in Colorado, he found that the person had never previously used marijuana and had ingested it and then jumped to his death. This is the type of concern that has been blown out of proportion and diverted us from better action. Legal medical marijuana has been in Oregon for nearly a decade and they are just now talking about whether or not to allow dispensaries. Wherever they adjusted the legal status of cannabis, there are associated reductions in crime and illegal drug use. He is confused that Oregon is still dealing with this issue when it is something that can help the local economy.

20. Robin Warner, Kelly Blvd., Springfield, OR. Ms. Warner referred to the accidental death due to marijuana use, but more deaths had occurred from people using alcohol and opiates. Every pharmacy has to follow rules and regulations. Before dispensaries were legal, there were no issues with those that were operating. Now that dispensaries are legal, there are rules and regulations and issues to consider. She urged the Council not to enact a moratorium.

Mayor Lundberg closed the public hearing.

Councilor Ralston said this isn't something that was unexpected, yet they feel like they have to rush to do something. The State has rules in place and is already regulating dispensaries, so the City should leave it to the State. He believes any attempt on a moratorium is not just to figure things out, but to say we will add additional regulations and he didn't feel that was necessary. It is not an agricultural concern, it is commercial and the City knew the proper zoning for those already. It is time it is referred to as a medicine. Without dispensaries patients have to get their medicine from the illegal market. That is more dangerous than allowing dispensaries. It will create jobs and we have an opportunity to

create income through fees and taxes that can help fund community services. The security is higher than a bank, and there is no need for someone to rob a dispensary when they can steal it from others. Creating a moratorium sent a message that they didn't personally approve of the use of marijuana as a medicine, and that is wrong. Springfield had led the way, but if not allowed here, people would go to Eugene to get their medicines. There is nothing further to study and there is no need for a moratorium. He has confidence in our planning department to provide information on proper zoning to dispensary owners. This medicine is much less dangerous that many of the narcotics prescribed to ease pain.

Councilor Brew said he believes in marijuana as a medicine and believes we needed to have dispensaries, but he also believes we needed to treat this as any other new business that comes into our community by doing due diligence. A 90-day maximum moratorium is appropriate, but if we can get ready in a shorter time frame, that would be fine. The state doesn't consider many things that can affect the City; that was the City's job. Zoning is just one of the things to consider. We need to treat this like any other business. He appreciates that people are waiting for their medicine, but medical marijuana has been approved for ten years and we are just asking for another 90 days to look at this closer. That is part of their job.

Councilor Woodrow asked if the City had to adopt a moratorium to have currently licensed dispensaries subject to future regulations, or if they could just subject them to future regulations without enacting a moratorium.

Ms. Smith said that would be Option 3 in which the Council would choose not to impose a moratorium, but look at the issue and determine regulations. If they are time or manner regulations, business license, hours of operation or something else to supplement state rules, the City can enact those on medical marijuana dispensaries that are currently licensed or those that became licensed in the future. It would be difficult to place regulations on a current dispensary location where it is no longer allowed under future regulations. In that case, the dispensary could stay and would be a pre-existing, non-conforming use. Another option would be to enact a moratorium for a certain amount of time, but dispensaries that already have their license would not be subject to the moratorium. The purpose of the State allowing cities to enact moratoriums is to give them a chance to look at those types of things.

Councilor Woodrow said when this first started she had concerns, so she read the regulations and emails from people, and listened to those that testified. She wanted to know how the community felt and what was going on in the public's lives and how they viewed things. She asked a lot of questions and would continue asking questions, but she felt comfortable with the information received thus far. She believes in medical marijuana. In the past, she worked in case work, family counseling and rehab treatments for addiction and alcoholism and knew there was a concern of marijuana being a gateway drug, but she also recognized the medical use. This is important for the person legitimately using marijuana for medication. She is more in favor of allowing what is happening now and looking to address issues as they arise as necessary. The State rules gave the City a good head start. Historically, Springfield has been able to address things as needed, and she feels they can do that again without a moratorium.

Councilor VanGordon asked if there was a way to allow those with a license to open now, while the City enacts a moratorium.

Ms. King said that was an option. Some other cities are also considering that option. The City Attorney's office would recommend that if a dispensary was already operating, they would be subject to further regulations to create equity among dispensaries.

Councilor VanGordon said it was important to hold a public hearing on this subject to hear the comments from everyone. He also read emails that came to him and answered calls about this, which all helped. Dispensaries are coming, but some rules need to be in place and it is difficult to add rules once businesses are already opened. He recognizes this is a pressing matter. He would prefer to set a one-year moratorium in downtown, and referred to the testimony from the gentleman about the improvements in downtown. He would like to see people with licenses have the ability to open now, and impose a 90-day moratorium to figure out regulations. Our community is relatively balanced. His concern is that if they didn't take some time to create some regulatory framework, it would be very difficult once dispensaries opened. He felt they should take the times as they would any other industry. This option would give those that open dispensaries clarity on the City's regulations. He isn't against having dispensaries downtown for a long period, but just wants the extra time in that area. He repeated his preferences regarding existing dispensaries and a moratorium.

Councilor Moore asked about the cost for medicinal marijuana.

A member of the audience responded that the price breaks are normally a gram, an eighth, a quarter, a half and one ounce. General pricing is about $12/gram, $35/eighth, $65-$70/quarter, $110-$140/half and $200-$280/ounce depending on quality, quantity and other factors.

Councilor Moore said she is interested in Option 3 and felt they should look at the time and manner. The only place she is concerned about is mixed-use residential. Although Springfield didn't have a lot of that now, we had plans for that in the future. She felt they could move forward without a moratorium and look at time and manner of dispensing, and also enacting regulations regarding mixed-use and agricultural areas.

Ms. King said there are agricultural uses allowed in the urban transition area (UTA). If the city moves forward with expansion of the urban growth boundary (UGB), those would be agricultural.

Councilor Wylie said she would like the City to consider putting dispensaries in the same category as a pharmacy when looking at regulations.

Mayor Lundberg said she wants to be careful about place as it can send a negative message based on fear and bias. She doesn't want to send the message to the community that we didn't like them in specific areas. She provided an example of opinions based on fear and ignorance. This is a new area for the City and probably will change at the end of the year if any of the measures go forward and pass regarding recreational marijuana. She felt recreational marijuana would be in the liquor store category, and medical marijuana in the pharmacy category. Springfield has never been afraid to forge ahead and get things done. She doesn't want any business that has already made a commitment to be in Springfield not have the ability to open. They can get this done without a moratorium and can move forward with any needed regulations quickly. She agreed they need to look at it further. She noted that there are separate liquor licenses from the City and the State, which allows the City an opportunity to monitor that type of business. She agrees with that process. She would prefer they went to the legislature to have them do something about e-cigarettes as she felt they were much more harmful to children. She agreed they need to look at regulations, but not a moratorium. Allow people that have invested to continue to work towards opening their dispensaries.

**IT WAS MOVED BY COUNCILOR RALSTON WITH A SECOND BY COUNCILOR WOODROW TO LOOK AT OPTION 3 AND DIRECT STAFF TO DEVELOP ADDITIONAL REGULATIONS AS SITUATIONS OCCUR. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 1 AGAINST (VANGORDON).**

2. Fiscal Year 2014-2015 Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) Recommended Funding Allocations.

Housing Program Analyst Kevin Ko presented the staff report on this item. The Springfield Community Development Advisory Committee (CDAC) reviewed five proposals and prepared CDBG and HOME funding recommendations for the FY2014-2015 program year. The recommendations are being forwarded to the City Council for consideration and approval. The CDAC's funding recommendations are consistent with Springfield's local funding priorities and identified community development needs as documented in the 2010 Eugene-Springfield Consolidated Plan. A second public hearing to approve the One-Year Action Plan would be held on May 5.

The City of Springfield will be receiving $451,142 of CDBG funds and $299,575 of HOME Investment Partnerships Program funds for the fiscal year beginning July 1, 2014 and ending June 30, 2015 (FY2014-15). This is a slight reduction in CDBG and a slight increase in HOME compared to last year. These amounts, and approximately $102,000 of previously unallocated funds, are available. The Council Briefing Memo included details and discussion regarding the CDBG and HOME programs allocation process and the funding reductions to CDBG and HOME programs. The memo also showed trends of CDBG and HOME funding over the past ten years which had steadily declined except for a small rise in 2010.

Mr. Ko said the applicants had been very thoughtful in their requests, asking only for the minimum needed knowing that funding was down.

Mayor Lundberg said she was on the CDAC, but was not able to attend the meetings this year due to conflicts. She apologized to the committee and applicants that she had missed those meetings. This was a committee she truly enjoyed.

Mayor Lundberg opened the public hearing.

1. <u>John Lively, Springfield, OR.</u> Mr. Lively serves as President of the Springfield Renaissance Development Corporation (SRDC). He congratulated the Council on the work they had done over the years in downtown. We could all take pride in the transition that is occurring. SRDC is proud to partner with the City in those efforts; going back to the Wildish Theater and the impact that venue has on downtown. SRDC recently purchased three buildings in downtown on Main Street between Pioneer Parkway and 4th Street. They were asking for $35,000 to redo the front of those buildings. Currently, they had signed leases with all three buildings. The long-term goal was not to be landowners in downtown Springfield, but to continue to work with the properties and encourage others in Springfield to develop downtown. SRDC hoped to find someone interested or living in Springfield to purchase the building and then reinvest in fixing up other buildings. He was asking for Council support for the funds to fix those building.

Councilor Ralston asked where the buildings were located.

Mr. Lively said they were on the south side of Main Street across from PlankTown Brewery. A new bike shop had opened next door.

2. Sarah Cantril, Eugene, OR. Ms. Cantril is the Executive Director of Huerto de la Familia (The Family Garden), a non-profit organization. She was here as a partner agency to NEDCO's application to the CDBG Grant. Huerto de la Familia had been in Springfield since 2006. One of the programs is based in Community Gardens, offering opportunity and instruction for families to grow their own food. They were currently partnering with Willamalane to have garden space for the families. For the past two years, they had offered micro-development classes to Latino immigrants at the Downtown Languages location. They had been partnering with NEDCO for their Individualized Development Account and will be working with them on the Community Lending Works to loan money to participants. They are initiating a food booth incubator at the SPROUT indoor farmer's market for families to sell food products and access the community kitchen. The families Huerto de la Familia served were primarily mono-lingual Spanish speakers so all programs were offered in Spanish. Many of the families had limited education, but had a lot to offer and a lot of experience. The job of Huerto de la Familia's was to help them build legitimate businesses. This proposal would assist their organization in better working with NEDCO. Huerto de la Familia would like to have a physical presence in Springfield at the 405 A Street location and hope to work with them to allow Latino immigrants to sell their goods.

3. Roberto Peralta, Springfield, OR. Mr. Peralta is the owner of CIG Consulting. He was speaking in support of NEDCO activities. He opened his own business in 2012 working with several businesses, one of which is a cooperative, profit-sharing with a lending company. NEDCO helped him in the beginning with his business plan and through his struggles in managing his own company. NEDCO has the right person to support his decisions. NEDCO was like a tree. People working at NEDCO help maintain the tree, giving more fruit for the community.

4. Nestor Sohnlein, Springfield, OR. Mr. Sohnlein was here representing NEDCO as their new Business Development Coordinator. NEDCO was doing a lot of good in our community. This project they are requesting funding for is geared up to start a new incubator space at 405 A Street. Incubators are one of the thriving businesses in every economy. The possibility of generating new jobs and possibilities for the people of Springfield was great. As Business Development Coordinator, Mr. Sohnlein's work is to teach what a business is, to counsel about business, and to go into the community to help all those that need help. With the funding requested, NEDCO would try to make the tree grow higher.

5. Jacob Fox, Eugene, OR. Mr. Fox is the Deputy Director for the Housing and Community Services Agency (HACSA) of Lane County. HACSA was requesting HOME funds which the CDAC supported. They were building a lovely building next to the hotel and conference center that was discussed earlier this evening, and were excited to be able to provide housing for those workers and create a neighborhood. He acknowledged Larry Abel, Executive Director of HACSA; Steve Oakes, Real Estate Development Director for HACSA; and Richard Herman, Cornerstone. He had worked for both housing authorities in the cities and had been exceptionally impressed with the work done by the City of Springfield staff. The staff had come through for HACSA when needed. He acknowledged Kevin Ko, John

Tamulonis and Jim Donovan for helping to push the project along, along with other staff who had worked hard.

Mayor Lundberg closed the public hearing.

Councilor Ralston said he was supportive of the HACSA project. He asked if there was a diplomatic way to do outreach to the surrounding mobile home parks that may be relocated as development occurred. He would prefer to be proactive and this seemed like a great opportunity.

Mr. Ko said this could provide some relief and be a demonstration of what was possible to help address the mobile home park dilemma faced by Springfield and the whole State of Oregon.

Councilor Ralston said he would like to contact each of the residents to let them know what is going on and let them know of this opportunity.

Mr. Ko said they would make sure the developers took that step.

Councilor Wylie said she was supportive of all of the projects and felt they would all help improve our community. She was very excited about downtown and watching our community grow, and acknowledged the NEDCO program for helping start up new businesses and helping them succeed.

Councilor VanGordon noted that all of the requests were for grants rather than loans. He asked if that was a change in rules.

Mr. Ko said he had made it clear in the application that the City was encouraging loans. The value of grants was greater than loan funds, so with the limited funds it was easier for agencies to use fewer funds through grants.

Councilor VanGordon asked if the Lock-Out Crime program was still active.

Mr. Ko said they still had funds available from the last allocation two years ago.

Councilor Moore asked about the process HACSA was going through to apply for tax credits from the State. She knew that Bascom Village was also applying. She asked about the effect on their project if they were not awarded those credits.

Mr. Fox said they were in a new region which included Corvallis and Salem. Contacts in both towns indicated that there was not much competition in the region for other projects. They made a deliberate decision to submit both the Glenwood and Bascom Phase II projects. The dollars used for both projects were Federal dollars. If they didn’t get funded for one of the projects this year, they would submit that project again next year.

Mayor Lundberg said she was very hopeful that the HACSA project was awarded the tax credits. She was happy to see SRDC back with a project. She was pleased to see a new commitment from them and more investment in downtown. A set aside for downtown was started awhile back and it had worked out very well. She was pleased with all of the applications. She thanked the CDAC and applicants.

**IT WAS MOVED BY COUNCILOR WYLIE WITH A SECOND BY COUNCILOR WOODROW TO ADOPT THE FISCAL YEAR 2014/2015 CDBG FUNDING ALLOCATIONS AS PRESENTED. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.**

It was noted that this included the HOME funding allocations.

6. Master Fee and Charges Schedule – Spring 2014 Update

ORDINANCE NO. 2 – AN ORDINANCE OF THE CITY OF SPRINGFIELD AMENDING ARTICLE 1, TABLE 3-A STRUCTUAL PERMIT FEES; TABLE 3-B ELECTRICAL PERMIT FEES; TABLE 3-C PLUMBING PERMIT FEES; TABLE 3-D MECHANICAL PERMIT FEES; TABLE 3-F OTHER INSPECTION AND FEES OF THE "SPRINGFIELD BUILDING SAFETY CODE ADMINISTRATIVE CODE" OF THE SPRINGFIELD DEVELOPMENT & PUBLIC WORKS DEPARTMENT; COMMUNITY SERVICES DIVISION "BUILDING SAFETY CODES".

ORDINANCE NO. 3 – AN ORDINANCE AMENDING THE SPRINGFIELD MUNICIPAL CODE, SECTION 3.356 "SEWER CONNECTOINS – UNASSESSED PROPERTY" TO ADD A NEW SECTION, SECTION 3.356(3)(c) REGARDING PROPERTY DIRECTLY BENEFITED BY THE FRANKLIN/MCVAY SANITARY SEWER EXTENSION AND ADOPTING A SEVERABILITY CLAUSE.

Finance Director Bob Duey presented the staff report on this item. Each year, Council and staff review existing fees and charges for appropriateness of rates for meeting cost recovery targets as well as reviewing for areas where new or additional fees should be considered. A work session was held with Council on February 3 to review the proposed changes for this spring. Staff is returning at this time to present to Council the first phase of the proposed fee changes as discussed at that work session.

The inclusion of all fees into a single manual for improved public access does necessitate three separate actions for final approval of recommended fee changes. A single ordinance, public hearing and second reading is necessary for changes being made to fees specially stated within the Building Code. A second single ordinance, public hearing and second reading is necessary for changes being made to fees specially stated within the Municipal Code. Both of these ordinances are being presented on April 7 with a second reading scheduled for April 21. These ordinances will become effective on May 21st.

A separate resolution presented for a public hearing only on April 21 has been scheduled for all other recommended fees changes presented at the February 3rd work session but are not included in the two previously mentioned ordinances. The effective date for these fees will also be May 21st to allow all new fees to go into effect at the same time.

Mr. Duey noted two minor changes that would be made prior to adoption of the ordinance. The first was a fee that was supposed to be raised from $5 to $5.10, but was shown as $5 to $10. The other change was to remove the emergency clause from the ordinance and the effective date. Building Code fees had been reviewed by the State as required and building staff has vetted them with the HomeBuilders' Association (HBA). He described the increase in fees in the ordinances and resolution.

Mayor Lundberg opened the public hearing on Ordinance No. 2.

No one appeared to speak.

Mayor Lundberg closed the public hearing on Ordinance No. 2.

Mayor Lundberg opened the public hearing on Ordinance No. 3.

No one appeared to speak.

Mayor Lundberg closed the public hearing on Ordinance No. 3.

NO ACTION REQUESTED. FIRST READING ONLY.

BUSINESS FROM THE AUDIENCE

COUNCIL RESPONSE

CORRESPONDENCE AND PETITIONS

1. Correspondence from David Williams Regarding Medical Marijuana Dispensaries.
2. Correspondence from Charity Woodrum R.N. Regarding Medical Marijuana Dispensaries.

**IT WAS MOVED BY COUNCILOR WYLIE WITH A SECOND BY COUNCILOR WOODROW TO ACCEPT THE CORRESPONDENCE FOR FILING. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.**

BIDS

ORDINANCES

1. Glenwood Phase 1 Update (Springfield File Nos. TYP411-00005, TYP411-00007, and TYP311-00001 and Lane County File No. PA 11-5489).

   ORDINANCE NO. 6316 – AN ORDINANCE COMPLYING WITH LAND USE BOARD OF APPEALS (LUBA) REMAND (2012-077/078/079) BY INCORPORATING SUPPLEMENTAL FINDINGS INTO THE RECORD OF SPRINGFIELD FILE NUMBERS TYP411-00005, TYP411-00007, AND TYP311-00001 AND LANE COUNTY FILE NUMBER PA 11-5489, AND AMENDING THE GLENWOOD REFINEMENT PLAN DIAGRAM AND TEXT, THE SPRINGFIELD ZONING MAP, AND THE SPRINGFIELD DEVELOPMENT CODE, AND INCORPORATING ADDITIONAL FINDINGS IN ORDER TO CHANGE THE LAND USE DESIGNATION AND ZONING OF 14.29 ACRES OF LAND FROM EMPLOYMENT MIXED-USE TO COMMERCIAL MIXED-USE, AND ADOPTING A SEVERABILITY CLAUSE.

Senior Planner Molly Markarian presented the staff report on this item. On October 15, 2013, the Springfield Planning Commission held a public hearing to receive testimony on the proposed Glenwood Phase I amendment package to address the LUBA Remand. In accordance with the 1986 IGA (190 agreement) between Lane County and Springfield, the Springfield Planning Commission

voted unanimously to recommend adoption of the amendment package to the Springfield City Council and Lane County Board of Commissioners.

On October 17, 2013, the City Council and Lane County Board of Commissioners held a joint work session to receive an introduction to the proposed Glenwood Phase I amendment package to address the LUBA Remand. On November 18, 2013, the City Council and Lane County Board of Commissioners held a joint public hearing on the proposed amendments to the Glenwood Refinement Plan, Springfield Development Code, and Findings associated with TYP411-00005 and TYP411-00007 to address the deficiencies identified in LUBA's Remand related to Statewide Planning Goals 9, 10, 12, and 15.

In response to testimony received at the November 18, 2013 public hearing, the City Council directed staff to amend the designation and zoning of Assessor's Maps and Tax Lots 18-03-03-11 01401, 17-03-34-440 3300, and 17-03-34-44 00301. On April 1, 2014, the City Council and Lane County Board of Commissioners held a joint public hearing on the proposed amendments to the Glenwood Refinement Plan, Springfield Zoning Map, Springfield Development Code, and Findings associated with TYP411-00005, TYP411-00007, and TYP311-00001 for Tax Lots 18-03-03-11 01401, 17-03-34-440 3300, and 17-03-34-44 00301. No testimony was presented, and the City Council and Board of Commissioners closed the record.

**IT WAS MOVED BY COUNCILOR WYLIE WITH A SECOND BY COUNCILOR WOODROW TO ADOPT ORDINANCE NO. 6316. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.**

BUSINESS FROM THE CITY COUNCIL

1. Committee Appointments

   a. Library Advisory Board Appointment

   Mr. Towery presented this item on behalf of Library Director Rob Everett. In response to a January 2014 posting, the Library Advisory Board received one application to fill the seat of departing Board member, Jody Anderson. The Board interviewed candidate Dwight Dzierzek at its March 4, 2014 meeting and forwarded its recommendation to Council to interview him as a finalist for the position.

   The Council interviewed Mr. Dzierzek at its March 24, 2014 work session.

   Mr. Dzierzek is a 25 year resident of Springfield and works in banking for Northwest Community Credit Union. He lives in Ward 4 of the city and in the past he has served as a member of the City's Budget Committee. He is actively involved in his community as a board member of the March of Dimes, Forests Today & Forever, and the Springfield Chamber of Commerce Greeters.

   The Library Advisory Board believes this candidate is eligible and qualified to serve on the board. Council is requested to appoint Dwight Dzierzek to a 4-year term on the Library Advisory Board ending 12/31/2017.

Mayor Lundberg thanked Mr. Dzierzek for staying through the whole meeting to be here for his appointment.

**IT WAS MOVED BY COUNCILOR WYLIE WITH A SECOND BY COUNCILOR WOODROW TO APPOINT DWIGHT DZIERZEK TO A 4-YEAR TERM ON THE SPRINGFIELD PUBLIC LIBRARY CITIZEN ADVISORY BOARD WITH A TERM ENDING DECEMBER 31, 2017. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.**

2. Business from Council

BUSINESS FROM THE CITY MANAGER

BUSINESS FROM THE CITY ATTORNEY

ADJOURNMENT

The meeting was adjourned 9:07 p.m.

Minutes Recorder Amy Sowa

_____
Christine L. Lundberg
Mayor

Attest:

_____
City Recorder

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, APRIL 14, 2014

The City of Springfield Council met in a work session in the Library Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, April 14, 2014 at 5:30 p.m., with Mayor Lundberg presiding.

ATTENDANCE

Present were Mayor Lundberg and Councilors Wylie, VanGordon, Moore, Ralston, Woodrow and Brew. Also present were City Manager Gino Grimaldi, Assistant City Manager Jeff Towery, City Attorney Mary Bridget Smith, City Recorder Amy Sowa and members of the staff.

Council ate dinner at 5:30 p.m.

The meeting started at 6:00 p.m.

1. Council Goal Setting Session.

Mayor Lundberg said this Goal Setting is being held later in the year than usual, which was good because they had changed the direction of the meeting several times through the individual meetings. They landed on a format that allowed them to look at what they had been doing, what they had in the works, what they wanted to have in the works, and what they wanted to happen. She referred to the Goals and Strategic Plan and asked the Council to consider the Strategic Plan for another follow-up session. Copies would be provided for those that didn't have a set. The Council Operating Procedures were available at each of the council places. One of the topics discussed with the consultant, Stan Biles, was how the Council conducted business. There was still a lot of gray area regarding what the Council could talk about with each other. The second part of the meeting would be a chance for the councilors to talk about what they want to happen in Springfield. These would be identified as Special Emphasis Areas (SEA).

Mr. Biles said he hoped the agenda developed for tonight's meeting would address most of the subjects raised during his individual meetings with each council member. He reviewed the agenda:

1. Internal Council Operations

The first topic will be an opportunity for the Council to identify and discuss what is working well and what needs to be improved. This may include any or all of the following: 1) the role and execution of the role by Council leadership; 2) the correct process for any member to raise a new issue; and 3) Council/staff working arrangements. The Council would like to be clearer in giving direction to staff and the Council would like to receive more timely updates on implementation of past Council direction. This was a chance to look back and also to the future.

2. Special Emphasis Areas

The second topic is not intended as an opportunity to set new goals or to initiate new projects, but to have Council consider all that is going on with the many City plans, and select a small number of topics for "special emphasis" over the next year. Some Special Emphasis Areas (SEA) could include

downtown, Glenwood, specific neighborhoods, etc. It will be essential to define a desired outcome for each SEA that is different than what would have happened without the SEA designation.

He will close the meeting by talking about next steps and who would do what, when and how the Council would be kept up-to-date on the implementation of any of the projects they identify.

Council Operation:

1. What is working well now for the Council and City government?
2. What are the roles of the Council, both leadership and individuals?
3. How to raise new issues to the Council – what is the right way to do that in terms of process and protocol?
4. How to keep the Council informed in a timely manner both orally and in a written manner, about status of implementation of higher priority subject areas.

He asked Council to nominate what worked well in terms of Council operations:

- Staff support
  - ✓ responsiveness to Council
  - ✓ good quality responses
  - ✓ direct answers to questions
  - ✓ good response to constituent issues from City Manager and staff
- Mutual respect among councilors
- Good deliberation
- Sound judgment
- Leave working relationship intact
- Respond well to the public
  - ✓ listen well
  - ✓ responsive
  - ✓ provide or get information
  - ✓ stay in tune with public
- Practical Council and community
  - ✓ results driven – focus on what can be accomplished
  - ✓ don't become sidetracked with issues that don't impact Springfield
  - ✓ pragmatic
- Respect for the public and their views
  - ✓ immediate follow-up from staff
  - ✓ respect the public's nervousness and courage it takes to speak before Council
- "We get things done"
- Work well with other agencies – TEAM Springfield
- Value staff contribution and information in preparation and distribution of Council packets
- Diverse opinions, but value one another's views
- Excellent legal counsel
- Give up personal ownership when an issue comes before the Council
- Councilors knew their role
  - ✓ made hard decisions
  - ✓ didn't get ahead of the public and what the public wanted

Mr. Biles said this list of attributes is rare, but has been historic for this jurisdiction.

Councilor Wylie recalled when she first joined the Council and was excited to get things done. She talked with a former councilor who advised her to say her piece, give her best argument, let the Council act, then let it go. That laid the groundwork for mutual support and respect. That was hard to learn and to practice.

Mayor Lundberg said she had asked City Attorney Mary Bridget Smith to provide information on what the City Council can and can't do regarding communication.

Ms. Smith said when thinking about elected officials communicating with each other, the overall principal was to remember that our form of government in the United States was to make decisions in public. They do that by meeting with a quorum, deliberate and make decisions. A few years ago, Lane County had a court case against them regarding a public meeting law violation. That made all elected officials overly cautious and made an impact on how Council communicated. She said the Council can communicate with one another in situations such as wanting to get an idea where one person was on a particular situation. The issue arose when it looked like they had a quorum and were making decisions privately. Exchanging information is fine. It helps councilors know where someone is on a particular issue and prepare for the meeting. She discouraged them having conversations via email as those can easily get out of control with multiple people getting added to the string of emails. Email between councilors can often become problematic in that way as well as others. Meetings with less than a quorum of Council was fine as long as they all received consistent information from staff and did not formulate decisions.

Councilor Brew asked if it would be a quorum issue if all of the Council showed up at a Chamber social event, but were not deliberating.

Ms. Smith said it would not.

Mayor Lundberg asked if the Council should steer clear of Council topics during those types of event.

Ms. Smith said it would be practical to avoid those topics. They can sit together at those types of events, but need to be cautious of the appearance to others. She encouraged them to have conversations, but to be cautious that they are not deliberating outside of the public sphere or creating a document or record.

Councilor Wylie said Council leadership had been talking about the Council being more involved in the process of decisions making and information flow. As Council President, she can call councilors but also encouraged other councilors to call her about issues, packet information, etc. She would like to open that door.

Councilor Ralston said that used to occur, but he felt the Council had good communication so didn't see a need.

Councilor Woodrow said she recalled the Council President calling her husband, former Councilor John Woodrow. She liked that as it gave the councilors an opportunity to get the background and experience from the Council President. The Mayor and Council President attended Agenda Review and received information from councilors that they could evaluate whether or not it is something that should come to the full Council.

Councilor Wylie said sometimes information came to the Agenda Review meetings from the Mayor, City Manager and Niel Laudati, that was important to share.

Mayor Lundberg said the Council Operating Policies and Procedures were set up with a protocol for councilors to bring up new topics. They can first bring it to Council leadership who determines whether or not to bring it to the full Council. If Council leadership doesn't feel it should go to the full Council, the initiating councilor needs to get approval from a majority of the Council. It didn't come up often, but was important for them to know. It was good to have Council leadership vet those ideas.

Councilor Woodrow said it saved time bringing it to Council leadership.

Mr. Biles asked if there was a difference between the information that came from leadership, and when it would come from the Mayor and when it would come from the Council President.

Mayor Lundberg said she calls when she feels it is something everyone needs to hear as needed.

Councilor Wylie asked if more definition or support was needed regarding bringing items forward.

Councilor Moore said she was not always clear why certain issues need to go through Council. She noted a recent misunderstanding about the bus going down South 42nd Street. She wasn't aware that needed to go to Council since Council didn't set Lane Transit District's (LTD) schedule. She was surprised she had circumvented the Council.

Mayor Lundberg said if it is something that affects the community, it is a Council issue. If it is an individual issue, that is dealt with at the staff level. Council should be aware of community issues.

Councilor Woodrow said by bringing that to Council, they could either muster support or see that it may not work or things need to be redefined.

Mayor Lundberg said there may be some agreement or disagreement of what would be impactful to the community. That is why it should go through leadership.

Councilor Moore said sometimes leadership doesn't want to go forward.

Mayor Lundberg said if leadership didn't want to bring it forward, the councilor needs to contact the rest of the Council to see if they have support.

Councilor Woodrow said some of the councilors may have more information on that particular subject that can then be shared. Getting everyone the information was important. After sharing and getting the information, they can determine whether or not it's a good idea.

Mayor Lundberg said generally something that is community-wide takes resources. Those type of things need to be conducted in a work session so the public has a chance to hear and weigh in on the subject. If there is support from the Council to bring it forward, that provides the public a chance to be involved.

Councilor Brew said he was not always clear of who tracks those issues. He referred to a question he had about the agreement with Sanipac.

Staff is going to bring that back to the Council on July 14.

Mayor Lundberg said sometimes those things need a head nod from the Council because it did mean more staff work to prepare the information to bring to Council. She will work on making sure the rest of the Council agrees to bring certain items forward.

Councilor Woodrow said the Council members who bring up those items during a meeting also need to look to see if others are in agreement.

Mayor Lundberg said it was appropriate to mention something in a work session for further discussion.

Councilor Brew said he didn't know if there was a formal process.

Mr. Biles said an individual request for action in a work session that doesn't have a formal motion for action or follow-up, needs to have a head nod from the rest of the Council before moving forward. The Mayor will look to the Council to see if they agree or not. He asked if Councilor Moore got her question answered.

Councilor Moore said she didn't realize LTD's bus routes were a Council topic. It was explained that if it impacts the community it is a Council issue so that helped to clarify that question. She has no desire to circumvent the Council.

Mr. Grimaldi clarified that if council leadership chose not to move an idea from a councilor forward, the councilor would take it to the other councilors. If they have support from the appropriate number from the Council supporting that idea, it goes forward. He asked about next steps.

It was decided that the City Manager would bring it to Council leadership to let them know. Council leadership would then give final direction to staff. Discussion was held regarding the procedure in the Council Operating Policies and Procedures.

Mr. Biles said the last item for this area of discussion was possible improvement in keeping Council better apprised of the status of issues brought forward by Council.

Councilor Woodrow said they receive information regarding ongoing development projects in their Communication Packets. She suggested using that format to relay other information to the Council, with the last column listing the approximate date the issue would come back to Council.

Councilor Moore agreed a type of matrix could be provided with a brief description of the information.

Mayor Lundberg said Council leadership used to be the only ones to receive those development reports, and now it was provided to the full Council. The Communication Packet does have a lot of information and that is where she catches things. Some things need to be in the Communication Packet, but sometimes they need to be discussed in a work session.

Discussion was held regarding the Consent Calendar.

Councilor Brew clarified what Councilor Woodrow said about a chart for follow-up.

Councilor Woodrow said a chart is very simple and concise, and shows what is being done.

Mr. Grimaldi said some examples of topics that can go into that type of report are the Main Street projects and public events, the Council compensation discussion, the delay in the City Hall Plaza improvements due to the weather, etc.

Councilor Woodrow suggested keeping the list to less than a dozen.

Mr. Grimaldi said if staff is not tracking something the group thought was assigned as follow-up, they can call staff to ask about it.

Councilor VanGordon said he would like enough information so they can clearly understand the topic. He would like to see a column showing the last thing done and the next step.

Mr. Biles said it would be a snap shot of the project today, and a preview of when it was coming back to Council.

Councilor Woodrow said the development reports have proven helpful for her when out in the public, providing her easy access to the information.

Councilor Moore said it would be helpful when she attended the Mohawk Hawk meetings so she could report on things that might be of interest to them.

Mr. Biles said it sounded like the Council wants to start small.

Councilor Wylie said the Council kept busy with the inflow of information in the weekly meetings and it is easy to forget about some of the other things. She suggested the City Manager provide updates during the Council meeting of those projects. Having the information would help them to be better councilors.

Mr. Biles asked how often Council would like the updates – weekly, monthly, quarterly.

Councilor Wylie said she wants updates during each Council meeting done verbally.

Discussion was held regarding whether the communication should be oral or in a written format.

Mayor Lundberg said it could be part of the Communication Packet or under the Consent Calendar. The councilors can call and ask questions independently if needed. She suggested a filter of some kind to keep the list from getting too large. Perhaps items that the Council knows won't be coming back for a long time can be left off the list.

Mr. Grimaldi said the list can be sorted so things that are changing are at the top.

Mayor Lundberg said it takes the Council's time to read through them so keeping the list manageable would be helpful.

Mr. Biles said there will be some different iterations of this type of communication. They can try them out and decide which works best. It sounded like Council was looking for a written document in summary form, short and to the point covering high priority items, which will be in the Communication Packet. It will explain what the project is and when it will be coming back to Council. Some of the criteria for these topics can include high priority for Council, legal or jurisdictional issues,

major public involvement efforts, and major development projects. Staff can get something put together in three weeks.

Mr. Grimaldi said they will start with a small list.

Councilor Moore didn't want to add too much work for staff.

Mr. Grimaldi said it will save time in the long run. He asked how often they wanted the report.

After discussion, Council decided they would like it weekly. Items with changes would be listed at the top and the changes noted in bold.

Council took a break at 7:15pm
Council reconvened at 7:21pm

Mr. Laudati provided feedback from the Council stipend survey that was still underway. He read each question and the percent response. The survey, which was on Social Media, had been noted in a couple of Register Guard articles, and was reported by KEZI.

Discussion was held regarding the results. It was not a scientific study, but had interesting results.

Mr. Biles said the next topic of discussion is the designation of Special Emphasis Areas (SEA) for the next year. This is an opportunity for Council to choose the items they want to place special emphasis in the coming year. A designation might land weight to resource allocations or re-allocations.

Councilor Woodrow said Glenwood came to mind.

Mayor Lundberg suggested making it Glenwood Development.

Councilor Woodrow said as a Council they should collectively champion Glenwood in the public arena.

Mr. Biles asked if there was something new they wanted to focus on in Glenwood, or emphasize what had already been agreed upon.

Councilor Woodrow said the proposal for the Glenwood Conference Center just came to Council and Council voted to authorize the City Manager to sign a letter of intent. She felt this project needed their focus.

Councilor VanGordon said the most important thing going on in Glenwood is the Conference Center. There are a number of ways to promote this development, from staff to elected officials. If the Council decides to focus their attention on this project, they can then direct staff to focus on it as well.

Councilor Brew agreed. He just needs to know what the Council needs to do and how.

Mayor Lundberg said in the past, Gateway was the focus and then downtown. Glenwood has been an industrial area that was overlooked, but then Steve Moe suggested Springfield take it over from Eugene. Springfield took over Glenwood in the late 1990's. Developers who have been around for many years have been interested in a conference center in Glenwood. There is resistance to the idea of a conference center in Glenwood for a number of reasons. She felt it could have been more welcomed

than it was. Part of the resistance is that a convention center is needed, not a conference center. Funding is needed and that is why she had asked for the discussion with staff about the transient room tax (TRT) funds which have gone to many things, including the Lane Events Center. A conference center is being proposed, but a convention center is much larger. A convention center needs at least 250 rooms, and only 150 rooms are being proposed in the Glenwood development.

Mr. Towery said Travel Lane County distinguished the two by size and layout. A convention center was 65,000 square feet of meeting room space, which was about 3 times the size of the proposal and 2 ½ times larger than the space at the Hilton Eugene. For a convention center that size, a hotel needs 350 rooms. That is the perspective of Travel Lane County.

Mayor Lundberg said the site could potentially hold a convention center. It is important to look at the resistance and also the opportunities to fulfill the need on a larger scale. This is the opportunity to dream of having a convention center. That would put the emphasis on Glenwood. One of the other arguments against the conference center in Glenwood is that there is nothing else going on in Glenwood. There is, however, other development in Glenwood as well as the rebuilding of Franklin Boulevard. This is an opportunity to look at other things and giving staff direction to focus on Glenwood. Getting the urban renewal area to improve and make progress is the key to success for the entire community. It is time to start turning things around. If people think they need a convention center, they need to find out if there is support and if they are willing to discuss it further.

Councilor Ralston said a conference center was feasible and doable. Needing more hotel rooms is good for the surrounding area. He is not sure he would support a convention center. They need to deal with practicality of what can and can't be done.

Councilor VanGordon said they may need to ask the developer if they had considered a large convention center. A conference center seems within reach compared to a convention center.

Councilor Wylie said there was a range of conference center sizes. If there was a market for a mega convention center, it would have already been built. There is a tipping point that had been vetted by the developers. They can consider going a little larger or build on in the future. It had been a dream for a long time for Eugene to have a mega convention center, but it is not feasible at this time. She referred to the Mayor comment that some people argue there is nothing in Glenwood. The EmX line went through Glenwood, to the Gateway Mall, PeaceHealth at Riverbend, University of Oregon, and Eugene downtown.

Councilor Brew asked if anyone was seriously talking about a convention center. He said there is an old saying that "Great is the enemy of good".

Mayor Lundberg said if it was just Springfield looking at this, there would be no issues.

Councilor Woodrow said ten years ago, a large conference center didn't have the support or the developer. We are at a point that someone is interested in putting something there and she didn't want to see that go away. It will be a draw for other things to come into Glenwood.

Mayor Lundberg said there is resistance out there. The Council can be very good cheerleaders for the conference center, but they only have a small part of the funding. Maybe the idea of a conference center that can be added to is something to consider. She is looking at ways for others to get to 'yes'. She referred to the number of rooms to accommodate those using the conference center. Most people want the hotel at the same site as the conference so there were legitimate concerns. The Council needs

to look at what they can do, and what they are willing to do, to help the development in Glenwood as a whole. There are a number of other projects in town that staff is committed to working on. Some things might need to be moved to the back burner. They are still waiting to hear if the Federal government will approve either the shorter or longer process for Franklin Boulevard. She again noted that Springfield only has a small funding piece for the conference center and they are relying on others.

Councilor Wylie asked if staff had talked with the developers to see if they have interest in doing a phased approach to add another 100 rooms at a later date.

Mr. Towery said the developers indicated the conference center would generate other hotels in the area. It would be partly driven by the market. The developers spent a lot of time looking at meeting room demand. They might be interested in another project down the road.

Mayor Lundberg said the developers opened the door for others to open a hotel. The Council needs to ask what they can do as a City to encourage development in Glenwood. She listed some other tools used to assist in downtown.

Councilor Brew said the Springfield Economic Development Agency (SEDA) was already picking up SDCs for commercial development in Glenwood. Council could collectively throw themselves behind this and talk to Congressman DeFazio to try to get the Franklin Boulevard process moving.

Mr. Grimaldi said there could be a public hearing before the Lane County Board of Commissioners. Galvanizing support from the right people would be of importance. Another general project related to Lane County is the transfer station and it will take political strength to convince the County to move that from Glenwood. One of the things already in the works is the request for funding through the Lane County ACT for funding for Franklin Boulevard. There would be opportunities as Council inserts themselves into those conversations.

Councilor Ralston said he was supportive of doing things like that, but not of giving up all revenue to developers. They can't make people come here. Travel Lane County and the Lane Economic Committee could be out looking for people.

Mayor Lundberg said work around mobile home parks is needed as well. The City took it to the Regional Solutions Team and she hadn't seen anything back from them.

Mr. Grimaldi said the Regional Solutions Team was not currently staffed with a lead, but the Mayor can have influence on that.

Mayor Lundberg said an aerial view of the hotel and conference center shows a mobile home park right next door. Having a solution for displacement of mobile home park residents was important. She will work with the Regional Solutions Team to get that back on the table for discussion.

Councilor Wylie said the City didn't have a government relations specialist. Several staff have taken on parts of that role. The City should have done things differently with this project by talking with the Commissioners sooner. The City needs to have a strategy to know who to talk to, how to get the information in front of the right people, and develop a strategy. She was glad to volunteer to work with staff and the Mayor to do some of that, but they needed assignments and a strategy.

Councilor Brew asked if Council could get a list of the projects Lane County TRT's have funded.

Councilor Moore asked about the process for an economic development agency.

Mr. Grimaldi said John Lively was taking care of leads coming from the State. There is a change in the State's approach to economic development to centralize it more in Salem. Members of our region need to sit down with those from the State to determine that working relationship. Jointly with the two Chambers, a consultant was hired to work through a process. They are close to landing on a governance model for a new organization, although it will not be ready by July 1, 2014. They are working on an interim solution.

Councilor Moore said the City out to be on the University of Oregon's (UO) doorstep reminding them that we are here and close. She knows the UO wants to partner with Springfield, so they need to be a key player.

Mayor Lundberg said the UO does want to be part of Springfield.

Councilor Moore said the City ought to continue to remind the UO of our willingness to partner with them. She discussed one of her ideas. The Simpsons are an international draw and the City has never taken on promoting that in our City. She asked if they have ever contacted Matt Groenig to see if 20th Century Fox would like to build some type of entertainment area based on the Simpsons, perhaps at Booth Kelly. She would like to pursue that as an international draw.

Councilor Woodrow said her concern is that once they set something up, it would be old news and lose steam. She agreed it is a draw. People that came into the Chamber office often asked about the Simpsons. She is not sure she wants Springfield's draw to be the Simpsons.

Mr. Biles said clearly Glenwood is the top priority, but there is a lot of work to be done. He asked if there are any other nominations for a SEA or if they want to focus exclusively on Glenwood.

Councilor Wylie said they need to start sowing seeds for a new Library. She noted the beautiful Library in Monroe.

Councilor Ralston said he will support it if they knew the taxpayers want to pay.

Councilor Woodrow said there is a good Library Board and seeds have been sown. The Sustainable City Year (SCY) program generated plans and ideas that are energizing. She heard a lot of positive comments about those plans. Continuing to get that word out will be a benefit.

Councilor VanGordon agreed. He is not sure they are ready to start pushing for a new building, but first need to work on other things to push this and build a case. Building a new Library or anything new in downtown is exciting; however, citizens told the Library Board that the most important thing is open hours. As they went into Budget season, there may be an opportunity to impact open hours, starting down the road to discussions of a new building. He asked if there was a significant difference in what can get done if the Council chose to make Glenwood the most important thing this year.

Mr. Grimaldi said there is a lot of work to do in Glenwood, such as Phase II of the Glenwood Refinement Plan, improvement of McVay Highway, and the EmX. There is plenty to do in Glenwood. If the Council chose Glenwood, it will change the focus and staff will do things differently.

Councilor VanGordon said that is something to consider. Leaving Glenwood on the list will give them an opportunity to really focus the conversation and get something accomplished. That is appealing to him. They went through this exercise last year, and not everything has been delivered at this point. He asked how last year's list will be connected to this year's list so things aren't missed.

Mr. Grimaldi reviewed the list from last year and what has been accomplished. Some are two-year goals and still in the works.

Councilor VanGordon said he didn't want to lose those things from last year's list.

Mr. Grimaldi said nothing on that list would stop.

Mr. Biles said in response to Councilor VanGordon's question about things getting done in Glenwood, it is up to the Council as decision makers for policy, resources and staff time. In the next 12 months, Glenwood won't be redeveloped, but Council can come up with specific deliverables in developing strategies and plans for Glenwood. He provided the following examples: have a financial plan approved for a conference/convention center; or have the Federal government letter regarding grant funding. If this is Council's goal, they can back it up with allocation of funds, actions and policies.

Councilor Wylie spoke regarding lighting, parks and streets in Glenwood. Perhaps there is a park parcel that can be started sooner, or lighting that can be put into Glenwood sooner than originally planned. The new I-5 bridge has a large landscaping area at the base to meet up with the bike path. They need to make an effort to match some of these things up. By making this a priority, they can move these projects forward. At the same time, they need to market to developers and get information to the right people to get some redevelopment going. If they make it their focus, they can put their energy behind it to get things moving.

Mayor Lundberg said the Council was the leadership of the City and it is up to them to set that direction. They need to look at what is the most beneficial for the community. By saying this is the priority, it will prioritize staff work. Other things will fill in as needed. They can look at other things, such as Library hours during budget, but Glenwood is the area they want to do something. They now had an impetus and interest so this was good timing.

Councilor Woodrow said Eugene is now booming, but it took getting one or two things in place as a magnet drawing in other development. They can do that in Glenwood and talk to people to see what interest they might have in bringing something into Glenwood. They have already created conversations and could take advantage of that conversation to talk to people. Everyone she talked with last week is positive about seeing the topic of Glenwood on the table.

Councilor Brew said the budget is coming up in the next couple of weeks. He asked Mr. Grimaldi if he could bring some recommendations for ways to re-allocated funds to projects in Glenwood. It would be nice to see the eight or ten Glenwood projects in a work plan and where the Council is needed and can get involved to leverage the different things.

Mr. Grimaldi said an option is to use additional resources from the City's reserves.

Mayor Lundberg said she would also like information on things currently being done that could be downsized or re-prioritized.

Mr. Grimaldi said they could be timed differently, or moved around to give Glenwood more attention. Some of those came from the Council such as the Historic District plan.

Councilor Moore said she would like to have something done in Glenwood to make it more welcoming when the young athletes come into Springfield from Eugene this summer during the World Junior Championships. She suggested signs or flags.

Mayor Lundberg said maybe they could have something on the LTD bus stops.

Mr. Biles asked what Council wanted to happen next.

Mayor Lundberg said the first step is putting together the list of projects in a Communication Packet.

Mr. Towery said they can also have the City Manager report on topics during the regular meeting under Business from the City Manager. They can get the information in advance.

Councilor Wylie recommended they look at forming a Glenwood Subcommittee with assignments.

Councilor Moore said they need to bring all of the public along in the Council's vision.

Councilor Woodrow said she agrees, but the need to be careful of what is brought to the public so they didn't set up unrealistic expectations. The Council needs to know first what they are doing before putting anything out to the public.

Mayor Lundberg said the Glenwood Refinement Plan has some nice pictures of what the Council wants Glenwood to look like and it was an approved document. She suggested putting those up along the blank wall in the City Hall lobby. The pictures will help show the Council's vision of Glenwood.

Mr. Biles asked if Glenwood will be the only priority.

Council agreed that Glenwood will be their one priority.

Councilor Brew asked that they continue to move forward with the downtown lighting project.

Council agreed they would continue moving forward with the current project list.

Mr. Grimaldi said the project list will be put in the May 5 City Council Communication Packet, and he can discuss it during the May 5 Council meeting.

Mayor Lundberg said the Lane County Board of Commissioners (LCBC) will be talking about the conference center in the next week or two so May will be a good time for a check-in.

Councilor Moore suggested having an update on Glenwood every week during the work session for about 5 minutes.

Mayor Lundberg said it will be good to get those updates because people will start calling as some of the bigger projects get underway in Glenwood.

Mr. Grimaldi said getting an understanding of the questions and concerns of the LCBC regarding the conference center will be helpful during the next discussion with Council.

Mayor Lundberg said she wanted to get make sure the Council got good, solid and consistent information about the conference center including financial information, hotel rooms, etc. It will be prudent to get that information to the Council so they can provide informed answers.

Mr. Biles reviewed the next steps:

1. Council progress report at the first Council meeting in May (May 5)
2. The City Manager will recommend options for Council consideration reallocating resources to Glenwood
3. May 5 written information will be provided in the packet on Glenwood projects
4. Late April or early May (after LCBC discussion) will be next opportunity for the full Council to meeting publicly and discuss next steps in Glenwood
    - ✓ Exploration by the Council to create a Glenwood subcommittee

ADJOURNMENT

The meeting was adjourned at 8:38 p.m.

Minutes Recorder – Amy Sowa

_____
Christine L. Lundberg
Mayor

Attest:

_____
Amy Sowa
City Recorder

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY APRIL 21, 2014

The City of Springfield Council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, April 21, 2014 at 6:00 p.m., with Mayor Lundberg presiding.

ATTENDANCE

Present were Mayor Lundberg and Councilors VanGordon, Wylie, Moore, Ralston, Woodrow and Brew. Also present were City Manager Gino Grimaldi, Assistant City Manager Jeff Towery, City Attorney Mary Bridget Smith, City Recorder Amy Sowa and members of the staff.

1. Main Street Corridor Vision Plan.

Mayor Lundberg said the Main Street Governance Team had been meeting to help with the planning of the Main Street Corridor. Some of the participants in those meetings include herself, Councilor Woodrow, Doris Towery (LTD Board), Mike Dubick (LTD Board), Gino Grimaldi, Ron Kilcoyne (LTD General Manager), and Frannie Brindle (ODOT). Part of the charge of this group is to go over the information before it goes to the public and before bringing it back to the Council.

Linda Pauly, Principal Planner, presented the staff report on this item. She thanked Mayor Lundberg and Councilor Woodrow for participating on the Governance Team Meeting. Land use and transportation visioning is a huge task for a seven and a half corridor, but thanks to the State's Transportation and Growth Management (TGM) program they are doing their best. They are about halfway through the process.

Ms. Pauly referred to Attachments 4 and 5 which include the timelines for this project. Tonight is a chance to listen to Council's ideas and responses to the Draft Visions and Goals and anything else they want to discuss regarding the three segments of the corridor and the corridor as a whole. An outline was included in the packet that will help with that discussion. Staff will be coming back to Council with this item in July, September and October. The Main-McVay feasibility study is starting up, giving them a great opportunity to plan out land use and transportation at the same time. The next public event is scheduled for June 18. During this event, they will see the two projects come together. Tonight they will listen to Council input and ideas.

Ms. Pauly introduced Tom Lister, aid consultant from Otak who served on the TGM Vision Plan team.

Mr. Lister displayed a power point presentation. He started by reviewing the project schedule. Currently, they are between implementation strategies and the vision/draft goals process, and are on the cusp of moving on to the next phase. An Open House is scheduled in the next month. He referred to the map showing the three corridor segments and noted they do overlap in some areas and are adjustable. In order to have effective implementation strategies, they feel it made more sense to divide them into segments. He referred to the Vision Plan Basics. The Vision Statements are something to capture the aspirations of the community and the technical review people. It is a way to facilitate dialogue about what they want Main Street to be in twenty years. Around those statements, they set some broad goals, which are meant to identify areas in which the City can focus action planning. The goals are for business activity, housing choices, transportation and public realm (what people see when going up and down Main Street). The next step is to come up with implementation strategies and actions. He referred to a slide listing some of the big ideas they heard during the public meetings.

Mr. Lister spoke regarding Segment One which is called the Couplet Area. This segment is two distinct streets and two visions. General activity and housing goals were set for this area.

Mayor Lundberg said the corridor being studied is very narrow, but is impacted by the broader community especially in the industrial areas in regards to transportation, industry and businesses. A lot of things would impact that development such as jobs and schools. Those things may not need to be considered in the planning process, but did impact how they look at things as a Council in regards to zoning. There is a lot of industrial based rail along South A which impacted this segment. They need to look at how the land use patterns impacted the Main Street corridor.

Mr. Lister said the corridor does have a very narrow boundary, but they realize the impacts of those surrounding areas.

Councilor Woodrow said Main Street unifies and divides at the same time, even with the couplets lined up. North and south didn't always create a square of activity. When looking at a vision, they need to remember there is a dividing line going through the middle of each section.

Mr. Lister said that came up frequently in discussions. This is not the best community street. People perceived it as a dividing line rather than a seam that held it together.

Councilor VanGordon said he liked the division of Main Street and South A in the Couplet Area, and treated them differently. South A should have very limited housing goals because of the amount of industry in that segment. There is an opportunity to add more small workshops, like starter industrial space, along the South A corridor.

Mr. Lister said those are referred to as 'craft industries'.

Councilor Moore said the area labeled the Mid-Springfield Business Corridor had more housing, schools, and the Willamalane complex to the south. She felt this name didn't fit this area. The area in front of Willamalane was not yet developed.

Ms. Pauly asked if she had a suggestion for a name. Councilor Moore said she did not.

Mr. Lister said with the very narrow corridor it is difficult to find a name since it did the go into the different neighborhoods on either side.

Councilor Wylie suggested calling it the 7-Mile District between downtown and Thurston. That is characteristic of this corridor and is a mix of business, housing and schools. Characteristically, it will show itself in time.

Councilor Woodrow recalled that they called it 'Business Corridor' is because of what is along Main Street in that area. Back in the neighborhoods are the schools and homes, but the businesses are along Main Street. She liked the label of couplet in all three areas as it creates an association between all three. Once you get to 48th Street, the majority is residential except the Bi-Mart, Safeway and Albertson strip malls. It is hard to name them.

Mayor Lundberg said the Council is looking at issues within all three segments.

Mr. Lister spoke regarding the Mid-Springfield Business Corridor. Along that corridor is an affordable place to have a business and can be a place in the future for small incubator space or small start-up businesses. They could also look at how those types of businesses could be supported by the

neighborhoods on either side. It is likely to develop more businesses in that area and if they cluster together, that is a good thing for businesses, transit and organizing the street. Housing is likely to happen one or two blocks off Main Street. It will also be important to integrate any transit with this area.

Mayor Lundberg said one of the decisions Council needs to discuss is what they want Main Street, excluding downtown, to be. It is a transportation corridor. She asked for clarification on the difference between a truck corridor and freight corridor. She read that Main Street was not a freight corridor, but was a truck corridor. She would like clarification of the difference and the limitations. Council needs to know if it is going to be a major transportation corridor to consider whether to create more neighborhoods on both sides or just one side. They need to determine if the design should eliminate the need to cross Main Street as frequently for services. Many of the businesses along this corridor identify themselves as 'destination businesses' which means slowing traffic down enough for people to see the business in time to pull into the business access. If they want Main Street to be a destination area, they need to be able to control traffic and have adequate signage. There are areas that are underdeveloped commercial and industrial lands that need to be considered for employment hubs. She feels that bicycles have a separate place and there should be connecting paths away from Main Street. They need to think about how they want to use Main Street. She would like to meet one-on-one with staff and the consultant to discuss some other questions. She noted some formatting issues of the plan that made it difficult to read.

Councilor Ralston said Main Street is a transportation route and he didn't want to slow down the speed. If people pass a business, it means they are not paying attention. He wants to make sure entrances to businesses are not affected so people could access them easily. He didn't like the center median as it limits which way vehicles can turn. Council can have a vision, but they can't let that limit how development occurs. It is important to decide where the bus stops are located and how to get bikes from one end of town to the other off of Main Street.

Councilor Woodrow said there are certain safety measures that have been put in to make the pedestrian crossings safe and feasible. The bus stops had been plotted to give good vision for those crossing. They did need to enable a safe way to cross. While on Main Street the other day, they noticed that the pedestrian crossings created natural gaps in traffic which is essential in slowing it down enough to make it safer for everything.

Councilor Ralston said he saw cars stop when people were done crossing the street.

Councilor Moore said that has been publicized.

Mayor Lundberg said public education is needed for the crossings.

Councilor Moore asked if Highway 126 (the east end of I-105) was a truck route or freight route.

Mr. Boyatt said the section of Highway 126 Councilor Moore is referring to is designated a freight route and highway by the State. He will get an answer about the designation of Main Street (Highway 126 Business).

Councilor Moore said she had seen other communities create or assign other streets to take the load off the main transportation route. She would like to think about having frontage roads to make access to businesses easier and doesn't interfere with the main flow of traffic. Pulling out onto Main Street to the left from some businesses is difficult during some times of the day.

Councilor VanGordon said the vision needs to rely on the fact that Main Street is a main transportation corridor and that will not change. Focusing on that is key. The mid-business area reminds him of small town Oregon with businesses on the main corridor and a lot of residential on both sides. He suggested looking to see how some of the smaller towns address that issue. He would like to get the names changed to something that is more appropriate because they will stick as they continued through the process. He asked about the fifteen foot sidewalks and said that seems excessively large.

Mr. Lister said it is not a suggestion, but rather an option. They are making no recommendations, but are offering a menu of choices for the Council to consider.

Councilor VanGordon said he would like to discuss connectivity and the ability to cross Main Street more. People will get better with the pedestrian crossings over time. Improving safety was something he looks forward to along this corridor. He feels the public outreach has been great.

Mayor Lundberg said the themes have come out well. Main Street is a transportation corridor and will remain so for years to come until further notice. As they went forward with planning, they need to bear that in mind. She feels Council should look at the land use separately because there are areas now that include some not well-designed mixes of zoning. She would like to see some options of designations for Council to consider so they can better figure out how they want the neighborhoods along the Main Street to look. There will always be issues, but in the future Council can take a look at ways to consolidate and provide more definition to particular areas.

Councilor Wylie said zoning is critical to redevelopment. They need to prescribe zoning once they decide what they want to happen in order for redevelopment to occur.

Councilor Moore said she attended the visioning session and found that people lost sight of the fact that this is a transportation corridor. Expectations may be beyond what could be accomplished on Main Street. They do need to be realistic of what is possible.

Councilor Brew said he agrees that Main Street is a transportation corridor, but other cities with a transportation corridor running through their towns have handled them differently. Main Street is a transportation corridor, but it is not a freeway so there are more possibilities. It is a business corridor so they can influence Main Street if they want. It is Council's job to set zoning and determine what should go in certain places.

Mayor Lundberg said they need more clarification about corridor uses. There are mills along Main Street with trucks going in and out and those will not be moving. It is also a rail corridor. It would be helpful for Council to know the movement of all forms of transportation in this area. If she could do one thing, it would be to get a bike path that paralleled Main Street so people no longer have to ride along Main Street. They need to look at the conditions they want to keep and what can be altered, and also look at zoning.

2. City Hall and Carter Building Plaza(s).

Jim Polston, Associate Project Manager, presented the staff report on this item. Direction was received from Council during the December 2nd Work Session regarding further design modifications to be incorporated into the City Hall entry and plaza redesign. Staff has included these changes in the design presented as Attachment 2 of the agenda packet.

Since the December Work Session, two winter storm events have caused further damage to the City Hall plaza and entry area. This damage includes significant cracking and spalling to concrete surfaces

originally planned to be incorporated in the project design to save cost. The updated design for the beautification of the City Hall plaza area now assumes that the damaged concrete will also be repaired as part of this project. The original budget for the City Hall Plaza project is $60,000 and the estimate for the damaged concrete repair is an additional $27,000. The plaza project is currently funded through the combination of CDBG and Building Preservation monies. Funding to address the concrete surface areas damaged this winter can also come from Internal Building Preservation funds through cost savings realized on current year preservation projects and deferring signage and wayfinding projects that are lower in priority and not ready for implementation. This would not impair critical projects.

In addition to the City Hall plaza and entry repair and design work, a list of possible Carter Building area improvement activities, and associated costs, is provided in Attachment 3 of the agenda packet. Some of these activities already occurred as part of the Springfield High School Day of Caring event. In order to fund Council's preferred list of improvements DPW believes we can reduce the cost of a Fire Station paving project by use of our own forces. This approach could allow us to reprioritize $10K to $15K towards these improvements.

Mr. Polston provided a power point presentation. He reviewed the drawing of the Plaza area and the recommendations from the Council. Three new materials are being proposed based on Council feedback. He discussed the design based on those new materials and where each of those materials could be used in the proposed design. He referred to the picture showing the design for the recognition wall on the landing going up to the Library.

Mayor Lundberg said this is our front door so we want it to look nice. She liked the redesign. She asked Council for additional comments regarding each area.

Councilor Brew asked about decorative street lights listed at $6000 each. He asked if those are different from the used lights recently purchased.

Mr. Polston said there is the potential to use the fixtures recently purchased. They would need to be retrofitted and poles would need to be installed. They would also need to install wiring not currently in place which would involve pavement cutting, boring, and trenching. The major cost is installation.

Councilor Wylie said she would like the color concrete in an interesting design. Her husband was an outdoor artist and often used colored concrete. It is a way to spruce up the area to look richer.

Councilor Brew said he liked the redesign and colored concrete. He confirmed it would be a mixed-in color rather than applied.

Councilor Woodrow said she also liked redesign and color concrete. She would like to see the Carter Building area usable with portable benches and things that encouraged people to use it.

Mr. Polston described improvements made to a semicircular drive-through to make a larger usable area near the old Court entrance.

Councilor Woodrow said she wanted it to be a place for people to sit and feel comfortable.

Councilor Wylie said she would like as many amenities as they can afford at the Carter Building, including lighting if possible. They may not be using this space forever, but she would like seating and landscaping with trees. She wants it to be as inviting as possible to bring stages, bands, activities and vendors. This will be the people's plaza to use until a large plaza comes to fruition. It should contribute to the energy downtown.

Mr. Polston said they can keep the parking lot for parking, but improve and repave it so it will be a nice area for events. There is a pedestrian area south of the driveway, with the north side serving as a parking lot.

Councilor Wylie said she would like improvements in the pedestrian area, with the ability for events to occur in the parking lot.

Mayor Lundberg said they would like to be able to commandeer the parking lot for events, especially during the summer for Farmer's market and other weekend events. It does need to be set up with electricity so vendors can access that to provide lighting on their carts. The vendors should also be responsible for cleaning up their trash and help with security. That is a conversation they may need to have with NEDCO and the Main Street Program. There should be no uneven surfaces and it should be clean. She referred to the option of grass or ground cover and said for areas that need landscaping she prefers ground cover as it is less work. She liked color concrete. This is our entrance and the City needs to set an example for others downtown.

Councilor Moore said she liked the safety material around the fountain, but thought it should be in a different color other than brown. She asked about signage for the Library.

Mr. Polston said they would have lettering at the Library entrance that will say "Springfield City Hall". "Library" was formed into the concrete on the building closer to the plaza area.

It was decided to just put "Springfield City Hall".

ADJOURNMENT

The meeting was adjourned at 7:03 p.m.

Minutes Recorder – Amy Sowa

_____
Christine L. Lundberg
Mayor

Attest:

_____
Amy Sowa
City Recorder

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Jeff Paschall/Public Works<br>Jesse Jones/Public Works |
| | **Staff Phone No:** | 726-3720 |
| | **Estimated Time:** | Consent Calendar |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Maintain and Improve Infrastructure and Facilities |

| | |
|---|---|
| **ITEM TITLE:** | ACCEPTANCE OF PROJECT P21046; 58th STREET RELIEF SANITARY SEWER LINE & BYPASS MANHOLE |
| **ACTION REQUESTED:** | Adopt or reject the following resolution:<br><br>A RESOLUTION TO ACCEPT CITY PROJECT P21046; 58th STREET RELIEF SANITARY SEWER LINE & BYPASS MANHOLE |
| **ISSUE STATEMENT:** | The work on this project has been completed by Kipco, Inc., and final inspection, paperwork, and approval has been completed by City Staff. The Project is now ready for City Council to formally accept the work. |
| **ATTACHMENTS:** | 1. Resolution |
| **DISCUSSION/ FINANCIAL IMPACT:** | The 58th Street Relief Sanitary Sewer Line and Bypass Manhole project was identified in the 2008 Wastewater Master Plan, and designed to provide capacity in the Thurston Road wastewater trunk line and avoid the potential for sanitary sewer overflows. Construction of the project included the following:<br>• Installation of approximately 4800' of new sanitary sewer pipe.<br>• Installation of 22 new sanitary sewer manholes.<br>• Trench surface restoration<br><br>Funding for this project was provided by the 2009 Sanitary Sewer Bond funds. The total approved project budget was $2,326,000 and the project was completed for $1,996,595.29. Project costs included $1,595,572 for construction, $151,897.19 in City staff costs for project management, and $249,126.10 for consultant design services and other costs.<br><br>All work done under this contract has been completed and inspected by the City Engineer and found to be satisfactory. |

**RESOLUTION NO. _____**

**Acceptance**

WHEREAS, work on the improvement described below has been fully completed and has been duly inspected by the City Engineer of the City of Springfield:

P21046, 58th STREET RELIEF SANITARY SEWER LINE & BYPASS MANHOLE

WHEREAS, said work was found to be in conformance with the terms of the contract now on file in the City Recorder's office; and,

WHEREAS, it is the recommendation of the City Engineer that this improvement project be accepted and permanently included in the improvement maintenance program of the City of Springfield.

NOW THEREFORE BE IT RESOLVED as follows:

1) The Common Council of the City of Springfield does hereby accept for future maintenance the above-described project and accepts said improvement from the contractor involved.

2) This resolution shall take effect upon adoption by the Council and approval by the Mayor.

Adopted by the Common Council of the City of Springfield, Oregon, this 5th day of May, 2014.

Adopted by a vote of ____ for and ____ against.

_____
Mayor

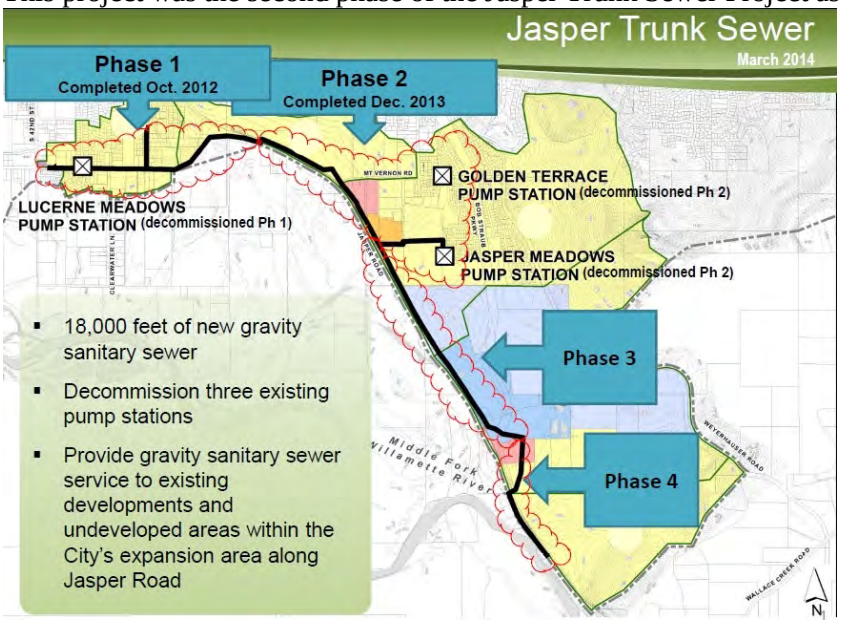
ATTEST:

_____
City Recorder

REVIEWED & APPROVED AS TO FORM
_____Joseph J. Leahy
DATE: January 1, 2008
OFFICE OF CITY ATTORNEY
CITY OF SPRINGFIELD

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Kristi Krueger/DPW |
| | **Staff Phone No:** | 726-4584 |
| | **Estimated Time:** | Consent Calendar |
| **SPRINGFIELD CITY COUNCIL** | **Council Goals:** | Maintain and Improve Infrastructure and Facilities |

| | |
|---|---|
| **ITEM TITLE:** | ACCEPTANCE OF PROJECT P21064; JASPER TRUNK SANITARY SEWER PHASE 2 |
| **ACTION REQUESTED:** | Adopt or reject the following resolution:<br><br>A RESOLUTION TO ACCEPT CITY PROJECT P21064; JASPER TRUNK SANITARY SEWER PHASE 2 |
| **ISSUE STATEMENT:** | The work on this project has been completed by H and J Construction, Inc., and final inspection, paperwork, and approval has been completed by City Staff. The Project is now ready for City Council to formally accept the work. |
| **ATTACHMENTS:** | 1. Resolution |
| **DISCUSSION/ FINANCIAL IMPACT:** | This project included the construction of gravity sanitary sewer pipelines, 5 to 25 feet deep, along the Jasper Road corridor, through private property and public right-of-way, including but not limited to the following items: approximately 3,800 linear feet of 27-inch diameter PVC piping, fittings and appurtenances; manholes; two jacked and bored cased crossings of existing roadways, wetlands and creeks; decommissioning two existing sanitary sewage pump stations; connections to existing sanitary sewer systems; gravel access road construction; and surface restoration.<br><br>This project was the second phase of the Jasper Trunk Sewer Project as depicted below. |




Funding for this project was provided by sanitary sewer bond funds. The Council authorized **$1,690,403.50** for the construction contract for this phase of the project. The project was completed under budget at **$1,670,631.65**. The budget for engineering, contract administration, easements for the combined phase 1 and 2 projects and design of phases 1, 2, 3, and 4 was **$1,695,178** and was completed under budget at **$1,560,641.** City staff costs for administration of phase 2 totaled $60,330.44.

All work done under this contract has been completed and inspected by the City Engineer and found to be satisfactory.

**RESOLUTION NO. _____**

**Acceptance**

WHEREAS, work on the improvement described below has been fully completed and has been duly inspected by the City Engineer of the City of Springfield:

P21064, Jasper Trunk Sanitary Sewer Phase 2

WHEREAS, said work was found to be in conformance with the terms of the contract now on file in the City Recorder's office; and,

WHEREAS, it is the recommendation of the City Engineer that this improvement project be accepted and permanently included in the improvement maintenance program of the City of Springfield.

NOW THEREFORE BE IT RESOLVED as follows:

1) The Common Council of the City of Springfield does hereby accept for future maintenance the above-described project and accepts said improvement from the contractor involved.

2) This resolution shall take effect upon adoption by the Council and approval by the Mayor.

Adopted by the Common Council of the City of Springfield, Oregon, this 5th day of May, 2014.

Adopted by a vote of ____ for and ____ against.

_____
Mayor

ATTEST:

_____
City Recorder

REVIEWED & APPROVED AS TO FORM
_____Joseph J. Leahy
DATE: January 1, 2008
OFFICE OF CITY ATTORNEY
CITY OF SPRINGFIELD

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Kristi Krueger/DPW |
| | **Staff Phone No:** | 726-4584 |
| | **Estimated Time:** | Consent Calendar |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Maintain and Improve Infrastructure and Facilities |

**ITEM TITLE:** ACCEPTANCE OF PROJECT P21005; 'A' STREET OVERLAY AND PROJECT P21062; THURSTON ROAD OVERLAY

**ACTION REQUESTED:** Adopt or reject the following resolutions:

A RESOLUTION TO ACCEPT CITY PROJECT P21005; 'A' STREET OVERLAY
and
A RESOLUTION TO ACCEPT CITY PROJECT P21062; THURSTON ROAD OVERLAY

**ISSUE STATEMENT:** The work on these projects has been completed by Eugene Sand Construction, Inc., and final inspection, paperwork, and approval has been completed by City Staff. The Projects are now ready for City Council to formally accept the work.

**ATTACHMENTS:**

1. P21005 "A" Street Overlay Acceptance Resolution
2. P21062 Thurston Road Overlay Acceptance Resolution

**DISCUSSION/ FINANCIAL IMPACT:** The preservation of "A" Street was identified as a priority in FY 2009 due to the vacation of "B" Street between 4th and 5th Streets and the relocation of Lane Transit District bus routes to "A" Street. Preservation of Thurston Road was identified as a priority through the pavement management system. The projects were postponed due to funding shortages in in the City Street fund, until the City was successful in securing Federal Surface Transportation Program-Urban (STP-U) funds in FY 2012. To save time and money, the construction of the 'A' Street Overlay and the Thurston Overlay projects were combined into one construction project.

The project included the following:

- Pavement repair and overlay.
- Curb and gutter repair.
- Striping
- Decorative LED lighting ("A" Street only).
- Sidewalk ramp ADA upgrades (Thurston Road only).

Funding for the projects was provided by $1,149,246 in STP-U funds and a City of Springfield programmed a local match of $361,000. The total cost to complete the projects was $1,025,833.23 and included $800,213.94 for construction, $220,365 for consultant design services and construction management, $37,610.07 in City staff costs, and $1,493.22 in other miscellaneous costs. $162,000 in STP-U savings was transferred to the Glenwood Riverfront Path Extension project and City match fund savings were returned to the Transportation SDC Fund.

All work done under this contract has been completed and inspected by the City Engineer and found to be satisfactory.

**RESOLUTION NO. _____**

**Acceptance**

WHEREAS, work on the improvement described below has been fully completed and has been duly inspected by the City Engineer of the City of Springfield:

P21005, 'A' Street Overlay

WHEREAS, said work was found to be in conformance with the terms of the contract now on file in the City Recorder's office; and,

WHEREAS, it is the recommendation of the City Engineer that this improvement project be accepted and permanently included in the improvement maintenance program of the City of Springfield.

NOW THEREFORE BE IT RESOLVED as follows:

1) The Common Council of the City of Springfield does hereby accept for future maintenance the above-described project and accepts said improvement from the contractor involved.

2) This resolution shall take effect upon adoption by the Council and approval by the Mayor.

Adopted by the Common Council of the City of Springfield, Oregon, this 5th day of May, 2014.

Adopted by a vote of ____ for and ____ against.

_____
Mayor

ATTEST:

_____
City Recorder

REVIEWED & APPROVED AS TO FORM
_____Joseph J. Leahy
DATE: January 1, 2008
OFFICE OF CITY ATTORNEY
CITY OF SPRINGFIELD

**RESOLUTION NO. _____**

**Acceptance**

WHEREAS, work on the improvement described below has been fully completed and has been duly inspected by the City Engineer of the City of Springfield:

P21062, Thurston Road Overlay

WHEREAS, said work was found to be in conformance with the terms of the contract now on file in the City Recorder's office; and,

WHEREAS, it is the recommendation of the City Engineer that this improvement project be accepted and permanently included in the improvement maintenance program of the City of Springfield.

NOW THEREFORE BE IT RESOLVED as follows:

1) The Common Council of the City of Springfield does hereby accept for future maintenance the above-described project and accepts said improvement from the contractor involved.

2) This resolution shall take effect upon adoption by the Council and approval by the Mayor.

Adopted by the Common Council of the City of Springfield, Oregon, this 5th day of May, 2014.

Adopted by a vote of ____ for and ____ against.

_____
Mayor

ATTEST:

_____
City Recorder

REVIEWED & APPROVED AS TO FORM
_____Joseph J. Leahy
DATE: January 1, 2008
OFFICE OF CITY ATTORNEY
CITY OF SPRINGFIELD

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Greta Utecht |
| | **Staff Phone No:** | 726-3787 |
| | **Estimated Time:** | Consent Calendar |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Financially Responsible and Stable Government Services |

| | |
|---|---|
| **ITEM TITLE:** | APPROVE A CONTRACT WITH PACIFICSOURCE HEALTH PLANS TO PROVIDE THIRD PARTY ADMINISTRATIVE SERVICES FOR CITY'S SELF-FUNDED MEDICAL/Rx/VISION INSURANCE |
| **ACTION REQUESTED:** | By motion:<br>Authorize City Manager to enter into a contract with PacificSource Health Plans, in the amount not to exceed $850,000 to provide 2014 Third Party Administrative Services for City self-funded health insurance. |
| **ISSUE STATEMENT:** | The City of Springfield has been self-funded since January 2013. In order to meet federal privacy law under the Health Insurance Portability and Accountability Act ("HIPAA"), the City contracts with a Third Party Administrator ("TPA") to process claims and payments. The City also purchases stop loss insurance for very large claims. PacificSource has been our TPA since January 2013, and was the lowest viable bidder for the 2014 renewal, primarily due to their pricing on the stop loss insurance. |
| **ATTACHMENTS:** | 1. PacificSource Administrative Services Agreement |

**DISCUSSION/ FINANCIAL IMPACT:**

The City provides a comprehensive self-funded health insurance plan for all employees. In order to be in compliance with HIPAA, the City has to contract with a Third Party Administrator. A TPA is the confidential interface between City staff and the employee and his or her health care provider.

PacificSource has been our TPA since January 2013 and was the next-to-low bidder for renewal of the 2014 contract. In addition to providing TPA services, PacificSource also provides stop-loss insurance, which the City purchases in order to protect our financial reserves from taking large losses from medical claims that are $150,000 or over. The cost of stop loss insurance went up dramatically across the country in CY2013, due to the severity of natural disasters and their impact on individuals. The City of Springfield's rate increased by 15.2%. With otherwise positive claim experience, our overall health plan costs are up by a total of 5%, versus a national trend of 9%.

Through our benefits consultants, we solicited and received cost estimates from seven stop loss insurance carriers, and PacificSource had the second-lowest bid. The lowest bid came from SunLife Assurance Company of Canada, but because we have had poor customer service in the past from them, we determined that they weren't a viable choice.

The following is a list of the companies and the percentage increase over 2013 rates for each bid.

- 27.11 %: HM Life Insurance Company
- 24.77%: IHC Risk Solutions – Standard Security Life of NY
- 23.84%: Optum Health – Unimerica Ins. Co.
- 16.21%: Reliance Standard Life Ins. Co.
- 8.51%: SunLife Assurance Co. of Canada
- 29.08%: Symetra Life Ins. Co.
- 15.2%: PacificSource Health Plans

Contract # 1190

## ADMINISTRATIVE SERVICES AGREEMENT

**No. G0020720**

**THIS AGREEMENT**, made and entered into this 1st day of January 2014 and between PacificSource Health Plans, an Oregon non-profit corporation ("herein called "PacificSource"), and City of Springfield (herein called "Sponsor").

**WITNESSETH:**

In consideration of the Sponsor's Acceptance (below) and in consideration of payment of Administrative Services Fees in the amounts and at the time required, PacificSource will provide administrative services for Claims payment for each enrolled person in accordance with the provisions and subject to the conditions of this Agreement.

This Agreement, including all addendums, exhibits, or amendments affixed hereto, shall be the entire contract of insurance fully as if recited over the signature affixed hereto.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on their behalf by their duly authorized representatives' signatures, effective as of the 1st day of January 2014.

| **PacificSource Health Plans** | **City of Springfield** |
|---|---|
| By: | By: _____ |
| Kenneth P. Provencher | |
| Title: President, CEO | Title: _____ |

---

**PacificSource Health Plans**

PO Box 7068, Springfield, OR 97475-0068

Reviewed by City Contract Officer
4.18.14

REVIEWED & APPROVED
AS TO FORM
DATE: 4/24/14
OFFICE OF CITY ATTORNEY

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## DEFINITIONS

For the purposes of this Agreement, the following words and phrases have the meanings set forth below, unless the context clearly indicates otherwise, and the singular shall include the plural and the plural shall include the singular.

**Addendum** is a written attachment that alters and supersedes any of the terms or conditions set forth in this Agreement.

**Administrative Services Fee** means the fees due PacificSource each month for the administrative services provided under this Agreement. The Administrative Services Fee shall be computed and paid in accordance with the Payment section of this Agreement.

**Administrator** means the person or entity specifically designated as the administrator of the Plan by the Plan Document and any other person or entity, other than PacificSource, that the Sponsor designates as the administrator of the Plan. The Administrator shall be the Sponsor if neither the Plan Document nor the Sponsor has designated an Administrator.

**Aggregate Stop Loss** means the reinsurance provided by PacificSource under the Stop Loss Provision section of this Agreement.

**Aggregate Stop Loss Attachment Point** is the total amount of paid Claims for which the Sponsor shall be liable during the contract period of this Agreement.

**Claim** means a request by a Claimant for payment or reimbursement from the Plan.

**Claim Fund** is a fund established by the Plan for the purpose of funding claims liability. In order to fund claim liability, the Plan Sponsor is required to periodically deposit the equivalent of two weeks of expected claims, as actuarially determined, with PacificSource prior to a specified date. Monies deposited in the Fund will accumulate interest at the T-Bill rate calculated annually. At the termination of the contract between PacificSource and the Plan Sponsor, the Fund balance will be returned to the Plan Sponsor.

**Claimant** means any Participant or Provider submitting expenses for payment or reimbursement from the Plan.

**Claims Run-Out Period** is the twelve (12) month period in which PacificSource agrees to continue processing Claims incurred but not reported prior to the termination of this Agreement in exchange for payment of two (2) months of Administrative Services Fees by the Sponsor.

**COBRA** means the continuation coverage provided by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as applicable to state and local government group health plans subject to the Public Health Service Act §2201 through §2208, 42 USC §300bb-1 through §300bb-8.

**Covered Services** means the care, treatments, services, or supplies described in the Plan Document as eligible for payment or reimbursement from the Plan.

**Dependent** means an individual who is eligible to be a Participant and is enrolled in the Plan by virtue of being a family member of an Employee.

**Employee** means an individual employed by the Employer and who is eligible to be a Participant in the Plan.

**Employer** means the Sponsor and any successor organization or affiliate of such Employer that has adopted the Plan for the benefit of its Employees and their Dependents.

**Enrollment Information** means information about whether an individual is a Participant in the Plan.

**Force Majeure Event** is defined as an unpredictable event or occurrence out of the control of the contracting parties, and which is not attributable to any act or failure to take preventive action by the party concerned. A Force Majeure Event allows an extension to the contract duration or completion/delivery date should any of a pre-agreed list of events occur.

**HIPAA** means the Health Insurance Portability and Accountability Act of 1996, Public Law 191-104, as it may be amended from time to time, and all regulations applicable thereto.

**Incurred** means the date on which services for Covered Expenses were rendered to or for a Participant according to the terms of the Sponsor's Plan.

**Independent Review Organization (IRO)** would provide an independent external review of an adverse benefit determination involving medical necessity or experimental/investigation services. Making external review available in such cases is a federal and in most cases a state requirement.

**Independent Medical Review (IMR)** person or organization, at the request of a health plan or insurer, would review a proposed course of treatment and provide input to the plan or insurer as to whether or not the course of treatment is medically necessary or whether or not the course of treatment is experimental or investigational.

**Paid Claim** means that:

1. the Covered Expense is adjudicated according to the terms of the Plan;
2. a check is written and mailed or electronically deposited directly to the payee within the Policy Period; and
3. funds are available to honor the check. To be sure those funds are available; they must be on deposit no later than the first working day following the end of the Policy Period.

**Participant** means any Employee, Dependent, retiree, or COBRA-eligible person, as applicable, who is properly enrolled in and entitled to benefits from the Plan.

**Plan** means the self-funded group health plan that is the subject of this Agreement or any addenda attached to this Agreement and which Sponsor has established pursuant to the Plan Document, a copy of which has been provided to PacificSource. PacificSource will assist the Sponsor in the development of the Plan.

**Plan Document** means the instrument or instruments that set forth and govern the rights and duties of the Sponsor, the Administrator, and Participants under the Plan, as modified by any policies, interpretations, rules, practices, and procedures made by the Sponsor.

**Privacy Rule** means the Standards for Privacy of Individually Identifiable Health Information in 45 Code of Federal Regulations (CFR) Part 164, Subpart E.

**Protected Health Information (PHI)** has the same meaning as the term "protected health information" in 45 CFR 160.103, except that for purposes of this Agreement the term includes "personal information" as that term is defined in ORS 746.600. For purposes of this Agreement, Protected Health Information is also limited to PHI that PacificSource receives from or creates or receives on behalf of the Sponsor.

**Provider** means physicians, dentists, hospitals, or other health care practitioners or health care facilities that are duly licensed and authorized to receive payment or reimbursement for Covered Services provided under the terms of the Plan.

**Security Rule** means the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C.

**Specific Stop Loss** shall mean the reinsurance provided by PacificSource under the Stop Loss Provision section of this Agreement.

**Specific Stop Loss Attachment Point** is the total amount of paid claims per covered individual that is not subject to reimbursement or credit by PacificSource under the specific stop loss provision during the contract period of this Agreement for each covered insured of the Sponsor.

**Sponsor** means the party identified as "Sponsor" in the first paragraph of this Agreement who established and maintains the Plan.

**Stop Loss Premium** means the fees due PacificSource each month for the specific and aggregate stop loss insurance provided under the Stop Loss Provision section of this agreement. The Stop Loss Premium shall be computed and paid in accordance with the Payment section of this Agreement.

**Summary Health Information** has the same meaning as "summary health information" defined by 45 CFR §164.504(a).

**Summary Plan Description** means any document provided to Participants that describes the terms and conditions under which the Plan operates.

**Trust** means, if applicable with respect to the Plan, a Trust which serves as the vehicle for the funding and payment of Claims for benefits under the Plan, and includes the Trustees in their fiduciary capacity with respect to such trust.

**Trustee** means those individuals appointed as the Trustee or Trustees of a Trust.

**Working Day** means a regular business day that is not a recognized federal, banking, or PacificSource holiday, and excludes Saturdays and Sundays.

## TERM OF AGREEMENT

This Agreement shall become effective on the date shown in Exhibit I at 12:01 a.m., and shall remain in effect for a term of 12 months. It may be renewed thereafter for successive 12-month periods by mutual written agreement of the parties; each such renewal is a separate term.

## PACIFICSOURCE RESPONSIBILITIES

Subject to the Sponsor's compliance with all applicable terms of this Agreement and in consideration for the Administrative Services Fee, PacificSource will provide the administrative services specified herein during the term of this Agreement.

### ENROLLMENT

PacificSource will:

- Process enrollment applications for new Participants.
- Process changes in enrollment status.
- Prepare and issue identification cards.
- Provide all forms necessary to accomplish the foregoing enrollment services.
- Maintain Participant basic data and eligibility data separately for each enrollment classification specified by the Administrator.

### CLAIMS ADMINISTRATION

PacificSource will:

- Determine Participant eligibility for benefits, based on information provided by the Administrator and the terms of the Plan Document as construed by the Administrator.

- Process Claims incurred by Participants, according to the terms of the Plan Document as construed by the Administrator.

- Maintain Plan records regarding payments of Claims, denials of Claims, and Claims pended or stopped, and track each Participant's accumulated expenses credited toward any annual deductible and/or annual out-of-pocket limit under the Plan, and the application of the Plan's annual, and/or specific benefit limitations with respect to each Participant.

- Process Claims with due diligence and according to the terms of the Plan Document as construed by the Administrator (e.g., pre-existing conditions requirements and coordination of benefits situations).

- Process appeals of denied Claims in accordance with the appeal process contained in the Plan Document, and in accordance with applicable laws. In all cases the final decision will be at the discretion of the Administrator.

- Provide medical peer review and other professional expertise necessary to complete the review of Claims according to the Plan Document as construed by the Administrator.

- Refer any doubtful or disputed Claims to the Administrator for a final decision in accordance with the Sponsor Responsibilities section of this Agreement. PacificSource will process and pay any Claim as directed by the Administrator without regard for whether the Claim is eligible for payment under the Plan.

## EXPLANATION OF BENEFITS

PacificSource will:

- Issue Explanation of Benefits forms to Participants for Claims received and processed, which shall contain information on charges submitted, amounts allowed, Plan payment, and patient responsibility.

- Include on the Explanation of Benefits form, in the case of a denied Claim, the reason that the Claim is ineligible for payment, and the Claims review and appeal procedure as prescribed by the Plan.

## PAYMENT OF BENEFITS

PacificSource will process, issue, and distribute Claims checks to Participants, Providers, or others as may be applicable, to provide benefits due on Claims received and processed to completion. PacificSource payment of eligible Claims shall be subject to the Sponsor, the Administrator, and the Plan complying with all provisions of this Agreement.

## CLAIMS CONTROL AND COST CONTAINMENT

PacificSource will maintain Provider fee data and update Provider reimbursement allowances. The Sponsor agrees, on its own behalf and on behalf of the Administrator and the Plan, that PacificSource allowance for Provider reimbursement shall be considered proprietary data of PacificSource and shall not be published, reproduced, distributed to, or shared with Providers, Participants, or other third parties without the prior written consent of PacificSource.

For Covered Services received outside the defined service areas which are not covered by participating Provider membership agreements described below in this section, the Sponsor acknowledges and agrees that PacificSource will utilize the allowance which PacificSource establishes for network-not-available Providers.

PacificSource will promote cost containment by coordinating payment of benefits under this Agreement with payment of benefits Participants receive from other sources, in accordance with the terms of the Plan Document as construed by the Administrator.

PacificSource may, on its own behalf, negotiate discounts with certain Providers. Except as otherwise provided in this Agreement, all available discounts shall be passed on in full to the Plan and Participants at the time Claims are processed so that both receive the benefits of such negotiated payment arrangements in the calculation of deductibles, copayments, Participant responsibility, and Plan reimbursement amounts. PacificSource shall have no obligation to the Sponsor, the Administrator, or the Plan with respect to the negotiation of such discounts.

**PROFESSIONAL SERVICES**

PacificSource will:

- Provide actuarial services, including:
  - Experience analysis; and
  - Claims projections—initial and renewal.
- Provide performance monitoring.

**REPORTS, RECORDS, AND AUDITS**

PacificSource will provide to the Administrator the total amount in Claims processed during the previous semi-month period. PacificSource will also provide to the Administrator a Claims report, as allowed under applicable state and federal laws. Further, PacificSource will provide to the Administrator monthly experience reports.

Upon sixty (60) days advance written notice by the Administrator, PacificSource will provide the information held by PacificSource and requested by the Administrator to enable the Administrator to complete and file IRS Forms 5500 and 990, and Annual Reports.

Upon sixty (60) days advance written notice by the Administrator, PacificSource will provide the Administrator's designated auditor with access to information needed to conduct an audit of records maintained by PacificSource related to the Plan. The initial notice to PacificSource must state the scope of the audit and identify the information needed and proposed sampling methodologies. The audit and information requested in the audit will be limited to the two (2) year period immediately preceding the date of the audit request, unless the Administrator establishes that a longer period is justified based on good cause. All auditors will be required to adhere to PacificSource procedures and applicable federal and state laws, including the Privacy Rule and Security Rule, for maintaining the privacy and security of all information furnished by PacificSource, and may be required to sign confidentiality agreements prior to the release of any information by PacificSource. PacificSource will be entitled to receive copies of the draft and final audit reports and will have the right to review and comment on the audit findings prior to or simultaneous with the release of such report. PacificSource comments will be noted in the final report. The Sponsor or the Plan will bear any expenses incurred by the Sponsor, the Administrator, the Plan or the auditors in conducting the audit. The Sponsor or the Plan will reimburse PacificSource for the costs of any on-site audit that exceeds two (2) Working Days. In no event shall PacificSource be required to hold any records for more than six (6) years.

**CLAIMS SERVICES**

PacificSource will:

- Staff a customer service unit to handle inquiries and Claims questions from Participants.
- Maintain local telephone service and/or toll-free telephone lines for inquiries made by Participants regarding the status of their Claims. Such telephone lines may be recorded by PacificSource.
- Subject to all applicable state and federal laws and as may be allowed by the Privacy Rule:
  - Respond to Claims inquiries by a Participant, the estate of a Participant, the Participant's authorized legal representative, or an authorized Provider;

- Disseminate general information to Participants;
- Provide Claim forms and benefit checks.

- Maintain Provider information and working relationships. PacificSource shall be entitled to rely upon any and all representations made by Providers regarding their qualifications as Providers, and shall have no obligation or liability to obtain, verify, or monitor qualifications. PacificSource will not be responsible for any services provided (or any failure to provide services) by Providers and makes no representation, warranty, or guarantee whatsoever regarding any such Providers.

**CONFIDENTIALITY OF PROPRIETARY INFORMATION**

The terms of this Agreement and any addenda to this Agreement are proprietary and Sponsor agrees to keep the terms confidential. PacificSource agrees to keep confidential any information that the Sponsor, the Administrator, or the Plan, discloses to PacificSource and identifies as proprietary or a trade secret. PacificSource understands that Sponsor is subject to the Oregon Public Records Law and the Sponsor will comply with that law. Sponsor will inform PacificSource of any public records requests pertaining to this plan prior to release.

**HIPAA TITLE I—PORTABILITY**

PacificSource will provide Certificates of Creditable Coverage and other Creditable Coverage services as required by the portability provisions of HIPAA Title I for Participants.

**COBRA**

PacificSource will not administer COBRA notifications, elections, premium payment from continuants or any part of COBRA unless the parties agree otherwise in writing. PacificSource will not provide Participants who elect COBRA coverage under the Plan with a notice of privacy practices as required by the Privacy Rules unless the parties agree otherwise in writing. Upon request of the Administrator, PacificSource will provide the Administrator contact information for those Participants who elect COBRA coverage in order to assist the Administrator to satisfy the Plan's legal obligation to provide such Participants with a notice of privacy practices

**INCLUDED SERVICES**

- Implementation fees
- Claim Processing
- Utilization and Large Case Management
- Stop Loss Claim Reporting
- Pharmacy Benefit Manager Coordination
- Condition Management Programs
- PacificSource Standard Summary Plan Document
- Standard Reporting

**OPTIONAL SERVICES**

PacificSource will provide Participants with access to the following optional services if the Sponsor so elects such services, as designated on Exhibit I of this Agreement:

- External review of appeals of denied Claims through an independent review organization contracted with PacificSource.
- Tobacco cessation program through PacificSource's contract vendor.
- Biometric screening.
- Global emergency services through PacificSource's contracted vendor.
- Wellness Program

**CUSTOMIZED OR ADDITIONAL SERVICES**

From time to time, the Sponsor or the Administrator may request that PacificSource provide services or insurance coverage not specifically outlined in this Agreement (e.g., customized benefits, correspondence, network development, reports, and training/education) ("Customized Services"). The Sponsor or the Administrator shall submit a written request to PacificSource for such Customized Services. PacificSource, in its sole discretion, shall have the right to reject the request or negotiate a rate with the Sponsor to perform the Customized Services. In the event PacificSource rejects the request or the parties are unable to agree to a rate for the performance of the Customized Services by PacificSource, PacificSource shall not be obligated to perform such Customized Services. The refusal of PacificSource to perform such Customized Services shall not constitute grounds for the Sponsor to terminate this Agreement unless termination is otherwise specifically allowed herein. If PacificSource agrees to perform such Customized Services and the parties agree to a rate, the parties will execute an addendum to this Agreement specifying the terms and conditions applicable to the Customized Services before such Customized Services shall be performed by PacificSource.

**SPONSOR RESPONSIBILITIES**

**SPONSOR ACKNOWLEDGMENTS**

The Sponsor acknowledges:

- It sponsors the Plan;
- It is the fiduciary of the Plan with full discretionary authority and responsibility to control and manage the operation and administration of the Plan;
- It has the authority to designate the Administrator of the Plan, and has not and will not designate PacificSource as the Administrator of the Plan; and
- It retains full discretionary authority and control over and discretionary responsibility for the operation and administration of the Plan.

**PROTECTED HEALTH INFORMATION (PHI)**

The Sponsor may obtain PHI from the Plan or PacificSource to perform Plan Administration Functions (as defined by 45 CFR §164.504(a)) only if the Sponsor:

- If non-standard Plan Document, amends the Plan Document to incorporate into the Plan Document the terms required by the Privacy Rule and the Security Rule in 45 CFR §164.314(b)(2);
- If non-standard Plan Document, certifies to the Plan that the Plan Document has been amended as required by the Privacy Rule and the Security Rule; and
- Requests only the minimum amount of PHI reasonably needed to perform the Plan Administration Functions.

## SUMMARY HEALTH INFORMATION

The Sponsor may request Summary Health Information from the Plan or from PacificSource only for one of the following purposes:

- To obtain premium bids from health plans for providing health insurance coverage under the Plan; or
- To modify, amend, or terminate the Plan.

## MEMBER ELIGIBILITY INFORMATION

The Sponsor will, or will cause the Administrator to:

- Maintain current and accurate Plan eligibility and coverage records, verify member eligibility, and submit this information monthly, by the 15th day of the month for which the information is submitted, to PacificSource at its designated mailing address for Enrollment Information listed on Exhibit I, or more often if requested by PacificSource.

  This information shall be provided in a format acceptable to PacificSource and shall include the following for each member: name and address, Social Security number and/or PacificSource member ID number, date of birth, type of coverage, gender, relationship to the employee, date coverage begins or ends, and any other information necessary to determine eligibility and coverage levels under the Plan.

- Provide copies of completed applications for coverage of new Participants with assigned effective dates and for existing Participants for addition of dependents and changes in benefit levels, with effective dates of changes.

- Assume the responsibility for the erroneous disbursement of benefits by PacificSource in the event of error or neglect on the part of the Sponsor or the Administrator in providing eligibility and coverage information to PacificSource, including without limitation, failure to timely notify PacificSource of the ineligibility or termination of a former Participant.

## PLAN ADMINISTRATION

The Sponsor will, or will cause the Administrator to:

- Resolve all Plan ambiguities and disputes relating to member eligibility, coverage, denial of Claims, or decisions regarding appeal or denial of Claims, or any other questions of Plan interpretation. PacificSource shall not provide PHI except as allowed by the Privacy Rule, the Security Rule, and other applicable federal and state laws. The Sponsor shall hold, and shall cause Administrator to hold, any information, including any PHI, provided by PacificSource to the Sponsor or the Administrator in compliance with all applicable federal and state laws. The Sponsor will respond or cause the Administrator to respond to PacificSource or the member regarding the Sponsor's or the Administrator's determination within the number of days required by PacificSource.

- Provide PacificSource with a copy of any and all revisions or changes to the Plan within thirty (30) Working Days prior to the effective dates of the changes.

- Provide and timely distribute all notices and information required to be given to Participants, including the Plan's Notice of Privacy Practices as required by the Privacy Rule, maintain and operate the Plan in accordance with applicable law, maintain all record keeping, and file all forms relative thereto pursuant to any federal, state, or local law, unless this Agreement specifically assigns such duties to PacificSource.

- Prepare and file all required tax forms (including IRS Forms 5500 and 990) and Annual Reports (including required audits) as applicable; pay any and all taxes, licenses, and fees levied by any local, state, or federal authority in connection with the Plan; and prepare and provide Summary Annual Reports and Summary of Material Modifications, as applicable, to Participants.

## CONFIDENTIALITY OF PROPRIETARY INFORMATION

The terms of this Agreement and any addenda to this Agreement are proprietary and the Sponsor, on behalf of itself, the Plan, and the Administrator, agrees to keep the terms confidential. The Sponsor will, or will cause the Administrator to hold confidential all PacificSource proprietary information and information or material not generally known by personnel other than employees of PacificSource. Such information includes, but is not limited to, contracting arrangements with Providers, reasonable and customary Claims levels, and Claims administration guidelines.

## OTHER RESPONSIBILITIES

The Sponsor will, or will cause, the Administrator to:

- Pay to PacificSource, in accordance with this Agreement and any addenda to this Agreement, the Administrative Services Fee and any other fees due PacificSource under this Agreement or addenda to this Agreement, and provide funds for payment of Claims, in accordance with the Payment section of this Agreement.

- Promptly notify PacificSource of any termination notice, expiration, lapse, or modification of any insurance purchased in conjunction with the Plan.

- Maintain any fidelity bond or other insurance as may be required by state or federal law for the protection of the Plan and Participants.

- Notify PacificSource within five (5) Working Days of any inquiry made by any member or authorized representative of any member related to the Plan Document, Plan records, Claims, Claims appeals, Claims disputes, threatened litigation, lawsuits pertaining to the Plan, or any inquiry made by any federal or state authority regarding the Plan.

- Not demand or require PacificSource, under any circumstances, to issue Claims drafts for Claims, out-of-Plan funds, excess loss premiums, or any other costs arising out of the subject matter of this Agreement, unless the Sponsor has so authorized and has previously deposited sufficient funds to cover such payment(s).

  PacificSource will administer Complaints, Grievances, and Appeals per the Plan Document and the Summary Plan Description. In the event the processes outlined in the Plan Document and Summary Plan Description provided annually from PacificSource do no resolve the question, concern, or complaint the Sponsor acknowledges and agrees that PacificSource will administer and process Claims in accordance with this Agreement only to the extent the Plan Document and Summary Plan Description are clear and unambiguous as to the validity of the Claims and the Participants' eligibility for coverage under the Plan, and that PacificSource will have no discretionary authority or responsibility to interpret the Plan or adjudicate Claims. If processing a Claim requires interpretation of ambiguous Plan language, and the Sponsor or the Administrator has not previously indicated to PacificSource the proper interpretation of the Plan language, then the Sponsor or the Administrator will be responsible for resolving the ambiguity or any other dispute.

  In any event, the Sponsor's or the Administrator's decision as to any Claim (whether or not it involves a Plan ambiguity or other dispute) shall be final and binding unless modified or reversed by a court or regulatory agency having jurisdiction over such Claim matter.

## PAYMENT

## ADMINISTRATION CHARGE

PacificSource will send the Sponsor and the Administrator an invoice each month for Administrative Services Fees and any other fees due PacificSource under this Agreement, unless the other fees are separately billed. The Sponsor must make payment to PacificSource on or before the payment due date specified on the invoice.

Should the expense of administration increase due to benefit changes or other mutually agreed upon changes in services or procedures provided under this Agreement, PacificSource may adjust the administrative charge accordingly, such adjustment to be effective on the date the change took effect.

**CLAIMS REIMBURSEMENT**

PacificSource will send the Sponsor Accounts Payable and the Administrator a claims invoice to the mailing addresses and e-mail addresses listed on Exhibit I of this Agreement, twice a month, providing information regarding the total amount of Claims paid during the preceding semi-month period.

The Sponsor shall pay PacificSource the amount needed to cover the Claims by ACH (Automated Clearing House). Sponsor pays ACH payments on the second and fourth Thursday's. PacificSource invoices must be received by 8am on the first and third Tuesdays in order to meet the ACH payment on the second and fourth Thursdays.

If a specific Claim or amount is not agreed to, then the Sponsor will pay those Claims agreed to and provide notice of the disputed Claim and/or amount to PacificSource at the PacificSource payment e-mail address or fax number listed on Exhibit I of this Agreement. The parties will work together to resolve disputed Claims. If payment for approved Claims is not received in the time required by this section, then PacificSource will have the right to stop processing Claims pursuant to the following Nonpayment section of this Agreement.

Unless the Sponsor or the Plan purchases stop loss coverage from PacificSource, PacificSource will provide administrative Claims payment services only and does not assume any financial risk or obligation with respect to Claims.

**NONPAYMENT**

If the Sponsor fails to pay the Claims or authorize ACH transfer within the time required in the Payment, Claims Reimbursement section of this Agreement, PacificSource shall have the right to stop processing all Claims immediately after written notice of the Sponsor's failure to pay or authorize ACH transfer has been provided to the Sponsor and the Administrator at their e-mail addresses listed on Exhibit I of this Agreement. PacificSource may also initiate refunds from providers and facilities or do punch credits to pull money back for claims processed and not reimbursed by the Sponsor

If the Sponsor fails to pay the Administrative Services Fee in the period required by this Agreement, PacificSource shall have the right to stop processing all Claims immediately after 10 day written notice of the Sponsor's failure to pay has been provided to the Sponsor and the Administrator at their e-mail addresses listed on Exhibit I of this Agreement.

During a time period when PacificSource has stopped processing Claims as allowed herein, the Sponsor and the Plan, not PacificSource, will become immediately responsible for:

- Sending any legally required notice regarding Claims status to both Participants and Providers;
- Payment of all Claims processed and paid by PacificSource;
- Payment for all Claims incurred by Participants, but not yet submitted to or fully processed by PacificSource;
- Payment for all other outstanding fees attributable to the Plan;
- Processing all Claims in accordance with all applicable state and federal laws. PacificSource will have no obligation to provide the Sponsor, the Administrator, or the Plan, reports listing those Claims currently stopped and not fully processed or those Claims submitted to PacificSource during a period where PacificSource has stopped processing Claims, unless PacificSource and the Sponsor have agreed to a rate that the Sponsor will pay to PacificSource for provision of such reports.

- Indemnifying PacificSource, according to the Relationship of the Parties, Greivances and Legal Actions section of the Agreement, for any legal claim that may be brought against PacificSource by any party regarding the stopped and not fully processed claims, or any Claims received by PacificSource during a time when PacificSource has stopped processing Claims.

If PacificSource stops processing Claims as provided herein, PacificSource will be relieved of all responsibility for compliance with the Department of Labor claims regulations and any other state or federal law or regulation (other than the Privacy Rule and the Security Rule to the extent that PacificSource continues to maintain PHI) for those Claims stopped and not fully processed, or those Claims submitted to PacificSource during a period where PacificSource has stopped processing Claims, regardless of when the Claims were actually incurred. The Sponsor shall assume all responsibility for compliance with Department of Labor claims regulations and any other state or federal law or regulation governing the processing of claims during any period PacificSource has stopped processing claims pursuant to the Sponsor's failure to pay the Claims or pay the Administrative Services Fee. If PacificSource starts processing Claims after it has stopped processing Claims as allowed herein, PacificSource will not be responsible for compliance with the Department of Labor claims regulations or any other state or federal law or regulation (other than the Privacy Rule and the Security Rule to the extent that PacificSource continues to maintain PHI) for those Claims that were stopped and not fully processed, or those Claims submitted during a period where PacificSource stopped processing Claims, no matter when those Claims were actually incurred. The Sponsor acknowledges that the Sponsor and the Plan may lose all Provider discounts for those Claims stopped and not fully processed, and those Claims submitted during a period where PacificSource stopped processing Claims.

**PENALTY FOR LATE PAYMENT**

Payments not received by PacificSource by a date provided herein shall accrue interest at a rate equal to one point higher than the 13-week Treasury Bill Rate as of the last day of the month in which payment was due, and will continue to accrue interest until all amounts owing, including interest, are paid in full. The acceptance by PacificSource of any late or partial payment shall not constitute a waiver of this provision by PacificSource.

**STOP LOSS PROVISION**

**SPECIFIC STOP LOSS**

The Sponsor is liable for the amount of all paid claims for each Participant. However, PacificSource is liable to the Sponsor for all paid claims for each Participant exceeding the specific stop loss point for the remainder of the term of this Agreement. The specific stop loss point is listed on Exhibit I of this Agreement.

The Sponsor agrees to pay the Stop Loss Premium amount shown on Exhibit I for specific stop loss coverage. PacificSource will send the Sponsor and the Administrator an invoice each month for Stop Loss Premiums and any other fees due PacificSource under this Agreement, unless the other fees are separately billed. The Sponsor must make payment to PacificSource on or before the payment due date specified on the invoice.

PacificSource may change either the premium or the Specific Stop Loss Attachment Point upon thirty-one (31) days written notice to the Sponsor if one of the following events occurs:

- Plan benefits are increased; or

- The number of covered lives changed by ten (10) percent or more.

## ADMINISTRATION OF SPECIFIC STOP LOSS

At the end of each month, PacificSource will produce a claims report to determine if any Participants have exceeded the Specific Stop Loss Attachment Point. If a Participant has exceeded the specific stop loss point, PacificSource will credit the amount the paid claims exceeds the specific stop loss point from the total amount of Claims paid on the month-end claims invoice. If the amount of paid claims exceeding the specific stop loss point is greater than the total amount of Claims paid on the month-end claims invoice, the credit balance will carry over to the next claims invoice.

## AGGREGATE STOP LOSS

The Sponsor is liable for all paid claims. However, PacificSource is liable to the Sponsor for the paid claims exceeding the Aggregate Stop Loss Attachment Point. The Aggregate Stop Loss Attachment Point is listed on Exhibit I of this Agreement.

The Sponsor agrees to pay the premium amount shown on Exhibit I for Aggregate Stop Loss coverage. PacificSource will send the Sponsor and the Administrator an invoice each month for Stop Loss Premiums and any other fees due PacificSource under this Agreement, unless the other fees are separately billed. The Sponsor must make payment to PacificSource on or before the payment due date specified on the invoice.

PacificSource may change either the premium or the Aggregate Stop Loss Attachment Point upon thirty-one (31) days written notice to the Sponsor if one of the following events occurs:

- Plan benefits are increased; or
- The number of covered lives changed by ten (10) percent or more.

## ADMINISTRATION OF AGGREGATE STOP LOSS

At the end of each term of this Agreement, PacificSource will compute the Aggregate Stop Loss Attachment Point for the year. If the total amount of Claims paid by the Sponsor exceeds the Aggregate Stop Loss Attachment Point, PacificSource will refund the Sponsor the difference.

Claims taken into account under this section shall not include any Claims for which PacificSource has reimbursed or credited the Sponsor pursuant to Specific Stop Loss as outlined above in the Stop Loss Provision, Specific Stop Loss section of this Agreement.

## ADJUDICATION OF CLAIMS

Solely for purposes of determining the scope of the PacificSource liability for the stop loss insurance provided under this Agreement, PacificSource retains the right to make an independent determination whether any Claim is properly payable under the Plan. PacificSource will provide payment for benefits under the Agreement at the direction of the Sponsor if the Sponsor directs PacificSource to:

- Pay a Claim, which in the opinion of PacificSource is not for a Covered Service according to the Plan Document; or
- Pay a Claim on behalf of an individual who, in the opinion of PacificSource, would otherwise not be eligible for participation in the Plan.

PacificSource agrees to pay such Claims, provided, however, that such Claims will not be included in the accumulation of the Claims expense toward the Aggregate Stop Loss Attachment Point. These claims will be a separate and additional liability of the Sponsor, and PacificSource will have no liability, either directly or indirectly, for such claims.

Should a dispute arise with respect to Claims paid under the paragraphs above, and should the Aggregate Stop Loss Attachment Point be reached by the inclusion of the disputed Claims in the accumulation of the Claims expense, the Sponsor and PacificSource will meet and agree upon a procedure for submission of the dispute for decision by a neutral third party, including the criteria upon which the third party's decision shall be based, whereby the third party will determine whether the disputed Claims should not be included in the accumulation of the Claims expense. The cost of the neutral third party used in this procedure will be split equally between the parties.

**THIRD-PARTY RECOVERY**

It is understood that the Plan, the Sponsor, or the Trustee may become entitled to partial or full recovery from a third party with respect to a Claim paid under the Plan, whether directly through subrogation or indirectly through reimbursement from the Participant or otherwise ("Recovery"), and that any Recovery by the Plan, the Sponsor, and/or the Trustee for Claims paid during the Term of this Agreement may occur during or after the Term of this Agreement. Unless PacificSource has agreed to perform such services as outlined in this Agreement or a separate agreement, the Sponsor shall promptly undertake to prosecute any and all valid claims for such Recoveries that the Plan may have against Participants and/or third parties. It is agreed that the net amount of such Recoveries, whether recovered by the Sponsor, the Trustee, PacificSource, or other third party, remaining after deduction of the reasonable cost of prosecuting the Recoveries, shall be treated as a reduction of the Plan's Claim expense as hereinafter provided. Such amounts, recovered during the same Term or renewal Term of this Agreement in which the related Claims were paid, shall be applied to reduce the amount of paid Claims applied toward the specific and aggregate stop loss. Should this Agreement have been terminated at the time one or more such Recoveries occur, or if the Recovery or Recoveries occur in a renewal Term after a Term in which (1) the related Claims were paid and (2) PacificSource has reimbursed the Sponsor for Claims reported in excess of the specific or aggregate stop loss, the Sponsor agrees to reimburse PacificSource in the aggregate net amount recovered, up to the amount of such Claims paid by PacificSource.]

**COORDINATION OF BENEFITS PROVISION**

The Sponsor shall choose one of the following options for coordination of benefits when a Participant has other coverage in conjunction with the Plan:

- Standard — If the Plan is secondary, PacificSource will pay up to the balance of the claim.
- Integrated — If the Plan is secondary, PacificSource will pay up to the balance of the remaining eligible expenses, not to exceed normal Plan liability if the Plan had been primary.

The option chosen by the Sponsor is designated on Exhibit I of this Agreement.

**RELATIONSHIP OF THE PARTIES**

**PLAN DOCUMENT**

PacificSource will assist the Sponsor in the development and design of the Plan, both initially and in connection with benefit revisions, additions, and extensions. The Plan Document will adhere to our standard Policies and Procedures unless there is mutual agreement to Customize.

Notwithstanding any provision of the Plan Document, the responsibility of PacificSource, with respect to the Plan, shall be limited to the performance of the ministerial services described in this Agreement within a framework of policies, interpretations, rules, practices, and procedures made by the Sponsor, the Administrator, and the Plan.

The Sponsor agrees to adopt PacificSource standard policies, procedures, and guidelines unless otherwise mutually agreed upon in writing by the Sponsor and PacificSource.

The Sponsor delegates to PacificSource only those powers and responsibilities which are specifically enumerated in this Agreement or any addenda to this Agreement. Any function not specifically delegated to and assumed by PacificSource in writing pursuant to this Agreement or any addenda to this Agreement shall remain the sole responsibility of the Sponsor, the Administrator or the Plan.

The Sponsor acknowledges and agrees that PacificSource is not an Administrator or a fiduciary for the Plan, and that such functions have been retained by the Sponsor (including any person or entity, other than PacificSource, to whom or to which such functions may be delegated by the Sponsor).

As plan fiduciary, the Sponsor has retained the right to interpret the Plan Document terms. PacificSource may refer to the Sponsor or the Administrator for a decision regarding any question arising in the PacificSource performance of services pursuant to this Agreement or any addenda to this Agreement which, in the opinion of PacificSource, is not ministerial in nature.

This Agreement or any addenda to this Agreement shall supersede any contrary provision contained in the Plan Document regarding the responsibilities of PacificSource with respect to the Plan.

This Agreement or any addenda to this Agreement are not third-party beneficiary contracts and shall not, in any manner whatsoever, create or increase any rights of any Participant or other third party with respect to the Plan or PacificSource, nor shall this Agreement be deemed a contract of insurance under any laws or regulations. PacificSource does not by this Agreement insure, guarantee, or underwrite the liability of Sponsor under the Plan or of the Plan.

**CLAIMS LIABILITY**

Except for those financial risks PacificSource may assume as stop loss carrier, PacificSource provides administrative Claims payment services only, and does not assume any financial risk or obligation with respect to the Claims. The Sponsor and the Plan have total responsibility for payment of Claims under the Plan and all expenses incidental to the Plan. The PacificSource obligation to pay Claims, or carry out other obligations arising under the Plan, shall be subject to provision by the Sponsor and the Plan of the funds necessary for the payment of such Claims or obligations.

**INDEPENDENTLY CONTRACTED PROFESSIONAL SERVICES**

PacificSource may secure the services of actuaries, computer service firms, insurance consultants, legal counsel, accountants, and any other entities that it deems necessary in performing its duties under this Agreement. At the discretion of PacificSource, such services may be performed directly by it, wholly or in part through a subsidiary or affiliate of PacificSource, or under an agreement with an organization, agent, advisor, or other person of its choosing. Any such services resulting in a charge not agreed to in this Agreement must first be authorized in writing by the Sponsor or the Administrator.

PacificSource shall be entitled to rely, without investigation or inquiry, upon any written or oral information or communication of the Sponsor, the Administrator, or their respective agents, including but not limited to, consultants, actuaries, attorneys, accountants, auditors, managed care organizations, preferred Provider organizations, pharmacy benefit management companies, mental health care management companies, or brokers retained by the Sponsor or the Administrator.

**GRIEVANCES AND LEGAL ACTIONS**

The defense of any dispute or action arising out of enrollment or Claims decisions under the Plan shall not be the obligation of PacificSource, but PacificSource will fully cooperate with the Sponsor and the Administrator in the defense of any such dispute or action.

PacificSource will indemnify and hold the Sponsor harmless from and against any and all claims, suits, actions, liabilities, losses, penalties, or damages including court costs and reasonable attorney's fees which result from or arise out of the grossly negligent acts or omissions or willful misconduct of PacificSource or its employees with respect to the services to be provided by PacificSource under this Agreement or any addenda to this Agreement, unless the acts or omissions were made at the direction of the Sponsor or the Administrator.

Subject to the limitations of the Oregon Governmental Tort Claims Act, ORS 30.260 et seq., the Sponsor will indemnify, defend, save, and hold PacificSource harmless from and against any and all claims, suits, actions, liabilities, losses, penalties, or damages including court costs and reasonable attorney's fees, which result from or arise out of any responsibility, duty, or obligation of the Sponsor, the Administrator, the Plan, or any other party with respect to the Plan, relating to the services to be provided under this Agreement or any addenda to this Agreement, except to the extent such claims, suits, actions, liabilities, losses, penalties, or damages arise out of the negligent acts or omissions or willful misconduct of PacificSource or its employees, provided such acts or omissions done by PacificSource when established by clear and convincing evidence, were not done at the direction of the Sponsor or the Administrator.

The Sponsor, on behalf of itself, the Administrator, the Plan, and the Participants, acknowledges and agrees that this Agreement or any addenda to this Agreement constitutes a contract solely between the Sponsor and PacificSource. The Sponsor, on behalf of itself, the Administrator, the Plan, and the Participants, further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than PacificSource and that no person, entity, or organization other than PacificSource shall be held accountable or liable to the Sponsor, the Administrator, the Plan or the Participants for any PacificSource obligations created under this Agreement or any addenda to this Agreement. This section shall not create any additional obligations whatsoever on the part of PacificSource other than those obligations created under other provisions of this Agreement or any addenda to this Agreement.

Except as otherwise provided herein, neither party shall be liable or responsible for the other party's failure to comply with state or federal laws.

## AMENDMENTS AND COST INCREASES

At any time during the term of this Agreement, the Sponsor and PacificSource may amend or change the provisions of this Agreement or any addenda to this Agreement, provided that such amendments or changes must be agreed upon in writing by both the Sponsor and PacificSource. If any such amendment or change increases the anticipated Claims expense, the PacificSource cost of services for the Plan, or any other fee under this Agreement, the Sponsor agrees to pay such increase which PacificSource reasonably expects to incur as a result of such amendment or change.

## STOP LOSS COVERAGE

PacificSource may change either the premium or attachment point for either specific stop loss or aggregate stop loss in accordance with the Stop Loss Provision section of this Agreement. If the parties cannot agree on an adjusted premium or attachment point within thirty-one (31) days after PacificSource sends written notice, PacificSource may terminate this Agreement according to the Termination section of this Agreement.

## CHANGES IN LAWS AND REGULATIONS

The parties agree to amend this Agreement or any addenda to this Agreement at any time when such amendment is necessary to comply with federal, state, or local laws, as now in effect or hereinafter enacted, including but not limited to statutes, regulations, court decisions, and administrative decisions. If the parties cannot agree on an amendment within thirty-one (31) days after either party receives notice from the other of the necessity of the amendment, then the party requesting the amendment may terminate this Agreement according to the Termination section of this Agreement.

If the PacificSource performance of its responsibilities, under this Agreement or any addenda to this Agreement, is made more burdensome or expensive in order to comply with federal, state, or local laws, now in effect or hereinafter enacted, including but not limited to statutes, regulations, court decisions, and administrative decisions, during the term of this Agreement, the parties will negotiate an appropriate adjustment to any of the fees paid to PacificSource under this Agreement or any addenda to this Agreement. If the parties cannot agree on an adjusted fee within thirty-one (31) days after PacificSource sends written notice of its interest in negotiating an adjusted fee, PacificSource may terminate this Agreement according to the Termination section of this agreement.

## TERMINATION

PacificSource may, at its sole option, terminate this Agreement with twenty (20) days written notice upon the occurrence of any one or more of the following events pertaining to the Sponsor:

- The Sponsor fails, or fails to cause the Administrator, to pay the Administrative Services Fee, pay Claims, or make any other payment required by this Agreement or any addenda to this Agreement within the time limits required. Any payment received by PacificSource after a termination shall be deposited for security purposes only, and shall not be deemed to have been accepted for reinstatement of this Agreement or any addenda to this Agreement, or as an accord and satisfaction. PacificSource will only reinstate this Agreement or any addenda to this Agreement, once terminated, upon a written endorsement of PacificSource.

- The Sponsor fails, for any reason, to cure an event that allowed PacificSource to stop processing Claims under this Agreement.

- The Sponsor, the Administrator, or the Plan, engages in any acts, practices, or operations that expose PacificSource to any existing or potential investigation or litigation.

- The Sponsor fails to agree to a fee adjustment as outlined in the Amendments and Cost Increases section of this Agreement.

- The Sponsor fails to fulfill its obligations as the Sponsor of the Plan as described in "Sponsor Responsibilities—Plan Administration".

Either party may, at its option, terminate this Agreement and any addenda to this Agreement immediately by written notice to the other party upon the occurrence of any one or more of the following events pertaining to the other party:

- Insolvency.

- Court appointment of a permanent receiver for all or substantially all of the other party's assets.

- A general assignment for the benefit of creditors by the other party.

- The filing of a voluntary or involuntary petition of bankruptcy, if such petition is not dismissed within forty-five (45) days of the date of filing, provided that an order for relief from automatic stay has been obtained or, with respect to a Chapter 11 proceeding, that the bankrupt or Bankruptcy Trustee fails to reaffirm this Agreement and provide adequate assurances pursuant to 11 USC 365.

- The other party engages in any unethical business practice or conducts itself in a manner that is a violation of any federal, state, or local statute, rule, or regulation.

- The other party loses its licensure or certification required by law to continue its business or continue its function under this Agreement or with respect to the Plan.

- The other party refuses to amend this Agreement or any addenda to this Agreement to comply with federal, state, or local laws, as specified in the Amendments and Cost Increases, Changes in Laws and Regulations section of this Agreement.

The Sponsor's obligation to pay PacificSource under the Payment section of this Agreement, with respect to services rendered and Claims paid during the term of this Agreement, shall survive the termination hereof.

## CLAIMS RUN-OUT AFTER TERMINATION

If this Agreement is not renewed, the Sponsor has the option to have PacificSource continue processing Claims, incurred but not reported prior to the termination of this Agreement, for a period of twelve (12) months after the termination of this Agreement. PacificSource will charge the Sponsor for two (2) months of Administrative Services Fees for claims run-out administration. The Plan and/or the Sponsor, and not PacificSource, shall be liable for the payment of all Claims that were not paid prior to the date of termination of this Agreement.

The Sponsor is not eligible for claims run-out administration if this Agreement is terminated by PacificSource due to the Sponsor's failure to pay the Administrative Services Fee, pay Claims, or make any other payment required by this Agreement or any addenda to this Agreement within the required time limits.

## PROVIDER DISCOUNTS AFTER TERMINATION

The Sponsor, on behalf of itself, the Administrator, and the Plan, acknowledges and agrees that Providers will not be obligated to accept PacificSource negotiated discounts for Claims after termination of this Agreement, even if a Claim was incurred but not fully processed before the termination of this Agreement.

## REFUNDS AFTER TERMINATION

If PacificSource receives a refund on Claims paid from a Participant, Provider, Third-Party, or other source after the termination of this Agreement, PacificSource will refund the money to the Sponsor during the Claims Run-Out Period. Once the Claims Run-Out Period expires, or if the Sponsor elects not to accept the terms of the Claims Run-Out Period, PacificSource shall keep the refund.

If Medicare requests that PacificSource reimburse them for Claims incurred prior to the termination of this Agreement, PacificSource will pay Medicare and bill the Sponsor during the Claims Run-Out Period. Once the Claims Run-Out Period expires, or if the Sponsor elects not to accept the terms of the Claims Run-Out Period, PacificSource shall deny the request and refer Medicare to the Sponsor for payment.

## OTHER PROVISIONS

Except as specifically set forth herein, this Agreement or any addenda to this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal successors, provided, however, that neither party may assign this Agreement without the prior written consent of the other party.

This Agreement, together with all addenda, exhibits, and appendices supersedes any and all prior representations, conditions, warranties, understandings, proposals, or other agreements between the Sponsor and PacificSource, oral or written, in relation to the systems and services of PacificSource, which are rendered or are to be rendered in connection with the services it provides to Sponsor and the Plan as set forth in this Agreement and any addenda to this Agreement.

The parties hereto, having read and understood this entire Agreement, any addenda to this Agreement, and the HIPAA Business Associate Addendum acknowledge and agree that there are no other representations, conditions, promises, agreements, understandings, or warranties that exist outside this Agreement, any addenda to this Agreement, and the HIPAA Business Associated Addendum, which have been made by either of the parties hereto, which have induced either party to or have led to the execution of this Agreement and any addenda to this Agreement by either party. Any statements, proposals, representations, conditions, warranties, understandings, or agreements which may have been heretofore made by either of the parties hereto, and which are not expressly contained or incorporated by reference in this Agreement, any addenda to this Agreement, or the HIPAA Business Associate Addendum, are void and of no effect.

## ENTIRE CONTRACT INCLUDING CHANGES

This Agreement and any addenda to this Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Except as provided herein, no changes in or additions to this Agreement or any addenda to this Agreement shall be recognized unless and until made in writing and signed by the parties hereto.

**SEVERABILITY**

In the event any provision of this Agreement or any addenda to this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement or any addenda to this Agreement, which shall remain in accordance with their terms. The parties shall replace the invalid, illegal or unenforceable provision with a valid and enforceable provision that reflects the original intentions of the parties as nearly as possible in accordance with applicable law.

**FORCE MAJEURE EVENT**

In the event that either party is unable to perform any of its obligations under this Agreement, any addenda to this Agreement, or the HIPAA Business Associate Agreement because of natural disaster, labor unrest, civil disobedience, acts of war (declared or undeclared), or actions or decrees of governmental bodies (any one of these events being a Force Majeure Event), the party who has been so affected shall immediately notify the other party and shall do everything possible to resume performance.

Upon receipt of such notice, all obligations under this Agreement or any addenda to this Agreement shall be immediately suspended. If the period of nonperformance exceeds fourteen (14) Working Days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving ten (10) Working Days' written notice, terminate this Agreement or any addenda to this Agreement.

**CONTACT INFORMATION**

All notices required to be given to either party by this Agreement or any addenda to this Agreement shall, unless otherwise specified in writing or otherwise provided in this Agreement, be deemed to have been given same day for Email or Fax or given three (3) days after deposit in the U.S. Mail, first class postage prepaid, certified mail, return receipt requested. Notices are to be sent to the addresses list on Exhibit I of this Agreement.

A party may change its address for delivery of official notice by providing notice of the change of address in accordance with this section.

**LEGAL COMPLIANCE**

Each party agrees to comply with all applicable federal and state laws, including but not limited to statutes, regulations, court decisions, and administrative decisions, as now in effect or hereinafter enacted. Such laws include, but are not limited to, HIPAA (including the Privacy Rule and Security Rule), the Insurance Laws of Oregon, the Oregon workers' compensation laws, and other anti-discrimination laws. PacificSource understands that Sponsor is subject to the Oregon Public Records Law and the Sponsor will comply with that law. Sponsor will inform PacificSource of any public records requests pertaining to this plan prior to release.

The Sponsor shall provide PacificSource with proof of compliance with Oregon workers' compensation laws as necessary to comply with state requirements.

Employees hired by PacificSource and the Sponsor are hired on the basis of merit and qualifications, and there is no discrimination on the basis of race, color, religious creed, political ideas, gender, age, marital status, physical handicap, national origin, or ancestry by persons performing this Agreement. Qualifications mean such abilities as are genuinely related to competent performance of the particular occupational task.

This Agreement and any addenda to this Agreement shall be interpreted and construed in accordance with the laws of the State of Oregon (without regard for its conflicts or choice of law provisions), except to the extent superseded by federal law. Venue and jurisdiction shall be the Lane County Circuit Court in Eugene, Oregon.

No forbearance or neglect on the part of either party to enforce or insist upon any of the provisions of this Agreement or any addenda to this Agreement shall be construed as a waiver, alteration, or modification of this Agreement or any addenda to this Agreement.

PacificSource
HEALTH PLANS

**EXHIBIT I**

**ADMINISTRATIVE SERVICES AGREEMENT**

Between

**City of Springfield**

and

**PacificSource Health Plans**

| | |
|---|---|
| Policy Period: | January 1, 2014 – December 31, 2014 |

**FEES.** The fees and costs payable for the services provided under this Schedule shall be as follows:

**Administrative Renewal Fees**

| | |
|---|---|
| Number of Subscribers on Effective Date | 422 |
| Claims Administration | |
| Medical/Rx | $32.57 PEPM |
| Dental | N/A |
| Vision | Included in Medical / Rx |
| Broker Fee | $9.33 PEPM (included in specific stop loss fee) |
| Name of Broker | Greg O'Hanlon |
| Medical Network Access Fee | $3.01 PEPM |

***Travel Wrap Fees.*** *The following Travel Wrap programs are available for coverage when members travel outside of your chosen network(s).*

| | |
|---|---|
| First Health, MultiPlan | Pass through to Sponsor |

***Pharmacy Rebate Programs***

| | |
|---|---|
| Pharmacy Rebates | 80% of rebates received are passed to Sponsor |

**Standard Fees**

| | |
|---|---|
| Run-In Claims Processing | Not available |

| | |
|---|---|
| Run-Out Claims Processing | Two months admin fees for twelve months of service; |
| InTouch | Included |
| Customized Ad Hoc Reporting | $175 per hour (no charge if standard) |
| Custom Programming* | $150 per hour |
| Additional training required beyond implementation | $75 per hour |
| Plan Document Re-Write (Custom) | $1,000 if custom (no charge if standard) |
| Plan Document Amendment (Custom) | $100 per page if custom (no charge if standard) |
| Data File | $2,500 fee if custom (no charge if standard) |
| Independent Medical Review | Pass through to Sponsor |
| Independent Review Organization | Pass through to Sponsor |
| ID Card Printing & Shipping | Included (pass through to Sponsor if custom) |
| Benefits Booklet Printing & Shipping | Pass through to Sponsor |
| Applicable taxes, surcharges and assessments | Pass through to Sponsor |

**Custom Programming is defined as programming beyond implementation that 1) is specific to Customer's operations or benefits; or 2) results in the need for system enhancements.*

**Optional Services.** *Please initial Acceptance or Declination for the following:*

| | | |
|---|---|---|
| Smoking Cessation Program | $.75 PEPM | |
| Biometric Screening | $55-60 per participant | |
| Wellness Programs | Cost Dependent Upon Selected Programs | |
| Global Emergency Services | $.25 PEPM | |
| Coordination of Benefits | Included | |

**Required Claim Fund** N/A

## Stop Loss and Aggregate Premiums

### Individual Stop Loss

| | |
|---|---|
| Deductible Per Covered Participant | $150,000 |
| Covered Expenses | Medical / RX |
| Reimbursement Percentage | 100% |
| Individual Stop Loss Premiums | $123.70 PEPM |

| | |
|---|---|
| Individual Stop Loss Run In / Run Out Periods | Covered Expenses Incurred on or after Policy Effective Date and paid during Policy Period with: |
| Run In Period | January 1, 2013 |
| Run Out Period | December 31, 2014 |

**Aggregate Stop Loss**

| | |
|---|---|
| Aggregate Covered Expenses | Medical / RX |
| Reimbursement Percentage | 100% |
| Aggregate Reimbursement Maximum Per Plan Year | $3,000,000 |
| Aggregate Stop Loss Run Out Periods | Covered Expenses Incurred on or after Policy Effective Date and paid during Policy Period with: |
| Run In Period | January 1, 2013 |
| Run Out Period | December 31, 2014 |
| Aggregate Attachment Premium | $8.48 |
| Aggregate Claim Attachment Rate | $1,209.96 |

**Plan Contact Information**

| | |
|---|---|
| • Any correspondence mailed to the Sponsor will be mailed to: | City of Springfield<br>Attn: Tom Mugleston<br>225 Fifth Street<br>Springfield, OR 97477<br>Phone: (541) 726-3724<br>Fax: (541) 726-3782<br>E-Mail: tmugleston@springfield-or.gov |
| • Any copy of correspondence and invoices mailed to Accounts Payable and the Administrator will be mailed and emailed to: | City of Springfield<br>Attn: Laura Turner<br>225 Fifth Street<br>Springfield, OR 97477<br>Phone: (541) 726- 4661<br>Fax: (541) 726-3782<br>E-Mail: ljturner@springfield-or.gov<br><br>City of Springfield<br>Attn: Accounts Payable<br>225 Fifth Street<br>Springfield, OR 97477<br>Phone: (541) 726-3622<br>E-Mail: finance@springfield-or.gov |
| • Any correspondence mailed to PacificSource will be mailed to: | PacificSource Health Plans<br>Attn: Sales<br>PO Box 7068<br>Springfield, OR 97475-0068<br>Phone: (541) 686-1242<br>Fax: (541) 485-0915 |
| • Any Enrollment Information, billing information, and payments mailed to PacificSource will be mailed to: | PacificSource Health Plans<br>Attn: Stephanie Mendoza<br>PO Box 7068<br>Springfield, OR 97475-0068<br>Phone: (541) 684-5203, ext. 2203<br>Fax: (541) 225-3673<br>E-mail: smendoza@pacificsource.com |

The Sponsor agrees to notify PacificSource within twenty-four (24) hours of any changes to the Plan Contact Information contained in this Exhibit.

| | | |
|---|---|---|
| ☐ Agent ☐ Group Administrator | PacificSource Marketing | PacificSource Underwriting |
| Date | Date | Date |

PacificSource
HEALTH PLANS

# EXHIBIT I: BUSINESS ASSOCIATE ADDENDUM

Between

City of Springfield

and

PacificSource Health Plans

## PLAN SPONSOR
## HIPAA BUSINESS ASSOCIATE ADDENDUM

This HIPAA Business Associate Addendum supplements and is made a part of the Contract ("Agreement") by and between City of Springfield ("Plan Sponsor" or "Employer") and PacificSource Health Plans ("Associate") , collectively referred to as the "parties," dated effective the 1st day of January 2014 (the "Effective Date").

RECITALS

A. Plan Sponsor wishes to disclose certain information ("Information") to Associate pursuant to the terms of the Agreement, some of which may constitute protected health information ("PHI").

B. Plan Sponsor and Associate intend to protect the privacy and provide for the security of PHI disclosed to the Associate pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), and regulations promulgated thereunder (the "HIPAA Regulations"), the American Recovery and Reinvestment Act of 2009 and regulations promulgated thereunder (collectively, "ARRA"), and other applicable laws.

C. The purpose of this Addendum is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Section 164.504 (e) of the Code of Federal Regulations ("CFR"), as the same may be amended from time to time.

In consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:

1. Definitions. Capitalized terms used herein without definition shall have the meanings assigned to such terms in 45 CFR Parts 160 and 164, and in ARRA.

2. Obligations of Associate

   (a) Permitted Uses and Disclosures. Associate may use and/or disclose PHI only as required to satisfy its obligations under the Agreement, as permitted herein, or required by law, but shall not otherwise use or disclose PHI.

   (b) Safeguards. Associate shall use commercially reasonable safeguards to prevent use or disclosure of Plan Sponsor PHI other than as provided for by this Addendum, including encryption of electronic PHI. Associate shall maintain a comprehensive written information privacy and security program that includes administrative, technical and physical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it

creates, receives, maintains, or transmits on behalf of Plan Sponsor, as required by 45 CFR 164.314(a)(2)(i)(A).

(c) Reporting of Disclosures. Associate shall report to Plan Sponsor any use or disclosure of Plan Sponsor PHI otherwise than as provided for by this Addendum of which an Associate becomes aware. Associate shall also report to Plan Sponsor any Security Incident related to PHI of which Associate becomes aware.

(d) Mitigation. Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Associate of a use or disclosure of PHI by Associate in violation of this Addendum.

(e) Associates' Agents. Associate shall ensure that any agents, including subcontractors, to whom it provides PHI received from (or created or received by Associate on behalf of) Plan Sponsor, agree to the same restrictions and conditions that apply to Associate with respect to such PHI.

(f) Availability of Information to Plan Sponsor. Associate shall make available to Plan Sponsor such information as Plan Sponsor may require to fulfill the obligations of Plan Sponsor to provide access to, provide a copy of, and account for disclosures with respect to PHI pursuant to HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 164.524 and 164.528.

(g) Amendment of PHI. Associate shall make Plan Sponsor PHI available to Plan Sponsor as Plan Sponsor may require to fulfill Plan Sponsor obligations to amend PHI pursuant to HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 164.526 and Associate shall, as directed by Plan Sponsor, incorporate any amendments to Plan Sponsor PHI into copies of such PHI maintained by Associate.

(h) Internal Practices. Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI received from (or created or received by Associate on behalf of) Plan Sponsor available to the Secretary for purposes of determining the compliance of Plan Sponsor with HIPAA and the HIPAA Regulations.

(i) Documentation and Accounting of Disclosures. Associate shall document disclosures of PHI, and provide such information, as would be required for Plan Sponsor to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

(j) Notification of Breach. During the term of this Addendum, Associate shall notify Plan Sponsor as soon as reasonably practical of any suspected act or actual breach of security, intrusion or unauthorized use or disclosure of PHI and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations, and shall provide such information as required under ARRA. Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

(k) Obligations Imposed by the American Recovery and Reinvestment Act of 2009. Associate agrees to comply with all applicable provisions of ARRA, and any applicable regulations or guidance promulgated or issued thereunder, as of the effective date of those provisions, including without limitation the additional compliance with the Security Rule and the breach notice requirements.

3. Obligations of Plan Sponsor.

(a) Safeguards. Plan Sponsor shall be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Associate pursuant to this Addendum, and in accordance with the standards and requirements of HIPAA, the HIPAA Regulations, and ARRA, until such PHI is received by Associate; at a minimum, Plan Sponsor shall ensure that all electronic PHI is encrypted. Plan Sponsor shall be responsible to send any and all notifications required under ARRA.

(b) Notification of Limitations. Plan Sponsor shall notify Associate of any limitations in its notice of privacy practices of Plan Sponsor in accordance with 45 CFR Section 164.520, to the extent that such limitations may affect Associate's use or disclosure of PHI.

(c) Notice of Changes. Plan Sponsor shall notify Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Associate's use or disclosure of PHI.

(d) Notification of Restrictions. Plan Sponsor shall notify Associate of any restriction to the use or disclosure of PHI that Plan Sponsor has agreed to in accordance with 45 CFR Section 164.522, after consultation with Associate, to the extent such restriction may affect Associate's use or disclosure of PHI.

(e) Compliance. Plan Sponsor shall not act or fail to act in a manner that would cause Associate to violate or not be in compliance with this Addendum, applicable state and federal laws, including HIPAA and ARRA. Employer acknowledges that it is not Associate's responsibility or obligation to ensure that Plan Sponsor comply with any applicable state and/or federal laws.

4. Audits, Inspections and Enforcement. From time to time upon reasonable notice, upon reasonable determination by Plan Sponsor that Associate has breached this Addendum; Plan Sponsor may inspect the facilities, systems, books and records of Associate that pertain to the Plan Sponsor to monitor compliance with this addendum. Associate shall promptly remedy any violation of any term of this addendum and shall certify the same to Plan Sponsor in writing.

5. Termination.

(a) Reasonable Steps To Cure Breach. If Plan Sponsor knows of a pattern of activity or practice of Associate that constitutes a material breach or violation of the Associate's obligations under the provision of this Addendum or another arrangement and does not terminate the Agreement pursuant to the termination provisions of the Agreement, then Associate shall take reasonable steps to cure such breach or end such violation as applicable. If Associate's efforts to cure such breach or end such violation are unsuccessful, Plan Sponsor shall either (i) terminate the Agreement, if feasible, or (ii) if termination of this Addendum is not feasible, Plan Sponsor shall report Associate's breach or violation to the Secretary.

(b) Judicial or Administrative Proceedings. Either party may terminate the Agreement effective immediately, if (i) the other party is named as a defendant in a criminal proceeding for a violation of HIPAA or (ii) a finding or stipulation that the other party has violated any standard or requirement of HIPAA or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

(c) Effect of Termination. Upon termination of this Addendum for any reason, Associate shall return or destroy all PHI received from (or created or received by Associate on behalf of) Plan Sponsor that Associate still maintains in any form and shall retain no copies of such PHI or, if the return or destruction is not feasible, it shall continue to extend the protections of this Addendum to such information.

6. Indemnification. Each party will indemnify, hold harmless and defend the other party to this Addendum from and against any and all claims, losses, liabilities, cost and other expenses incurred as a result of, or arising directly or indirectly out of or in connection with any misrepresentation, breach of warranty or non-fulfillment of any undertaking on the part of the party under this Addendum and any claims, demands, awards, judgments, actions and proceedings made by any person or organization arising out of or in any way connected with the party's performance under this Addendum.

7. Amendment To Comply With Law. The parties acknowledge that state and federal laws relating to Electronic Data Security and privacy may be evolving and that the amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of

HIPAA, the HIPAA Regulations, ARRA, and other applicable laws relating to the security and confidentiality of PHI.

8. No Third Party Beneficiaries. Nothing expressed or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than Plan Sponsor, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

9. Effect On Agreement. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

10. Interpretation. This Addendum and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, HIPAA Regulations, ARRA, and applicable state laws. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HIPAA Regulations, and ARRA.

The parties agree that any ambiguity in this Addendum shall be resolved in favor of meaning that complies and is consistent with HIPAA, the HIPAA Regulations, and ARRA.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date.

| "Sponsor" | "PacificSource" |
| --- | --- |
| City of Springfield | PacificSource Health Plans |
| By:_____ | By: |
| Print:_____ | Print: Kenneth P. Provencher |
| Title:_____ | Title: President and CEO |
| Date:_____ | Date:_____ |

Reviewed by City Contract Officer
Joyce Ma 4.18.14

Contract # 1190

## ADMINISTRATIVE SERVICES AGREEMENT

**No. G0020720**

**THIS AGREEMENT**, made and entered into this 1st day of January 2014 and between PacificSource Health Plans, an Oregon non-profit corporation ("herein called "PacificSource"), and City of Springfield (herein called "Sponsor").

**WITNESSETH:**

In consideration of the Sponsor's Acceptance (below) and in consideration of payment of Administrative Services Fees in the amounts and at the time required, PacificSource will provide administrative services for Claims payment for each enrolled person in accordance with the provisions and subject to the conditions of this Agreement.

This Agreement, including all addendums, exhibits, or amendments affixed hereto, shall be the entire contract of insurance fully as if recited over the signature affixed hereto.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on their behalf by their duly authorized representatives' signatures, effective as of the 1st day of January 2014.

| **PacificSource Health Plans** | **City of Springfield** |
|---|---|
| By: | By: _____ |
| Kenneth P. Provencher | |
| Title: President, CEO | Title: _____ |

---

**PacificSource Health Plans**

PO Box 7068, Springfield, OR 97475-0068

Reviewed by City Contract Officer
4.18.14

REVIEWED & APPROVED
AS TO FORM
DATE: 4/24/14
OFFICE OF CITY ATTORNEY

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## DEFINITIONS

For the purposes of this Agreement, the following words and phrases have the meanings set forth below, unless the context clearly indicates otherwise, and the singular shall include the plural and the plural shall include the singular.

**Addendum** is a written attachment that alters and supersedes any of the terms or conditions set forth in this Agreement.

**Administrative Services Fee** means the fees due PacificSource each month for the administrative services provided under this Agreement. The Administrative Services Fee shall be computed and paid in accordance with the Payment section of this Agreement.

**Administrator** means the person or entity specifically designated as the administrator of the Plan by the Plan Document and any other person or entity, other than PacificSource, that the Sponsor designates as the administrator of the Plan. The Administrator shall be the Sponsor if neither the Plan Document nor the Sponsor has designated an Administrator.

**Aggregate Stop Loss** means the reinsurance provided by PacificSource under the Stop Loss Provision section of this Agreement.

**Aggregate Stop Loss Attachment Point** is the total amount of paid Claims for which the Sponsor shall be liable during the contract period of this Agreement.

**Claim** means a request by a Claimant for payment or reimbursement from the Plan.

**Claim Fund** is a fund established by the Plan for the purpose of funding claims liability. In order to fund claim liability, the Plan Sponsor is required to periodically deposit the equivalent of two weeks of expected claims, as actuarially determined, with PacificSource prior to a specified date. Monies deposited in the Fund will accumulate interest at the T-Bill rate calculated annually. At the termination of the contract between PacificSource and the Plan Sponsor, the Fund balance will be returned to the Plan Sponsor.

**Claimant** means any Participant or Provider submitting expenses for payment or reimbursement from the Plan.

**Claims Run-Out Period** is the twelve (12) month period in which PacificSource agrees to continue processing Claims incurred but not reported prior to the termination of this Agreement in exchange for payment of two (2) months of Administrative Services Fees by the Sponsor.

**COBRA** means the continuation coverage provided by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as applicable to state and local government group health plans subject to the Public Health Service Act §2201 through §2208, 42 USC §300bb-1 through §300bb-8.

**Covered Services** means the care, treatments, services, or supplies described in the Plan Document as eligible for payment or reimbursement from the Plan.

**Dependent** means an individual who is eligible to be a Participant and is enrolled in the Plan by virtue of being a family member of an Employee.

**Employee** means an individual employed by the Employer and who is eligible to be a Participant in the Plan.

**Employer** means the Sponsor and any successor organization or affiliate of such Employer that has adopted the Plan for the benefit of its Employees and their Dependents.

**Enrollment Information** means information about whether an individual is a Participant in the Plan.

**Force Majeure Event** is defined as an unpredictable event or occurrence out of the control of the contracting parties, and which is not attributable to any act or failure to take preventive action by the party concerned. A Force Majeure Event allows an extension to the contract duration or completion/delivery date should any of a pre-agreed list of events occur.

**HIPAA** means the Health Insurance Portability and Accountability Act of 1996, Public Law 191-104, as it may be amended from time to time, and all regulations applicable thereto.

**Incurred** means the date on which services for Covered Expenses were rendered to or for a Participant according to the terms of the Sponsor's Plan.

**Independent Review Organization (IRO)** would provide an independent external review of an adverse benefit determination involving medical necessity or experimental/investigation services. Making external review available in such cases is a federal and in most cases a state requirement.

**Independent Medical Review (IMR)** person or organization, at the request of a health plan or insurer, would review a proposed course of treatment and provide input to the plan or insurer as to whether or not the course of treatment is medically necessary or whether or not the course of treatment is experimental or investigational.

**Paid Claim** means that:

1. the Covered Expense is adjudicated according to the terms of the Plan;
2. a check is written and mailed or electronically deposited directly to the payee within the Policy Period; and
3. funds are available to honor the check. To be sure those funds are available; they must be on deposit no later than the first working day following the end of the Policy Period.

**Participant** means any Employee, Dependent, retiree, or COBRA-eligible person, as applicable, who is properly enrolled in and entitled to benefits from the Plan.

**Plan** means the self-funded group health plan that is the subject of this Agreement or any addenda attached to this Agreement and which Sponsor has established pursuant to the Plan Document, a copy of which has been provided to PacificSource. PacificSource will assist the Sponsor in the development of the Plan.

**Plan Document** means the instrument or instruments that set forth and govern the rights and duties of the Sponsor, the Administrator, and Participants under the Plan, as modified by any policies, interpretations, rules, practices, and procedures made by the Sponsor.

**Privacy Rule** means the Standards for Privacy of Individually Identifiable Health Information in 45 Code of Federal Regulations (CFR) Part 164, Subpart E.

**Protected Health Information (PHI)** has the same meaning as the term "protected health information" in 45 CFR 160.103, except that for purposes of this Agreement the term includes "personal information" as that term is defined in ORS 746.600. For purposes of this Agreement, Protected Health Information is also limited to PHI that PacificSource receives from or creates or receives on behalf of the Sponsor.

**Provider** means physicians, dentists, hospitals, or other health care practitioners or health care facilities that are duly licensed and authorized to receive payment or reimbursement for Covered Services provided under the terms of the Plan.

**Security Rule** means the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C.

**Specific Stop Loss** shall mean the reinsurance provided by PacificSource under the Stop Loss Provision section of this Agreement.

**Specific Stop Loss Attachment Point** is the total amount of paid claims per covered individual that is not subject to reimbursement or credit by PacificSource under the specific stop loss provision during the contract period of this Agreement for each covered insured of the Sponsor.

**Sponsor** means the party identified as "Sponsor" in the first paragraph of this Agreement who established and maintains the Plan.

**Stop Loss Premium** means the fees due PacificSource each month for the specific and aggregate stop loss insurance provided under the Stop Loss Provision section of this agreement. The Stop Loss Premium shall be computed and paid in accordance with the Payment section of this Agreement.

**Summary Health Information** has the same meaning as "summary health information" defined by 45 CFR §164.504(a).

**Summary Plan Description** means any document provided to Participants that describes the terms and conditions under which the Plan operates.

**Trust** means, if applicable with respect to the Plan, a Trust which serves as the vehicle for the funding and payment of Claims for benefits under the Plan, and includes the Trustees in their fiduciary capacity with respect to such trust.

**Trustee** means those individuals appointed as the Trustee or Trustees of a Trust.

**Working Day** means a regular business day that is not a recognized federal, banking, or PacificSource holiday, and excludes Saturdays and Sundays.

## TERM OF AGREEMENT

This Agreement shall become effective on the date shown in Exhibit I at 12:01 a.m., and shall remain in effect for a term of 12 months. It may be renewed thereafter for successive 12-month periods by mutual written agreement of the parties; each such renewal is a separate term.

## PACIFICSOURCE RESPONSIBILITIES

Subject to the Sponsor's compliance with all applicable terms of this Agreement and in consideration for the Administrative Services Fee, PacificSource will provide the administrative services specified herein during the term of this Agreement.

### ENROLLMENT

PacificSource will:

- Process enrollment applications for new Participants.
- Process changes in enrollment status.
- Prepare and issue identification cards.
- Provide all forms necessary to accomplish the foregoing enrollment services.
- Maintain Participant basic data and eligibility data separately for each enrollment classification specified by the Administrator.

### CLAIMS ADMINISTRATION

PacificSource will:

- Determine Participant eligibility for benefits, based on information provided by the Administrator and the terms of the Plan Document as construed by the Administrator.

- Process Claims incurred by Participants, according to the terms of the Plan Document as construed by the Administrator.

- Maintain Plan records regarding payments of Claims, denials of Claims, and Claims pended or stopped, and track each Participant's accumulated expenses credited toward any annual deductible and/or annual out-of-pocket limit under the Plan, and the application of the Plan's annual, and/or specific benefit limitations with respect to each Participant.

- Process Claims with due diligence and according to the terms of the Plan Document as construed by the Administrator (e.g., pre-existing conditions requirements and coordination of benefits situations).

- Process appeals of denied Claims in accordance with the appeal process contained in the Plan Document, and in accordance with applicable laws. In all cases the final decision will be at the discretion of the Administrator.

- Provide medical peer review and other professional expertise necessary to complete the review of Claims according to the Plan Document as construed by the Administrator.

- Refer any doubtful or disputed Claims to the Administrator for a final decision in accordance with the Sponsor Responsibilities section of this Agreement. PacificSource will process and pay any Claim as directed by the Administrator without regard for whether the Claim is eligible for payment under the Plan.

## EXPLANATION OF BENEFITS

PacificSource will:

- Issue Explanation of Benefits forms to Participants for Claims received and processed, which shall contain information on charges submitted, amounts allowed, Plan payment, and patient responsibility.

- Include on the Explanation of Benefits form, in the case of a denied Claim, the reason that the Claim is ineligible for payment, and the Claims review and appeal procedure as prescribed by the Plan.

## PAYMENT OF BENEFITS

PacificSource will process, issue, and distribute Claims checks to Participants, Providers, or others as may be applicable, to provide benefits due on Claims received and processed to completion. PacificSource payment of eligible Claims shall be subject to the Sponsor, the Administrator, and the Plan complying with all provisions of this Agreement.

## CLAIMS CONTROL AND COST CONTAINMENT

PacificSource will maintain Provider fee data and update Provider reimbursement allowances. The Sponsor agrees, on its own behalf and on behalf of the Administrator and the Plan, that PacificSource allowance for Provider reimbursement shall be considered proprietary data of PacificSource and shall not be published, reproduced, distributed to, or shared with Providers, Participants, or other third parties without the prior written consent of PacificSource.

For Covered Services received outside the defined service areas which are not covered by participating Provider membership agreements described below in this section, the Sponsor acknowledges and agrees that PacificSource will utilize the allowance which PacificSource establishes for network-not-available Providers.

PacificSource will promote cost containment by coordinating payment of benefits under this Agreement with payment of benefits Participants receive from other sources, in accordance with the terms of the Plan Document as construed by the Administrator.

PacificSource may, on its own behalf, negotiate discounts with certain Providers. Except as otherwise provided in this Agreement, all available discounts shall be passed on in full to the Plan and Participants at the time Claims are processed so that both receive the benefits of such negotiated payment arrangements in the calculation of deductibles, copayments, Participant responsibility, and Plan reimbursement amounts. PacificSource shall have no obligation to the Sponsor, the Administrator, or the Plan with respect to the negotiation of such discounts.

**PROFESSIONAL SERVICES**

PacificSource will:

- Provide actuarial services, including:
  - Experience analysis; and
  - Claims projections—initial and renewal.
- Provide performance monitoring.

**REPORTS, RECORDS, AND AUDITS**

PacificSource will provide to the Administrator the total amount in Claims processed during the previous semi-month period. PacificSource will also provide to the Administrator a Claims report, as allowed under applicable state and federal laws. Further, PacificSource will provide to the Administrator monthly experience reports.

Upon sixty (60) days advance written notice by the Administrator, PacificSource will provide the information held by PacificSource and requested by the Administrator to enable the Administrator to complete and file IRS Forms 5500 and 990, and Annual Reports.

Upon sixty (60) days advance written notice by the Administrator, PacificSource will provide the Administrator's designated auditor with access to information needed to conduct an audit of records maintained by PacificSource related to the Plan. The initial notice to PacificSource must state the scope of the audit and identify the information needed and proposed sampling methodologies. The audit and information requested in the audit will be limited to the two (2) year period immediately preceding the date of the audit request, unless the Administrator establishes that a longer period is justified based on good cause. All auditors will be required to adhere to PacificSource procedures and applicable federal and state laws, including the Privacy Rule and Security Rule, for maintaining the privacy and security of all information furnished by PacificSource, and may be required to sign confidentiality agreements prior to the release of any information by PacificSource. PacificSource will be entitled to receive copies of the draft and final audit reports and will have the right to review and comment on the audit findings prior to or simultaneous with the release of such report. PacificSource comments will be noted in the final report. The Sponsor or the Plan will bear any expenses incurred by the Sponsor, the Administrator, the Plan or the auditors in conducting the audit. The Sponsor or the Plan will reimburse PacificSource for the costs of any on-site audit that exceeds two (2) Working Days. In no event shall PacificSource be required to hold any records for more than six (6) years.

**CLAIMS SERVICES**

PacificSource will:

- Staff a customer service unit to handle inquiries and Claims questions from Participants.
- Maintain local telephone service and/or toll-free telephone lines for inquiries made by Participants regarding the status of their Claims. Such telephone lines may be recorded by PacificSource.
- Subject to all applicable state and federal laws and as may be allowed by the Privacy Rule:
  - Respond to Claims inquiries by a Participant, the estate of a Participant, the Participant's authorized legal representative, or an authorized Provider;

- Disseminate general information to Participants;
- Provide Claim forms and benefit checks.

- Maintain Provider information and working relationships. PacificSource shall be entitled to rely upon any and all representations made by Providers regarding their qualifications as Providers, and shall have no obligation or liability to obtain, verify, or monitor qualifications. PacificSource will not be responsible for any services provided (or any failure to provide services) by Providers and makes no representation, warranty, or guarantee whatsoever regarding any such Providers.

**CONFIDENTIALITY OF PROPRIETARY INFORMATION**

The terms of this Agreement and any addenda to this Agreement are proprietary and Sponsor agrees to keep the terms confidential. PacificSource agrees to keep confidential any information that the Sponsor, the Administrator, or the Plan, discloses to PacificSource and identifies as proprietary or a trade secret. PacificSource understands that Sponsor is subject to the Oregon Public Records Law and the Sponsor will comply with that law. Sponsor will inform PacificSource of any public records requests pertaining to this plan prior to release.

**HIPAA TITLE I—PORTABILITY**

PacificSource will provide Certificates of Creditable Coverage and other Creditable Coverage services as required by the portability provisions of HIPAA Title I for Participants.

**COBRA**

PacificSource will not administer COBRA notifications, elections, premium payment from continuants or any part of COBRA unless the parties agree otherwise in writing. PacificSource will not provide Participants who elect COBRA coverage under the Plan with a notice of privacy practices as required by the Privacy Rules unless the parties agree otherwise in writing. Upon request of the Administrator, PacificSource will provide the Administrator contact information for those Participants who elect COBRA coverage in order to assist the Administrator to satisfy the Plan's legal obligation to provide such Participants with a notice of privacy practices

**INCLUDED SERVICES**

- Implementation fees
- Claim Processing
- Utilization and Large Case Management
- Stop Loss Claim Reporting
- Pharmacy Benefit Manager Coordination
- Condition Management Programs
- PacificSource Standard Summary Plan Document
- Standard Reporting

**OPTIONAL SERVICES**

PacificSource will provide Participants with access to the following optional services if the Sponsor so elects such services, as designated on Exhibit I of this Agreement:

- External review of appeals of denied Claims through an independent review organization contracted with PacificSource.
- Tobacco cessation program through PacificSource's contract vendor.
- Biometric screening.
- Global emergency services through PacificSource's contracted vendor.
- Wellness Program

**CUSTOMIZED OR ADDITIONAL SERVICES**

From time to time, the Sponsor or the Administrator may request that PacificSource provide services or insurance coverage not specifically outlined in this Agreement (e.g., customized benefits, correspondence, network development, reports, and training/education) ("Customized Services"). The Sponsor or the Administrator shall submit a written request to PacificSource for such Customized Services. PacificSource, in its sole discretion, shall have the right to reject the request or negotiate a rate with the Sponsor to perform the Customized Services. In the event PacificSource rejects the request or the parties are unable to agree to a rate for the performance of the Customized Services by PacificSource, PacificSource shall not be obligated to perform such Customized Services. The refusal of PacificSource to perform such Customized Services shall not constitute grounds for the Sponsor to terminate this Agreement unless termination is otherwise specifically allowed herein. If PacificSource agrees to perform such Customized Services and the parties agree to a rate, the parties will execute an addendum to this Agreement specifying the terms and conditions applicable to the Customized Services before such Customized Services shall be performed by PacificSource.

**SPONSOR RESPONSIBILITIES**

**SPONSOR ACKNOWLEDGMENTS**

The Sponsor acknowledges:

- It sponsors the Plan;
- It is the fiduciary of the Plan with full discretionary authority and responsibility to control and manage the operation and administration of the Plan;
- It has the authority to designate the Administrator of the Plan, and has not and will not designate PacificSource as the Administrator of the Plan; and
- It retains full discretionary authority and control over and discretionary responsibility for the operation and administration of the Plan.

**PROTECTED HEALTH INFORMATION (PHI)**

The Sponsor may obtain PHI from the Plan or PacificSource to perform Plan Administration Functions (as defined by 45 CFR §164.504(a)) only if the Sponsor:

- If non-standard Plan Document, amends the Plan Document to incorporate into the Plan Document the terms required by the Privacy Rule and the Security Rule in 45 CFR §164.314(b)(2);
- If non-standard Plan Document, certifies to the Plan that the Plan Document has been amended as required by the Privacy Rule and the Security Rule; and
- Requests only the minimum amount of PHI reasonably needed to perform the Plan Administration Functions.

## SUMMARY HEALTH INFORMATION

The Sponsor may request Summary Health Information from the Plan or from PacificSource only for one of the following purposes:

- To obtain premium bids from health plans for providing health insurance coverage under the Plan; or
- To modify, amend, or terminate the Plan.

## MEMBER ELIGIBILITY INFORMATION

The Sponsor will, or will cause the Administrator to:

- Maintain current and accurate Plan eligibility and coverage records, verify member eligibility, and submit this information monthly, by the 15th day of the month for which the information is submitted, to PacificSource at its designated mailing address for Enrollment Information listed on Exhibit I, or more often if requested by PacificSource.

  This information shall be provided in a format acceptable to PacificSource and shall include the following for each member: name and address, Social Security number and/or PacificSource member ID number, date of birth, type of coverage, gender, relationship to the employee, date coverage begins or ends, and any other information necessary to determine eligibility and coverage levels under the Plan.

- Provide copies of completed applications for coverage of new Participants with assigned effective dates and for existing Participants for addition of dependents and changes in benefit levels, with effective dates of changes.

- Assume the responsibility for the erroneous disbursement of benefits by PacificSource in the event of error or neglect on the part of the Sponsor or the Administrator in providing eligibility and coverage information to PacificSource, including without limitation, failure to timely notify PacificSource of the ineligibility or termination of a former Participant.

## PLAN ADMINISTRATION

The Sponsor will, or will cause the Administrator to:

- Resolve all Plan ambiguities and disputes relating to member eligibility, coverage, denial of Claims, or decisions regarding appeal or denial of Claims, or any other questions of Plan interpretation. PacificSource shall not provide PHI except as allowed by the Privacy Rule, the Security Rule, and other applicable federal and state laws. The Sponsor shall hold, and shall cause Administrator to hold, any information, including any PHI, provided by PacificSource to the Sponsor or the Administrator in compliance with all applicable federal and state laws. The Sponsor will respond or cause the Administrator to respond to PacificSource or the member regarding the Sponsor's or the Administrator's determination within the number of days required by PacificSource.

- Provide PacificSource with a copy of any and all revisions or changes to the Plan within thirty (30) Working Days prior to the effective dates of the changes.

- Provide and timely distribute all notices and information required to be given to Participants, including the Plan's Notice of Privacy Practices as required by the Privacy Rule, maintain and operate the Plan in accordance with applicable law, maintain all record keeping, and file all forms relative thereto pursuant to any federal, state, or local law, unless this Agreement specifically assigns such duties to PacificSource.

- Prepare and file all required tax forms (including IRS Forms 5500 and 990) and Annual Reports (including required audits) as applicable; pay any and all taxes, licenses, and fees levied by any local, state, or federal authority in connection with the Plan; and prepare and provide Summary Annual Reports and Summary of Material Modifications, as applicable, to Participants.

## CONFIDENTIALITY OF PROPRIETARY INFORMATION

The terms of this Agreement and any addenda to this Agreement are proprietary and the Sponsor, on behalf of itself, the Plan, and the Administrator, agrees to keep the terms confidential. The Sponsor will, or will cause the Administrator to hold confidential all PacificSource proprietary information and information or material not generally known by personnel other than employees of PacificSource. Such information includes, but is not limited to, contracting arrangements with Providers, reasonable and customary Claims levels, and Claims administration guidelines.

## OTHER RESPONSIBILITIES

The Sponsor will, or will cause, the Administrator to:

- Pay to PacificSource, in accordance with this Agreement and any addenda to this Agreement, the Administrative Services Fee and any other fees due PacificSource under this Agreement or addenda to this Agreement, and provide funds for payment of Claims, in accordance with the Payment section of this Agreement.

- Promptly notify PacificSource of any termination notice, expiration, lapse, or modification of any insurance purchased in conjunction with the Plan.

- Maintain any fidelity bond or other insurance as may be required by state or federal law for the protection of the Plan and Participants.

- Notify PacificSource within five (5) Working Days of any inquiry made by any member or authorized representative of any member related to the Plan Document, Plan records, Claims, Claims appeals, Claims disputes, threatened litigation, lawsuits pertaining to the Plan, or any inquiry made by any federal or state authority regarding the Plan.

- Not demand or require PacificSource, under any circumstances, to issue Claims drafts for Claims, out-of-Plan funds, excess loss premiums, or any other costs arising out of the subject matter of this Agreement, unless the Sponsor has so authorized and has previously deposited sufficient funds to cover such payment(s).

  PacificSource will administer Complaints, Grievances, and Appeals per the Plan Document and the Summary Plan Description. In the event the processes outlined in the Plan Document and Summary Plan Description provided annually from PacificSource do no resolve the question, concern, or complaint the Sponsor acknowledges and agrees that PacificSource will administer and process Claims in accordance with this Agreement only to the extent the Plan Document and Summary Plan Description are clear and unambiguous as to the validity of the Claims and the Participants' eligibility for coverage under the Plan, and that PacificSource will have no discretionary authority or responsibility to interpret the Plan or adjudicate Claims. If processing a Claim requires interpretation of ambiguous Plan language, and the Sponsor or the Administrator has not previously indicated to PacificSource the proper interpretation of the Plan language, then the Sponsor or the Administrator will be responsible for resolving the ambiguity or any other dispute.

  In any event, the Sponsor's or the Administrator's decision as to any Claim (whether or not it involves a Plan ambiguity or other dispute) shall be final and binding unless modified or reversed by a court or regulatory agency having jurisdiction over such Claim matter.

## PAYMENT

## ADMINISTRATION CHARGE

PacificSource will send the Sponsor and the Administrator an invoice each month for Administrative Services Fees and any other fees due PacificSource under this Agreement, unless the other fees are separately billed. The Sponsor must make payment to PacificSource on or before the payment due date specified on the invoice.

Should the expense of administration increase due to benefit changes or other mutually agreed upon changes in services or procedures provided under this Agreement, PacificSource may adjust the administrative charge accordingly, such adjustment to be effective on the date the change took effect.

**CLAIMS REIMBURSEMENT**

PacificSource will send the Sponsor Accounts Payable and the Administrator a claims invoice to the mailing addresses and e-mail addresses listed on Exhibit I of this Agreement, twice a month, providing information regarding the total amount of Claims paid during the preceding semi-month period.

The Sponsor shall pay PacificSource the amount needed to cover the Claims by ACH (Automated Clearing House). Sponsor pays ACH payments on the second and fourth Thursday's. PacificSource invoices must be received by 8am on the first and third Tuesdays in order to meet the ACH payment on the second and fourth Thursdays.

If a specific Claim or amount is not agreed to, then the Sponsor will pay those Claims agreed to and provide notice of the disputed Claim and/or amount to PacificSource at the PacificSource payment e-mail address or fax number listed on Exhibit I of this Agreement. The parties will work together to resolve disputed Claims. If payment for approved Claims is not received in the time required by this section, then PacificSource will have the right to stop processing Claims pursuant to the following Nonpayment section of this Agreement.

Unless the Sponsor or the Plan purchases stop loss coverage from PacificSource, PacificSource will provide administrative Claims payment services only and does not assume any financial risk or obligation with respect to Claims.

**NONPAYMENT**

If the Sponsor fails to pay the Claims or authorize ACH transfer within the time required in the Payment, Claims Reimbursement section of this Agreement, PacificSource shall have the right to stop processing all Claims immediately after written notice of the Sponsor's failure to pay or authorize ACH transfer has been provided to the Sponsor and the Administrator at their e-mail addresses listed on Exhibit I of this Agreement. PacificSource may also initiate refunds from providers and facilities or do punch credits to pull money back for claims processed and not reimbursed by the Sponsor

If the Sponsor fails to pay the Administrative Services Fee in the period required by this Agreement, PacificSource shall have the right to stop processing all Claims immediately after 10 day written notice of the Sponsor's failure to pay has been provided to the Sponsor and the Administrator at their e-mail addresses listed on Exhibit I of this Agreement.

During a time period when PacificSource has stopped processing Claims as allowed herein, the Sponsor and the Plan, not PacificSource, will become immediately responsible for:

- Sending any legally required notice regarding Claims status to both Participants and Providers;
- Payment of all Claims processed and paid by PacificSource;
- Payment for all Claims incurred by Participants, but not yet submitted to or fully processed by PacificSource;
- Payment for all other outstanding fees attributable to the Plan;
- Processing all Claims in accordance with all applicable state and federal laws. PacificSource will have no obligation to provide the Sponsor, the Administrator, or the Plan, reports listing those Claims currently stopped and not fully processed or those Claims submitted to PacificSource during a period where PacificSource has stopped processing Claims, unless PacificSource and the Sponsor have agreed to a rate that the Sponsor will pay to PacificSource for provision of such reports.

- Indemnifying PacificSource, according to the Relationship of the Parties, Greivances and Legal Actions section of the Agreement, for any legal claim that may be brought against PacificSource by any party regarding the stopped and not fully processed claims, or any Claims received by PacificSource during a time when PacificSource has stopped processing Claims.

If PacificSource stops processing Claims as provided herein, PacificSource will be relieved of all responsibility for compliance with the Department of Labor claims regulations and any other state or federal law or regulation (other than the Privacy Rule and the Security Rule to the extent that PacificSource continues to maintain PHI) for those Claims stopped and not fully processed, or those Claims submitted to PacificSource during a period where PacificSource has stopped processing Claims, regardless of when the Claims were actually incurred. The Sponsor shall assume all responsibility for compliance with Department of Labor claims regulations and any other state or federal law or regulation governing the processing of claims during any period PacificSource has stopped processing claims pursuant to the Sponsor's failure to pay the Claims or pay the Administrative Services Fee. If PacificSource starts processing Claims after it has stopped processing Claims as allowed herein, PacificSource will not be responsible for compliance with the Department of Labor claims regulations or any other state or federal law or regulation (other than the Privacy Rule and the Security Rule to the extent that PacificSource continues to maintain PHI) for those Claims that were stopped and not fully processed, or those Claims submitted during a period where PacificSource stopped processing Claims, no matter when those Claims were actually incurred. The Sponsor acknowledges that the Sponsor and the Plan may lose all Provider discounts for those Claims stopped and not fully processed, and those Claims submitted during a period where PacificSource stopped processing Claims.

**PENALTY FOR LATE PAYMENT**

Payments not received by PacificSource by a date provided herein shall accrue interest at a rate equal to one point higher than the 13-week Treasury Bill Rate as of the last day of the month in which payment was due, and will continue to accrue interest until all amounts owing, including interest, are paid in full. The acceptance by PacificSource of any late or partial payment shall not constitute a waiver of this provision by PacificSource.

**STOP LOSS PROVISION**

**SPECIFIC STOP LOSS**

The Sponsor is liable for the amount of all paid claims for each Participant. However, PacificSource is liable to the Sponsor for all paid claims for each Participant exceeding the specific stop loss point for the remainder of the term of this Agreement. The specific stop loss point is listed on Exhibit I of this Agreement.

The Sponsor agrees to pay the Stop Loss Premium amount shown on Exhibit I for specific stop loss coverage. PacificSource will send the Sponsor and the Administrator an invoice each month for Stop Loss Premiums and any other fees due PacificSource under this Agreement, unless the other fees are separately billed. The Sponsor must make payment to PacificSource on or before the payment due date specified on the invoice.

PacificSource may change either the premium or the Specific Stop Loss Attachment Point upon thirty-one (31) days written notice to the Sponsor if one of the following events occurs:

- Plan benefits are increased; or

- The number of covered lives changed by ten (10) percent or more.

## ADMINISTRATION OF SPECIFIC STOP LOSS

At the end of each month, PacificSource will produce a claims report to determine if any Participants have exceeded the Specific Stop Loss Attachment Point. If a Participant has exceeded the specific stop loss point, PacificSource will credit the amount the paid claims exceeds the specific stop loss point from the total amount of Claims paid on the month-end claims invoice. If the amount of paid claims exceeding the specific stop loss point is greater than the total amount of Claims paid on the month-end claims invoice, the credit balance will carry over to the next claims invoice.

## AGGREGATE STOP LOSS

The Sponsor is liable for all paid claims. However, PacificSource is liable to the Sponsor for the paid claims exceeding the Aggregate Stop Loss Attachment Point. The Aggregate Stop Loss Attachment Point is listed on Exhibit I of this Agreement.

The Sponsor agrees to pay the premium amount shown on Exhibit I for Aggregate Stop Loss coverage. PacificSource will send the Sponsor and the Administrator an invoice each month for Stop Loss Premiums and any other fees due PacificSource under this Agreement, unless the other fees are separately billed. The Sponsor must make payment to PacificSource on or before the payment due date specified on the invoice.

PacificSource may change either the premium or the Aggregate Stop Loss Attachment Point upon thirty-one (31) days written notice to the Sponsor if one of the following events occurs:

- Plan benefits are increased; or
- The number of covered lives changed by ten (10) percent or more.

## ADMINISTRATION OF AGGREGATE STOP LOSS

At the end of each term of this Agreement, PacificSource will compute the Aggregate Stop Loss Attachment Point for the year. If the total amount of Claims paid by the Sponsor exceeds the Aggregate Stop Loss Attachment Point, PacificSource will refund the Sponsor the difference.

Claims taken into account under this section shall not include any Claims for which PacificSource has reimbursed or credited the Sponsor pursuant to Specific Stop Loss as outlined above in the Stop Loss Provision, Specific Stop Loss section of this Agreement.

## ADJUDICATION OF CLAIMS

Solely for purposes of determining the scope of the PacificSource liability for the stop loss insurance provided under this Agreement, PacificSource retains the right to make an independent determination whether any Claim is properly payable under the Plan. PacificSource will provide payment for benefits under the Agreement at the direction of the Sponsor if the Sponsor directs PacificSource to:

- Pay a Claim, which in the opinion of PacificSource is not for a Covered Service according to the Plan Document; or
- Pay a Claim on behalf of an individual who, in the opinion of PacificSource, would otherwise not be eligible for participation in the Plan.

PacificSource agrees to pay such Claims, provided, however, that such Claims will not be included in the accumulation of the Claims expense toward the Aggregate Stop Loss Attachment Point. These claims will be a separate and additional liability of the Sponsor, and PacificSource will have no liability, either directly or indirectly, for such claims.

Should a dispute arise with respect to Claims paid under the paragraphs above, and should the Aggregate Stop Loss Attachment Point be reached by the inclusion of the disputed Claims in the accumulation of the Claims expense, the Sponsor and PacificSource will meet and agree upon a procedure for submission of the dispute for decision by a neutral third party, including the criteria upon which the third party's decision shall be based, whereby the third party will determine whether the disputed Claims should not be included in the accumulation of the Claims expense. The cost of the neutral third party used in this procedure will be split equally between the parties.

**THIRD-PARTY RECOVERY**

It is understood that the Plan, the Sponsor, or the Trustee may become entitled to partial or full recovery from a third party with respect to a Claim paid under the Plan, whether directly through subrogation or indirectly through reimbursement from the Participant or otherwise ("Recovery"), and that any Recovery by the Plan, the Sponsor, and/or the Trustee for Claims paid during the Term of this Agreement may occur during or after the Term of this Agreement. Unless PacificSource has agreed to perform such services as outlined in this Agreement or a separate agreement, the Sponsor shall promptly undertake to prosecute any and all valid claims for such Recoveries that the Plan may have against Participants and/or third parties. It is agreed that the net amount of such Recoveries, whether recovered by the Sponsor, the Trustee, PacificSource, or other third party, remaining after deduction of the reasonable cost of prosecuting the Recoveries, shall be treated as a reduction of the Plan's Claim expense as hereinafter provided. Such amounts, recovered during the same Term or renewal Term of this Agreement in which the related Claims were paid, shall be applied to reduce the amount of paid Claims applied toward the specific and aggregate stop loss. Should this Agreement have been terminated at the time one or more such Recoveries occur, or if the Recovery or Recoveries occur in a renewal Term after a Term in which (1) the related Claims were paid and (2) PacificSource has reimbursed the Sponsor for Claims reported in excess of the specific or aggregate stop loss, the Sponsor agrees to reimburse PacificSource in the aggregate net amount recovered, up to the amount of such Claims paid by PacificSource.]

**COORDINATION OF BENEFITS PROVISION**

The Sponsor shall choose one of the following options for coordination of benefits when a Participant has other coverage in conjunction with the Plan:

- Standard — If the Plan is secondary, PacificSource will pay up to the balance of the claim.
- Integrated — If the Plan is secondary, PacificSource will pay up to the balance of the remaining eligible expenses, not to exceed normal Plan liability if the Plan had been primary.

The option chosen by the Sponsor is designated on Exhibit I of this Agreement.

**RELATIONSHIP OF THE PARTIES**

**PLAN DOCUMENT**

PacificSource will assist the Sponsor in the development and design of the Plan, both initially and in connection with benefit revisions, additions, and extensions. The Plan Document will adhere to our standard Policies and Procedures unless there is mutual agreement to Customize.

Notwithstanding any provision of the Plan Document, the responsibility of PacificSource, with respect to the Plan, shall be limited to the performance of the ministerial services described in this Agreement within a framework of policies, interpretations, rules, practices, and procedures made by the Sponsor, the Administrator, and the Plan.

The Sponsor agrees to adopt PacificSource standard policies, procedures, and guidelines unless otherwise mutually agreed upon in writing by the Sponsor and PacificSource.

The Sponsor delegates to PacificSource only those powers and responsibilities which are specifically enumerated in this Agreement or any addenda to this Agreement. Any function not specifically delegated to and assumed by PacificSource in writing pursuant to this Agreement or any addenda to this Agreement shall remain the sole responsibility of the Sponsor, the Administrator or the Plan.

The Sponsor acknowledges and agrees that PacificSource is not an Administrator or a fiduciary for the Plan, and that such functions have been retained by the Sponsor (including any person or entity, other than PacificSource, to whom or to which such functions may be delegated by the Sponsor).

As plan fiduciary, the Sponsor has retained the right to interpret the Plan Document terms. PacificSource may refer to the Sponsor or the Administrator for a decision regarding any question arising in the PacificSource performance of services pursuant to this Agreement or any addenda to this Agreement which, in the opinion of PacificSource, is not ministerial in nature.

This Agreement or any addenda to this Agreement shall supersede any contrary provision contained in the Plan Document regarding the responsibilities of PacificSource with respect to the Plan.

This Agreement or any addenda to this Agreement are not third-party beneficiary contracts and shall not, in any manner whatsoever, create or increase any rights of any Participant or other third party with respect to the Plan or PacificSource, nor shall this Agreement be deemed a contract of insurance under any laws or regulations. PacificSource does not by this Agreement insure, guarantee, or underwrite the liability of Sponsor under the Plan or of the Plan.

**CLAIMS LIABILITY**

Except for those financial risks PacificSource may assume as stop loss carrier, PacificSource provides administrative Claims payment services only, and does not assume any financial risk or obligation with respect to the Claims. The Sponsor and the Plan have total responsibility for payment of Claims under the Plan and all expenses incidental to the Plan. The PacificSource obligation to pay Claims, or carry out other obligations arising under the Plan, shall be subject to provision by the Sponsor and the Plan of the funds necessary for the payment of such Claims or obligations.

**INDEPENDENTLY CONTRACTED PROFESSIONAL SERVICES**

PacificSource may secure the services of actuaries, computer service firms, insurance consultants, legal counsel, accountants, and any other entities that it deems necessary in performing its duties under this Agreement. At the discretion of PacificSource, such services may be performed directly by it, wholly or in part through a subsidiary or affiliate of PacificSource, or under an agreement with an organization, agent, advisor, or other person of its choosing. Any such services resulting in a charge not agreed to in this Agreement must first be authorized in writing by the Sponsor or the Administrator.

PacificSource shall be entitled to rely, without investigation or inquiry, upon any written or oral information or communication of the Sponsor, the Administrator, or their respective agents, including but not limited to, consultants, actuaries, attorneys, accountants, auditors, managed care organizations, preferred Provider organizations, pharmacy benefit management companies, mental health care management companies, or brokers retained by the Sponsor or the Administrator.

**GRIEVANCES AND LEGAL ACTIONS**

The defense of any dispute or action arising out of enrollment or Claims decisions under the Plan shall not be the obligation of PacificSource, but PacificSource will fully cooperate with the Sponsor and the Administrator in the defense of any such dispute or action.

PacificSource will indemnify and hold the Sponsor harmless from and against any and all claims, suits, actions, liabilities, losses, penalties, or damages including court costs and reasonable attorney's fees which result from or arise out of the grossly negligent acts or omissions or willful misconduct of PacificSource or its employees with respect to the services to be provided by PacificSource under this Agreement or any addenda to this Agreement, unless the acts or omissions were made at the direction of the Sponsor or the Administrator.

Subject to the limitations of the Oregon Governmental Tort Claims Act, ORS 30.260 et seq., the Sponsor will indemnify, defend, save, and hold PacificSource harmless from and against any and all claims, suits, actions, liabilities, losses, penalties, or damages including court costs and reasonable attorney's fees, which result from or arise out of any responsibility, duty, or obligation of the Sponsor, the Administrator, the Plan, or any other party with respect to the Plan, relating to the services to be provided under this Agreement or any addenda to this Agreement, except to the extent such claims, suits, actions, liabilities, losses, penalties, or damages arise out of the negligent acts or omissions or willful misconduct of PacificSource or its employees, provided such acts or omissions done by PacificSource when established by clear and convincing evidence, were not done at the direction of the Sponsor or the Administrator.

The Sponsor, on behalf of itself, the Administrator, the Plan, and the Participants, acknowledges and agrees that this Agreement or any addenda to this Agreement constitutes a contract solely between the Sponsor and PacificSource. The Sponsor, on behalf of itself, the Administrator, the Plan, and the Participants, further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than PacificSource and that no person, entity, or organization other than PacificSource shall be held accountable or liable to the Sponsor, the Administrator, the Plan or the Participants for any PacificSource obligations created under this Agreement or any addenda to this Agreement. This section shall not create any additional obligations whatsoever on the part of PacificSource other than those obligations created under other provisions of this Agreement or any addenda to this Agreement.

Except as otherwise provided herein, neither party shall be liable or responsible for the other party's failure to comply with state or federal laws.

## AMENDMENTS AND COST INCREASES

At any time during the term of this Agreement, the Sponsor and PacificSource may amend or change the provisions of this Agreement or any addenda to this Agreement, provided that such amendments or changes must be agreed upon in writing by both the Sponsor and PacificSource. If any such amendment or change increases the anticipated Claims expense, the PacificSource cost of services for the Plan, or any other fee under this Agreement, the Sponsor agrees to pay such increase which PacificSource reasonably expects to incur as a result of such amendment or change.

## STOP LOSS COVERAGE

PacificSource may change either the premium or attachment point for either specific stop loss or aggregate stop loss in accordance with the Stop Loss Provision section of this Agreement. If the parties cannot agree on an adjusted premium or attachment point within thirty-one (31) days after PacificSource sends written notice, PacificSource may terminate this Agreement according to the Termination section of this Agreement.

## CHANGES IN LAWS AND REGULATIONS

The parties agree to amend this Agreement or any addenda to this Agreement at any time when such amendment is necessary to comply with federal, state, or local laws, as now in effect or hereinafter enacted, including but not limited to statutes, regulations, court decisions, and administrative decisions. If the parties cannot agree on an amendment within thirty-one (31) days after either party receives notice from the other of the necessity of the amendment, then the party requesting the amendment may terminate this Agreement according to the Termination section of this Agreement.

If the PacificSource performance of its responsibilities, under this Agreement or any addenda to this Agreement, is made more burdensome or expensive in order to comply with federal, state, or local laws, now in effect or hereinafter enacted, including but not limited to statutes, regulations, court decisions, and administrative decisions, during the term of this Agreement, the parties will negotiate an appropriate adjustment to any of the fees paid to PacificSource under this Agreement or any addenda to this Agreement. If the parties cannot agree on an adjusted fee within thirty-one (31) days after PacificSource sends written notice of its interest in negotiating an adjusted fee, PacificSource may terminate this Agreement according to the Termination section of this agreement.

## TERMINATION

PacificSource may, at its sole option, terminate this Agreement with twenty (20) days written notice upon the occurrence of any one or more of the following events pertaining to the Sponsor:

- The Sponsor fails, or fails to cause the Administrator, to pay the Administrative Services Fee, pay Claims, or make any other payment required by this Agreement or any addenda to this Agreement within the time limits required. Any payment received by PacificSource after a termination shall be deposited for security purposes only, and shall not be deemed to have been accepted for reinstatement of this Agreement or any addenda to this Agreement, or as an accord and satisfaction. PacificSource will only reinstate this Agreement or any addenda to this Agreement, once terminated, upon a written endorsement of PacificSource.

- The Sponsor fails, for any reason, to cure an event that allowed PacificSource to stop processing Claims under this Agreement.

- The Sponsor, the Administrator, or the Plan, engages in any acts, practices, or operations that expose PacificSource to any existing or potential investigation or litigation.

- The Sponsor fails to agree to a fee adjustment as outlined in the Amendments and Cost Increases section of this Agreement.

- The Sponsor fails to fulfill its obligations as the Sponsor of the Plan as described in "Sponsor Responsibilities—Plan Administration".

Either party may, at its option, terminate this Agreement and any addenda to this Agreement immediately by written notice to the other party upon the occurrence of any one or more of the following events pertaining to the other party:

- Insolvency.

- Court appointment of a permanent receiver for all or substantially all of the other party's assets.

- A general assignment for the benefit of creditors by the other party.

- The filing of a voluntary or involuntary petition of bankruptcy, if such petition is not dismissed within forty-five (45) days of the date of filing, provided that an order for relief from automatic stay has been obtained or, with respect to a Chapter 11 proceeding, that the bankrupt or Bankruptcy Trustee fails to reaffirm this Agreement and provide adequate assurances pursuant to 11 USC 365.

- The other party engages in any unethical business practice or conducts itself in a manner that is a violation of any federal, state, or local statute, rule, or regulation.

- The other party loses its licensure or certification required by law to continue its business or continue its function under this Agreement or with respect to the Plan.

- The other party refuses to amend this Agreement or any addenda to this Agreement to comply with federal, state, or local laws, as specified in the Amendments and Cost Increases, Changes in Laws and Regulations section of this Agreement.

The Sponsor's obligation to pay PacificSource under the Payment section of this Agreement, with respect to services rendered and Claims paid during the term of this Agreement, shall survive the termination hereof.

## CLAIMS RUN-OUT AFTER TERMINATION

If this Agreement is not renewed, the Sponsor has the option to have PacificSource continue processing Claims, incurred but not reported prior to the termination of this Agreement, for a period of twelve (12) months after the termination of this Agreement. PacificSource will charge the Sponsor for two (2) months of Administrative Services Fees for claims run-out administration. The Plan and/or the Sponsor, and not PacificSource, shall be liable for the payment of all Claims that were not paid prior to the date of termination of this Agreement.

The Sponsor is not eligible for claims run-out administration if this Agreement is terminated by PacificSource due to the Sponsor's failure to pay the Administrative Services Fee, pay Claims, or make any other payment required by this Agreement or any addenda to this Agreement within the required time limits.

## PROVIDER DISCOUNTS AFTER TERMINATION

The Sponsor, on behalf of itself, the Administrator, and the Plan, acknowledges and agrees that Providers will not be obligated to accept PacificSource negotiated discounts for Claims after termination of this Agreement, even if a Claim was incurred but not fully processed before the termination of this Agreement.

## REFUNDS AFTER TERMINATION

If PacificSource receives a refund on Claims paid from a Participant, Provider, Third-Party, or other source after the termination of this Agreement, PacificSource will refund the money to the Sponsor during the Claims Run-Out Period. Once the Claims Run-Out Period expires, or if the Sponsor elects not to accept the terms of the Claims Run-Out Period, PacificSource shall keep the refund.

If Medicare requests that PacificSource reimburse them for Claims incurred prior to the termination of this Agreement, PacificSource will pay Medicare and bill the Sponsor during the Claims Run-Out Period. Once the Claims Run-Out Period expires, or if the Sponsor elects not to accept the terms of the Claims Run-Out Period, PacificSource shall deny the request and refer Medicare to the Sponsor for payment.

## OTHER PROVISIONS

Except as specifically set forth herein, this Agreement or any addenda to this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal successors, provided, however, that neither party may assign this Agreement without the prior written consent of the other party.

This Agreement, together with all addenda, exhibits, and appendices supersedes any and all prior representations, conditions, warranties, understandings, proposals, or other agreements between the Sponsor and PacificSource, oral or written, in relation to the systems and services of PacificSource, which are rendered or are to be rendered in connection with the services it provides to Sponsor and the Plan as set forth in this Agreement and any addenda to this Agreement.

The parties hereto, having read and understood this entire Agreement, any addenda to this Agreement, and the HIPAA Business Associate Addendum acknowledge and agree that there are no other representations, conditions, promises, agreements, understandings, or warranties that exist outside this Agreement, any addenda to this Agreement, and the HIPAA Business Associated Addendum, which have been made by either of the parties hereto, which have induced either party to or have led to the execution of this Agreement and any addenda to this Agreement by either party. Any statements, proposals, representations, conditions, warranties, understandings, or agreements which may have been heretofore made by either of the parties hereto, and which are not expressly contained or incorporated by reference in this Agreement, any addenda to this Agreement, or the HIPAA Business Associate Addendum, are void and of no effect.

## ENTIRE CONTRACT INCLUDING CHANGES

This Agreement and any addenda to this Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Except as provided herein, no changes in or additions to this Agreement or any addenda to this Agreement shall be recognized unless and until made in writing and signed by the parties hereto.

**SEVERABILITY**

In the event any provision of this Agreement or any addenda to this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement or any addenda to this Agreement, which shall remain in accordance with their terms. The parties shall replace the invalid, illegal or unenforceable provision with a valid and enforceable provision that reflects the original intentions of the parties as nearly as possible in accordance with applicable law.

**FORCE MAJEURE EVENT**

In the event that either party is unable to perform any of its obligations under this Agreement, any addenda to this Agreement, or the HIPAA Business Associate Agreement because of natural disaster, labor unrest, civil disobedience, acts of war (declared or undeclared), or actions or decrees of governmental bodies (any one of these events being a Force Majeure Event), the party who has been so affected shall immediately notify the other party and shall do everything possible to resume performance.

Upon receipt of such notice, all obligations under this Agreement or any addenda to this Agreement shall be immediately suspended. If the period of nonperformance exceeds fourteen (14) Working Days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving ten (10) Working Days' written notice, terminate this Agreement or any addenda to this Agreement.

**CONTACT INFORMATION**

All notices required to be given to either party by this Agreement or any addenda to this Agreement shall, unless otherwise specified in writing or otherwise provided in this Agreement, be deemed to have been given same day for Email or Fax or given three (3) days after deposit in the U.S. Mail, first class postage prepaid, certified mail, return receipt requested. Notices are to be sent to the addresses list on Exhibit I of this Agreement.

A party may change its address for delivery of official notice by providing notice of the change of address in accordance with this section.

**LEGAL COMPLIANCE**

Each party agrees to comply with all applicable federal and state laws, including but not limited to statutes, regulations, court decisions, and administrative decisions, as now in effect or hereinafter enacted. Such laws include, but are not limited to, HIPAA (including the Privacy Rule and Security Rule), the Insurance Laws of Oregon, the Oregon workers' compensation laws, and other anti-discrimination laws. PacificSource understands that Sponsor is subject to the Oregon Public Records Law and the Sponsor will comply with that law. Sponsor will inform PacificSource of any public records requests pertaining to this plan prior to release.

The Sponsor shall provide PacificSource with proof of compliance with Oregon workers' compensation laws as necessary to comply with state requirements.

Employees hired by PacificSource and the Sponsor are hired on the basis of merit and qualifications, and there is no discrimination on the basis of race, color, religious creed, political ideas, gender, age, marital status, physical handicap, national origin, or ancestry by persons performing this Agreement. Qualifications mean such abilities as are genuinely related to competent performance of the particular occupational task.

This Agreement and any addenda to this Agreement shall be interpreted and construed in accordance with the laws of the State of Oregon (without regard for its conflicts or choice of law provisions), except to the extent superseded by federal law. Venue and jurisdiction shall be the Lane County Circuit Court in Eugene, Oregon.

No forbearance or neglect on the part of either party to enforce or insist upon any of the provisions of this Agreement or any addenda to this Agreement shall be construed as a waiver, alteration, or modification of this Agreement or any addenda to this Agreement.

PacificSource
HEALTH PLANS

**EXHIBIT I**

**ADMINISTRATIVE SERVICES AGREEMENT**

Between

**City of Springfield**

and

**PacificSource Health Plans**

| | |
|---|---|
| Policy Period: | January 1, 2014 – December 31, 2014 |

**FEES.** The fees and costs payable for the services provided under this Schedule shall be as follows:

**Administrative Renewal Fees**

| | |
|---|---|
| Number of Subscribers on Effective Date | 422 |
| Claims Administration | |
| Medical/Rx | $32.57 PEPM |
| Dental | N/A |
| Vision | Included in Medical / Rx |
| Broker Fee | $9.33 PEPM (included in specific stop loss fee) |
| Name of Broker | Greg O'Hanlon |
| Medical Network Access Fee | $3.01 PEPM |

***Travel Wrap Fees.*** *The following Travel Wrap programs are available for coverage when members travel outside of your chosen network(s).*

| | |
|---|---|
| First Health, MultiPlan | Pass through to Sponsor |

***Pharmacy Rebate Programs***

| | |
|---|---|
| Pharmacy Rebates | 80% of rebates received are passed to Sponsor |

**Standard Fees**

| | |
|---|---|
| Run-In Claims Processing | Not available |

| | |
|---|---|
| Run-Out Claims Processing | Two months admin fees for twelve months of service; |
| InTouch | Included |
| Customized Ad Hoc Reporting | $175 per hour (no charge if standard) |
| Custom Programming* | $150 per hour |
| Additional training required beyond implementation | $75 per hour |
| Plan Document Re-Write (Custom) | $1,000 if custom (no charge if standard) |
| Plan Document Amendment (Custom) | $100 per page if custom (no charge if standard) |
| Data File | $2,500 fee if custom (no charge if standard) |
| Independent Medical Review | Pass through to Sponsor |
| Independent Review Organization | Pass through to Sponsor |
| ID Card Printing & Shipping | Included (pass through to Sponsor if custom) |
| Benefits Booklet Printing & Shipping | Pass through to Sponsor |
| Applicable taxes, surcharges and assessments | Pass through to Sponsor |

**Custom Programming is defined as programming beyond implementation that 1) is specific to Customer's operations or benefits; or 2) results in the need for system enhancements.*

**Optional Services.** *Please initial Acceptance or Declination for the following:*

| | | |
|---|---|---|
| Smoking Cessation Program | $.75 PEPM | |
| Biometric Screening | $55-60 per participant | |
| Wellness Programs | Cost Dependent Upon Selected Programs | |
| Global Emergency Services | $.25 PEPM | |
| Coordination of Benefits | Included | |

**Required Claim Fund** N/A

## Stop Loss and Aggregate Premiums

### Individual Stop Loss

| | |
|---|---|
| Deductible Per Covered Participant | $150,000 |
| Covered Expenses | Medical / RX |
| Reimbursement Percentage | 100% |
| Individual Stop Loss Premiums | $123.70 PEPM |

| | |
|---|---|
| Individual Stop Loss Run In / Run Out Periods | Covered Expenses Incurred on or after Policy Effective Date and paid during Policy Period with: |
| Run In Period | January 1, 2013 |
| Run Out Period | December 31, 2014 |

**Aggregate Stop Loss**

| | |
|---|---|
| Aggregate Covered Expenses | Medical / RX |
| Reimbursement Percentage | 100% |
| Aggregate Reimbursement Maximum Per Plan Year | $3,000,000 |
| Aggregate Stop Loss Run Out Periods | Covered Expenses Incurred on or after Policy Effective Date and paid during Policy Period with: |
| Run In Period | January 1, 2013 |
| Run Out Period | December 31, 2014 |
| Aggregate Attachment Premium | $8.48 |
| Aggregate Claim Attachment Rate | $1,209.96 |

**Plan Contact Information**

| | |
|---|---|
| • Any correspondence mailed to the Sponsor will be mailed to: | City of Springfield<br>Attn: Tom Mugleston<br>225 Fifth Street<br>Springfield, OR 97477<br>Phone: (541) 726-3724<br>Fax: (541) 726-3782<br>E-Mail: tmugleston@springfield-or.gov |
| • Any copy of correspondence and invoices mailed to Accounts Payable and the Administrator will be mailed and emailed to: | City of Springfield<br>Attn: Laura Turner<br>225 Fifth Street<br>Springfield, OR 97477<br>Phone: (541) 726- 4661<br>Fax: (541) 726-3782<br>E-Mail: ljturner@springfield-or.gov<br><br>City of Springfield<br>Attn: Accounts Payable<br>225 Fifth Street<br>Springfield, OR 97477<br>Phone: (541) 726-3622<br>E-Mail: finance@springfield-or.gov |
| • Any correspondence mailed to PacificSource will be mailed to: | PacificSource Health Plans<br>Attn: Sales<br>PO Box 7068<br>Springfield, OR 97475-0068<br>Phone: (541) 686-1242<br>Fax: (541) 485-0915 |
| • Any Enrollment Information, billing information, and payments mailed to PacificSource will be mailed to: | PacificSource Health Plans<br>Attn: Stephanie Mendoza<br>PO Box 7068<br>Springfield, OR 97475-0068<br>Phone: (541) 684-5203, ext. 2203<br>Fax: (541) 225-3673<br>E-mail: smendoza@pacificsource.com |

The Sponsor agrees to notify PacificSource within twenty-four (24) hours of any changes to the Plan Contact Information contained in this Exhibit.

| | | |
|---|---|---|
| ☐ Agent ☐ Group Administrator | PacificSource Marketing | PacificSource Underwriting |
| Date | Date | Date |

PacificSource
HEALTH PLANS

# EXHIBIT I: BUSINESS ASSOCIATE ADDENDUM

Between

City of Springfield

and

PacificSource Health Plans

## PLAN SPONSOR
## HIPAA BUSINESS ASSOCIATE ADDENDUM

This HIPAA Business Associate Addendum supplements and is made a part of the Contract ("Agreement") by and between City of Springfield ("Plan Sponsor" or "Employer") and PacificSource Health Plans ("Associate") , collectively referred to as the "parties," dated effective the 1st day of January 2014 (the "Effective Date").

RECITALS

A. Plan Sponsor wishes to disclose certain information ("Information") to Associate pursuant to the terms of the Agreement, some of which may constitute protected health information ("PHI").

B. Plan Sponsor and Associate intend to protect the privacy and provide for the security of PHI disclosed to the Associate pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), and regulations promulgated thereunder (the "HIPAA Regulations"), the American Recovery and Reinvestment Act of 2009 and regulations promulgated thereunder (collectively, "ARRA"), and other applicable laws.

C. The purpose of this Addendum is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Section 164.504 (e) of the Code of Federal Regulations ("CFR"), as the same may be amended from time to time.

In consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:

1. Definitions. Capitalized terms used herein without definition shall have the meanings assigned to such terms in 45 CFR Parts 160 and 164, and in ARRA.

2. Obligations of Associate

   (a) Permitted Uses and Disclosures. Associate may use and/or disclose PHI only as required to satisfy its obligations under the Agreement, as permitted herein, or required by law, but shall not otherwise use or disclose PHI.

   (b) Safeguards. Associate shall use commercially reasonable safeguards to prevent use or disclosure of Plan Sponsor PHI other than as provided for by this Addendum, including encryption of electronic PHI. Associate shall maintain a comprehensive written information privacy and security program that includes administrative, technical and physical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it

creates, receives, maintains, or transmits on behalf of Plan Sponsor, as required by 45 CFR 164.314(a)(2)(i)(A).

(c) Reporting of Disclosures. Associate shall report to Plan Sponsor any use or disclosure of Plan Sponsor PHI otherwise than as provided for by this Addendum of which an Associate becomes aware. Associate shall also report to Plan Sponsor any Security Incident related to PHI of which Associate becomes aware.

(d) Mitigation. Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Associate of a use or disclosure of PHI by Associate in violation of this Addendum.

(e) Associates' Agents. Associate shall ensure that any agents, including subcontractors, to whom it provides PHI received from (or created or received by Associate on behalf of) Plan Sponsor, agree to the same restrictions and conditions that apply to Associate with respect to such PHI.

(f) Availability of Information to Plan Sponsor. Associate shall make available to Plan Sponsor such information as Plan Sponsor may require to fulfill the obligations of Plan Sponsor to provide access to, provide a copy of, and account for disclosures with respect to PHI pursuant to HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 164.524 and 164.528.

(g) Amendment of PHI. Associate shall make Plan Sponsor PHI available to Plan Sponsor as Plan Sponsor may require to fulfill Plan Sponsor obligations to amend PHI pursuant to HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 164.526 and Associate shall, as directed by Plan Sponsor, incorporate any amendments to Plan Sponsor PHI into copies of such PHI maintained by Associate.

(h) Internal Practices. Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI received from (or created or received by Associate on behalf of) Plan Sponsor available to the Secretary for purposes of determining the compliance of Plan Sponsor with HIPAA and the HIPAA Regulations.

(i) Documentation and Accounting of Disclosures. Associate shall document disclosures of PHI, and provide such information, as would be required for Plan Sponsor to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

(j) Notification of Breach. During the term of this Addendum, Associate shall notify Plan Sponsor as soon as reasonably practical of any suspected act or actual breach of security, intrusion or unauthorized use or disclosure of PHI and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations, and shall provide such information as required under ARRA. Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

(k) Obligations Imposed by the American Recovery and Reinvestment Act of 2009. Associate agrees to comply with all applicable provisions of ARRA, and any applicable regulations or guidance promulgated or issued thereunder, as of the effective date of those provisions, including without limitation the additional compliance with the Security Rule and the breach notice requirements.

3. Obligations of Plan Sponsor.

(a) Safeguards. Plan Sponsor shall be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Associate pursuant to this Addendum, and in accordance with the standards and requirements of HIPAA, the HIPAA Regulations, and ARRA, until such PHI is received by Associate; at a minimum, Plan Sponsor shall ensure that all electronic PHI is encrypted. Plan Sponsor shall be responsible to send any and all notifications required under ARRA.

(b) Notification of Limitations. Plan Sponsor shall notify Associate of any limitations in its notice of privacy practices of Plan Sponsor in accordance with 45 CFR Section 164.520, to the extent that such limitations may affect Associate's use or disclosure of PHI.

(c) Notice of Changes. Plan Sponsor shall notify Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Associate's use or disclosure of PHI.

(d) Notification of Restrictions. Plan Sponsor shall notify Associate of any restriction to the use or disclosure of PHI that Plan Sponsor has agreed to in accordance with 45 CFR Section 164.522, after consultation with Associate, to the extent such restriction may affect Associate's use or disclosure of PHI.

(e) Compliance. Plan Sponsor shall not act or fail to act in a manner that would cause Associate to violate or not be in compliance with this Addendum, applicable state and federal laws, including HIPAA and ARRA. Employer acknowledges that it is not Associate's responsibility or obligation to ensure that Plan Sponsor comply with any applicable state and/or federal laws.

4. Audits, Inspections and Enforcement. From time to time upon reasonable notice, upon reasonable determination by Plan Sponsor that Associate has breached this Addendum; Plan Sponsor may inspect the facilities, systems, books and records of Associate that pertain to the Plan Sponsor to monitor compliance with this addendum. Associate shall promptly remedy any violation of any term of this addendum and shall certify the same to Plan Sponsor in writing.

5. Termination.

(a) Reasonable Steps To Cure Breach. If Plan Sponsor knows of a pattern of activity or practice of Associate that constitutes a material breach or violation of the Associate's obligations under the provision of this Addendum or another arrangement and does not terminate the Agreement pursuant to the termination provisions of the Agreement, then Associate shall take reasonable steps to cure such breach or end such violation as applicable. If Associate's efforts to cure such breach or end such violation are unsuccessful, Plan Sponsor shall either (i) terminate the Agreement, if feasible, or (ii) if termination of this Addendum is not feasible, Plan Sponsor shall report Associate's breach or violation to the Secretary.

(b) Judicial or Administrative Proceedings. Either party may terminate the Agreement effective immediately, if (i) the other party is named as a defendant in a criminal proceeding for a violation of HIPAA or (ii) a finding or stipulation that the other party has violated any standard or requirement of HIPAA or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

(c) Effect of Termination. Upon termination of this Addendum for any reason, Associate shall return or destroy all PHI received from (or created or received by Associate on behalf of) Plan Sponsor that Associate still maintains in any form and shall retain no copies of such PHI or, if the return or destruction is not feasible, it shall continue to extend the protections of this Addendum to such information.

6. Indemnification. Each party will indemnify, hold harmless and defend the other party to this Addendum from and against any and all claims, losses, liabilities, cost and other expenses incurred as a result of, or arising directly or indirectly out of or in connection with any misrepresentation, breach of warranty or non-fulfillment of any undertaking on the part of the party under this Addendum and any claims, demands, awards, judgments, actions and proceedings made by any person or organization arising out of or in any way connected with the party's performance under this Addendum.

7. Amendment To Comply With Law. The parties acknowledge that state and federal laws relating to Electronic Data Security and privacy may be evolving and that the amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of

HIPAA, the HIPAA Regulations, ARRA, and other applicable laws relating to the security and confidentiality of PHI.

8. No Third Party Beneficiaries. Nothing expressed or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than Plan Sponsor, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

9. Effect On Agreement. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

10. Interpretation. This Addendum and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, HIPAA Regulations, ARRA, and applicable state laws. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HIPAA Regulations, and ARRA.

The parties agree that any ambiguity in this Addendum shall be resolved in favor of meaning that complies and is consistent with HIPAA, the HIPAA Regulations, and ARRA.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date.

| "Sponsor" | "PacificSource" |
| --- | --- |
| City of Springfield | PacificSource Health Plans |
| By:_____ | By: |
| Print:_____ | Print: Kenneth P. Provencher |
| Title:_____ | Title: President and CEO |
| Date:_____ | Date:_____ |

Reviewed by City Contract Officer
Joyce Ma 4.18.14

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Kristi Krueger P.E./ DPW |
| | **Staff Phone No:** | 726-4584 |
| | **Estimated Time:** | Consent Calendar |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Maintain and Improve Infrastructure and Facilities |

| | |
|---|---|
| **ITEM TITLE:** | GATEWAY PAVEMENT PRESERVATION (P21093) INTERGOVERNMENTAL AGREEMENT (IGA) |
| **ACTION REQUESTED:** | Approve or reject the following motion: APPROVE THE GATEWAY PAVEMENT PRESERVATION (P20193) INTERGOVERNMENTAL AGREEMENT NO. 29760 BETWEEN THE CITY OF SPRINGFIELD AND OREGON DEPARTMENT OF TRANSPORTATION AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY. |
| **ISSUE STATEMENT:** | Staff seeks Council authorization for the City Manager to execute Intergovernmental Agreement No. 29760. As part of the Gateway Pavement Preservation project, the Federal-Aid grant match for the City is $175,000. Staff is requesting to enter into this Agreement to proceed with the project. |
| **ATTACHMENTS:** | 1. Intergovernmental Agreement |
| **DISCUSSION/ FINANCIAL IMPACT:** | Keeping Gateway Street in a well maintained condition is vital to the regional economy and to livability in the area. This corridor provides primary access to a wide variety of businesses, including the Gateway Mall, and high density housing, many of which do not have any other access points aside from Gateway Street. It is also a primary route for regional transit with the EmX running in mixed traffic.<br><br>While the intersection of Gateway and Beltline was recently upgraded, the remainder of this heavily traveled corridor is in need of preservation. The street is at a point where, if steps are not taken to preserve the facility, a full reconstruct will be needed. A full reconstruct would have a substantially higher cost and be more disruptive to businesses along this regional corridor. The proposed project controls future costs by improving street conditions before a full reconstruct is needed.<br><br>This project consists of a two-inch (2”) mill and a four-inch (4”) pavement overlay, Americans with Disabilities Act (ADA) ramp upgrades to existing curb ramps and driveways, traffic signal upgrades including video detection, adding flashing yellow arrows at signalized intersections, radio system hardware to replace existing copper communication system for traffic signals, and new signal cabinets or controllers.<br><br>The current estimate to complete this work is $1,700,000, of which $1,525,000 is from Federal Surface Transportation Program – Urban (STP-U). $175,000 of the funding will come through allocated City match funds currently budgeted in the City Street Fund.<br><br>The Gateway Pavement Preservation Project is anticipated for delivery during the 2015 construction season. Staff recommends Council approve IGA No. 29760. |

Contract # 1132

Misc. Contracts and Agreements
No. 29760

**Oregon Department of Transportation**
**LOCAL AGENCY AGREEMENT**
**SURFACE TRANSPORTATION PROGRAM – URBAN**
Gateway Street Preservation: Harlow Road to I-5 Crossing
City of Springfield

**THIS AGREEMENT** is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State;" and the CITY OF SPRINGFIELD, acting by and through its elected officials, hereinafter referred to as "Agency," both herein referred to individually or collectively as "Party" or "Parties."

## RECITALS

1. Gateway Street is a part of the city street system under the jurisdiction and control of Agency.

2. By the authority granted in Oregon Revised Statutes (ORS) 190.110, 366.572 and 366.576, state agencies may enter into cooperative agreements with counties, cities and units of local governments for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.

**NOW THEREFORE**, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

## TERMS OF AGREEMENT

1. Under such authority, State and Agency agree Agency shall design and construct a pavement preservation of Gateway Street from Harlow Road to the Interstate 5 (I-5) crossing, hereinafter referred to as "Project." The Project consists of a two-inch (2") mill and a four-inch (4") pavement overlay, Americans with Disability Act (ADA) ramp upgrades to existing curb ramps and driveways, traffic signal upgrades including video detection, flashing yellow arrow additions, radio system to replace existing copper communication system, and new signal cabinets or controllers. The location of the Project is approximately as shown on the detailed map attached hereto, marked "Exhibit A," and by this reference made a part hereof.

2. The Project will be conducted as a part of the Federal-Aid Surface Transportation Program (STP) under Title 23, United States Code. The total Project cost is estimated at $1,699,544, which is subject to change. STP-urban funds for this Project will be limited to $1,525,000. The Project will be financed with STP funds at the maximum allowable federal participating amount, with Agency providing the match and any non-participating costs, including all costs in excess of the available federal funds.

Key No. 18822

3. The federal funding for this Project is contingent upon approval by the Federal Highway Administration (FHWA). Any work performed prior to acceptance by FHWA or outside the scope of work will be considered nonparticipating and paid for at Agency expense.

4. State considers Agency a subrecipient of the federal funds it receives as reimbursement under this Agreement. The Catalog of Federal Domestic Assistance (CFDA) number and title for this Project is 20.205, Highway Planning and Construction.

5. The term of this Agreement will begin upon execution and will terminate upon completion of the Project and final payment or ten (10) calendar years following the date of final execution, whichever is sooner.

6. Agency shall require its contractor(s) and subcontractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon, Oregon Transportation Commission and its members, Oregon Department of Transportation and its officers, employees and agents from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Agency's contractor or any of the officers, agents, employees or subcontractors of the contractor ("Claims"). It is the specific intention of the Parties that State shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of State, be indemnified by the contractor and subcontractor from and against any and all Claims.

7. Any such indemnification shall also provide that neither Agency's contractor and subcontractor nor any attorney engaged by Agency's contractor and subcontractor shall defend any claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State of Oregon may, at anytime at its election assume its own defense and settlement in the event that it determines that Agency's contractor is prohibited from defending the State of Oregon, or that Agency's contractor is not adequately defending the State of Oregon's interests, or that an important governmental principle is at issue or that it is in the best interests of the State of Oregon to do so. The State of Oregon reserves all rights to pursue claims it may have against Agency's contractor if the State of Oregon elects to assume its own defense.

8. This Agreement may be terminated by mutual written consent of both Parties.

9. State may terminate this Agreement effective upon delivery of written notice to Agency, or at such later date as may be established by State, under any of the following conditions:

a. If Agency fails to provide services called for by this Agreement within the time specified herein or any extension thereof.

b. If Agency fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from State fails to correct such failures within ten (10) days or such longer period as State may authorize.

c. If Agency fails to provide payment of its share of the cost of the Project.

d. If State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.

e. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or State is prohibited from paying for such work from the planned funding source.

10. Any termination of this Agreement will not prejudice any rights or obligations accrued to the Parties prior to termination.

11. The Special and Standard Provisions attached hereto, marked Attachments 1 and 2, respectively, are by this reference made a part hereof. The Standard Provisions apply to all federal-aid projects and may be modified only by the Special Provisions. The Parties hereto mutually agree to the terms and conditions set forth in Attachments 1 and 2. In the event of a conflict, this Agreement will control over the attachments, and Attachment 1 will control over Attachment 2.

12. Agency, as a recipient of federal funds, pursuant to this Agreement with State, shall assume sole liability for Agency's breach of any federal statutes, rules, program requirements and grant provisions applicable to the federal funds, and will, upon Agency's breach of any such conditions that requires State to return funds to the FHWA, hold harmless and indemnify State for an amount equal to the funds received under this Agreement; or if legal limitations apply to the indemnification ability of Agency, the indemnification amount will be the maximum amount of funds available for expenditure, including any available contingency funds or other available non-appropriated funds, up to the amount received under this Agreement.

13. Agency certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of Agency, under the direction or approval of its governing body, commission, board, officers, members or representatives, and to legally bind Agency.

14. State's Project Manager for this Project is Ted Keasey, P.E., Local Agency Liaison, ODOT, Region 2, 455 Airport Road SE, Building B, Salem, Oregon 97301-5395; phone: (503) 986-6903; email: ted.w.keasey@odot.state.or.us, or assigned designee upon individual's absence. State shall notify the other Party in writing of any contact information changes during the term of this Agreement.

15. Agency's Project Manager for this Project is Kristi Krueger, P.E., Civil Engineer, City of Springfield Development and Public Works, 225 Fifth Street, Springfield, Oregon 97477; phone: (541) 726-4584; email: kkrueger@springfield-or.gov, or assigned designee upon individual's absence. Agency shall notify the other Party in writing of any contact information changes during the term of this Agreement.

16. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together will constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed will constitute an original.

17. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement will bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, will be effective only in the specific instance and for the specific purpose given. The failure of State to enforce any provision of this Agreement will not constitute a waiver by State of that or any other provision.

**THE PARTIES**, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

This Project is in the 2012-2015 Statewide Transportation Improvement Program, (Key No. 18822) that was approved by the Oregon Transportation Commission on March 21, 2012 (or subsequently approved by amendment to the STIP).

SIGNATURE PAGE FOLLOWS

**CITY OF SPRINGFIELD**, by and through its elected officials

By _____
City Manager

Date _____

**APPROVED AS TO LEGAL FORM**

By Joseph J Leahy
City Legal Counsel

Date 3/3/14

**Agency Contact:**
Kristi Krueger, P.E., Civil Engineer
City of Springfield
Development and Public Works
225 Fifth Street
Springfield, OR 97477
Phone: (541) 726-4584
Email: kkrueger@springfield-or.gov

**State Contact:**
Ted Keasey, P.E., Local Agency Liaison
ODOT, Region 2
455 Airport Road SE, Bldg. B
Salem, OR 97301-5395
Phone: (503) 986-6903
Email: ted.w.keasey@odot.state.or.us

Reviewed by City Contract Officer
Mike Mc 2-26-14

**STATE OF OREGON**, by and through its Department of Transportation

By _____
Highway Division Administrator

Date _____

**APPROVAL RECOMMENDED**

By _____
Region 2 Manager

Date _____

By _____
Region 2 Planning and Development Manager

Date _____

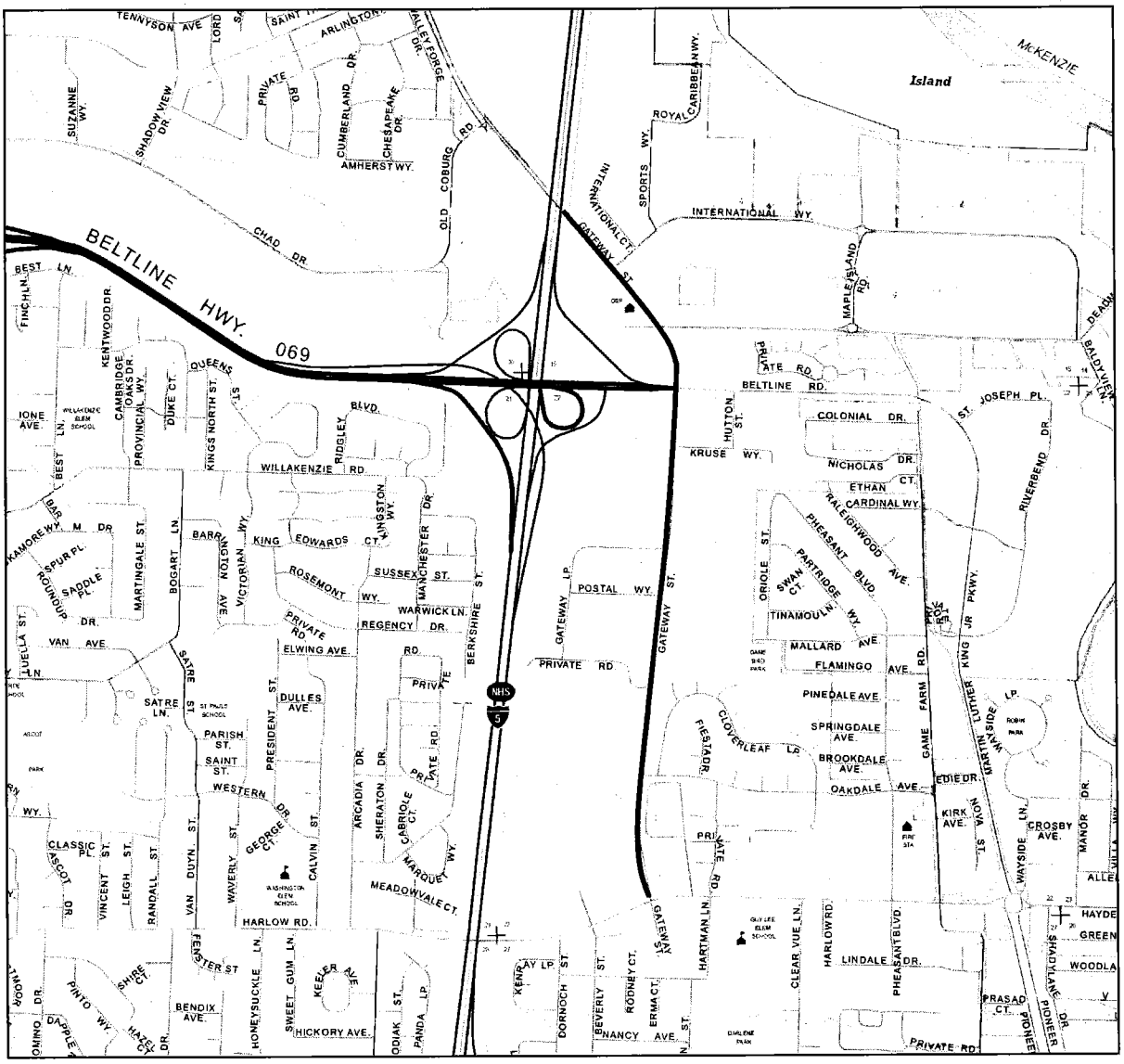
**APPROVED AS TO LEGAL SUFFICIENCY**

By _____
Assistant Attorney General

Date _____

## EXHIBIT A – Project Location Map

## Gateway Street: Harlow Road to I-5 Crossing



# ATTACHMENT NO. 1
## SPECIAL PROVISIONS

1. Agency or its consultant shall, as a federal-aid participating preliminary engineering function, conduct the necessary field surveys, environmental studies, traffic investigations, foundation explorations, and hydraulic studies, identify and obtain all required permits, assist State with acquisition of necessary right of way and/or easements, and perform all preliminary engineering and design work required to produce final plans, preliminary/final specifications and cost estimates.

2. Upon State's award of the construction contract, Agency, or its consultant, shall be responsible to perform all construction engineering, field testing of materials, technical inspection and project manager services for administration of the contract.

3. State may make available Region 2's On-Call Preliminary Engineering (PE), Design and Construction Engineering Services consultant for Local Agency Projects upon written request. If Agency chooses to use said services, Agency agrees to manage the work performed by the consultant and make funds available to the State for payment of those services. All eligible work will be a federally participating cost and included as part of the total cost of the Project.

4. Indemnification language in the Standards Provisions, Paragraphs 46 and 47; and Paragraph 4 in regards to tort claims, shall be replaced with the following language:

   a. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or Agency with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.

   b. With respect to a Third Party Claim for which State is jointly liable with Agency (or would be if joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Agency in such proportion as is appropriate to reflect the relative fault of State on the one hand and of Agency on the other hand in connection with the events

which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of Agency on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.

c. With respect to a Third Party Claim for which Agency is jointly liable with State (or would be if joined in the Third Party Claim), Agency shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of Agency on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Agency on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Agency's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

d. The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.

5. Agency shall, at its own expense, maintain and operate the Project upon completion at a minimum level that is consistent with normal depreciation and/or service demand.

6. Maintenance responsibilities will survive any termination of this Agreement.

# ATTACHMENT NO. 2
# FEDERAL STANDARD PROVISIONS

## JOINT OBLIGATIONS

### PROJECT ADMINISTRATION

1. State (ODOT) is acting to fulfill its responsibility to the Federal Highway Administration (FHWA) by the administration of this Project, and Agency (i.e. county, city, unit of local government, or other state agency) hereby agrees that State shall have full authority to carry out this administration. If requested by Agency or if deemed necessary by State in order to meet its obligations to FHWA, State will further act for Agency in other matters pertaining to the Project. Agency shall, if necessary, appoint and direct the activities of a Citizen's Advisory Committee and/or Technical Advisory Committee, conduct a hearing and recommend the preferred alternative. State and Agency shall each assign a liaison person to coordinate activities and assure that the interests of both parties are considered during all phases of the Project.

2. Any project that uses federal funds in project development is subject to plans, specifications and estimates (PS&E) review and approval by FHWA or State acting on behalf of FHWA prior to advertisement for bid proposals, regardless of the source of funding for construction.

### PRELIMINARY & CONSTRUCTION ENGINEERING

3. State, Agency, or others may perform preliminary and construction engineering. If Agency or others perform the engineering, State will monitor the work for conformance with FHWA rules and regulations. In the event that Agency elects to engage the services of a personal services consultant to perform any work covered by this Agreement, Agency and Consultant shall enter into a State reviewed and approved personal services contract process and resulting contract document. State must concur in the contract prior to beginning any work. State's personal services contracting process and resulting contract document will follow Title 23 Code of Federal Regulations (CFR) 172, Title 49 CFR 18, ORS 279A.055, the current State Administrative Rules and State Personal Services Contracting Procedures as approved by the FHWA. Such personal services contract(s) shall contain a description of the work to be performed, a project schedule, and the method of payment. Subcontracts shall contain all required provisions of Agency as outlined in the Agreement. No reimbursement shall be made using federal-aid funds for any costs incurred by Agency or its consultant prior to receiving authorization from State to proceed. Any amendments to such contract(s) also require State's approval.

4. On all construction projects where State is the signatory party to the contract, and where Agency is doing the construction engineering and project management, Agency, subject to any limitations imposed by state law and the Oregon Constitution, agrees to accept all responsibility, defend lawsuits, indemnify and hold State harmless, for all tort claims, contract claims, or any other lawsuit arising out of the contractor's work or Agency's supervision of the project.

## REQUIRED STATEMENT FOR UNITED STATES DEPARTMENT OF TRANSPORTATION (USDOT) FINANCIAL ASSISTANCE AGREEMENT

5. If as a condition of assistance, Agency has submitted and the United States Department of Transportation (USDOT) has approved a Disadvantaged Business Enterprise Affirmative Action Program which Agency agrees to carry out, this affirmative action program is incorporated into the financial assistance agreement by reference. That program shall be treated as a legal obligation and failure to carry out its terms shall be treated as a violation of the financial assistance agreement. Upon notification from USDOT to Agency of its failure to carry out the approved program, USDOT shall impose such sanctions as noted in Title 49, CFR, Part 26, which sanctions may include termination of the agreement or other measures that may affect the ability of Agency to obtain future USDOT financial assistance.

6. **Disadvantaged Business Enterprises (DBE) Obligations.** State and its contractor agree to ensure that DBE as defined in Title 49, CFR, Part 26, have the opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with federal funds. In this regard, Agency shall take all necessary and reasonable steps in accordance with Title 49, CFR, Part 26, to ensure that DBE have the opportunity to compete for and perform contracts. Neither State nor Agency and its contractors shall discriminate on the basis of race, color, national origin or sex in the award and performance of federally-assisted contracts. Agency shall carry out applicable requirements of Title 49, CFR, Part 26, in the award and administration of such contracts. Failure by Agency to carry out these requirements is a material breach of this Agreement, which may result in the termination of this contract or such other remedy as State deems appropriate.

7. The DBE Policy Statement and Obligations shall be included in all subcontracts entered into under this Agreement.

8. Agency agrees to comply with all applicable civil rights laws, rules and regulations, including Title V and Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 (ADA), and Titles VI and VII of the Civil Rights Act of 1964.

9. The parties hereto agree and understand that they will comply with all applicable federal, state, and local laws, regulations, executive orders and ordinances applicable to the work including, but not limited to, the provisions of ORS 279C.505, 279C.515, 279C.520, 279C.530 and 279B.270, incorporated herein by reference and made a part hereof; Title 23 CFR Parts 1.11, 140, 710, and 771; Title 49 CFR Parts 18, 24 and 26; 2 CFR 225, and OMB CIRCULAR NO. A-133, Title 23, USC, Federal-Aid Highway Act; Title 41, Chapter 1, USC 51-58, Anti-Kickback Act; Title 42 USC; Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended and provisions of Federal-Aid Policy Guide (FAPG).

## STATE OBLIGATIONS

### PROJECT FUNDING REQUEST

10. State shall submit a Project funding request to FHWA with a request for approval of federal-aid participation in all engineering, right-of-way acquisition, eligible utility relocations and/or construction work for the Project. **No work shall proceed on any activity in which**

**federal-aid participation is desired until such approval has been obtained.** The program shall include services to be provided by State, Agency, or others. State shall notify Agency in writing when authorization to proceed has been received from FHWA. Major responsibility for the various phases of the Project will be as outlined in the Special Provisions. All work and records of such work shall be in conformance with FHWA rules and regulations.

## FINANCE

11. State shall, in the first instance, pay all reimbursable costs of the Project, submit all claims for federal-aid participation to FHWA in the normal manner and compile accurate cost accounting records. Agency may request a statement of costs to date at any time by submitting a written request. When the actual total cost of the Project has been computed, State shall furnish Agency with an itemized statement of final costs. Agency shall pay an amount which, when added to said advance deposit and federal reimbursement payment, will equal 100 percent of the final total actual cost. Any portion of deposits made in excess of the final total costs of Project, minus federal reimbursement, shall be released to Agency. The actual cost of services provided by State will be charged to the Project expenditure account(s) and will be included in the total cost of the Project.

12. If federal funds are used, State will specify the Catalog of Federal Domestic Assistance (CFDA) number in the Agreement. State will also determine and clearly state in the Agreement if recipient is a subrecipient or vendor, using criteria in Circular A-133.

## PROJECT ACTIVITIES

13. State shall, if the preliminary engineering work is performed by Agency or others, review and process or approve all environmental statements, preliminary and final plans, specifications and cost estimates. State shall, if they prepare these documents, offer Agency the opportunity to review and approve the documents prior to advertising for bids.

14. The party responsible for performing preliminary engineering for the Project shall, as part of its preliminary engineering costs, obtain all Project related permits necessary for the construction of said Project. Said permits shall include, but are not limited to, access, utility, environmental, construction, and approach permits. All pre-construction permits will be obtained prior to advertisement for construction.

15. State shall prepare contract and bidding documents, advertise for bid proposals, and award all contracts.

16. Upon State's award of a construction contract, State shall perform independent assurance testing in accordance with State and FHWA Standards, process and pay all contractor progress estimates, check final quantities and costs, and oversee and provide intermittent inspection services during the construction phase of the Project.

17. State shall, as a Project expense, assign a liaison person to provide Project monitoring as needed throughout all phases of Project activities (preliminary engineering, right-of-way acquisition, and construction). The liaison shall process reimbursement for federal participation costs.

### RIGHT OF WAY

18. State is responsible for proper acquisition of the necessary right of way and easements for construction and maintenance of the Project. Agency may perform acquisition of the necessary right of way and easements for construction and maintenance of the Project, provided Agency (or Agency's consultant) are qualified to do such work as required by the State's Right of Way Manual and have obtained prior approval from State's Region Right of Way office to do such work.

19. Regardless of who acquires or performs any of the right of way activities, a right of way services agreement shall be created by State's Region Right of Way office setting forth the responsibilities and activities to be accomplished by each party. State shall always be responsible for requesting project funding, coordinating certification of the right of way, and providing oversight and monitoring. Funding authorization requests for federal right of way funds must be sent through the State's Region Right of Way offices on all projects. All projects must have right of way certification coordinated through State's Region Right of Way offices (even for projects where no federal funds were used for right of way, but federal funds were used elsewhere on the Project). Agency should contact the State's Region Right of Way office for additional information or clarification.

20. State shall review all right of way activities engaged in by Agency to assure compliance with applicable laws and regulations. Agency agrees that right of way activities shall be in accord with the Uniform Relocation Assistance & Real Property Acquisition Policies Act of 1970, as amended, ORS Chapter 35, FHWA Federal-Aid Policy Guide, State's Right of Way Manual and the Code of Federal Regulations, Title 23, Part 710 and Title 49, Part 24.

21. If any real property purchased with federal-aid participation is no longer needed for the originally authorized purpose, the disposition of such property shall be subject to applicable rules and regulations, which are in effect at the time of disposition. Reimbursement to State and FHWA of the required proportionate shares of the fair market value may be required.

22. Agency insures that all Project right of way monumentation will be conducted in conformance with ORS 209.155.

23. State and Agency grants each other authority to enter onto the other's right of way for the performance of the Project.

## AGENCY OBLIGATIONS

### FINANCE

24. Federal funds shall be applied toward Project costs at the current federal-aid matching ratio, unless otherwise agreed and allowable by law. Agency shall be responsible for the entire match amount, unless otherwise agreed to and specified in the intergovernmental agreement.

25. Agency's estimated share and advance deposit.

    a. Agency shall, prior to commencement of the preliminary engineering and/or right of way acquisition phases, deposit with State its estimated share of each phase. Exception may be made in the case of projects where Agency has written approval from State to use

in-kind contributions rather than cash to satisfy all or part of the matching funds requirement.

b. Agency's construction phase deposit shall be 110 percent of Agency's share of the engineer's estimate and shall be received prior to award of the construction contract. Any additional balance of the deposit, based on the actual bid must be received within forty-five (45) days of receipt of written notification by State of the final amount due, unless the contract is canceled. Any unnecessary balance of a cash deposit, based on the actual bid, will be refunded within forty-five (45) days of receipt by State of the Project sponsor's written request.

c. Pursuant to ORS 366.425, the advance deposit may be in the form of 1) money deposited in the State Treasury (an option where a deposit is made in the Local Government Investment Pool, and an Irrevocable Limited Power of Attorney is sent to the Highway Finance Office), or 2) an Irrevocable Letter of Credit issued by a local bank in the name of State, or 3) cash.

d. Agency may satisfy all or part of any matching funds requirements by use of in-kind contributions rather than cash when prior written approval has been given by State.

26. If the estimated cost exceeds the total matched federal funds available, Agency shall deposit its share of the required matching funds, plus 100 percent of all costs in excess of the total matched federal funds. Agency shall also pay 100 percent of the cost of any item in which FHWA will not participate. If Agency has not repaid any non-participating cost, future allocations of federal funds, or allocations of State Highway Trust Funds, to that Agency may be withheld to pay the non-participating costs. If State approves processes, procedures, or contract administration outside the Local Agency Guidelines that result in items being declared non-participating, those items will not result in the withholding of Agency's future allocations of federal funds or the future allocations of State Highway Trust Funds.

27. Costs incurred by State and Agency for services performed in connection with any phase of the Project shall be charged to the Project, unless otherwise mutually agreed upon.

28. If Agency makes a written request for the cancellation of a federal-aid project; Agency shall bear 100 percent of all costs as of the date of cancellation. If State was the sole cause of the cancellation, State shall bear 100 percent of all costs incurred. If it is determined that the cancellation was caused by third parties or circumstances beyond the control of State or Agency, Agency shall bear all development costs, whether incurred by State or Agency, either directly or through contract services, and State shall bear any State administrative costs incurred. After settlement of payments, State shall deliver surveys, maps, field notes, and all other data to Agency.

29. Agency shall follow requirements of the Single Audit Act. The requirements stated in the Single Audit Act must be followed by those local governments and non-profit organizations receiving $500,000 or more in federal funds. The Single Audit Act of 1984, PL 98-502 as amended by PL 104-156, described in "OMB CIRCULAR NO. A-133", requires local governments and non-profit organizations to obtain an audit that includes internal controls and compliance with federal laws and regulations of all federally-funded programs in which

the local agency participates. The cost of this audit can be partially prorated to the federal program.

30. Agency shall make additional deposits, as needed, upon request from State. Requests for additional deposits shall be accompanied by an itemized statement of expenditures and an estimated cost to complete the Project.

31. Agency shall present invoices for 100 percent of actual costs incurred by Agency on behalf of the Project directly to State's Liaison Person for review and approval. Such invoices shall identify the Project and Agreement number, and shall itemize and explain all expenses for which reimbursement is claimed. Billings shall be presented for periods of not less than one-month duration, based on actual expenses to date. All billings received from Agency must be approved by State's Liaison Person prior to payment. Agency's actual costs eligible for federal-aid or State participation shall be those allowable under the provisions of Title 23 CFR Parts 1.11, 140 and 710, Final billings shall be submitted to State for processing within three (3) months from the end of each funding phase as follows: 1) award date of a construction contract for preliminary engineering (PE) 2) last payment for right of way acquisition and 3) third notification for construction. Partial billing (progress payment) shall be submitted to State within three (3) months from date that costs are incurred. Final billings submitted after the three months shall not be eligible for reimbursement.

32. The cost records and accounts pertaining to work covered by this Agreement are to be kept available for inspection by representatives of State and FHWA for a period of six (6) years following the date of final voucher to FHWA. Copies of such records and accounts shall be made available upon request. For real property and equipment, the retention period starts from the date of disposition (Title 49 CFR 18.42).

33. State shall request reimbursement, and Agency agrees to reimburse State, for federal-aid funds distributed to Agency if any of the following events occur:

    a. Right of way acquisition or actual construction of the facility for which preliminary engineering is undertaken is not started by the close of the tenth fiscal year following the fiscal year in which the federal-aid funds were authorized;

    b. Right of way acquisition is undertaken utilizing federal-aid funds and actual construction is not started by the close of the twentieth fiscal year following the fiscal year in which the federal-aid funds were authorized for right of way acquisition.

    c. Construction proceeds after the Project is determined to be ineligible for federal-aid funding (e.g., no environmental approval, lacking permits, or other reasons).

34. Agency shall maintain all Project documentation in keeping with State and FHWA standards and specifications. This shall include, but is not limited to, daily work records, quantity documentation, material invoices and quality documentation, certificates of origin, process control records, test results, and inspection records to ensure that projects are completed in conformance with approved plans and specifications.

## RAILROADS

35. Agency shall follow State established policy and procedures when impacts occur on railroad property. The policy and procedures are available through State's appropriate Region contact or State's Railroad Liaison. Only those costs allowable under Title 23 CFR Part 646, subpart B and Title 23 CFR Part 140, subpart I, shall be included in the total Project costs; all other costs associated with railroad work will be at the sole expense of Agency, or others. Agency may request State, in writing, to provide railroad coordination and negotiations. However, State is under no obligation to agree to perform said duties.

## UTILITIES

36. Agency shall follow State established Statutes, Policies and Procedures when impacts occur to privately or publicly-owned utilities. Only those utility relocations, which are eligible for federal-aid participation under, the FAPG, Title 23 CFR 645A, Subpart A and B, shall be included in the total Project costs; all other utility relocations shall be at the sole expense of Agency, or others. State will arrange for utility relocations/adjustments in areas lying within jurisdiction of State, if State is performing the preliminary engineering. Agency may request State in writing to arrange for utility relocations/adjustments lying within Agency jurisdiction, acting on behalf of Agency. This request must be submitted no later than twenty-one (21) weeks prior to bid let date. However, State is under no obligation to agree to perform said duties.

37. The State utility relocation policy, procedures and forms are available through the appropriate State's Region Utility Specialist or State Utility Liaison. Agency shall provide copies of all signed utility notifications, agreements and Utility Certification to the State Utility Liaison.

## STANDARDS

38. Agency agrees that design standards for all projects on the National Highway System (NHS) and the Oregon State Highway System shall be in compliance to standards specified in the current "State Highway Design Manual" and related references. Construction plans shall be in conformance with standard practices of State for plans prepared by its own staff. All specifications for the Project shall be in substantial compliance with the most current "Oregon Standard Specifications for Highway Construction".

39. Agency agrees that minimum design standards for non-NHS projects shall be recommended AASHTO Standards and in accordance with the current "Oregon Bicycle and Pedestrian Design Guide", unless otherwise requested by Agency and approved by State.

40. Agency agrees and will verify that the installation of traffic control devices shall meet the warrants prescribed in the "Manual on Uniform Traffic Control Devices and Oregon Supplements".

41. All plans and specifications shall be developed in general conformance with the current "Contract Plans Development Guide" and the current "Oregon Standard Specifications for Highway Construction" and/or guidelines provided.

42. The standard unit of measurement for all aspects of the Project shall be English Units. All Project documents and products shall be in English. This includes, but is not limited to, right of way, environmental documents, plans and specifications, and utilities.

**GRADE CHANGE LIABILITY**

43. Agency, if a County, acknowledges the effect and scope of ORS 105.755 and agrees that all acts necessary to complete construction of the Project which may alter or change the grade of existing county roads are being accomplished at the direct request of the County.

44. Agency, if a City, hereby accepts responsibility for all claims for damages from grade changes. Approval of plans by State shall not subject State to liability under ORS 105.760 for change of grade.

45. Agency, if a City, by execution of Agreement, gives its consent as required by ORS 373.030(2) to any and all changes of grade within the City limits, and gives its consent as required by ORS 373.050(1) to any and all closure of streets intersecting the highway, if any there be in connection with or arising out of the project covered by the Agreement.

**CONTRACTOR CLAIMS**

46. Agency shall, to the extent permitted by state law, indemnify, hold harmless and provide legal defense for State against all claims brought by the contractor, or others resulting from Agency's failure to comply with the terms of this Agreement.

47. Notwithstanding the foregoing defense obligations under Paragraph 46, neither Agency nor any attorney engaged by Agency shall defend any claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State of Oregon may, at anytime at its election assume its own defense and settlement in the event that it determines that Agency is prohibited from defending the State of Oregon, or that Agency is not adequately defending the State of Oregon's interests, or that an important governmental principle is at issue or that it is in the best interests of the State of Oregon to do so. The State of Oregon reserves all rights to pursue any claims it may have against Agency if the State of Oregon elects to assume its own defense.

**MAINTENANCE RESPONSIBILITIES**

48. Agency shall, upon completion of construction, thereafter maintain and operate the Project at its own cost and expense, and in a manner satisfactory to State and FHWA.

**WORKERS' COMPENSATION COVERAGE**

49. All employers, including Agency, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. Employers Liability Insurance with coverage limits of not less than $500,000 must be included. Agency shall ensure that each of its contractors complies with these requirements.

**LOBBYING RESTRICTIONS**

50. Agency certifies by signing the Agreement that:

a. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, and contracts and subcontracts under grants, subgrants, loans, and cooperative agreements) which exceed $100,000, and that all such subrecipients shall certify and disclose accordingly.

d. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31, USC Section 1352.

e. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Paragraphs 36, 37, and 48 are not applicable to any local agency on state highway projects.

| **AGENDA ITEM SUMMARY** | **Meeting Date:** | 5/5/2014 |
|---|---|---|
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Jeff Paschall/Public Works |
| | **Staff Phone No:** | 541-726-1674 |
| | **Estimated Time:** | Consent Calendar |
| **S P R I N G F I E L D**<br>**C I T Y C O U N C I L** | **Council Goals:** | Maintain and Improve Infrastructure and Facilities |

| | |
|---|---|
| **ITEM TITLE:** | BID AWARD FOR PROJECT P21078 SOUTH SECOND STREET SANITARY SEWER REPLACEMENT |
| **ACTION REQUESTED:** | Approve or reject the following motion:<br><br>TO AWARD THE SUBJECT CONTRACT TO H&J CONSTRUCTION, INC. IN THE AMOUNT OF $490,912.00. |
| **ISSUE STATEMENT:** | Three bids were received on this sanitary sewer replacement project. Contract award is now necessary to enable work to proceed. |
| **ATTACHMENTS:** | 1. Bid Summary |

**DISCUSSION/ FINANCIAL IMPACT:**

The South Second Street Sewer was recommended for replacement after staff evaluation following a sanitary sewer overflow event in 2012. This sanitary sewer replacement project includes the following:

- Placement of 220 linear feet of new 6-inch, 145 linear feet of new 8-inch and 1,462 linear feet of new 12-inch PVC sanitary sewer pipe as well as 41 linear feet of 12-inch HDPE sanitary sewer pipe.
- Installation of 95 linear feet of new 24-inch casing underneath the Union Pacific Railroad and 30 linear feet of 16-inch casing underneath the South 2nd Street Mill Race Bridge.
- Removal of 25 linear feet of existing 8-inch cast iron sanitary sewer pipe.
- Abandon 6 existing manholes, remove 3 existing manholes and install 9 new sanitary sewer manholes by the open cut method.
- Associated surface restoration.

The following bids were received and opened on April 22, 2014:

| | |
|---|---|
| Engineer's Estimate | $744,943.00 |
| H&J Construction, Inc. | $490,912.00 |
| Wildish Construction Company | $548,378.00 |
| Pacific Excavation, Inc. | $598,895.59 |

H&J Construction, Inc. is the low bidder on this project. Funding for this project is supported through wastewater user fees with sufficient funds budgeted in the S 2nd Street Sewer Replacement Project account (850249) to allow award of the contract.

SPRINGFIELD

**BIDS RECEIVED: April 22, 2014**

***PROJECT: P21078 South 2nd Street Sanitary Sewer Replacement***

**City's *Notice of Intent to Award* as required by ORS 279C.375**

**It is the policy of the City of Springfield to award Contracts to the Responsible Bidder submitting the lowest Responsive Bid. The City of Springfield reserves its right to reject any or all bids not in compliance with all prescribed public bidding procedures and requirements, waive minor irregularities not affecting substantial rights, and may reject for good cause any or all bids upon a finding of the City of Springfield that it is in the best public interest to do so, and accept such bids that in the opinion of the Springfield City Council are in the best interest of the City of Springfield. Please be informed that the City intends to award a contract to the Bidder so designated.**

**Lowest Responsive Bidder: H&J Construction, Inc.**

| ITEM NO. | ITEM DESCRIPTION | UNIT | QUANTITY | ENGINEER'S UNIT PRICE ESTIMATE | ENGINEER'S EXTENDED UNIT PRICE ESTIMATE | H&J Construction, Inc. UNIT PRICE | H&J Construction, Inc. EXTENDED PRICE | Wildish Construction Company UNIT PRICE | Wildish Construction Company EXTENDED PRICE | Pacific Excavation, Inc. UNIT PRICE | Pacific Excavation, Inc. EXTENDED PRICE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Construction Bid Items** | | | | | | | | | | |
| 0060 | Mobilization, Demobilization, Bonding and Insurance | L.S. | 1 | $ 100,000.00 | $ 100,000.00 | $ 64,500.00 | $ 64,500.00 | $ 55,000.00 | $ 55,000.00 | $ 88,920.00 | $ 88,920.00 |
| 0063 | Clearing and Grubbing | L.S. | 1 | $ 10,000.00 | $ 10,000.00 | $ 100.00 | $ 100.00 | $ 600.00 | $ 600.00 | $ 1,300.00 | $ 1,300.00 |
| 0064 | Erosion Control | L.S. | 1 | $ 15,000.00 | $ 15,000.00 | $ 1,500.00 | $ 1,500.00 | $ 2,400.00 | $ 2,400.00 | $ 900.00 | $ 900.00 |
| 0066 | Lawn and Landscaping Restoration | L.S. | 1 | $ 5,000.00 | $ 5,000.00 | $ 200.00 | $ 200.00 | $ 1,600.00 | $ 1,600.00 | $ 1,500.00 | $ 1,500.00 |
| 0073 | Excavation Below Grade | C.Y. | 100 | $ 30.00 | $ 3,000.00 | $ 20.00 | $ 2,000.00 | $ 30.00 | $ 3,000.00 | $ 45.00 | $ 4,500.00 |
| 0075 | Common Excavation | C.Y. | 50 | $ 15.00 | $ 750.00 | $ 20.00 | $ 1,000.00 | $ 52.00 | $ 2,600.00 | $ 35.00 | $ 1,750.00 |
| 0101 | Geotextile Fabric | S.Y. | 178 | $ 1.00 | $ 178.00 | $ 3.00 | $ 534.00 | $ 1.25 | $ 222.50 | $ 1.00 | $ 178.00 |
| 0103 | Hot Mix Asphalt Concrete (HMAC) Trench Pavement Restoration | TON | 198 | $ 150.00 | $ 29,700.00 | $ 200.00 | $ 39,600.00 | $ 130.00 | $ 25,740.00 | $ 165.00 | $ 32,670.00 |
| 0121 | 8 inch Reinforced Concrete Driveway | S.F. | 2,442 | $ 20.00 | $ 48,840.00 | $ 12.50 | $ 30,525.00 | $ 10.00 | $ 24,420.00 | $ 11.50 | $ 28,083.00 |
| 0132 | Concrete Curb and Gutters | L.F. | 948 | $ 25.00 | $ 23,700.00 | $ 20.00 | $ 18,960.00 | $ 18.00 | $ 17,064.00 | $ 22.00 | $ 20,856.00 |
| 0137 | 4-inch Concrete Sidewalk | S.F. | 2,675 | $ 10.00 | $ 26,750.00 | $ 6.50 | $ 17,387.50 | $ 3.50 | $ 9,362.50 | $ 5.00 | $ 13,375.00 |
| 0141 | Handicap Ramps | S.F. | 25 | $ 25.00 | $ 625.00 | $ 19.00 | $ 475.00 | $ 20.00 | $ 500.00 | $ 11.00 | $ 275.00 |
| 0142 | Truncated Domes for Handicap Ramps | EACH | 1 | $ 200.00 | $ 200.00 | $ 200.00 | $ 200.00 | $ 150.00 | $ 150.00 | $ 200.00 | $ 200.00 |
| 0197 | Saw-Cutting Existing Surface | L.F. | 4,250 | $ 2.50 | $ 10,625.00 | $ 2.00 | $ 8,500.00 | $ 3.00 | $ 12,750.00 | $ 1.10 | $ 4,675.00 |
| 0256 | 6-inch ASTM D3034 SDR 35 (granular/CDF backfill) PVC Sanitary Sewer | L.F. | 220 | $ 60.00 | $ 13,200.00 | $ 63.00 | $ 13,860.00 | $ 125.00 | $ 27,500.00 | $ 59.00 | $ 12,980.00 |
| 0257 | 8-inch ASTM D3034 SDR 35 (granular/CDF backfill) PVC Sanitary Sewer | L.F. | 145 | $ 65.00 | $ 9,425.00 | $ 66.50 | $ 9,642.50 | $ 128.00 | $ 18,560.00 | $ 75.00 | $ 10,875.00 |
| 0259 | 12-inch ASTM D3034 SDR 35 (granular/CDF backfill) PVC Sanitary Sewer | L.F. | 1,462 | $ 75.00 | $ 109,650.00 | $ 61.50 | $ 89,913.00 | $ 103.00 | $ 150,586.00 | $ 106.00 | $ 154,972.00 |
| 0259a | 12-inch DR-17 HDPE Sanitary Sewer | L.F. | 41 | $ 50.00 | $ 2,050.00 | $ 65.00 | $ 2,665.00 | $ 90.00 | $ 3,690.00 | $ 61.00 | $ 2,501.00 |
| 0259b | Remove Existing 8-inch Sanitary Sewer Pipe Underneath S. Second Street Bridge | L.F. | 25 | $ 100.00 | $ 2,500.00 | $ 75.00 | $ 1,875.00 | $ 150.00 | $ 3,750.00 | $ 100.00 | $ 2,500.00 |
| 0271 | 2-Way Lateral Cleanout Box and Cover | EACH | 8 | $ 300.00 | $ 2,400.00 | $ 300.00 | $ 2,400.00 | $ 325.00 | $ 2,600.00 | $ 250.00 | $ 2,000.00 |
| 0272 | Traffic Rated Cleanout Box and Cover | EACH | 7 | $ 200.00 | $ 1,400.00 | $ 100.00 | $ 700.00 | $ 41.00 | $ 287.00 | $ 50.00 | $ 350.00 |
| 0273 | Plastic Cleanout Box and Cover | EACH | 1 | $ 50.00 | $ 50.00 | $ 25.00 | $ 25.00 | $ 16.00 | $ 16.00 | $ 20.00 | $ 20.00 |
| 0277 | New 48-inch Sanitary Sewer Manhole | EACH | 6 | $ 3,100.00 | $ 18,600.00 | $ 2,000.00 | $ 12,000.00 | $ 3,000.00 | $ 18,000.00 | $ 3,600.00 | $ 21,600.00 |
| 0277a | Remove and Replace 48-inch Sanitary Sewer Manhole | EACH | 3 | $ 4,200.00 | $ 12,600.00 | $ 2,500.00 | $ 7,500.00 | $ 3,500.00 | $ 10,500.00 | $ 3,300.00 | $ 9,900.00 |
| 0277b | Abandon 48-inch Sanitary Sewer Manhole | EACH | 6 | $ 1,000.00 | $ 6,000.00 | $ 500.00 | $ 3,000.00 | $ 900.00 | $ 5,400.00 | $ 1,100.00 | $ 6,600.00 |
| 0281 | Manhole Frame and Cover Adjustment | EACH | 9 | $ 500.00 | $ 4,500.00 | $ 500.00 | $ 4,500.00 | $ 900.00 | $ 8,100.00 | $ 850.00 | $ 7,650.00 |
| 0287 | Bore and Jack for 24-inch Pipe Through Unclassified | L.F. | 60 | $ 1,000.00 | $ 60,000.00 | $ 500.00 | $ 30,000.00 | $ 700.00 | $ 42,000.00 | $ 670.00 | $ 40,200.00 |
| 0287a | Core and Jack for 16-inch Pipe | L.F. | 30 | $ 500.00 | $ 15,000.00 | $ 265.00 | $ 7,950.00 | $ 400.00 | $ 12,000.00 | $ 300.00 | $ 9,000.00 |
| 0288 | Bore and Jack for 24-inch Pipe Through Rock | L.F. | 50 | $ 2,000.00 | $ 100,000.00 | $ 960.00 | $ 48,000.00 | $ 700.00 | $ 35,000.00 | $ 990.00 | $ 49,500.00 |
| 0296 | 8-inch ASTM D3034 SDR 35 Storm Sewer | L.F. | 20 | $ 50.00 | $ 1,000.00 | $ 50.00 | $ 1,000.00 | $ 65.00 | $ 1,300.00 | $ 59.00 | $ 1,180.00 |
| 0297 | 10-inch ASTM D3034 SDR 35 Storm Sewer | L.F. | 10 | $ 60.00 | $ 600.00 | $ 75.00 | $ 750.00 | $ 110.00 | $ 1,100.00 | $ 75.00 | $ 750.00 |
| 0299 | 15-inch ASTM D3034 SDR 35 Storm Sewer | L.F. | 10 | $ 70.00 | $ 700.00 | $ 85.00 | $ 850.00 | $ 130.00 | $ 1,300.00 | $ 84.00 | $ 840.00 |
| 0331 | Catch Basin | EACH | 2 | $ 1,800.00 | $ 3,600.00 | $ 1,350.00 | $ 2,700.00 | $ 1,400.00 | $ 2,800.00 | $ 1,400.00 | $ 2,800.00 |
| 0332 | Curb Inlet Catch Basin Type 2 1/2 A | EACH | 1 | $ 2,200.00 | $ 2,200.00 | $ 1,550.00 | $ 1,550.00 | $ 1,600.00 | $ 1,600.00 | $ 1,600.00 | $ 1,600.00 |
| 0333 | Core Drill 12-inch Tee in 48-inch Trunk Line | L.S. | 1 | $ 1,000.00 | $ 1,000.00 | $ 1,000.00 | $ 1,000.00 | $ 700.00 | $ 700.00 | $ 2,500.00 | $ 2,500.00 |
| 0457 | 6-inch x 12-inch x 12-inch ASTM D3034 Tee | EACH | 5 | $ 100.00 | $ 500.00 | $ 250.00 | $ 1,250.00 | $ 200.00 | $ 1,000.00 | $ 175.00 | $ 875.00 |
| 0458 | 8-inch x 12-inch x 12-inch ASTM D3034 Tee | EACH | 2 | $ 500.00 | $ 1,000.00 | $ 300.00 | $ 600.00 | $ 300.00 | $ 600.00 | $ 260.00 | $ 520.00 |
| 0861 | Controlled Density Fill | C.Y. | 420 | $ 80.00 | $ 33,600.00 | $ 75.00 | $ 31,500.00 | $ 60.00 | $ 25,200.00 | $ 80.00 | $ 33,600.00 |
| 0862 | Private Property Documentation | L.S. | 1 | $ 500.00 | $ 500.00 | $ 2,500.00 | $ 2,500.00 | $ 400.00 | $ 400.00 | $ 500.00 | $ 500.00 |
| | **Transportation Bid Items** | | | | | | | | | | |
| 0061 | Traffic Control | L.S. | 1 | $ 60,000.00 | $ 60,000.00 | $ 23,000.00 | $ 23,000.00 | $ 15,000.00 | $ 15,000.00 | $ 20,000.00 | $ 20,000.00 |
| 0158 | Replace Street Signs | EACH | 4 | $ 200.00 | $ 800.00 | $ 350.00 | $ 1,400.00 | $ 325.00 | $ 1,300.00 | $ 100.00 | $ 400.00 |
| 0222 | Permanent Pavement Striping and Marking | L.S. | 1 | $ 6,500.00 | $ 6,500.00 | $ 2,200.00 | $ 2,200.00 | $ 2,040.00 | $ 2,040.00 | $ 2,500.59 | $ 2,500.59 |
| 0236 | Plastic Bicycle Pavement Markings | E | 4 | $ 300.00 | $ 1,200.00 | $ 275.00 | $ 1,100.00 | $ 235.00 | $ 940.00 | $ 250.00 | $ 1,000.00 |
| | **PROJECT BID ITEM - TOTAL** | | | | **$ 744,943.00** | | **$ 490,912.00** | | **$ 548,678.00** | | **$ 598,895.59** |
| | **Percent Over or Under Engineer's Estimate** | | | | | | **-34.10%** | | **-26.35%** | | **-19.61%** |

# AGENDA ITEM SUMMARY

**S P R I N G F I E L D**
**C I T Y  C O U N C I L**

| | |
|---|---|
| **Meeting Date:** | 5/5/2014 |
| **Meeting Type:** | Regular Meeting |
| **Staff Contact/Dept.:** | Nate Bell/Finance |
| **Staff Phone No:** | 726-2364 |
| **Estimated Time:** | Consent Calendar |
| **Council Goals:** | Provide Financially Responsible and Innovative Government Services |

**ITEM TITLE:**

CONTRACT AWARD FOR AUDIT SERVICES

**ACTION REQUESTED:**

Authorize/Not Authorize the City Manager to sign a three-year audit services contract with the firm Grove, Mueller & Swank, P.C. as auditors for the City, MWMC, SEDA, and the Regional Fiber Consortium and in the amount of $45,000 for each of the three years.

**ISSUE STATEMENT:**

In accordance with Oregon Statues and the City's charter, the City is required to be audited each fiscal year by an independent certified public accounting firm. An RFP was recently concluded and three proposals were received for audit services. A recommendation has been made and a contract needs to be awarded to begin work.

**ATTACHMENTS:**

Attachment 1: Council Briefing Memo
Attachment 2: Audit Contract

**DISCUSSION/ FINANCIAL IMPACT:**

The City's audit contract with the firm of Grove, Mueller & Swank, P.C. expired at the conclusion of the audit for the fiscal year ending June 30, 2013. In March of 2014, the Finance Department issued an RFP for audit services. Three proposals were received and reviewed by an auditor selection panel made up of Finance staff. Based on the scores applied to the RFP evaluation criteria, the auditor selection panel recommends that the audit service contract be awarded to the firm of Grove, Mueller and Swank, P.C. The cost of the three-year contract will be $45,000 each year. As a comparison, the cost of the audit for fiscal year 2013 was $48,000.

**M E M O R A N D U M** **City of Springfield**

**Date:** 5/5/2014

**To:** Gino Grimaldi

**From:** Nate Bell, Accounting Manager
Bob Duey, Finance Director

**Subject:** Contract Award For Audit Services

**COUNCIL BRIEFING MEMORANDUM**

**ISSUE:** In accordance with Oregon Statues and the City's charter, the City is required to be audited each fiscal year by an independent certified public accounting firm. An RFP was recently concluded and three proposals were received for audit services. A recommendation has been made and a contract needs to be awarded to begin work.

**COUNCIL GOALS/ MANDATE:**

Provide Financially Responsible and Innovative Government Services

**BACKGROUND:** The City's audit contract with the firm of Grove, Mueller & Swank, P.C. expired at the conclusion of the audit for the fiscal year ending June 30, 2013. In March of 2014, the Finance Department issued an RFP for audit services for the City of Springfield, the Metropolitan Wastewater Management Commission, the Springfield Economic Development Agency, and the Regional Fiber Consortium for the years ending June 30, 2014, 2015, and 2016.

Three firms submitted proposals. The proposals were reviewed and scored by an auditor selection panel made up of the following Finance staff: Nate Bell/Accounting Manager, Meg Allocco/MWMC Accountant, and Bob Duey/Finance Director. The scoring was based on evaluation criteria detailed in the RFP. These criteria included the firm's understanding of work to be performed and ability to manage the work, qualifications, experience auditing state and local governments, references, cost, and completeness. An oral presentation was optional and at the discretion of the panel.

All three firms submitted strong proposals and were well qualified to provide the City with audit services. In the end, the cost portion of the proposals is what set apart the competing firms. The proposed fees for each year of the three-year contract for each firm is as follows:

| Fiscal Year | Moss Adams LLP | Pauly, Rogers and Co., P.C. | Grove, Mueller, & Swank, P.C. |
|---|---|---|---|
| 2014 | $ 69,000 | $ 51,980 | $ 45,000 |
| 2015 | $ 72,450 | $ 53,280 | $ 45,000 |
| 2016 | $ 76,030 | $ 54,580 | $ 45,000 |
| Total | $ 217,480 | $ 159,840 | $ 135,000 |

The firm of Grove, Mueller & Swank, P.C. had the lowest fees over the three-year contract period with a proposal of $45,000 each year. As a comparison, the cost of the audit for fiscal year 2013 was $48,000. It will also result in savings of $24,840 over the next closest fee proposal.

Based on the scoring of the evaluation, the auditor selection panel identified Grove, Mueller & Swank, P.C. as the preferred candidate and made the determination that interviews were not necessary.

Grove, Mueller & Swank, P.C. is a local firm with offices in Albany and Salem. The firm has a total of 39 employees and includes 24 certified public accountants, 11 of which are licensed municipal auditors. The City's audit will be performed under the general supervision of Chuck Swank, a partner in the firm with over 35 years of experience auditing municipalities, and include a team of qualified and experienced staff accountants familiar with the City's operations.

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**RECOMMENDED ACTION:** The recommendation of the auditor selection panel is to award the audit contract, for the City of Springfield, the Metropolitan Wastewater Management Commission, the Springfield Economic Development Agency, and the Regional Fiber Consortium, for the fiscal years ending June 30, 2014, 2015, and 2016, to Grove, Mueller & Swank, P.C. The contract amounts will be $45,000 for each of the three years.

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# CITY OF SPRINGFIELD
## INDEPENDENT CONTRACTOR AGREEMENT
**(Type 3: For Personal Services Contracts Requiring Professional Liability Insurance)**
**Contract #1192**

Dated: May 6, 2014

Parties: The City of Springfield ("CITY")
A municipal corporation in the State of Oregon
225 Fifth Street
Springfield, Oregon 97477

and

Grove, Mueller & Swank, P.C. ("Independent Contractor")

**Additional Independent Contractor Information:**

**A.** Type of Entity: ☐ Sole Proprietorship ☐ Partners ☐ Limited Liability Company ☒ Corporation
**B.** Address: P.O. Box 2122, Salem, OR 97308-2122
**C.** Telephone: 503.581.7788
**D.** Fax No: 503.581.0152
**E.** SSN or Fed. I.D. No: On file
**F.** Professional License(s) No: See RFP Response pages B-1 through B-4
**G.** Oregon Agency Issuing License: State of Oregon
**H.** Foreign Contractor ☐Yes ☒ No
(Foreign means not domiciled in or registered to do business in Oregon) See Exhibit B (11).

**CITY Account Number(s) To Be Charged (Include Percentages):**

| Account Number | Percentage |
|---|---|
| | |
| | |
| | |

In consideration of the mutual covenants contained herein, the parties agree to the following terms, provisions and conditions:

1. **Payment by CITY.** CITY shall pay Independent Contractor according to the sum and schedule described in Attachment 1 attached hereto and incorporated herein by this reference and in an amount not to exceed $45,000 per year.

2. **Invoice.** Invoice to be sent to Nate Bell, City of Springfield, 225 5th St. Springfield, OR 97477. Invoice will be paid on net 30 day terms upon City acceptance of work or services performed.

3. **Services to be Performed by Independent Contractor.** Independent Contractor shall perform the services described in Attachment 1.

4. **Term.** This Agreement is effective as of the date first set forth above and shall continue until April 30, 2017, unless earlier terminated in accordance with the provisions of this Agreement or by mutual consent of the parties.

5. **Sourcing.** Independent Contractor selected from RFP#1168 Audit Services issued March 11, 2014.

6. **First Point of Contract.**
   **Independent Contractor:** Charles Swank, PH:503.581.7788,chuck.swank@gmscpa.com
   **CITY:** Nate Bell, PH: 503.726.2364, nbell@springfield-or.gov

7. **Independent Contractor Status.** By its execution of this Agreement, Independent Contractor certifies its status as an "Independent Contractor" as that term is used under the laws of the State of Oregon, and that all performance of any labor or services required to be performed by Independent Contractor under the terms of this Agreement shall be performed in accordance with the standards set forth in ORS 670.600, and as more specifically set forth on Exhibit "A" attached hereto and incorporated herein by this reference.

8. **Conformance with Oregon Public Contracts Law (ORS Chapter 279).** Independent Contractor shall comply with all applicable provisions of Oregon law for public contracts, including, but not limited to ORS 279B.220, ORS 279B.225, ORS 279B.230, and ORS 279B.235, and as more fully set forth on Exhibits "A" and "B" attached hereto and incorporated herein by this reference.

9. **Work Performed.** The work to be performed by Independent Contractor includes services generally performed by Independent Contractor in his/her/its usual line of business.

10. **Tax duties and Liabilities.** Independent Contractor shall be responsible for all federal, state and local taxes, if any, applicable to any payments received pursuant to this Agreement, including but not limited to income tax, payroll tax, social security and self-employment tax. CITY shall not withhold, pay, or in any other manner be responsible for payment of any taxes on behalf of Independent Contractor.

11. **Reimbursement Of Expenses.** Independent Contractor shall not be entitled to reimbursement by CITY for any expenses incurred by Independent Contractor unless otherwise agreed in writing.

12. **Materials and Supplies.** Independent Contractor shall supply all materials and supplies needed to perform the services required unless otherwise agreed in writing.

13. **No Authority To Bind CITY.** Independent Contractor shall have no authority to enter into contracts on behalf of CITY, it's officers, agents and employees. This Agreement shall not create a partnership or joint venture of any sort between the parties.

14. **Federal Employment Status.** In the event payment made pursuant to this Agreement is to be charged against federal funds, Independent Contractor hereby certifies that it is not currently employed by the Federal Government and the amount charged does not exceed Independent Contractor's normal charge for the type of services provided

15. **Indemnification and Hold Harmless.** The Independent Contractor shall assume all responsibilities for the work, and bear all losses and damages directly or indirectly resulting to the Independent Contractor, the City, or to others on account of the character or performance of the work, unforeseen difficulties, accidents, or any other cause whatsoever. The Independent Contractor shall assume defense of, indemnify and save harmless the City, its officials, agents, and employees from all claims, liability, loss, damage and injury of every kind, nature and description, directly or indirectly resulting from activities in the performance of the Contract, the ownership, maintenance or use of motor vehicles in connection therewith, or the acts, omissions, operations, or conduct of the Independent Contractor or any Subcontractor under the Contract or any way arising out of the Contract,

irrespective of whether any act, omission or conduct of the City connected with the Contract is a condition or contributory cause of the claim, liability loss, damage or injury and irrespective or whether act, omission, or conduct of the Independent Contractor or Subcontractor is merely a condition rather than a cause of a claim, liability, loss damage or injury. The Independent Contractor shall not be liable for nor be required to defend or indemnify, the City relative to claims for damage or damages resulting solely from acts or omissions of the City, its officials, agents or employees. The absence of or inadequacy of the liability insurance required in section 16 below shall not negate Independent Contractor's obligations in this paragraph.

**16. Insurance.**

**16.1. General Insurance.** The Independent Contractor shall maintain in force for the duration of this agreement a Commercial General Liability insurance policy written on an occurrence basis with limits not less than $2,000,000 per occurrence and $3,000,000 in the aggregate for bodily injury or property damage. The policy will contain a "per project" Aggregate endorsement. Automobile Liability (owned, non-owned and hired) insurance with limits not less than $1,000,000 per occurrence shall be maintained. The City, its employees, officials and agents will be named as an Additional Insured where operations are being conducted related to this contract, on the General Liability policy as respects to work or services performed under this Agreement to the extent that the death or bodily injury to persons or damage to property arises out of the fault of the Independent Contractor or the fault of the Independent Contractor's agents, representatives or subcontractors. This insurance will be primary over any insurance the City may carry on its own. Independent contractor understands that CITY is a public entity subject to the requirements of the Oregon Governmental Tort Claims Act, ORS 30.260 et seq. In the event that CITY'S financial obligations or liabilities are modified by any amendment to the liability limits imposed by the Oregon Governmental Tort Claims Act, Independent contractor agrees that the limits regarding liability insurance set forth in this Section15.1 will be modified to conform to such limits. Independent contractor and CITY shall sign an amendment to this Agreement incorporating such modification.

**16.2. Professional Liability.** Independent Contractor shall maintain in force during the duration of this Agreement (and, if it is a claims made policy, for a year following completion of the project) a professional liability policy, approved by the City's Risk Manager as to terms, conditions and limits.

**16.3. Workers' Compensation.** Independent Contractor shall provide and maintain workers' compensation coverage for its employees, officers, agents, or partners, as required by applicable workers' compensation laws. If Independent Contractor is exempt from coverage, a written statement signed by Contractor so stating the reason for the exemption shall be provided to the City.

**16.4. Evidence of Insurance Coverage.** Evidence of the required insurance coverages issued by an insurance company satisfactory to the City shall be provided to the City by way of a City approved certificate of insurance before any work or services commence.

**16.5. Notice of Cancellation or Material Change in Coverage.** The certificate of insurance shall contain a requirement that the Insurance company notify the City 30 days prior to any cancellation or material change in coverage. If the approved insurance company will not provide this 30 day notice, the Contractor shall provide written notice to the City contract manager within 2 calendar days after the Contractor becomes aware that their coverage has been canceled or has been materially changed. The Contractor shall either fax 541-726-3782 said notice or email it directly to Bob Duey (rduey@springfield-or.gov), Finance Director at the City. Regardless of what circumstances caused Contractors insurance coverage to cease or be modified, it is the contractor's responsibility to notify the City. Failure to maintain proper insurance or provide notice of cancellation or modification shall be grounds for immediate termination of this contract._____**(Contractor Initials)**

16.6. **Equipment and Material.** The Independent Contractor shall be responsible for any loss, damage, or destruction of its own property, equipment, and materials used in conjunction with the work.

16.7. **Subcontractors.** The Independent Contractor shall require all subcontractors to provide and maintain general liability, auto liability, professional liability (as applicable), and workers' compensation insurance with coverage's equivalent to those required of the general contractor in this contract. The Independent Contractor shall require certificates of insurance from all subcontractors as evidence of coverage.

16.8. **Exception or Waivers.** Any exception or waiver of these requirements shall be subject to review and approval from the City's Risk Manager.

17. **Termination.** The performance of work under this Agreement may be terminated by CITY, in whole or in part, whenever for any reason CITY shall determine that such termination is in the best interest of CITY. Any such termination shall be effected by delivery to the Independent Contractor of a Notice of Termination specifying the extent to which performance of the work under the Agreement is terminated and the date on which such termination is effective. Upon delivery to the Independent Contractor of a Notice of Termination under this paragraph, the Independent Contractor and CITY shall, by agreement, make an appropriate written modification to this Agreement governing completion of portions of the independent Contractor's work and payment therefore by CITY.

18. **Rights In Data.** All original written material, including programs, card decks, tapes, listings, and other documentation originated and prepared for CITY pursuant to this Agreement, shall become exclusively the property of CITY. The ideas, concepts, know-how, or techniques developed during the course of this Agreement by Independent Contractor personnel can be used by either party in any way it may deem appropriate. Material already in Independent Contractor's possession, independently developed by Independent Contractor outside the scope of this Agreement, or rightfully obtained by Independent Contractor from third parties, shall belong to Independent Contractor. This agreement shall not preclude Independent Contractor from developing materials which are competitive, irrespective of their similarity to materials which might be delivered to CITY pursuant to this Agreement. Independent Contractor shall not, however, use any written materials developed under this Agreement in developing materials for others, except as provided in this section.

19. **Confidentiality.** During the course of performance hereunder, Independent Contractor or its agent, employees, or contractors, may receive confidential information. Independent Contractor agrees to use its best efforts to maintain the confidentiality of such information and to inform each agent and employee performing services of the confidentiality obligation that pertains to such information.

20. **Assignment/Subcontract.** Independent Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this agreement, in whole or in part, without the prior written approval of CITY. No such written approval shall relieve Independent Contractor of any obligations of this Agreement, and any transferee or subcontractor shall be considered the agent of Independent Contractor. Independent Contractor shall remain liable as between the original parties to this Agreement as if no such assignment had occurred.

21. **Successors In Interest.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective successors and assigns.

22. **Compliance With All Government Regulations.** Independent Contractor shall comply with all Federal, State and local laws, codes, regulations and ordinances applicable to the work performed under this Agreement. Failure to comply with such requirements shall constitute a breach of contract and shall be grounds for termination of this Agreement. Damages or costs resulting from noncompliance shall be the sole responsibility of Independent Contractor.

23. **Attorney Fees.** In the event a lawsuit of any kind is instituted on behalf of CITY to enforce any provision of this Agreement, Independent Contractor shall pay such additional sums as the Court may adjudge reasonable for attorney fees plus all costs and disbursements at trial and on any appeal.

24. **Force Majeure.** Neither party to this Agreement shall be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. CITY may terminate this Agreement upon written notice after determining such delay or default will unreasonably prevent successful performance of the Agreement.

25. **Assistance Regarding Patent And Copyright Infringement.** In the event of any claim or suit against CITY on account of any alleged patent or copyright infringement arising out of the performance of this Agreement or out of the use of any material furnished or work or services performed hereunder, Independent Contractor shall defend CITY against any such suit or claim and hold CITY harmless from any and all expenses, court costs, and attorney's fees in connection with such claim or suit.

26. **Severability.** If any provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

27. **Access To Records.** CITY and its duly authorized representatives shall have access to books, documents, papers and records of Independent Contractor which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

28. **Waiver.** Failure of CITY to enforce any provision of this Agreement shall not constitute a waiver or relinquishment by CITY of the right to such performance in the future nor of the right to enforce any other provision of this Agreement.

29. **Amendments.** The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever, without prior written approval of CITY, No modification of this Agreement shall bind either party unless reduced to writing and subscribed by both parties, or ordered by a Court.

30. **Nondiscrimination.** Independent Contractor shall comply with all applicable requirements of Federal and State civil rights and rehabilitation statutes, rules and regulations.

31. **Dual Payment.** Independent Contractor shall not be compensated for work performed under this contract from any CITY agency other than the agency which is a party to this contract.

32. **Remedies.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, and any litigation arising out of this Agreement shall be conducted in the courts of the State of Oregon, County of Lane.

33. **Entire Agreement.** This Agreement signed by both parties is the parties' final and entire Agreement and supersedes all prior and contemporaneous oral or written communications between the parties, their agents and representatives. There are no representations, promises, terms, conditions or obligations other than those contained herein.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective the date first set forth above.

**CITY OF SPRINGFIELD:**

By: _____
Name: _____
Title: _____
Date: _____

**INDEPENDENT CONTRACTOR**

By: _____
Name: CHARLES A SWANK
Title: VP
Date: 4/23/14

Reviewed by City Contract Officer
4.24.14

REVIEWED AND APPROVED
AS TO FORM
JOSEPH J LEAHY
OFFICE OF CITY ATTORNEY
4/24/14

**EXHIBIT "A"**

**CITY OF SPRINGFIELD**
**INDEPENDENT CONTRACTOR AGREEMENT**

**Independent Contractor Status**

All performance of any labor or services required to be performed by Independent Contractor shall be performed in accordance with the standards set forth in ORS 670.600 (2005), and as follows:

A person is customarily engaged in an independently established business if <u>any three</u> of the following <u>six</u> requirements are met:

1. The person maintains a business location:

    a. That is separate from the business or work location of the person for whom the services are provided; or,
    b. That is in a portion of the person's residence and that portion is used primarily for the business.

2. The person bears the risk of loss related to the business or the provision of services as shown by factors such as:

    a. The person enters into fixed-price contracts;
    b. The person is required to correct defective work;
    c. The person warrants the services provided; or,
    d. The person negotiates indemnification agreements or purchases liability insurance, performance bonds or errors and omissions insurance.

4. The person provides contracted services for two or more different persons within a 12-month period, or the person routinely engages in business advertising, solicitation or other marketing efforts reasonably calculated to obtain new contracts to provide similar services.

5. The person makes a significant investment in the business, through means such as:

    a. Purchasing tools or equipment necessary to provide the services;
    b. Paying for the premises or facilities where the services are provided; or
    c. Paying for licenses, certificates or specialized training required to provide the services.

6. The person has the authority to hire other persons to provide or to assist in providing the services and has the authority to fire those persons.

## EXHIBIT "B"

## City of Springfield
## Public Contracts
## Conformance with Oregon Public Contractors Laws

**Pursuant to Oregon law, every public contract shall contain the following conditions:**

1) Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract. ORS 279B.220(1)

2) Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract. ORS 279B.220(2).

3) Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished. ORS 279B.220(3).

4) Pay to the Department of Revenue all sums withheld from employees under ORS 316.167. ORS 279B.220(4).

5) If the agreement is for lawn and landscape maintenance, it shall contain a condition requiring the contractor to salvage, recycle, compost or mulch yard waste material at an approved site, if feasible and cost-effective. ORS 279B.225.

6) Promptly, as due, make payment to any person, copartnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services. All employers shall comply with ORS 656.017. ORS 279B.230.

7) A person may not be employed for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency or when the public policy absolutely requires it, and in such cases, except in cases of contracts for personal services designated under ORS 279A.055, the employee shall be paid at least time and a half pay:

   a) For all overtime in excess of eight hours a day or 40 hours in any one week when the work week is five consecutive days; or
   b) For all overtime in excess of 10 hours in any one day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; and
   c) For all work performed on Saturday and on any legal holiday specified in ORS 279B.020.

   An employer must give notice in writing to employees who work on a public contract, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work. ORS 279B.235(1)-(2).

8) If the agreement is for personal services, the contract shall contain a provision that the employee shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals under personal services contracts who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201-209 from receiving overtime. ORS 279B.235(3).

9) Contracts for services must contain a provision that requires that persons employed under contracts shall receive at least time and half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279B.020(1)(b)(B)-(G) and for all time worked in excess of 10 hours in any one day or in excess of 40 hours in any one week, whichever is greater. Employer shall give notice in writing to employees who work on a contract for services, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number hours per day and days per week that the employees may be required to work. ORS 279B.235(5).

**If this agreement is for a public improvement, the contract shall contain the following conditions:**

10) Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract. ORS 279C.505(1)(a).

11) Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract. ORS 279C.505(1)(b).

12) Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished. ORS 279C.505(1)(c).

13) Pay to the Department of Revenue all sums withheld from employees under ORS 316.167. ORS 279C.505(1)(d).

14) The contractor shall demonstrate that an employee drug testing program is in place. ORS 279C.505(2).

15) If the contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the contractor or subcontractor by any person in connection with the public improvement contract as the claim becomes due, the proper officer or officers representing the state or a county, school district, municipality, municipal corporation or subdivision thereof, as the case may be, may pay such claim to the person furnishing labor or services and charge the amount of the payment against the funds due or to become due the contract by reason of the contract. If the contractor or first-tier subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the public improvement contract within 30 days after receipt of payment from the contracting agency or a contractor, the contractor or first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the 10-day period that payment is due under ORS 279C.580(4) and is subject to a good faith dispute as defined in ORS 279C.580. If the contractor or a subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the public improvement contract, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580. ORS 279C.515.

16) The payment of a claim does not relieve the contactor or the contractor's surety from obligation with respect to any unpaid claims. ORS 279C.515(4).

17) A person may not be employed for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency or when the public policy absolutely requires it, and in such cases, except in cases of contracts for personal services designated under ORS 279C.100, the employee shall be paid at least time and a half pay:

a) For all overtime in excess of eight hours a day or 40 hours in any one week when the work week is five consecutive days; or,
b) For all overtime in excess of 10 hours in anyone day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; and,
c) For all work performed on Saturday and on any legal holiday specified in ORS 279B.020. ORS 279C.520(1).

An employer shall give notice in writing to employees who work on a public contract either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work. ORS 279B.520(2).

18) If the agreement is for personal services, the contract shall contain a provision that the employee shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals under personal services contracts who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201-209 from receiving overtime. ORS 279C.520(3).

19) Contracts for services must contain a provision that requires that persons employed under contracts shall receive at least time and half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279C.540(1)(b)(B)-(G) and for all time worked in excess of 10 hours in any one day or in excess of 40 hours in any one week, whichever is greater. An employer shall give notice in writing to employees who work on a contract for services, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work. ORS 279C.520(5)

20) Solicitation documents for a public improvement contract shall make specific reference to federal, state and local agencies that have enacted ordinances, rules or regulations dealing with the prevention of environmental pollution and the preservation of natural resources that affect the performance of the contract. A solicitation document must also make special reference to known conditions at the construction site that may require the successful bidder to comply with the ordinances, rules or regulations identified under ORS 279C.525(1). If the successful bidder encounters a condition not referred to in the solicitation documents, not caused by the successful bidder and not discoverable by a reasonable prebid visual site inspection, and the condition requires compliance with the ordinances, rules or regulations referred to under ORS 279C.525(1), the successful bidder shall immediately give notice of the condition to the contracting agency. The successful bidder may not commence work nor incur any additional job site costs in regard to the condition encountered and described in ORS 279.525(3) without written direction from the contracting agency. ORS 279C.525.

21) Promptly, as due, make payment to any person, copartnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services. All employers shall comply with ORS 656.017. ORS 279C.530.

22) A contract for public works shall contain a provision stating the existing state prevailing rate and wage and, if applicable, the federal prevailing rate of wage required. Every contract and subcontract shall contain a provision that workers shall be paid not less than the specified minimum hourly rate of wage in accordance with ORS 279C.838. ORS 279C.830(1).

**If this agreement is for demolition, the contract shall also contain the following conditions:**

23) Contractor must salvage or recycle construction and demolition debris, if feasible and cost-effective. ORS 279C.510(1)

# *City of Springfield, Oregon*

# *MWMC, SEDA and RFC*

*April 11, 2014*

## Proposal to Provide Auditing Services RFP #1168
## June 30, 2014 - 2016

Grove, Mueller & Swank, P.C.

PO Box 2122 Salem, Oregon 97308-2122

Phone: 503-581-7788 Fax: 503-581-0152

Contact: Charles A. Swank, Shareholder

Contact Email: chuck.swank@gmscpa.com

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- B - Résumés
  - Charles A. Swank. .....
  - Thomas E. Glogau .....
  - Ryan T. Pasquarella. .....
  - Kylie E. Moore .....
- C – Fee Proposal .....

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
*475 Cottage Street NE, Suite 200, Salem, Oregon 97301*
*(503) 581-7788*

March 24, 2014

City of Springfield, Oregon and Related Entities
Finance Department
Attn: Jayne McMahan, Procurement and Contracts Manager
225 Fifth Street
Springfield, Oregon 97477

We are pleased to present this proposal to provide audit services to the City of Springfield, Metropolitan Wastewater Management Commission, Regional Fiber Consortium and Springfield Economic Development Urban Renewal Agency (hereinafter referred to as "the City") for the fiscal years ending June 30, 2014 – 2016. Our audits will be performed in accordance with auditing standards generally accepted in the United States of America and in accordance with *Government Auditing Standards* and OMB Circular A-133, the "Single Audit," if required, and will include an opinion on the basic financial statements, "in–relation–to" reports on required supplementary information, supplementary statements and schedules. In addition to the audits mentioned above, we will render an opinion on the City's compliance with the Minimum Standards of Oregon Municipal Corporations. Any material weaknesses or significant deficiencies noted as a result of our procedures will be reported in accordance with AICPA requirements unless a Single Audit is applicable and the requirements of *Government Auditing Standards* apply. Control deficiencies will be reported to management under the guidelines of the AICPA. We will also present a letter to those charged with governance (SAS 114) at the conclusion of our audit.

Grove, Mueller & Swank, P.C. is a registered firm of certified public accountants properly licensed to practice and conduct municipal audits in Oregon. Chuck Swank, Tom Glogau and Ryan Pasquarella are all licensed municipal auditors. All staff assigned to the audit will meet the training requirements of *Government Auditing Standards*. Our firm and all personnel are independent of the City of Springfield.

Our service team in the proposal includes a new manager, Ryan Pasquarella. Ryan is our most senior manager and would be an asset to the City audit. We believe Ryan brings a fresh set of eyes and experience to the audit team.

We are fully prepared to make a commitment of personnel and other resources to assure that the work will be done in a timely and professional manner. We will meet all your technical and timing requirements as outlined in attachment 1 of the RFP document and attachment 2 contract terms and conditions. Our objective is to exceed your expectations.

Our Firm is a significant player in the arena of governmental accounting. Chuck Swank has taught governmental accounting and auditing for the Oregon Society of CPA's for more than twenty years. He is active members of the OSCPA Governmental Accounting and Auditing Committee. We are also active on numerous other professional committees involving the Oregon Society of CPA's and other professional organizations. We work with a number of entities that hold the GFOA Certificate of Excellence in Financial Reporting.

Our audit procedures would include interim procedures performed prior to or near June 30 each year. In accordance with the RFP, that work will begin May 15, 2014. Year end audit procedures would be performed at a mutually agreeable date with the goal of the audited financial statements being issued prior to December 31.

Chuck Swank, Shareholder, is authorized to make representations for Grove, Mueller & Swank, P.C. Mr. Swank may be contacted by e-mail at Chuck.Swank@gmspca.com, in writing at PO Box 2122, Salem, Oregon 97308-2122, or by phone at 503-581-7788. Mr. Swank, as signer of this letter, is also authorized to submit this bid, and sign a contract on behalf of Grove, Mueller & Swank, P.C.

The Firm is a resident bidder as described in ORS 279A.120(1)(b) and properly licensed in the State of Oregon to perform municipal audits. This is an irrevocable offer for 90 days.

We believe the quality of our services is best expressed by our clients and our record of their retention.

Very truly yours,

*GROVE, MUELLER & SWANK, P.C.*
*CERTIFIED PUBLIC ACCOUNTANTS*

By: _____
Charles A. Swank, Shareholder

## *FIRM QUALIFICATIONS AND EXPERIENCE*

*Description of the Firm*

The firm of Grove, Mueller & Swank, P.C. is one of the larger local accounting firms in Oregon. The firm was incorporated in 1983. The Firm has grown from seven employees to the current 39. Our eight shareholders are supported by six managers, 19 senior and staff accountants and six support personnel. This group contains 24 certified public accountants, 11 of which are licensed municipal auditors. Four shareholders, three managers and 12 senior and staff accountants are qualified to perform governmental audits. This depth of governmental auditing experience is available to the City. Two shareholders, one manager, 1 senior, and 1-2 staff accountants will be assigned to the City audit.

The firm has an office in Salem and a satellite office in Albany. The engagement will be conducted from our main Salem office. The Firm and all personnel have no conflict of interest related to the City and are independent under the guidelines of the AICPA and GAO Standards for Audits of Governmental Organizations, Programs Activities and Functions.

*Municipal Audit and Single Audit Experience*

The Firm, and specifically the management personnel assigned to the City's audit engagement, has been performing municipal audits for a number of years. We are one of several local firms that have the technical accounting resources to adequately service the City's audit needs. We audit more than 20 Oregon municipal corporations, all of which have Single Audit requirements as specified in OMB Circular A-133. We performed audits of 12 municipalities that received their GFOA Certificate of Excellence in Financial Reporting in 2012 and are directly involved in assisting them in maintaining their certificates.

We have extensive knowledge in regards to the compliance requirements of relevant federal programs, and can help your team understand specific documentation, compliance, and control requirements associated therein. We commit to training all of our audit team in this area annually by meeting or exceeding GAO Yellow Book standards requiring 80 hours every two years with at least 24 hours in subjects directly related to the government environment and to government auditing. As a member of the Governmental Audit Quality Center, we adhere to the highest training standards.

*Current Municipal Engagements*

Four of our current governmental audit clients (with contact information) comparable in size to the City of Springfield are:

**City of Keizer** * **
Contact: Tim Wood, Assist Finance Director
Email: WoodT@Keizer.org
Phone: (503) 856-3413

**City of Woodburn** **
Contact: Scott Derickson, City Manager
Email: Scott.Derickson@ci.woodburn.or.us
Phone: (503) 982-5228

**Lane Transit District** * **
Contact: Carol James
Email: carol.james@ltd.org
Phone: (541) 682-6155

**City of Monmouth**
Contact: Mark Dunmire, Finance Director
Email: mdunmire@ci.monmouth.or.us
Phone: (503) 751-0134

**City of Wilsonville** * **
Contact: Keith Katko, Business Operations Manager
Email: katko@ci.wilsonville.or.us
Phone: (503) 570-1516

**Lane Workforce Partnership** **
Contact: Tiffany Cink
Email: TiffanyC@laneworkforce.org
Phone: (541) 682-7219

* GFOA Certification
** Single Audit

*Peer Review Report*

We completed our most recent peer review for the year ended September 30, 2013 in January 2014. The report on that peer review is unmodified. A copy of our September 30, 2013 and 2010 reports are included as **Attachment A**.

*Federal or State Desk Reviews*

The State of Oregon Audits Division periodically reviews municipal financial statement filings and issues letters of suggested improvements. We carefully review the letters and make changes where applicable. We have not been subject to and are not aware of any Federal reviews.

*Disciplinary Action Taken*

There has been no disciplinary action taken or pending against the Firm during the past eight years.

## *PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE*

The audit of the City will be accomplished by experienced professionals, under the supervision of Chuck Swank, Shareholder. The shareholder in charge of the audits will be Tom Glogau, Shareholder. The field work will be headed by Ryan Pasquarella, Audit Manager, and in charge Kylie Moore. We believe their experience is a benefit to both our firm and the client. We believe that knowledgeable personnel in the field lead to a more efficient audit including the interaction with City personnel. Resumes for Chuck Swank, Tom Glogau, Ryan Pasquarella and Kylie Moore are included as **Attachment B**.

We anticipate shareholder responsibilities for the City's audit engagement will remain the same as in the prior year. Chuck will have final responsibility for the financial statements. Tom will handle the field work. Ryan will be the primary point of contact for day to day engagement progress, and will be there to assist the in-charge on the engagement.

Our Firm has an excellent track record of maintaining consistent staffing on audit engagements. This is best exemplified by the City's audit. Chuck and Tom have been the Shareholders on the engagement. We added Ryan to this year's team as our most senior audit manager. Ryan brings nine years and Kylie five years of financial reporting and auditing experience to the City audit. We believe this new in-field team represents our response to issues that arose in the prior year.

Our Firm strictly adheres to the "Yellow Book" requirements for governmental audit and accounting training. This means all audit staff receives at least 80 hours of accounting and audit training every two years. This training is accomplished by attendance at OSCPA governmental training courses, webcasts and local office training. Our staff members average twice the training requirements of the State Board of Accountancy. Each of our licensed municipal auditors attends the Oregon Society of CPA's annual governmental conferences as well as other governmental related training. Our training concentrates on new technical issues and pronouncements that affect our clients.

We are committed to the principle of affirmative action, and our personnel policies as addressed in our personnel manual are directed towards providing equal employment opportunities.

## *AUDIT APPROACH*

The purpose of our audit is to express opinions on the financial statements of the City. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

An audit is conducted in three phases; planning, interim (system evaluation) and final (year-end). Planning and interim can be performed prior the end of the fiscal year.

An audit may rely on strong systems of internal control for the processing of financial transactions and the preparation of financial statements. Generally accepted auditing standards do not provide for an opinion on internal control, but require the reporting of deficiencies found in internal control as part of the audit process. In addition, the State of Oregon requires a report on compliance with certain provisions of laws, regulations, contracts, and grants and an evaluation of internal control as specified in the Minimum Standards for Audits of Oregon Municipal Corporations.

### *Planning*

We believe that planning that includes client personnel is critical to successful accomplishment of our audit procedures. By involving client personnel, we make the audit a team effort and everyone benefits. Prior to commencing the audit, we would expect to meet with management to discuss our specific approach. During those discussions, we will also inquire about fraud or related party transactions as required by professional standards, and ask if there are any areas of concern or interest that should be the subject of our attention during the engagement.

In the planning phase we determine which financial information systems we will rely on. We then design our test procedures as a combination of the testing of controls. Our approach is designed with significant partner and manager involvement in the planning stage and during initial audit procedures related to the assessment of significant audit risks, and the development of procedures in response to those risks. This investment of resources ensures that the most experienced members of your engagement service team develop the audit plan. Ryan will manage and coordinate the engagement. Tom will provide management and review. Chuck will provide coordination and financial statement review. Our field team will meet with the City's finance personnel during the engagement to discuss the audit process and any questions that arise.

*System Evaluation*

This phase begins with our team obtaining an understanding of your operations, your business processes and the internal control structure. This understanding covers the City's documentation of its internal control structure and is supplemented by system narratives provided to us by your team. We will analyze the systems, procedures, and control environment for revenues, expenditures, payroll, journal entries, budgeting, and data processing.

Each of the City's systems of internal control must be carefully evaluated to determine the relevant controls and determine whether they have been placed in operation. The auditor must be able to determine that the controls are adequate to reduce risk of material misstatement to a low level or report to the city council that such an assessment was not possible. When the risk of material financial statement misstatement is other than low the auditor must design sufficient substantive tests to reduce the risk of material misstatement to a low level.

Test of internal controls will be performed on all accounting systems to substantiate that the assessment of the capability of those systems is operating as designed. Tests of internal controls include a combination of:

- Inquiries of appropriate personnel regarding the design and/or application of a relevant internal control policy or procedure including the classes of transactions to which the policy or procedure applies, how it is applied and by whom, and the disposition of exceptions detected by the policy or procedure;
- Inspection of documents, reports, or electronic files evidencing the design and/or application of the relevant policy or procedure by city personnel; noting how the policy or procedure is applied and by whom, the classes of transactions to which it applies and the disposition of exceptions detected by the policy or procedure;
- Observation by the auditor of the performance of the relevant policy or procedure by city personnel; noting how the policy or procedure is applied and by whom; the classes of transactions to which it applies and the disposition of exceptions detected by the policy or procedure; and/or
- Reperformance of the application of the policy or procedure by the auditor and comparison between the results obtained by the auditor and the results obtained by city personnel.

Only inspection and reperformance are subject to sampling procedures. Samples will be selected to encompass the period under audit and of sufficient size to meet the required level of assurance. Sample sizes will be determined based on the assessed risk of material misstatement and guidance from the AICPA and Practitioners Publishing Company (PPC).

Our understanding of the City and the environment will include discussions among the audit team to assess the risk of material misstatement at the financial statement and relevant assertion level. Each type of transaction, account balance and presentation and disclosure requirement must be evaluated to determine what could go wrong. We consider the likelihood that the risks could result in a material misstatement. We determine which risks that substantive procedures alone will not provide sufficient audit evidence. We then design tests of internal control and complementary test of transactions along with substantive procedures so as to reduce to an acceptable level the risk of a material misstatement.

*Final (Year-End)*

Our year end substantive tests rely heavily on the workpapers and account analysis documents prepared by city personnel. These client prepared workpapers enable us to focus on auditing the balance sheet, and revenue and expense accounts.

For our determination of compliance with laws and regulations, we will submit a preliminary listing of items which we deem necessary to test, and management may then make additions, within reasonable parameters, if they desire us to focus our attention towards a specific area.

Analytical procedures are used to verify account balances in financial statements. Analytical procedures require the development and evaluation of plausible relationships between the financial data being examined and other data (either other financial data or nonfinancial data) which have a logical or predictable relationship to the financial data.

The procedures employed may include:

- Reviewing current year balances in comparison to the prior year.
- Reviewing balances in comparison to budget.
- Reviewing accounts for items larger or smaller than expected.
- Reviewing and comparing logical relationships.
- Analyzing and comparing financial data to nonfinancial information.

Required substantive procedures include agreeing the accounting records to the financial statements, examining material journal entries and adjustments made to prepare financial statements. We must determine whether the overall financial statement presentation conforms with generally accepted accounting principles.

All audit procedures and workpapers are performed and stored electronically. Programs and related software are provided by the largest vendor of governmental audit software in the country. Access to the City's automated records is necessary to perform our procedures. No use of outside specialists is planned.

Following completion of our audit, we will meet with management and the Board again and report back on those items raised in the initial meeting, as well as any findings or recommendations we may have as a result of our audit.

Our audit approach includes year-round service. We provide timely professional consulting on issues related to accounting, budgeting and audit. Such communication is encouraged and considered part of the total maximum price for audit services.

*Financial Statement Review*

All financial statemtnes will be reviewed by Ryan Pasquarella, Audit Manager for adherence to applicable technical accounting standards. Chuck Swank, Engagement Quality Control reviewer will be independent

from the audit procedures and personnel, and will review the audit reports for compliance with GFOA standards.

*Internal Control Review and Suggestions*

Under the guidelines of the American Institute of Certified Public Accountants, CPA's must issue a letter during an audit if the client has significant deficiencies and/or material weaknesses in internal control. If the client is subject to *Government Auditing Standards* these deficiencies must be communicated in accordance with those standards. If control deficiencies are identified they can be communicated either in writing or orally.

As part of our documentation and review of internal controls within the City, we regularly encounter areas that can be improved and will result in greater efficiency in completing daily tasks for City personnel.

*Identification of Potential Audit Problems*

We are not aware of any potential audit problems in relation to the audits. If any issue were surfaced, we would preceed under the direction of the Finance Department.

*Identification of New Accounting Pronouncements*

We are active participants in the AICPA's Government Audit Quality Center webcasts, and also participate in the OSCPA's governmental conferences. Our involvement gives us the ability to ensure that all of our staff are apprised of new pronouncements and can assist the City with implementation of any upcoming guidance.

*Involvement of Senior Audit Personnel*

As a firm, we consistently provide easy access to our most senior audit personnel for the City's benefit. Chuck is regularly at the office during the work week and is available via phone call or email to respond to the City's questions. Tom and Ryan are available during the work week to answer questions. Ryan will also be the in-field point of contact for any questions.

*Proposed use of Finance Personnel*

We anticipate the use of City personnel in a manner which increases audit efficiency and decreases audit cost. Our audit approach encourages City personnel to prepare reconciliations and schedules based on templates provided by us (if needed). Based on the nature of the completeness and/or previous existence of these schedules, time requirements for City personnel may vary greatly, but should be similar to efforts in the past. We usually ask for assistance in supplying documentation for sample items, confirmations and

reconciliations. Inquiry of our existing clients would confirm our requests are reasonable and communicated well in advance. We anticipate that all City personnel that are integral to the financial operations of the City will be available during all phases of the audit.

We typically contact City personnel in May-June to schedule interim field work and final fieldwork. As we get closer to our in-field audit, we contact City personnel one week before fieldwork to ensure that all preparation has been completed. After fieldwork, we anticipate that there will be weekly updates conversations through the date of report issuance to ensure all documentation is complete.

*Proposed use of Information Technology Personnel*

We anticipate performing inquiries of the City's Information Technology staff as part the planning phase of the audit. We estimate that the time required for these inquiries will be two hours.

*Proposed Audit Calendar*

| Activity | May Hours | October Hours | November Hours | December Hours |
|---|---|---|---|---|
| *Pre-audit meeting to discuss the audit plan and key issues of the City that will impact the audit strategy* | *Partner – 4*<br>*Manager – 8*<br>*Staff - 4* | | | |
| *Perform interim work consisting of internal control documentation, test of controls, review of council minutes,* | *Partner – 4*<br>*Manager – 18*<br>*Staff - 100* | | | |
| *Perform final substantive work, compliance work* | | *Partner – 12*<br>*Manager – 30*<br>*Staff - 112* | | |
| *Review of drafts and issuance of the CAFR and auditor's reports* | | | *Partner – 16*<br>*Manager – 30*<br>*Staff – 100* | |
| *Issue management letter and required communications* | | | | *Partner – 4*<br>*Manager – 4*<br>*Staff - 4* |

# *Attachments*

# ATTACHMENT A

## *PEER REVIEW REPORTS*

AICPA

**OSCPA Peer Review Program**
Administered in Oregon by
**Oregon Society of CPAs**

**AICPA Peer Review Program**
Administered in Oregon and Grant by
**Oregon Society of CPAs**

March 21, 2014

Robert C Grove, CPA
Grove, Mueller & Swank, P.C.
475 Cottage St Ne Ste 200
Salem, OR 97301

Dear Mr. Grove:

It is my pleasure to notify you that on March 21, 2014 the Oregon Society of CPAs' Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is March 31, 2017. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Phyllis B Barker

Phyllis B Barker, CAE
Vice President / COO
peerreview@orcpa.org / 800 255-1470, x 27

cc: Harry Edward Bose; Charles A Swank

Firm Number: 10081682 Review Number 354878

Letter ID: 870447

PO Box 4555 Beaverton, Oregon 97076-4555 • Telephone 503-641-7200 • Toll Free 1-800-255-1470 • Fax 503-626-5328

READ & BOSE, PC
CERTIFIED PUBLIC ACCOUNTANTS

**System Review Report**

To the Shareholders of
Grove, Mueller & Swank, P.C.
and the Peer Review Committee of the Oregon Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Grove, Mueller & Swank, P.C. (the firm) in effect for the year ended September 30, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and an audit of an employee benefit plan.

In our opinion, the system of quality control for the accounting and auditing practice of Grove, Mueller & Swank, P.C. in effect for the year ended September 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Grove, Mueller & Swank, P.C. has received a peer review rating of *pass*.

Read & Bose, PC

January 23, 2014

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READ & BOSE, PC
*CERTIFIED PUBLIC ACCOUNTANTS*

## System Review Report

To the Shareholders of
Grove, Mueller & Swank, P.C.
and the Peer Review Committee of the Oregon Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Grove, Mueller & Swank, P.C. (the firm) in effect for the year ended September 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

We noted the following deficiency during our review:

> Deficiency – Although the firm's quality control policies and procedures require a pre-issuance review of engagements, they do not include sufficient guidance on the steps to perform to ensure a suitably comprehensive and effective pre-issuance review. As a result, the firm's audit working papers sometimes omitted documentation of procedures required by professional standards, including missing documentation on two audits performed under the *Government Auditing Standards*. We were able to satisfy ourselves that, in each case, sufficient procedures had been performed, and the firm subsequently prepared the appropriate documentation. In an expanded scope, we found that documentation complied with professional standards on a selection of other audits the firm performed under the *Government Auditing Standards*.
>
> Recommendation – We recommend the firm create a bridging document to use in conjunction with its quality control document to provide more specific guidance

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to partners and staff on which forms and checklists are required to meet the documentation requirements in professional standards. The partners should refer to the bridging document during pre-issuance reviews. Before locking down files, the firm might assign a staff member to compare the contents of the engagement file to the bridging document and follow up with a partner when a program or checklist appears to be absent.

In our opinion, except for the deficiency described above, the system of quality control for the accounting and auditing practice of Grove, Mueller & Swank, P.C. in effect for the year ended September 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Grove, Mueller & Swank, P.C. has received a peer review rating of *pass with deficiency*.

Reed & Bose, PC

January 14, 2011

# ATTACHMENT B

## *RESUMES OF KEY PERSONNEL*

- Charles A. Swank B-1
- Tom E. Glogau B-2
- Ryan T. Pasquarella B-3
- Kylie E. Moore B-4

## *Charles A. Swank*

*Shareholder and Director*
*of Audit Services*

***PROFESSIONAL ACCREDITATION***

- Certified Public Accountant, Oregon (Number 2987)
- Municipal Auditor, Oregon (Number 733)

***GOVERNMENTAL ENGAGEMENT EXPERIENCE***

- Auditor for a number of Oregon school districts, cities and special districts

***GOVERNMENTAL TRAINING***

- Discussion leader for a number of Oregon Society of Certified Public Accountants continuing education courses
- Oregon Society of Certified Public Accountants Annual governmental update seminar

***EDUCATION***

- MBA, University of Oregon
- B.S. Business, Oregon State University

***PROFESSIONAL SOCIETIES AND ACTIVITIES***

- American Institute of Certified Public Accountants
- Oregon Society of Certified Public Accountants, Governmental Accounting and Auditing Committee
- Reviewer of financial statements for GFOA

## *Thomas E. Glogau*

*Shareholder and Manager of Auditing and Financial Reporting Services*

***PROFESSIONAL ACCREDITATION***

Certified Public Accountant, Oregon (Number 3549)
Municipal Auditor, Oregon (Number 829)

***GOVERNMENTAL ENGAGEMENT EXPERIENCE***

City of Monmouth
City of Dundee
City of Oregon City
City of Springfield
City of Milwaukie
City of Vernonia
City of Sheridan
City of Lebanon
City of Keizer

***GOVERNMENTAL TRAINING***

Thirty-three years attendance at Oregon Society of Certified Public Accountants Governmental Accounting and Auditing Conference

Oregon Minimum Standards and Local Budget Law

Attendance at numerous seminars on accounting and auditing subjects.

Grove, Mueller & Swank, P.C. local office instructor for governmental training sessions

***EDUCATION***

Harvard University, Cambridge, MA 1968-1970

B.S. Business Administration, Accounting Concentration - Oregon State University

***PROFESSIONAL SOCIETIES AND ACTIVITIES***

American Institute of Certified Public Accountants
Oregon Society of Certified Public Accountants
Oregon State Board of Accountancy, Assisted Practice Review Committee with reviews of Municipal Reports

***COMMUNITY ACTIVITIES***

Treasurer and Board of Directors member for several nonprofit organizations

***Ryan T. Pasquarella***
*Audit Manager*
*Grove, Mueller & Swank, P.C.*

***PROFESSIONAL ACCREDITATION***

- Certified Public Accountant, Oregon (Number 12375)
- Licensed Municipal Auditor, Oregon (Number 1511)

***GOVERNMENTAL ENGAGEMENT EXPERIENCE***

- Seven years experience auditing Oregon municipalities including compliance testing under OMB Circular A-133 Single Audits
- Recent experience managing governmental engagements include:
  Marion County, Oregon – including A-133 Single Audit
  Marion County Housing Authority – including A-133 Single Audit
  Lane Transit District – including A-133 Single Audit
  Lane Workforce Partnership - including A-133 Single Audit

***GOVERNMENTAL TRAINING***

- Oregon Society of Certified Public Accountants Governmental Accounting and Auditing Conference annually for seven years
- Continuing professional education for the past two years exceeds GAO standards

***EDUCATION***

- Oregon State University, Corvallis, Oregon
  Bachelor of Business Administration

***PROFESSIONAL SOCIETIES AND ACTIVITIES***

- American Institute of Certified Public Accountants
- Oregon Society of Certified Public Accountants
- OSCPA Governmental & Auditing Committee
- Board Treasurer, Salem Art Association

***Kylie E. Moore***
*Senior Auditor*
*Grove, Mueller & Swank, P.C.*

***PROFESSIONAL ACCREDITATION***

- Certified Public Accountant, Oregon (Number 13289)
- Licensed Municipal Auditor, Oregon (Number 1516)

***GOVERNMENTAL ENGAGEMENT EXPERIENCE***

- Seven years experience auditing Oregon municipalities including compliance testing under OMB Circular A-133 Single Audits
- Recent experience managing governmental engagements include:
  Marion County, Oregon – including A-133 Single Audit
  Marion County Housing Authority – including A-133 Single Audit
  Lane Transit District – including A-133 Single Audit
  Lane Workforce Partnership - including A-133 Single Audit

***GOVERNMENTAL TRAINING***

- Oregon Society of Certified Public Accountants Governmental Accounting and Auditing Conference annually for seven years
- Continuing professional education for the past two years exceeds GAO standards

***EDUCATION***

- Oregon State University, Corvallis, Oregon
  Bachelor of Business Administration

***PROFESSIONAL SOCIETIES AND ACTIVITIES***

- American Institute of Certified Public Accountants
- Oregon Society of Certified Public Accountants
- OSCPA Governmental & Auditing Committee
- Board Treasurer, Salem Art Association

# ATTACHMENT C

## *FEE PROPOSAL*

GROVE, MUELLER & SWANK, P.C.

## FEE PROPOSAL

**Total Maximum Price for Proposed Services**

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Springfield, Oregon, the firm referenced below hereby submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

The following table shows estimated hours by staff classification that will be devoted to the City's audit:

| Services to be provided | Hours | Personnel Costs | Out-of Pocket Expenses | Total Costs |
|---|---|---|---|---|
| Audit of the City of Springfield Financial Statements | 290 | $ 28,700 | $ 300 | $ 29,000 |
| Report on Single Audit (City of Springfield) | 75 | $ 7,400 | $ 100 | $ 7,500 |
| Audit of MWMC financial statements | 40 | $ 3,950 | $ 50 | $ 4,000 |
| Audit of SEDA financial statements | 30 | $ 2,950 | $ 50 | $ 3,000 |
| Review of RFC financial statements | 15 | $ 1,500 | $ - | $ 1,500 |
| **Total** | 450 | $ 44,500 | $ 500 | $ 45,000 |

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Springfield, Oregon, the firm referenced below hereby submits the following cost proposal:

| **Job Title** | **Number of Employees** | **Estimated hours** |
|---|---|---|
| Partner | 2 | 40 |
| Manager | 1 | 90 |
| Supervisor | 1 | 140 |
| Staff | 2 | 180 |
| | | |
| **Total** | 6 | 450 |

The above fees include consultation as needed on matters relating to local budget law and accounting issues or procedures. We want our clients to contact us as often as necessary without fear of being billed for every phone call.

This proposed fee represents a reduction from our prior fee. Working with Nathan Bell and Meg Allocco over the last two years, we have been able to develop efficiencies that reduce our total time charges. We expect those efficiencies to continue under the new team in the field.

*Assumptions Regarding Timing of Audit*

The above fee assumes that all preliminary documents will be available for us on the day we arrive for preliminary procedures which include, but are not limited to:

- System documentation
- Control testing samples
- Confirmations

The fee also assumes that the following will be uploaded to our portal at least one week prior to final procedures:

- Final reconciled trial balance for all funds of the City, the SECA, MWMC and RFC
- All reconciling workpapers, properly reconciled to the trial balance

We also assume that nearly final drafts of all three entities will be made available to our teams for review on the beginning of the third day of final fieldwork.

*Out of Pocket Costs*

Our firm does not have a policy of charging clients for out of pocket costs. These costs above are estimated to be included in the audit fee.

*Other Anticipated Fees and Costs*

Our firm does not anticipate that any other fees or costs will be incurred on the engagement.

## *ADDITIONAL SERVICES BILLING RATES*

The above fees include consultation as needed on matters relating to local budget law and accounting issues or procedures. We want our clients to contact us as often as necessary without fear of being billed for every phone call. The above fee includes meetings with City personnel as needed to explain and present the various schedules we will be requesting that City personnel prepare.

If you were to request additional services outside the scope of the audit engagements, the fees would be determined using the following billing rates:

| | |
|---|---|
| Shareholders (CPA) | $225 / hour |
| Managers (CPA) | 100 / hour |
| Senior Staff (CPA) | 80 / hour |
| Junior Staff (non-CPA) | 65 / hour |
| Clerks & Typists (non-CPA) | 50 / hour |

Any additional requested services will always be discussed with management prior to performance of these services. An additional engagement letter or contract usually is necessary.

# Attachment 3

## Authorization to Legally Bind Bidder

**The person executing this Bid and the instruments referred to herein on behalf of the Bidder has the legal power, right, and actual authority to submit this Bid, and to bind the Bidder to the terms and conditions of this Bid.**

April 11, 2014

**(Signature of person authorized to bind Bidder)** **Dated**

Charles A. Swank

**Print Name of Person signing as authorized to bind Bidder**

Vice-President

**Title of Person signing as authorized to bind Bidder**

| | |
|---|---|
| Grove, Mueller & Swank, P.C. | 503-581-7788 |
| **Firm Name** | **Phone** |
| 475 Cottage Street NE, Suite 200 | 503-581-0152 |
| **Address** | **Fax** |
| Salem, Oregon 97301 | chuck.swank@gmscpa.com |
| **City, State, Zip** | **email address** |

# Minority, Women, and Emerging Small Business/Disadvantaged Business Enterprise

SPRINGFIELD OREGON

MWESB/DBE Voluntary Self-Declaration for City Procurement # _____ or Project No. P N/A

The City of Springfield is seeking information on the various business entities that submit bids and proposals for working with the City. We request that you provide the following information to assist us with evaluating our efforts at reaching the underrepresented sectors of the business and construction communities. The City does not intend to use this data as criteria for selecting the successful bidders or proposers for city-funded procurements. For procurements with state or federal DBE requirements, the City will use the forms and criteria established by the state or federal agency for selecting the successful bidders or proposers.

Please include this form with your bid/proposal submittal to the City.

Business Name: Grove, Mueller & Swank, P.C.

Contact Person: Charles A. Swank

Business Address: 475 Cottage Street NE, Suite 200, Salem, Oregon 97301

Business Phone: 503-581-7788

Please check each box indicating the business certification type that your firm has with the State of Oregon or the federal government, if any:

- [ ] Oregon Minority-owned Business
- [ ] Oregon Woman-owned Business
- [ ] Oregon Emerging Small Business
- [ ] Federal Disadvantaged Business Enterprise (DBE)
- [X] None of the above

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Katherine Bishop |
| | **Staff Phone No:** | 541-726-3674 |
| | **Estimated Time:** | 10 Minutes |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Provide Financially Responsible and Innovative Government Services |

| | |
|---|---|
| **ITEM TITLE:** | PROPOSED RESOLUTION SETTING LOCAL AND REGIONAL WASTEWATER AND STORMWATER USER FEES |
| **ACTION REQUESTED:** | 1) Conduct a public hearing on local and regional wastewater and local stormwater user fees.<br>2) Adopt or not adopt A RESOLUTION OF THE CITY OF SPRINGFIELD COMMON COUNCIL SETTING LOCAL AND REGIONAL WASTEWATER (SEWER) USER FEES AND LOCAL STORMWATER USER FEES AS SET FORTH IN THE SPRINGFIELD MUNICIPAL CODE. |
| **ISSUE STATEMENT:** | At current rates, the local and regional wastewater and local stormwater user fees will not produce sufficient revenue to fully fund the proposed fiscal year (FY) 14-15 budgets for these funds. Council action is needed to establish new rates for FY 14-15 |
| **ATTACHMENTS:** | 1. Proposed Resolution establishing a schedule of local and regional wastewater and local stormwater user fees.<br>2. Council Briefing Memorandum as reviewed by the Council at the April 28, 2014 work session. |
| **DISCUSSION/ FINANCIAL IMPACT:** | Each year, the City Council reviews and establishes the rates for local wastewater and stormwater user fees. These rates are established to provide adequate revenue to fund operation and maintenance (O&M) of Springfield's sanitary sewer and stormwater systems, and a portion of the Capital Improvement Program (CIP) for each program. The Council also adopts the user fees set by the Metropolitan Wastewater Management Commission (MWMC) for the Regional Wastewater Program.<br><br>The City Council reviewed and discussed two options for local wastewater and stormwater user fee adjustments at its April 28, 2014 work session and selected the proposed rate scenario which provides for a greater level of funding to be invested in capital improvements. Staff has prepared a schedule of user charges for a public hearing, based on the 3% increase in the local wastewater user fees and a 4% increase in the local stormwater user fees. In addition, the Council was informed that the MWMC adopted a 3.5% increase in the regional wastewater user fees that also needs to be incorporated into the schedule of user charges for FY 14-15.<br><br>Staff will continue to explore options for a long-term strategy to further reduce pressure on user fees while continuing to meet environmental and regulatory standards. A successful strategy will take multiple years to implement and will, in part, depend on the City's ability to significantly reduce reliance on user rates as a source of capital, by improving the ability of System Development Charge (SDC) revenues to fund a greater portion of the capital investment. This could reduce and/or defer the need to rely on future debt financing and reduce the importance of providing coverage for debt service as an operating budget constraint in the long-term financial forecast.<br><br>Attachment 1, a resolution establishing the local and regional wastewater and local stormwater user fees for FY 14-15, is provided for Council consideration. Staff request that the Council act on the resolution following the public hearing. |

RESOLUTION

NO._____

A RESOLUTION OF THE CITY OF SPRINGFIELD SETTING LOCAL AND REGIONAL WASTEWATER (SEWER) USER FEES AND LOCAL STORMWATER (DRAINAGE) USER FEES AS SET FORTH IN THE SPRINGFIELD MUNICIPAL CODE.

WHEREAS, the City of Springfield has established a system of wastewater and stormwater drainage sewer systems; and

WHEREAS, under the Intergovernmental Agreement (IGA) entered into by the City of Springfield, the City of Eugene and Lane County in February, 1977, and as subsequently amended, the Metropolitan Wastewater Management Commission (MWMC) constructs, operates, and maintains the regional sewerage facilities, as described in the IGA; and

WHEREAS, the costs related to operation, maintenance and certain capital improvements of the local and regional wastewater sewer systems, and the local stormwater drainage systems are funded through user fees; and

WHEREAS, Sections 4.206 (3) and 4.208 (2) (a) (i) and (ii) of the Springfield Municipal Code authorize the setting of wastewater and stormwater charges by resolution of the Council; and

WHEREAS, the MWMC approved Resolution 14-03, adopting the Regional Wastewater Program Budget and Capital Improvements Program for fiscal year (FY) 2014-2015, and Resolution 14-02, adopting a new schedule of user fees for FY 14-15 operations and capital programs, on April 11, 2014, after reviewing the proposed Resolutions in a series of public meetings and public hearings; and

WHEREAS, Section 8(c) of the MWMC IGA obligates the City to "adopt user charges required by 40 CFR 35.929 in an amount not less than adopted by the Commission"; and

WHEREAS, the schedule of sewer user fees, attached as Exhibit "A," and incorporated herein, is needed to collect revenues necessary to fund the operations, maintenance and certain capital improvements of the local and regional wastewater (sewer) system and the local stormwater drainage system in FY 14-15.

NOW, THEREFORE, BE IT RESOLVED by the City of Springfield as follows:

1. The City of Springfield Schedule of Local and Regional Wastewater (Sanitary Sewer) User and Local Stormwater (Drainage) Fees, which is attached as Exhibit "A," is hereby adopted and shall take effect with bills rendered on or after July 1, 2014.

2. This Resolution shall take effect upon its adoption by the Council and approval by the Mayor.

**ADOPTED** by the Common Council of the City of Springfield this _____ day of May, 2014, with a vote of _____ for and _____ against.

_____
Christine L. Lundberg, Mayor

ATTEST:

_____
Amy Sowa, City Recorder

REVIEWED & APPROVED AS TO FORM
Joseph J Leahy
Date 4/29/14
OFFICE OF CITY ATTORNEY

**EXHIBIT A**

## Wastewater (Sanitary Sewer)

Beginning with bills rendered on or after July 1, 2014
Wastewater charges shall be as follows:

| Wastewater Monthly Fee Schedule | | | | | | |
|---|---|---|---|---|---|---|
| Wastewater Flow-Based Fee (per unit - 748 gallons) | | | | | | |
| | **Residential Customer** | **Commercial / Industrial Customers** | | | | |
| | | Low Strength 400* | Medium Strength 800* | High Strength 1200* | Very High Strength 1600* | Super High Strength Over 1600* |
| MWMC | $1.799 | $2.418 | $3.523 | $4.998 | $6.478 | $7.955 |
| City of Springfield | $3.178 | $3.178 | $3.178 | $3.178 | $3.178 | $3.178 |
| **Total** | $4.977 | $5.596 | $6.701 | $8.176 | $9.656 | $11.133 |
| * Average total biological oxygen demand and suspended solids in milligrams per liter (mg/L) | | | | | | |
| **Base Charge:** A regional (MWMC) monthly base charge of $12.09 is applied to each account | | | | | | |

## Stormwater (Drainage)

Beginning with bills rendered on or after July 1, 2014
Stormwater charges shall be as follows:

| Stormwater Monthly Fee Schedule | | | | | |
|---|---|---|---|---|---|
| *** Residential:** $13.12 | | | | | |
| **** Commercial** | Very Heavy >70% | Heavy 41-70% | Moderate 20-40% | Light <20% | Undeveloped 0% |
| Base Fee per 1,000 sq ft | $1.525 | $1.525 | $1.525 | $1.525 | $0.000 |
| Impact Fee per 1,000 sq ft | $2.288 | $1.335 | $0.383 | $0.000 | $0.000 |
| **Total Rate per 1,000 sq ft** | $3.813 | $2.860 | $1.908 | $1.525 | $0.000 |

*Residential includes single family residental and duplex households
**Commercial is based on percenatge of property development (impervious surface)
**In addition to the total Commercial rate displayed above, an Adminitrative Fee of $1.514 per account is applied

**M E M O R A N D U M** **City of Springfield**

**Date:** 4/16/2014

**To:** Gino Grimaldi

**From:** Len Goodwin, Development and Public Works Director
Matt Stouder, Environmental Services Manager
Katherine Bishop, Senior Finance Analyst

**Subject:** Wastewater and Stormwater User Fees FY 2014-15

**COUNCIL BRIEFING MEMORANDUM**

**ISSUE:**

User fees for local and regional wastewater and local stormwater are reviewed by the Council annually as part of the City's budget development process. Staff is in the process of developing user fees for consideration by Council later this spring. The Metropolitan Wastewater Management Commission (MWMC) approved a schedule of Fiscal Year 2014-15 (FY 14-15) regional wastewater user charges on April 11, 2014 and will be forwarding them to the cities of Springfield and Eugene for implementation.

This memo and the April 28, 2014 work session will focus on the local wastewater and stormwater user fees, including the factors driving the revenue requirements as projected for FY 14-15, for Council consideration. At the April 28, 2014 work session, staff will be seeking Council comments and direction in preparing a schedule of local wastewater and stormwater user fees for FY 14-15. A public hearing is scheduled for May 5, 2014, when staff will return to Council with a FY 14-15 schedule of local wastewater and stormwater fees for Council consideration following the public hearing. The proposed FY 14-15 wastewater and stormwater revenue projections assume that rate changes would be effective on bills rendered on or after July 1, 2014.

**COUNCIL GOALS/ MANDATE:**

Provide Financially Responsible and Innovative Government Services

In order to implement the Council adopted Capital Improvement Program for local wastewater and stormwater, a revenue plan that includes an increase in user fees for FY 14-15 and a multi-year rate forecast is provided for Council review and consideration. Revenues generated from a user fee increase in FY 14-15 will fund ongoing system maintenance and investments in capital improvements for wastewater and stormwater infrastructure and facilities to continue to deliver high quality uninterrupted services, while continuing to meet revenue bond covenants, increasing environmental standards and mandated regulatory requirements.

**BACKGROUND:**

Annually, as part of the budget development process, the City develops a Capital Improvement Program (CIP) and operating budget for the local wastewater and stormwater programs. The CIP, operating budget, debt service obligations, and reserve levels established by the City Council determine the annual funding requirements. The primary funding sources include wastewater and stormwater user fees for operating and capital expenses, and system development charges (SDCs) for capital expenses only. In addition to the local fees, the total wastewater user fees include regional charges established by the MWMC to fund the Regional Wastewater Program. Annually, the cities of Springfield and Eugene implement the MWMC user charges consistent with the MWMC intergovernmental agreement (IGA). A description of each utility system is provided in this report.

**LOCAL WASTEWATER SYSTEM:**

The local wastewater (or sanitary) system serving the City of Springfield has two components: (1) a local wastewater collection system, and; (2) a regional conveyance, treatment and disposal system. The local system is comprised of over 200 miles of collection pipelines and 17 pump stations, which is owned and operated by the City of Springfield. Operations and maintenance of the local collection system is funded entirely by revenue from local wastewater user fees. User fees are currently the primary source of funding for the local CIP, which provides for system preservation, major rehabilitation, and expansion to support community growth. Through previous rate actions revenues for this program have stabilized and current and projected CIP priorities have been programmed based upon incremental and moderate rate increases.

**REGIONAL WASTEWATER SYSTEM:**

The regional wastewater system is comprised of numerous treatment facilities and a conveyance system owned by the MWMC, as described in the MWMC IGA. The primary regional wastewater facilities include the Water Pollution Control Facility (WPCF), the Biosolids Management Facility (BMF), Biocycle Farm, the Beneficial Reuse Site, several major pump stations and associated conveyances, and the large interceptor ("East Bank") that carries wastewater from Springfield to the WPCF.

Regional system operations and maintenance, provided by the City of Eugene, is funded entirely by revenue from regional wastewater user fees. The MWMC administration and the Springfield Industrial Pretreatment Program are both integral parts of the Springfield Development and Public Works and Finance departments which are also funded through regional wastewater user fees. In addition user fees fund a significant portion of the regional capital program.

**REGIONAL WASTEWATER FEES:**

At the March 14, 2014 MWMC meeting, staff presented the Preliminary FY 14-15 Regional Wastewater Program Budget and Capital Improvement Program, and proposed user fee rates. Based on discussions and input provided by the Commission, staff returned to the Commission on April 11, 2014 at a public hearing where the Commission adopted resolutions recommending a 3.5% user fee increase in FY14-15, and the Regional FY14-15 Budget for implementation by the cities of Eugene and Springfield.

The primary factors driving regional wastewater user fee increases includes the 2004 MWMC Facilities Plan, which is a 20-year capital improvement projects plan intended to provide environmental compliance and treatment capacity to serve the community including growth through 2025, at an estimated cost of $196 million (in 2006 dollars). Funding sources for capital improvement projects includes revenues from user fees, system development charges, financing through revenue bonds and low interest Clean Water State Revolving Fund (SRF) loans and grants. While major investments have been made in capital infrastructure improvements in recent years, the 2004 Facilities Plan includes additional capital improvement projects over multiple years. The regional capital improvement program budget including asset management improvements is $14,939,647 in FY 14-15 for design and construction. The regional five-year capital plan, FY 14-15 thru FY 18-19, includes $71.6 million in planned capital improvements and asset management projects.

**<u>COMBINED LOCAL WASTEWATER AND STORMWATER PROPOSED USER FEES</u>**

A summary of the local wastewater and stormwater FY 14-15 proposed rates and forecast is displayed in the following table for a typical residential monthly bill when assuming 5,000 gallons for wastewater. In FY 12-13 Council provided policy direction to staff to try, over the next 5-7 years, to lower the level of rate changes to an inflationary level. The lower portion of the table displays the proposed combined rate increase as a percentage (3.4%) and dollar amount ($1.12) for a typical residential monthly bill, the level

of rate change is continuing to trend downward incrementally. Additional details on the proposed rates and forecast option 1 are displayed in this report.

***Combined Local Wastewater and Stormwater FY 14-15 Proposed Rates and Forecast Option 1***

| Fiscal Year | **14-15** *Proposed* | **15-16** *Projection* | **16-17** *Projection* | **17-18** *Projection* | **18-19** *Projection* |
|---|---|---|---|---|---|
| ***Local Wastewater Services*** | | | | | |
| Avg. Monthly Residential Bill | $ 21.23 | $ 21.76 | $ 22.19 | $ 22.63 | $ 23.09 |
| Local Rate Increase | 3.0% | 2.5% | 2.0% | 2.0% | 2.0% |
| Avg. Mo. Residential Increase | $ 0.62 | $ 0.53 | $ 0.43 | $ 0.44 | $ 0.46 |
| ***Stormwater Services*** | | | | | |
| Avg. Monthly Residential Bill | $ 13.12 | $ 13.64 | $ 14.19 | $ 14.69 | $ 15.20 |
| Local Rate Increase | 4.0% | 4.0% | 4.0% | 3.5% | 3.5% |
| Avg. Mo. Residential Increase | $ 0.50 | $ 0.52 | $ 0.55 | $ 0.50 | $ 0.51 |
| ***Local Wastewater & Stormwater Combined*** | | | | | |
| Avg. Monthly Residential Bill | $ 34.35 | $ 35.40 | $ 36.38 | $ 37.32 | $ 38.29 |
| Local Rate Increases Combined | **3.4%** | **3.1%** | **2.8%** | **2.6%** | **2.6%** |
| Local Rate Increases | $ 1.12 | $ 1.05 | $ 0.98 | $ 0.94 | $ 0.97 |

**COMBINED LOCAL WASTEWATER AND STORMWATER USER FEE SCENARIO:**

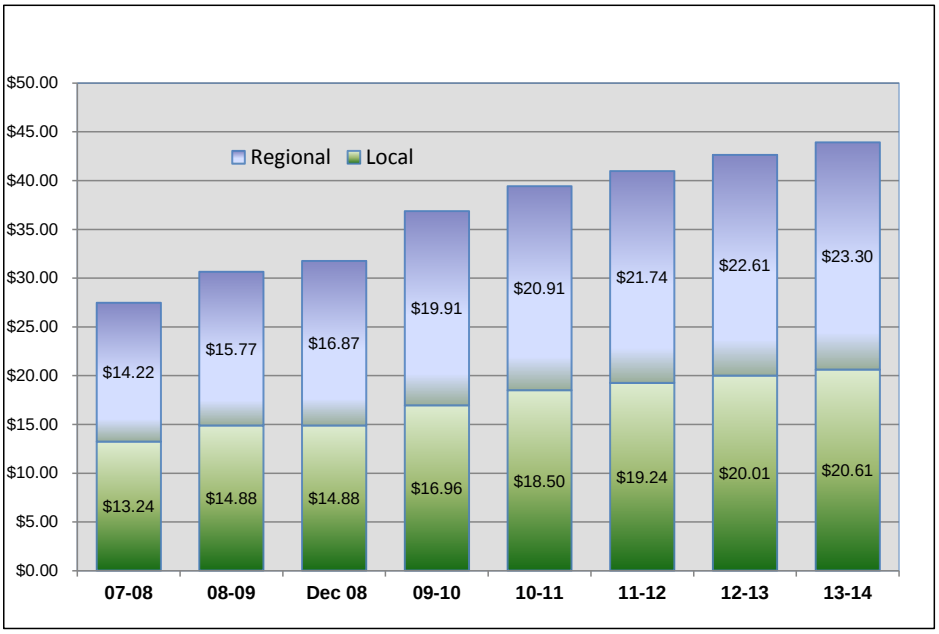
As part of the rate development process, staff evaluated rate scenarios in an effort to lower the proposed rates. When attempting to lower the stormwater rate change from 4% to 3.5% or 3%, the result includes negative fiscal impacts requiring greater stormwater rate increases in the following years to maintain program service levels and a positive financial position throughout the five year forecast, which is counter to Council's direction to staff. The following local wastewater and stormwater rate and forecast scenario option 2 reduces the local wastewater rate change from 3.0% to 2.5% in FY 14-15 and slightly reduces the stormwater rate changes from 4.0% annually over the next three years to 3.8% annually over the next two years followed by 3.7% in year three, resulting in a combined 3% or $1.00 monthly increase.

***Combined Local Wastewater and Stormwater FY 14-15 Rates and Forecast Scenario Option 2***

| Fiscal Year | **14-15** *Scenario* | **15-16** *Projection* | **16-17** *Projection* | **17-18** *Projection* | **18-19** *Projection* |
|---|---|---|---|---|---|
| ***Local Wastewater Services*** | | | | | |
| Avg. Monthly Residential Bill | $ 21.13 | $ 21.66 | $ 22.10 | $ 22.54 | $ 22.98 |
| Local Rate Increase | 2.5% | 2.5% | 2.0% | 2.0% | 2.0% |
| Avg. Mo. Residential Increase | $ 0.52 | $ 0.53 | $ 0.44 | $ 0.44 | $ 0.44 |
| ***Stormwater Services*** | | | | | |
| Avg. Monthly Residential Bill | $ 13.10 | $ 13.60 | $ 14.10 | $ 14.59 | $ 15.10 |
| Local Rate Increase | 3.8% | 3.8% | 3.7% | 3.5% | 3.5% |
| Avg. Mo. Residential Increase | $ 0.48 | $ 0.50 | $ 0.50 | $ 0.49 | $ 0.51 |
| ***Local Wastewater & Stormwater Combined*** | | | | | |
| Avg. Monthly Residential Bill | $ 34.23 | $ 35.26 | $ 36.20 | $ 37.13 | $ 38.08 |
| Local Rate Increases Combined | **3.0%** | **3.0%** | **2.7%** | **2.6%** | **2.6%** |
| Local Rate Increases | $ 1.00 | $ 1.03 | $ 0.94 | $ 0.93 | $ 0.95 |

**WASTEWATER PROGRAM FUNDING AND USER FEE RATE HISTORY:**

The wastewater user fees on the customers' monthly bills have a local (Springfield) and a regional (MWMC) component. In FY 13-14, based on a typical residential household using 5,000 gallons per month, the current local residential wastewater bill for Springfield residents is $20.61. The current combined typical residential wastewater bill for Springfield residents is $43.91. Residential customer bills are used as a benchmark for wastewater rates because the volume and strength of the wastewater generated is similar within the customer class. The usage, and therefore the bills, of commercial and industrial uses vary significantly because their wastewater volume and strength varies greatly. The City of Springfield wastewater fee is currently $3.085 per unit (748 gallons) for all residential and commercial/industrial accounts. The table below displays the rate history for local and regional user fees over the last several years with incremental rate changes. The local wastewater fees are represented in the bottom portion of the combined bar graph. The annual rate increases for MWMC regional user fees, and as projected into the future, are driven primarily by: (1) covering the costs associated with financing the 2004 MWMC Facilities Plan and improving the MWMC assets; (2) meeting the covenants associated with the 2006 and 2008 Revenue Bonds and Clean Water State Revolving Fund (SRF) loans; (3) establishing revenue adequacy to fully fund reserves, and operating and maintaining the Regional Wastewater Facilities, and (4) building capital reserves to work towards pay-as-you-go capital funding, while continuing to defer potential future revenue bonds.




$ Monthly

| Year | 07-08 | 08-09 | Dec 08 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 |
|---|---|---|---|---|---|---|---|---|
| Regional | $14.22 | $15.77 | $16.87 | $19.91 | $20.91 | $21.74 | $22.61 | $23.30 |
| Local | $13.24 | $14.88 | $14.88 | $16.96 | $18.50 | $19.24 | $20.01 | $20.61 |
| Total | $27.46 | $30.65 | $31.75 | $36.87 | $39.41 | $40.98 | $42.62 | $43.91 |

% Rate Increase

| Category | 07-08 | 08-09 | Dec 08 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 |
|---|---|---|---|---|---|---|---|---|
| Regional | 8% | 11% | 7% | 18% | 5% | 4% | 4% | 3% |
| Local | 7% | 12.5% | 0% | 14% | 9% | 4% | 4% | 3% |
| Total | 7% | 12% | 4% | 16% | 7% | 4% | 4% | 3% |

$ Rate Increase

| Category | 07-08 | 08-09 | Dec 08 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 |
|---|---|---|---|---|---|---|---|---|
| Regional | $1.07 | $1.55 | $1.10 | $3.04 | $1.00 | $0.83 | $0.87 | $0.69 |
| Local | $0.81 | $1.64 | $0.00 | $2.08 | $1.54 | $0.74 | $0.77 | $0.60 |
| Total | $1.88 | $3.19 | $1.10 | $5.12 | $2.54 | $1.57 | $1.64 | $1.29 |

For the City of Springfield's local wastewater program, the adopted user fees are projected to generate about $6.8 million during the current FY 13-14. Revenues from System Development Charges (SDC) are projected to generate about $300,000 for capital projects in the current fiscal year. For years, the Council has dedicated a significant portion of user fee revenues to capital infrastructure needs. The current fiscal year budget includes $1.75 million dedicated to the local capital program, plus just over $2 million in annual debt service payments.

**PREVIOUS COUNCIL ACTIONS:**

To fund operating and capital requirements for the wastewater program, the Council increased local wastewater user fees by 3% in FY 13-14, which followed a 4% increase annually in FY 12-13 and FY 11-12. Last year, when Council adopted a 3% wastewater user fee increase for FY 13-14, the fiscal forecast projected a multi-year rate strategy with increases annually as displayed in the table below.

***Wastewater User Fee Forecast from Prior Year***

| Fiscal Year | **13-14** **Adopted** | **14-15** ***Projection*** | **15-16** ***Projection*** | **16-17** ***Projection*** | **17-18** ***Projection*** |
|---|---|---|---|---|---|
| Avg. Monthly Residential Bill | $ 20.61 | $ 21.23 | $ 21.66 | $ 22.09 | $ 22.53 |
| Local Rate Increase | 3.0% | 3.0% | 2.0% | 2.0% | 2.0% |
| Avg. Mo. Residential Increase | $ 0.60 | $ 0.62 | $ 0.43 | $ 0.43 | $ 0.44 |
| Avg. Annual Residential Increase | $ 7.20 | $ 7.44 | $ 5.16 | $ 5.16 | $ 5.28 |

**CAPITAL PROJECT FUNDING AND WASTEWATER USER FEES:**

At the March 3, 2014 Work Session, staff presented the 2015-2019 Capital Improvement Program (CIP). At that time, Council reviewed and approved a CIP with prioritized funding for projects that are identified in the 2008 Wastewater Master Plan as necessary to maintain system integrity and meet regulatory obligations, while continuing to defer the majority of the discretionary expansion project work. The Franklin Boulevard Wastewater System Expansion project is currently in the planning and design phase, with the construction phase programmed in FY 14-15.

In order to fund local wastewater capital projects, a $23.1 million revenue bond was issued in March of 2009. In order to maintain bond covenants, net revenues (revenues minus operations and maintenance expenses) must be 125% of maximum debt service for all existing bonds and planned or to be issued bonds. In FY 13-14, a projected $10 million revenue bond was deferred beyond the five-year forecast. Based on customer account and flow activity data, and revised capital project cost estimates and construction timelines, additional future revenue bonds are not anticipated in the current five-year financial forecast.

Additionally, beginning with the FY 11-12 Budget, a 3% Right-of-Way (ROW) fee expense was assessed which is calculated at 3% of total local wastewater user fee revenues annually. The ROW fee is charged to the local wastewater fund for the privilege of running the wastewater facilities (pipelines) underground in the city streets or right-of-way. This expense to the wastewater fund provides revenues to the street fund for street and right-of-way maintenance and pavement management.

**PROPOSED WASTEWATER USER FEES:**

In FY 12-13 Council provided policy direction to staff to try, over the next 5-7 years, to lower the level of rate changes to an inflationary level. The proposed user fees for FY 14-15 and the five-year rate forecast continues to implement that direction and delivers incremental and moderate rate changes over multiple years. The proposed user fees for FY 14-15 include a 3% rate increase on local wastewater user fees

The proposed rates and forecast are displayed below, and includes the fiscal impact to a typical residential customer assuming 5,000 gallons of usage monthly. As implemented in FY 11-12, the right-of-way (ROW) use fees which are based on 3% of total wastewater user fee revenues are included in the table below. In addition, the projected transfers from operating funds to the capital fund are displayed.

***Wastewater FY 14-15 Proposed Rates and Forecast***

| Fiscal Year | **14-15** *Proposed* | **15-16** *Projection* | **16-17** *Projection* | **17-18** *Projection* | **18-19** *Projection* |
|---|---|---|---|---|---|
| Avg. Monthly Residential Bill | $ 21.23 | $ 21.76 | $ 22.19 | $ 22.63 | $ 23.09 |
| Local Rate Increase | 3.0% | 2.5% | 2.0% | 2.0% | 2.0% |
| Avg. Mo. Residential Increase | $ 0.62 | $ 0.53 | $ 0.43 | $ 0.44 | $ 0.46 |
| Avg. Annual Residential Increase | $ 7.44 | $ 6.36 | $ 5.16 | $ 5.28 | $ 5.52 |
| ROW Use Fee (Expense) | $ 212,000 | $ 215,500 | $ 218,700 | $ 222,000 | $ 225,300 |
| Revenue Bond | - | - | - | - | - |
| Capital Transfer | $ 1,500,000 | $2,020,000 | $ 2,040,000 | $ 2,060,000 | $ 2,080,000 |
| Debt Coverage Ratio | 2.01 | 2.01 | 2.00 | 1.99 | 1.98 |

The proposed revenue plan generates about $9.7 million during the next five years to fund capital investments in the community's local wastewater system, to continue to deliver uninterrupted high quality wastewater services and to plan for system expansion while meeting increasing environmental standards and regulatory requirements. The proposed user fees and rate forecast provides a revenue plan to support the City's 2015-2019 Capital Improvement Plan and 2008 Wastewater Master Plan as adopted by Council. Within the 2014 fiscal forecast a key objective is to continue to increase Capital Reserves to allow for an increased level of pay-as-you-go financing, allowing for continued deferral of potential future revenue bonds. At the same time, it is prudent to position financially to maintain a favorable credit rating and to be able to secure potential future revenue bonds, if needed, which would result in increased debt service obligations and coverage requirements.

**COMPARISON OF WASTEWATER USER FEES:**

Annually, as part of the user fee rate development process, staff updates a survey of wastewater user fees to provide a comparison to other communities. The following table displays residential monthly wastewater charges for each city, based on currently adopted user fees (FY 13-14) applied to a typical residential usage of 5,000 gallons per month. The cities of Eugene and Springfield amounts include both the local and regional wastewater fees. The City of Springfield local and regional wastewater rates applied to a typical monthly residential usage of 5,000 gallons is $43.91.

| City | Typical Residential Monthly Wastewater Bill |
|---|---|
| Albany | $48.02 |
| Beaverton | $38.26 |
| Bend | $44.37 |
| Corvallis | $33.24 |
| Cottage Grove | $40.46 |
| Creswell | $42.82 |
| Eugene | $33.11 |
| Gresham | $26.30 |
| McMinnville | $50.25 |
| Portland | $58.12 |
| Salem | $40.85 |
| **Springfield** | **$43.91** |
| Veneta | $46.26 |
| West Linn | $33.62 |
| Wilsonville | $59.49 |
| **Average** | **$42.61** |

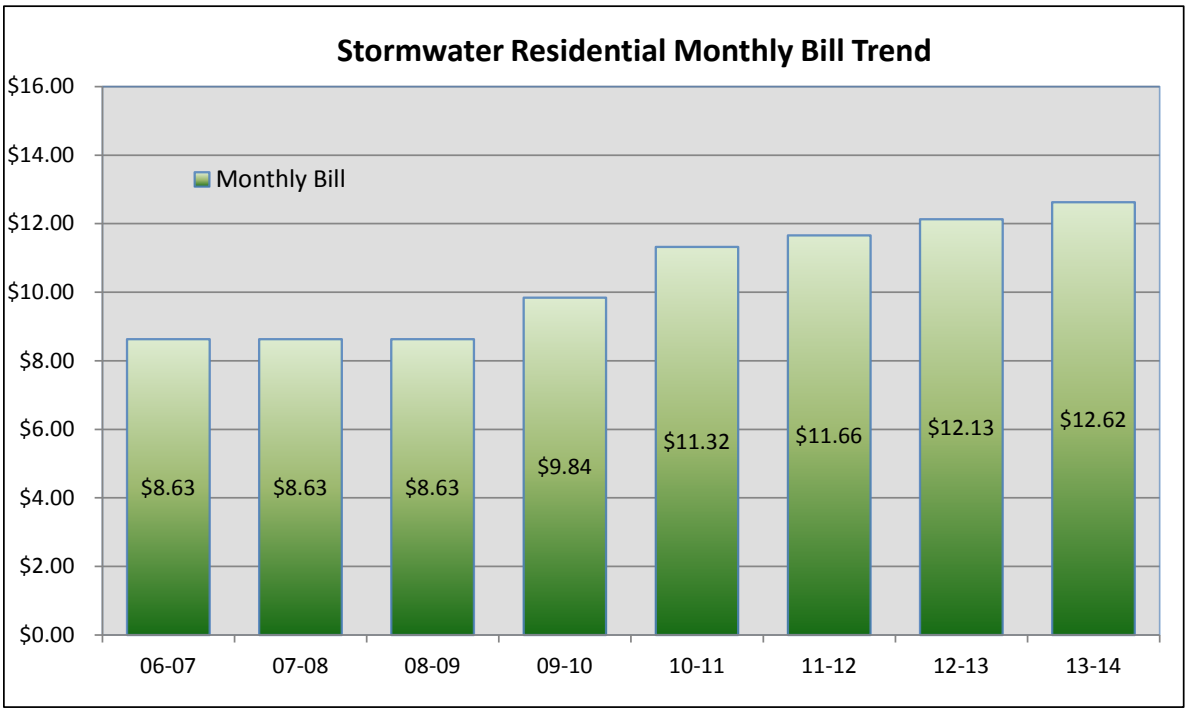
**STORMWATER PROGRAM FUNDING AND USER FEE RATE HISTORY:**

In FY 13-14, the current local residential stormwater fee is $12.62. For commercial customers, rates are calculated on the percentage of impervious area on the property as well as the total square footage of the property. Commercial properties include a base fee per 1,000 square feet of property, and each commercial property is placed into one of five categories: Very Heavy, Heavy, Moderate, Light or Undeveloped, and based on the category there is a specific base fee and impact fee charged per 1,000 square feet of property, plus an administrative fee of $1.456 per month. The stormwater monthly fee schedule is displayed below reflecting currently adopted fees.

| Stormwater Monthly Fee Schedule | | | | | |
|---|---|---|---|---|---|
| *** Residential:** $12.62 | | | | | |
| **** Commercial** | Very Heavy >70% | Heavy 41-70% | Moderate 20-40% | Light <20% | Undeveloped 0% |
| Base Fee per 1,000 sq ft | $1.466 | $1.466 | $1.466 | $1.466 | $0.000 |
| Impact Fee per 1,000 sq ft | $2.200 | $1.284 | $0.368 | $0.000 | $0.000 |
| **Total Rate per 1,000 sq ft** | $3.666 | $2.750 | $1.834 | $1.466 | $0.000 |
| | | | | | |
| *Includes Single Family Residental and Duplex Households | | | | | |
| **Commercial is based on percenatge of property development (impervious surface) | | | | | |
| **In addition to the total Commercial rate displayed above, an Adminitrative Fee of $1.456 per account is applied | | | | | |

A commercial stormwater customer with 41% to 70% of impervious area is categorized as a heavy user and currently pays $2.75 per 1,000 square feet of property plus an administrative fee of $1.456 per month. A monthly charge for a customer with 1.5 acres (approximately 65,340 square feet) would be $181.14.

Commercial customer rates will vary depending on the size of the property and the amount of impervious area. The table below displays the rate history for stormwater residential monthly charges and incremental rate changes over the last several years.




| Category | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 |
|---|---|---|---|---|---|---|---|---|
| Monthly Bill | $8.63 | $8.63 | $8.63 | $9.84 | $11.32 | $11.66 | $12.13 | $12.62 |
| % Increase | 6% | 0% | 0% | 14% | 15% | 3% | 4% | 4% |
| $ Increase | $0.51 | $0.00 | $0.00 | $1.21 | $1.48 | $0.34 | $0.47 | $0.49 |

For the City of Springfield stormwater program, the current user fees are projected to generate about $5.6 million during the current FY 13-14. Revenues from System Development Charges (SDC) are projected to generate about $85,000 for capital projects in the current FY 13-14.

**PREVIOUS COUNCIL ACTIONS:**

Prior to FY 09-10, stormwater user fees had not increased since July 2006. In FY 09-10 residential stormwater user rates increased by 14% to prepare for a stormwater revenue bond to fund capital improvements included in the Stormwater Facilities Plan. In FY 10-11 the stormwater user rates were increased 15% and in October 2010 the $10 million in revenue bonds were issued. Subsequently, in FY 11-12 the stormwater user rates were increased 3%. The stormwater rates were driven by the 125% net revenue to debt service coverage ratio required to issue revenue bonds and to maintain ongoing bond covenants. Last year, when Council adopted a 4% stormwater user fee increase for FY 13-14, the fiscal forecast projected a multi-year rate strategy with increases annually displayed as follows.

***Stormwater User Fee Forecast from Prior Year***

| Fiscal Year | 13-14 Adopted | 14-15 *Projection* | 15-16 *Projection* | 16-17 *Projection* | 17-18 *Projection* |
|---|---|---|---|---|---|
| Avg. Monthly Residential Bill | $ 12.62 | $ 13.12 | $ 13.64 | $ 14.19 | $ 14.76 |
| Local Rate Increase | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Avg. Mo. Residential Increase | $ 0.49 | $ 0.50 | $ 0.52 | $ 0.55 | $ 0.57 |
| Avg. Annual Residential Increase | $ 5.88 | $ 6.00 | $ 6.24 | $ 6.60 | $ 6.84 |

**PROPOSED STORMWATER USER FEES:**

In FY 12-13 Council provided policy direction to staff to try, over the next 5-7 years, to lower the level of stormwater rate changes to an inflationary level. Based on input provided by the Council the proposed revenue plan continues with the 4% rate change annually over the next three years, followed by a 3.5% rate change in the following two years of the five year forecast. The proposed local stormwater user fees for FY 14-15 and forecast is displayed below, including the fiscal impact to a typical residential customer. A key consideration is the debt service coverage ratio, and the proposed rate plan provides debt coverage ratios above the required 125%. It is important to note the capital transfer dollar amounts reflect a lower and declining amount when compared to recent trends. In addition, the beginning cash (reserves) are projected to be reduced with the projected lower rate changes in the forecast. Staff is proposing the stormwater user rates as the lowest responsible revenue plan based on current capital and operating budget levels, debt service and reserve requirements. As implemented in FY 11-12 the right-of-way (ROW) use fees, which are based on 3% of total stormwater user fee revenues, are included in the table.

***Stormwater FY 14-15 Proposed Rates and Forecast***

| Fiscal Year | 14-15 *Proposed* | 15-16 *Projection* | 16-17 *Projection* | 17-18 *Projection* | 18-19 *Projection* |
|---|---|---|---|---|---|
| Avg. Monthly Residential Bill | $ 13.12 | $ 13.64 | $ 14.19 | $ 14.69 | $ 15.20 |
| Local Rate Increase | 4.0% | 4.0% | 4.0% | 3.5% | 3.5% |
| Avg. Mo. Residential Increase | $ 0.50 | $ 0.52 | $ 0.55 | $ 0.50 | $ 0.51 |
| Avg. Annual Residential Increase | $ 6.00 | $ 6.24 | $ 6.60 | $ 6.00 | $ 6.12 |
| ROW Use Fee (Expense) | $ 181,300 | $ 187,800 | $ 194,300 | $ 200,200 | $ 206,200 |
| Revenue Bond | - | - | - | - | - |
| Capital Transfer | $ 1,000,000 | $ 850,000 | $ 800,000 | $ 750,000 | $ 700,000 |
| Debt Coverage Ratio | 1.57 | 1.60 | 1.66 | 1.69 | 1.71 |

**COMPARISON OF STORMWATER USER FEES:**

Annually, as part of the user fee rate development process, staff updates a survey of stormwater user fees to provide a comparison to other communities. The following table displays residential monthly stormwater charges for each city, based on currently adopted FY 13-14 user fees. The City of Springfield residential stormwater fee is currently $12.62 monthly.

| City | Typical Residential Monthly Stormwater Bill |
|---|---|
| Beaverton | $8.25 |
| Bend | $4.00 |
| Corvallis | $6.27 |
| Cottage Grove | $7.47 |
| Eugene | $11.39 |
| Gresham | $9.84 |
| Portland | $24.88 |
| **Springfield** | **$12.62** |
| Veneta | $2.20 |
| West Linn | $5.58 |
| Wilsonville | $5.25 |
| **Average** | **$8.89** |

**RECOMMENDED ACTION:**

As described above, staff has evaluated the funding requirements associated with the proposed FY 14-15 budget and the Council adopted FY 15-19 Capital Improvement Plan for the local wastewater and stormwater programs. The proposed local wastewater and stormwater user fee increases in FY 14-15 will fund ongoing system maintenance and investments in capital improvements for wastewater and stormwater infrastructure and facilities, to continue to deliver high quality uninterrupted services, while continuing to meet revenue bond covenants, increasing environmental standards and mandated regulatory requirements.

Staff recommends that Council consider the wastewater rate increase of 3% in FY 14-15, as forecasted a year ago. This recommendation provides a moderate user fee rate change in FY 14-15 and within the rate forecast which continues to implement policy direction. This recommendation is projected to generate a stable level of capital funding in pay-as-you-go financing, deferring the potential need for a future revenue bonds beyond the current five-year forecast.

Staff recommends that Council consider a stormwater rate increase of 4% in FY 14-15, as forecasted a year ago. This recommendation takes into consideration Council input and delivers a revenue plan that generates adequate revenues to continue to meet the debt service coverage ratios in FY 14-15, and the operational and maintenance standards of the stormwater program.

Staff requests Council's consideration, comments and direction to staff on the proposed rate changes for local wastewater and stormwater fees. The schedule of wastewater and stormwater fees including the regional MWMC adopted rates for FY 14-15 will be reviewed and considered at a public hearing, which is currently scheduled for May 5, 2014.

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Sophia Seban/DPW |
| | **Staff Phone No:** | 726-3680 |
| | **Estimated Time:** | 10 minutes |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Mandate |

| | |
|---|---|
| **ITEM TITLE:** | LIQUOR LICENSE ENDORSEMENTS FOR THE RENEWAL PERIOD OF 2014-2015. |
| **ACTION REQUESTED:** | Conduct a public hearing on liquor license endorsements for the 2014-2015 renewal period and at the conclusion of the public hearing; provide a recommendation to the Oregon Liquor License Commission (OLCC) as appropriate. |
| **ISSUE STATEMENT:** | The attached list of 166 businesses will likely be applying to the Development and Public Works Department for their 2014-2015 liquor license endorsements prior to June 30, 2014. |
| **ATTACHMENTS:** | Attachment 1. Liquor License Renewal List<br>Attachment 2. Police Activity Summary Report<br>Attachment 3. Section 7.300 through 7.304 of the Springfield Municipal Code. |
| **DISCUSSION/ FINANCIAL IMPACT:** | On December 19, 1994, Council approved Ordinance No. 5768 that established specific criteria to be used when reviewing an application for a liquor license endorsement. Council may recommend denial based upon reliable, factual information as it relates to any of the criteria listed in Section 7.302 of the Springfield Municipal Code.<br><br>Some of the required information for liquor license renewal, i.e., ownership of the establishment, cannot be determined until staff receives the actual application. However, some determination about meeting the listed criteria can be made now since the criteria relates to the level of police activity associated with the establishment. In the Police report, Capt. Harrison notes a substantial decrease in police activity compared to last year.<br><br>The public hearing this evening is scheduled for Council to receive community testimony relative to the liquor license renewal endorsement. At the conclusion of the public hearing, Council is requested to provide one of the following recommendations to the Oregon Liquor License Commission for the license renewal of the listed establishments: 1. Grant; 2. No Recommendations; 3. Do Not Grant Unless (applicant demonstrates commitment to overcome listed concerns); or 4. Deny. At this time, staff has no information that would tend to support negative recommendations on these renewals. Accordingly, subject to any public input received at the hearing, and final submission of applications meeting all of the criteria, staff recommends that the Council provide a positive recommendation for renewal to the Oregon Liquor Control Commission |

# 2014 Liquor License Renewals

| | Business Name | Address Location |
|---|---|---|
| 1 | 14th & Main Street Market | 1408 Main Street |
| 2 | 3 Of A Kind Deli | 5768 Main Street |
| 3 | 3 Of A Kind Deli | 2155 Olympic Street |
| 4 | 35th Street Market | 1279 35th Street |
| 5 | 7-Eleven #2363-16908D | 5808 Main Street |
| 6 | 7-Eleven #2363-18092D | 1396 Main Street |
| 7 | Abby's Legendary Pizza | 2053 Olympic Street |
| 8 | Aiyara Thai Café, | 1010 Harlow Road |
| 9 | Albertson's #570 | 2000 Marcola Road |
| 10 | Albertson's #574 | 5755 Main Street |
| 11 | Alibi Tavern | 2422 Main Street |
| 12 | Applebee's Neighborhood Grill & Bar | 3024 Gateway Street |
| 13 | Aquila & Priscilla's Eatery & Coffee | 1843 Pioneer Parkway East |
| 14 | Ashley's Deli | 4027 Main Street |
| 15 | B Lucky Bistro | 528 Harlow Road |
| 16 | Bai Khao Thai Cuisine | 541 W. Centennial Blvd |
| 17 | Benedetti's Meat Market & Deli | 533 W Centennial Blvd |
| 18 | Bi-Mart #603 | 1521 Mohawk Blvd |
| 19 | Bi-Mart #627 | 5744 Main Street |
| 20 | Bingo at the Bank | 4181 E Street |
| 21 | Bright Oak Meats | 660 Main Street |
| 22 | Buffalo Wild Wings Grill & Bar | 2770 Gateway Street |
| 23 | Bungalow Market | 30 E Street |
| 24 | Buy 2 019 | 4124 Main Street |
| 25 | Buy 2 020 | 5737 Main Street |
| 26 | Café Yumm #100005 | 3340 Gateway Street |
| 27 | Centennial Steak House | 1300 Mohawk Blvd |
| 28 | Chicken Bonz | 1815 Pioneer Parkway East |
| 29 | Chow/Moe's Tavern | 471 South A St, Suite A &B |
| 30 | Chu's Chinese Restaurant | 5676 Main Street |
| 31 | Chuck E Cheese's | 3000 Gateway Street #540 |
| 32 | Ciao Pizza | 3342 Gateway Street |
| 33 | CJ's Eatery | 2152 Marcola Road |
| 34 | CJ's Eatery | 5721 Main Street |
| 35 | Club 1444 | 1444 Main Street |
| 36 | Coburg Pizza Company | 1710 Centennial Blvd |
| 37 | Coho Distributing DBA: Columbia District | 4011 Industrial |
| 38 | Convenience Retailers (Circle K/76 #5468) | 5720 Main Street |

# 2014 Liquor License Renewals

| Business Name | Address Location |
|---|---|
| 39 Conway's Restaurant/Lounge | 5658 Main Street |
| 40 Cork & Bottle Shoppe | 812 Beltline Road |
| 41 Cottage House Restaurant & Lounge | 1875 Mohawk Blvd |
| 42 Courtsports Athletic Club | 2728 Pheasant Blvd |
| 43 Courtyard by Marriott | 3443 Hutton Street |
| 44 Dari Mart #1 | 1554 M Street |
| 45 Dari Mart #16 | 1243 Rainbow Drive |
| 46 Dari Mart #17 | 6890 Main Street |
| 47 Dari Mart #30 | 1191 Harlow Road |
| 48 Dari Mart #34 | 220 B Street |
| 49 Dari Mart #36 | 456 Harlow Road |
| 50 Dari Mart #37 | 610 Q Street |
| 51 Dari Mart #38 | 1950 Mohawk Blvd |
| 52 Dari Mart #39 | 1875 Main Street |
| 53 Dari Mart #40 | 3185 Gateway Blvd |
| 54 Dari Mart #48 | 995 Hayden Bridge Road |
| 55 Denny's #6363 | 987 Kruse Way |
| 56 Driftwood Bar & Grill | 5094 Main Street |
| 57 Eagles Lodge #3597 | 1978 Main Street |
| 58 Eirinn's Bistro | 639 W. Centennial Blvd |
| 59 El Charro Mexican Restaurant | 495 Harlow Road |
| 60 El Rey Mexican Restaurant | 1909 South A Street |
| 61 Elks Lodge #2145 | 1701 Centennial Blvd |
| 62 Elmer's Restaurant | 3350 Gateway Street |
| 63 Everyone's Market #1 | 1128 5th Street |
| 64 Everyone's Market #2 | 7095 Main Street |
| 65 Far Man Restaurant | 3111 Gateway Street |
| 66 Fast Track Pizza | 3181 Gateway Street |
| 67 Fred Meyer #328 | 650 Q Street |
| 68 Gateway Restaurant | 3198 Gateway Street |
| 69 Get-N-Go Deli | 152 28th Street |
| 70 Get-N-Go Grocery | 150 28th Street |
| 71 Giant Burger | 3760 Main Street |
| 72 Goodfella's Lounge | 117 South 14th Street |
| 73 Great Wall Restaurant | 862 Main Street |
| 74 Grocery Outlet | 160 South 14th Street |
| 75 Hacienda Amigo Mio | 3344 Gateway Street |

# 2014 Liquor License Renewals

| | Business Name | Address Location |
|---|---|---|
| 76 | Harley's and Horses | 2816 Main Street |
| 77 | Hayden Bridge Deli | 2454 10th Street |
| 78 | Heritage Family Restaurant | 1414 Mohawk Blvd |
| 79 | Hilton Garden Inn Eugene/Springfield | 3528 Gateway Street |
| 80 | Hole in the Wall BBQ | 1807 Olympic Street |
| 81 | Holiday Inn Eugene-North Springfield | 919 Kruse Way |
| 82 | Hop Valley Brewing Company | 980 Kruse Way |
| 83 | International Arco | 3521 Gateway Street |
| 84 | Izzy's Pizza Bar Classic Buffet | 1930 Mohawk Blvd |
| 85 | Jackson's Food Store #112 | 3375 Gateway Street |
| 86 | Jasper's | 5608 Main Street |
| 87 | Jasper's Deli | 1665 18th Street |
| 88 | Jazzie's Deli & Grill | 1869 Pioneer Parkway East |
| 89 | Ji's Market | 5095 Main Street |
| 90 | Jimmy Lane | 868 Main Street |
| 91 | Joey's Pizza Parlor | 1498 South A Street |
| 92 | John's Gas and Groceries | 5390 Main Street |
| 93 | J.X. Pop | 525 W Centennial Blvd |
| 94 | Kick City | 1650 28th Street |
| 95 | Kona Café Hawaiian BBQ | 4605 Main Street |
| 96 | LaVelle Vineyards, INC | 400 International Way Ste, 130 |
| 97 | Lee's Mongolian Grill | 1820 Olympic Street |
| 98 | Los Faroles | 355 South A Street |
| 99 | Lucky Lil's | 1330 Mohawk Blvd |
| 100 | Lucky Lou's Deli | 4215 Main Street Unit C |
| 101 | Maynila LLC | 130 South 32nd Street |
| 102 | Memos Mexican Restaurant | 737 Main Street |
| 103 | Mohawk Chevron | 1111 Mohawk Blvd |
| 104 | Mohawk Inn Tavern | 1501 Mohawk Blvd |
| 105 | Moose Lodge #1726 | 2011 Laura Street |
| 106 | More of Everything #800 | 3000 Gateway Street #800 |
| 107 | Naya's Taqueria | 1835 Pioneer Parkway East |
| 108 | New China Sun | 3260 Gateway Street |
| 109 | Noodle N' Thai Restaurant | 553 Main Street |
| 110 | Oakway Catering | 123 International Way |
| 111 | O'Briens | 1509 Mohawk Blvd |
| 112 | Original Roadhouse Grill | 3018 Gateway Street |
| 113 | Outback Steakhouse | 3463 Hutton Drive |

# 2014 Liquor License Renewals

| Business Name | Address Location |
|---|---|
| 114 Papa's Pizza Parlor #3 | 4011 Main Street |
| 115 Patty's Café | 2327 Olympic Street |
| 116 Patty's Café | 1830 Pioneer Parkway |
| 117 Pier Sushi | 720 South A Street |
| 118 Pizza Hut of Southeast Kansas | 130 South 32nd Street |
| 119 Planktown | 346 Main Street |
| 120 Prime Time Sports Bar and Grill | 1360 Mohawk Blvd |
| 121 Ranchito Grill Inc | 1537 Mohawk Blvd |
| 122 Rani Pal Chevron | 316 42nd Street |
| 123 Rite Aid Drug Store #5383 | 2130 Marcola Road |
| 124 Rommy's Market | 701 West M Street |
| 125 Round Table Pizza #250 | 5547 Main Street |
| 126 Safeway Store #1094 | 1891 Pioneer Parkway East |
| 127 Safeway Store #311 | 5415 Main Street |
| 128 Shari's of North Springfield #208 | 900 Beltline Road |
| 129 Shari's of Springfield #167 | 1807 Pioneer Parkway East |
| 130 Sharky's Pub | 4221 Main Street |
| 131 Sizzler Family Steak House #96 | 1010 Postal Way |
| 132 Sluggo's Hot Dogs | 603 East Centennial |
| 133 Sonny's Tavern | 533 Q Street |
| 134 Spring Garden Seafood Restaurant | 215 Main Street |
| 135 Springfield Arco | 4202 Main Street |
| 136 Springfield Conoco Philips | 4095 Main Street |
| 137 Springfield Timber Bowl | 924 Main Street |
| 138 Spyce Gentlemen's Club | 1195 Main Street |
| 139 Sweet Illusions | 1836 South A Street |
| 140 TaRaRin Thai Cuisine | 1410 Mohawk Boulevard |
| 141 Target Store # T-0612 | 2750 Gateway Street |
| 142 The Brick House | 136 4th Street |
| 143 The Lucky Lizard Delicatessen | 1979 Mohawk Blvd |
| 144 The Pour House Tavern | 444 42nd Street |
| 145 The Pump Café | 710 Main Street |
| 146 The Washburne Café | 326 Main Street |
| 147 Thomsens Market | 3444 Main Street |
| 148 Thurston Market | 6590 Thurston Road |
| 149 Time Out Tavern | 5256 Main Street |
| 150 Toreros Restaurant | 5705 Main Street |

# 2014 Liquor License Renewals

| Business Name | Address Location |
|---|---|
| 151 Travel Lane County | 3312 Gateway Street |
| 152 USA Gas #62526 | 5733 Main Street |
| 153 VFW POST #3965 | 5344 Main Street |
| 154 Vino and Vango | 236 Main Street |
| 155 Walgreens #07975 | 5807 Main Street |
| 156 Walgreens #09258 | 1210 Mohawk Blvd |
| 157 Walgreens #10812 | 6 W Q Street |
| 158 Wal-Mart #4178 | 2730 Gateway Street |
| 159 Wal-Mart Supercenter #3239 | 2659 Olympic Blvd |
| 160 Westend Tavern | 563 W Centennial Boulevard |
| 161 Whiskey River Ranch | 4740 Main Street |
| 162 White Horse Saloon | 4360 Main Street |
| 163 Wholesale Market | 651 W Centennial Blvd |
| 164 Willie's Lebanese/Northwest Cuisine | 400 International Way |
| 165 Winco Foods #34 | 1920 Olympic Avenue |
| 166 Wynant's Family Health Foods | 722 South A Street |

MEMORANDUM CITY OF SPRINGFIELD

COMMITTED TO EXCELLENCE

April 22, 2014

TO: Sophia Seban

FROM: Richard Harrison, Captain
Patrol Bureau

SUBJECT: Liquor License - Activity Summary Report

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Police responded to liquor dispensing establishments a total of 713times during the 9 month period between July 1, 2013 and March 31, 2014, a decrease of 28% over the same time period from the previous year. Below is a chart listing the most common types of police calls to all liquor dispensing establishments.

| Call Type | Count |
|---|---|
| THEFT | 49 |
| AUDIBLE ALARM | 47 |
| CRIMINAL TRESPASS | 47 |
| PERSON STOP | 45 |
| FOLLOW UP | 44 |
| INCOMPLETE CALL | 29 |
| SUSPICIOUS SUBJECT | 29 |
| DISORDERLY SUBJECT | 27 |
| DISPUTE | 26 |
| WARRANT SERVICE | 24 |
| CHECK WELFARE | 21 |
| SUSPICIOUS VEHICLE | 17 |
| FOUND PROPERTY | 16 |
| SUSPICIOUS CONDITIONS | 16 |
| ATL DRUNK DRIVER | 15 |
| CRIMINAL MISCHIEF | 15 |
| DUII | 14 |
| HARASSMENT | 13 |
| THEFT FROM VEHICLE | 13 |
| ALARM SILENT | 11 |
| DETOXIFICATION | 11 |
| ASSAULT | 10 |
| FIGHT | 10 |
| THEFT OF BICYCLE | 10 |

The following chart lists calls to all establishments with 12 or more calls for police service during the 9 month reporting period. Establishments are ranked in order of the number of calls for police service to the premises. Included for each location is the total number of calls to the establishment, the number of arrests at the establishment, and the number of fight/assault calls to that establishment.

| Business Name | Calls for Service | Arrests | Fight/Assault Calls |
|---|---|---|---|
| Elmer's Restaurant | 51 | 3 | 1 |
| The Brick House | 27 | 5 | 3 |
| Whiskey River Ranch | 26 | 2 | 2 |
| Hop Valley Brewing Company | 25 | 1 | 0 |
| The Pour House Tavern | 24 | 9 | 2 |
| Sonny's Tavern | 22 | 3 | 1 |
| Centennial Steak House | 21 | 2 | 1 |
| Oakway Catering | 21 | 0 | 0 |
| Fast Track Pizza | 20 | 2 | 0 |
| Spyce Gentlemen's Club | 20 | 5 | 2 |
| CJ's Eatery | 19 | 1 | 0 |
| Prime Time Sports Bar and Grill | 19 | 0 | 2 |
| Mohawk Inn Tavern | 18 | 2 | 1 |
| B Lucky Bistro | 17 | 4 | 0 |
| Cottage House Restaurant & Lounge | 17 | 3 | 0 |
| Get-N-Go Grocery | 17 | 1 | 0 |
| Lucky Lil's | 17 | 0 | 0 |
| Sharky's Pub | 17 | 1 | 0 |
| Lucky Lou's Deli Unit C | 16 | 2 | 0 |
| Springfield Timber Bowl | 15 | 2 | 0 |
| Time Out Tavern | 15 | 1 | 1 |
| Alibi Tavern | 14 | 1 | 0 |
| Bright Oak Meats | 14 | 0 | 0 |
| Coburg Pizza Company | 14 | 2 | 0 |
| Giant Burger | 13 | 0 | 0 |
| Buffalo Wild Wings Grill & Bar | 12 | 0 | 0 |

The next chart is a list of the liquor licensed businesses with the highest number of calls for service, where the call occurred between midnight and 6:00 a.m.

| Business Name | Count | Calls Between Midnight and 6:00 a.m. |
|---|---|---|
| Elmer's Restaurant | 51 | 16 |
| The Brick House | 27 | 12 |
| The Pour House Tavern | 24 | 12 |
| Spyce Gentlemen's Club | 20 | 12 |
| Hop Valley Brewing Company | 25 | 11 |
| Centennial Steak House | 21 | 10 |
| Sharky's Pub | 17 | 10 |
| Sonny's Tavern | 22 | 6 |
| Fast Track Pizza | 20 | 6 |
| Prime Time Sports Bar and Grill | 19 | 6 |
| Mohawk Inn Tavern | 18 | 6 |
| Time Out Tavern | 15 | 6 |

The final chart is an activity detail report on all downtown establishments in which an arrest was made.

| Business Name | Date | Incident Type |
|---|---|---|
| Spyce Gentlemen's Club<br>1195 Main St | | |
| | 7/21/2013 | CRIMINAL MISCHIEF |
| | 10/5/2013 | DUII |
| | 12/21/2013 | WEAPON OFFENSE |
| | 12/31/2013 | DUII |
| | 3/11/2014 | ASSAULT |
| The Brick House<br>136 4th St | | |
| | 7/28/2013 | DUII |
| | 8/30/2013 | DISORDERLY SUBJECT |
| | 12/7/2013 | ASSAULT |
| | 2/16/2014 | DISORDERLY SUBJECT |
| | 3/22/2014 | THEFT |
| Springfield Timber Bowl<br>924 Main St | | |
| | 7/23/2013 | CRIMINAL MISCHIEF |
| | 11/2/2013 | FOLLOW UP |
| The Washburne Café<br>326 Main St | 11/1/2013 | CRIMINAL TRESPASS |

## LIQUOR LICENSE RECOMMENDATION

**7.300 Recommendation Required.** The Oregon Liquor Control Commission requires every applicant for a license to sell spirits, wines, beers, and other alcoholic liquors to obtain a recommendation in writing from the city council.

**7.302 Council Action.**

(1) The council shall provide a written recommendation for each applicant. The council may recommend denial of the license based upon reliable, factual information related to any of the following criteria:

(a) Disturbances, lewd or unlawful activities or noise in or on the immediate vicinity or the premises that are related to the sale or service of alcoholic beverages.

(b) Applicant has a history or arrest record of alcohol abuse or other controlled substance use.

(c) The licensed premises has a history of serious or persistent problems with unlawful activities, noise or disturbances resulting in the need to provide extraordinary police or other city services.

(d) Applicant proposes to locate near a licensed child care facility or elementary or secondary school; a church; a hospital, nursing care facility or convalescent care facility; a park or child oriented recreational facility; an alcohol or other drug treatment or rehabilitation facility.

(e) Applicant fails to provide complete information on city application.

(f) Applicant provides false or misleading information.

(2) Prior to each annual liquor license renewal period, the city council shall hold a public hearing to allow interested persons the opportunity to provide testimony to be considered by the city council in making their decision to recommend approval or denial of any specific renewal applications. Notice of this public hearing shall be advertised in a local newspaper at least four days before the hearing. This requirement applies to renewal applications and does not apply to original, change in ownership, location or privilege applications.

**7.304 License Fee.** Each licensee shall be required to pay the applicable license fee as set by council resolution.

## MANUFACTURED DWELLING PARKS

**7.310 Definition.** Manufactured dwelling park is a place where four or more manufactured dwellings are located within 500 feet of one another on a lot, tract or parcel of land under the same ownership, the primary purpose of which is to rent space to any person for a charge or fee paid or to be paid for the rental use of facilities or to offer space free in connection with securing the trade or patronage of such person.

**7.312 License Required.** No person shall establish, maintain or operate a manufactured dwelling park within the city unless a license for that use is obtained from the city. Every place or building where a manufactured dwelling park is offered, whether for hire or not, shall be deemed a manufactured dwelling park subject to the provisions of this section. Each licensee shall meet the standards as described in sections 7.000 to 7.006.

**7.314 License Fee.** Each licensee shall be required to pay the applicable license fee as set by council resolution.

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Kevin Ko/DPW |
| | **Staff Phone No:** | 541-726-2302 |
| | **Estimated Time:** | 10 Minutes |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Encourage Economic Development and Revitalization through Community Partnerships |

| | |
|---|---|
| **ITEM TITLE:** | FISCAL YEAR 2014-2015 ONE-YEAR ACTION PLAN OF THE EUGENE-SPRINGFIELD CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT (CITY OF SPRINGFIELD SECTION) |
| **ACTION REQUESTED:** | 1. Conduct a Public Hearing to receive testimony regarding the City of Springfield section of the FY2014-2015 One-Year Action Plan<br>2. Modify if appropriate and by motion adopt/not adopt the Springfield section of the FY2014-2015 One-Year Action Plan |
| **ISSUE STATEMENT:** | One-Year Action Plans must be submitted to HUD prior to the beginning of each fiscal year as amendments to the five-year Eugene-Springfield Consolidated Plan. The purpose of the annual action plan is to indicate how the cities intend to use federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds to fulfill the priorities established in the Consolidated Plan. This is the fifth and final One-Year Action Plan under the 2010 Consolidated Plan, and covers the period beginning July 1, 2014 and ending June 30, 2015. |
| **ATTACHMENTS:** | 1. FY2014-2015 Action Plan Executive Summary<br>2. FY2014-2015 One-Year Action Plan (City of Springfield section) |
| **DISCUSSION/ FINANCIAL IMPACT:** | The City of Springfield receives CDBG funds as an entitlement community and HOME funds as a participant in a HOME consortium agreement with the City of Eugene. CDBG funds are awarded to communities who carry out community development activities directed towards neighborhood revitalization, economic development, and the provision of improved community facilities and services. HOME funding is a housing block grant program allocated to communities to be used for housing rehabilitation, new construction, acquisition and tenant based rental assistance activities. A public hearing was held on April 7, 2014, to review and consider proposed CDBG and HOME funding allocations. Council approved four projects for CDBG funding and one project for HOME funding. Council also approved allocations for grant administration, public services, program and project delivery, and planning.<br><br>The FY2014-2015 One Year Action Plan includes the CDBG and HOME funding allocations for projects and activities, and is consistent with the Council's actions of April 7, 2014. The plan must be approved by both the City of Springfield and City of Eugene prior to submission to HUD. In addition to the approved projects, a description of other activities that may be initiated is included in both the CDBG and HOME sections of the Action Plan. The public comment period for the City of Springfield section of the document concludes with the public hearing on May 5, 2014. The City of Eugene section of the Action Plan is being adopted separately by the Eugene City Council. The combined Eugene-Springfield One-Year Action Plan will be submitted to HUD on or before May 15, 2014 for review and acceptance. |

# City of Springfield Process

Citizen Participation Process, Outreach and Technical Assistance

Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds are allocated through a competitive application process. Applications are solicited from area non-profit agencies and from private for-profit entities. The City of Springfield has been very successful in its outreach efforts to minorities, persons with disabilities and other underserved populations. Notices of funds availability, committee meetings and public hearings are widely distributed to area social service agencies and housing providers, including agencies that serve minorities and persons with physical and developmental disabilities. These include NEDCO, Sheltercare, Mainstream Housing, Alvord Taylor Supported Living, Full Access and Oregon Supported Living, Pearl Buck Center and the Arc of Lane County. The public hearings to receive input for the annual action plans are well attended and often include persons with disabilities and minorities. A significant portion of our Federal entitlements have gone to agencies that serve persons with physical and developmental disabilities.

Technical Assistance is provided individually to applicants during a required pre-submittal meeting with CDBG and HOME staff. Applicants are informed of local and federal rules and requirements that govern the CDBG and HOME programs. These include Davis-Bacon, environmental requirements, zoning and land use issues and program eligibility. Eligible applications are forwarded to the Springfield Community Development Advisory Committee (CDAC) for review.

FY2014/15 Allocation Process

Requests for Proposals were issued on January 17, 2014. $198,119 of HOME funds and $137,494 of CDBG funds were made available in the RFP. Selected projects and services will provide decent, safe and affordable housing for persons of low income, create or sustain a suitable living environment and provide economic opportunities for persons of low and moderate income. The deadline for receiving completed proposals from all applicants was March 10, 2014. The City received five requests for funding totaling $331,921. All applications were forwarded to the CDAC for review and consideration. The CDAC held a public hearing on March 20, 2014 to hear testimony, review proposals and develop funding recommendations. Several members of the public and city staff attended the public hearing, with nine persons providing testimony to the CDAC. After deliberation, the CDAC recommended all projects for CDBG or HOME funding. Recommendations for funding were forwarded to the Springfield City Council. The 30-day public comment period for the FY2014/15 One-Year Action Plan opened on April 1, 2014 with the publication of a combined notice of public hearing in the Register Guard and distribution of the notice to interested parties.

The Springfield City Council met on April 7, 2014 and held a public hearing on the CDBG and HOME funding recommendations for FY2014/15. Applicants, supporters and CDAC members attended the public hearing and five people testified in support of the CDAC's recommendations. The Council considered testimony and discussed the individual projects and community goals. The Council voted 6-0 to approve CDBG and HOME funding as recommended. The 30-day comment period for the One-Year Action Plan

closed on May 5, 2014. No written testimony or comments were received. The FY2014/15 One-Year Action Plan (Springfield section) was presented to the City Council for consideration and approval at a public hearing on May 5, 2014. The City Council voted 6-0 to approve the FY2014/15 One-Year Action Plan.

# Highlights – City of Springfield

**Non-Profit Capital Projects**

The Emerald Empire Art Association (EEAA) is receiving $8,000 of CDBG funds to assist with renovation of the commercial storefront at the Emerald Art Center. Located at 500 Main Street, the Emerald Art Center is in the heart of downtown. The CDBG funds will be used to install front window lighting and display structures to highlight the Art Center and provide a more attractive, welcoming environment to downtown visitors. The new LED lighting will replace existing halogen lights, and add additional lighting to enhance the evening and nighttime façade of the Art Center. The new LED fixtures will last longer and be a cost and energy saving improvement to the facility. Currently, the four large windows facing Main Street are mainly unlit and it is often difficult to determine if the Art Center is open for business. The Art Center is a key stopping point during the 2nd Friday Art Walk which occurs each month in downtown, typically attracting 100-200 visitors.

Catholic Community Services (CCS) is receiving $27,615 in CDBG funding to purchase a walk-in freezer/refrigerator combination, to be installed at the Springfield Community Service Center at 1025 G Street. CCS operates a food box distribution program from this facility, and the freezer/refrigerator will allow the program to better store and distribute frozen and perishable food items to its low and very-low income clientele. This activity is part of a larger renovation being undertaken by CCS to expand their food box distribution service and better accommodate the growing numbers of individuals and families that use the program. The permanently installed unit will provide 250 cubic feet of freezer space and 250 cubic feet of refrigerator space.

**Affordable Rental Housing**

HACSA, in partnership with Cornerstone Community Housing (formerly Metropolitan Affordable Housing) is receiving $186,306 of HOME funding to support the development of Glenwood Place, a multi-family mixed-use development located in Glenwood. When completed, the development will consist of 130 affordable workforce housing units and ground floor commercial space fronting Franklin Blvd. Glenwood is located in a transit-rich area, positioned between Eugene and Springfield, with easy access to the U of O, LCC, Peace Health Medical Center, and both downtowns.

The workforce housing within the development will consist of studio, one-bedroom and two-bedroom apartments set at rent levels affordable to individuals and families earning 30-60% of median area income. The development will include community spaces and meeting rooms, open areas, and parking for the commercial and residential tenants. The development is projected to be a catalyst for new economic activity along the Franklin Blvd. corridor, and is consistent with the goals of the Glenwood Refinement Plan.

**Economic Development and Job Creation**

The Neighborhood Economic Development Corporation (NEDCO) is receiving $66,879 of CDBG funds to provide business incubator services through the Hatch Program and through a cooperative agreement with Huerto de la Familia. The agency plans to use $64,500 to serve 30 clients through its Hatch Business Incubator Program and 3 clients through services delivered by Huerto de la Familia. Services will include workshops and classes, ongoing coaching, business planning and development, access to financial management tools, and outreach with a focus on the Latino community.

NEDCO is planning to use $7,500 of its allocation to provide up to 150 hours of Retail Business Incubator assistance to up to five existing downtown businesses. Services include merchandising assistance, secret shopper services and other retail specific training and support. $3,000 of CDBG is earmarked for outreach and marketing support. These services and activities are eligible under the Slums and Blight (S/B) national objective.

**Downtown Redevelopment**

The Springfield Renaissance Development Corporation (SRDC) is receiving $35,000 of CDBG funds to assist with the renovation of a downtown property. Located at 331-335 Main Street, the property is an existing single story structure with three store fronts. Renovation activities include façade improvements, awnings, electrical and lighting improvements, interior renovations and painting. The project will demonstrate how relatively small capital investments in existing downtown structures can dramatically improve the business potential of these buildings, benefit adjacent businesses, increase the tax-base and add to the revitalization of the downtown commercial core.

**Other Activities and Housing Programs**

- Housing Rehabilitation Programs - $70,000 in CDBG will be used by the City of Springfield to support two housing rehabilitation programs. These programs provide assistance to low and very low-income homeowners faced with major rehabilitation needs and emergency home repairs.

- Home Ownership Program - $100,000 in HOME funds will be used by the City of Springfield to support its Springfield Home Owner Program (SHOP). The SHOP will provide up to $7,000 to low-income homebuyers for downpayment assistance and other closing costs.

- Community Housing Development Organizations - $14,979 of HOME funds will go to support four Community Housing Development Organizations (CHDO). Called CHDO Operating Funds, the funds will be divided equally among Mainstream Housing, Inc., Metropolitan Affordable Housing Corporation, Neighborhood Economic Development Corporation and St. Vincent de Paul Society of Lane County.

- Public Services - $67,671 in CDBG will go to the Human Services Commission to support public services for low and very low-income persons. Funded agencies include Food for Lane County, the Relief Nursery, Catholic Community Services, and Womenspace.

# City of Springfield
# CDBG Program

The City of Springfield receives an annual allocation of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The City of Springfield's fiscal year 2014/2015 (FY 2014/15) CDBG allocation will be $451,142. This is a 6.0% decrease from FY2013.

The Community Development Advisory Committee (CDAC) was established by the City of Springfield to make recommendations concerning program policy and project selection to the City Council. Springfield allocates CDBG funds annually through a competitive Request for Proposals (RFP) process. One of the funding criteria for project selection is the efficient use of the CDBG dollars. This is demonstrated in a proposal by the amount of additional resources leveraged by the CDBG commitment. Although this funding criterion is weighed against other funding criteria, it has been a significant factor in bringing much needed resources into the community. The CDAC also determined that projects nearing completion should receive additional consideration for funding, as these projects have the potential of providing immediate benefit to the community.

It is anticipated that the FY 2014/15 CDBG allocation will leverage other resources that will include but are not limited to the following: Springfield General Fund, other Federal resources, State funds, urban renewal, local assessments for public improvements, private donations, in-kind contributions, and contributions provided by the applicant agency.

## Activities Benefiting Low- and Moderate-Income Persons

Generally, Springfield's CDBG-funded programs and projects are provided to benefit low-income residents living within the city limits of Springfield. Individuals participating in a CDBG-funded program are required to meet HUD Income Guidelines. In order to meet the CDBG National Objective of Benefit to Low and Moderate-Income Persons, CDBG-funded projects must either serve a specific low-income area, or provide tangible benefit to low- and moderate-income clientele (services, economic opportunities, housing). Funded programs and projects undergo periodic staff monitoring to ensure compliance with CDBG regulations. It is estimated that no less than $300,000 of FY 2014/15 CDBG funds will be spent on activities that benefit primarily low- and moderate-income persons.

**Springfield Community Service Center Renovation**. Catholic Community Services (CCS) owns and operates the Springfield Community Service Center at 1025 G Street. CCS will receive $27,615 of CDBG funds to assist with the purchase of a walk-in freezer/refrigerator unit to be installed in the newly renovated food distribution area of the Community Center.

The Community Service Center is the largest distributor of emergency food in Springfield, distributing approximately 475 tons to over 12,000 low-income families and individuals in 2012. Persons in need may also receive clothing hygiene and personal items, household items, utility assistance, LTD bus passes and other necessary assistance. It is also one of two Springfield sites for the Egan Warming Centers.

**Business and Community Development on A Street**. NEDCO will utilize $56,379 of CDBG funds to provide business incubator services through the Hatch Program and through a cooperative agreement with Huerto de la Familia. The agency plans to serve 30 clients through its Hatch Business Incubator Program and 3 clients through services delivered by Huerto de la Familia. These services will be provided by NEDCO from its three downtown locations: the Sprout! Regional Food Hub at 418 A Street, the Hatch Business Development Center at 212 Main Street and at 405 A Street, an existing building that NEDCO is leasing across the street from Sprout! NEDCO will be leasing the building from its current owner.

This is a service activity, and the total project cost reflects the total anticipated annual cost of administering the Local Works suite of programs, which includes the Hatch Business Incubator Program. NEDCO is a leader and active proponent of downtown revitalization, and has partnered with the City on several important downtown projects, including the Sprout! Food Hub, the NEDCO Building and the Springfield Farmers' Market.

# Activities for the Prevention or Elimination of Slum and Blighted Conditions

Another national objective of the CDBG program is the prevention or elimination of slums and blighted conditions in neighborhoods and communities, either by designating a specific area or by addressing conditions on a spot basis. The City of Springfield conducted a thorough inventory of structures in the downtown corridor to determine if the area would meet the CDBG qualifications as a Blighted Area. A total of 116 structures were inventoried and a visual inspection was made of the exterior of each structure. 68 structures were determined to have conditions of decay and deterioration. At a public hearing on December 1, 2003, the City Council approved amendments to the 2000 Eugene-Springfield Consolidated Plan to designate a Springfield Downtown Redevelopment Area, in compliance with CDBG regulations. The Downtown Redevelopment Area has boundaries of Mill Street (west boundary), South A Street (south boundary), 10th Street (east boundary) and B Street (north boundary), excluding the residential areas on the south side of B Street between 8th and 10th Streets, and on the north side of A Street between 9th and 10th Streets. The amendments to the Consolidated Plan also included provisions for reserving a portion of the City's annual CDBG allocation for projects that specifically address the problems of blight in the Downtown Redevelopment Area.

The City of Springfield aggregates CDBG public benefit over three consecutive plan years. This Action Plan covers activities for the first year in the three-year aggregate.

Downtown Retail Business Incubator Assistance**.** NEDCO will utilize $10,500 of CDBG funds to provide up to 150 hours of Retail Business Incubator assistance to existing downtown businesses. NEDCO will provide technical assistance to the existing businesses, including such services as secret shopper testing, façade evaluation, retail layout and circulation and accessibility. This is a service activity, and the total project cost reflects the total anticipated annual cost of administering the Local Works suite of programs, which includes the Hatch Business Incubator Program.

SRDC Demonstration Project. The Springfield Renaissance Development Corporation (SRDC) will utilize $35,000 of CDBG funds to assist with the renovation of a downtown property. Located at 331-335 Main Street, the property is an existing single story structure with three store fronts. Renovation activities include façade improvements, awnings, electrical and lighting improvements, interior renovations and painting. The project will demonstrate how relatively small capital investments in existing downtown structures can dramatically improve the business potential of these buildings, benefit adjacent businesses and add to the revitalization of the downtown commercial core.

Emerald Art Center Window Lighting and Display. The Emerald Empire Art Association (EEAA) is requesting $8,000 of CDBG funds to assist with renovation of the commercial storefront at the Emerald Art Center. Located at 500 Main Street, the Emerald Art Center is in the heart of downtown. The CDBG funds will be used to install front window lighting and display structures to highlight the Art Center and provide a more attractive, welcoming environment to downtown visitors. The four large windows facing Main Street are currently unlit and it is often difficult to determine if the Art Center is open for business. The Art Center is a key stopping point during the 2nd Friday Art Walk which occurs each month in downtown, typically attracting 100-200 visitors. Admission to the Art Center is free to the public, and is often visited by students and persons of low and moderate incomes. Improving the Main Street façade of the Emerald Art Center will further enhance the pedestrian environment of downtown, and will complement the streetlight improvements currently planned for downtown.

An allocation table and summaries of each approved project can be found at the end of this section. Funding for grant administration and planning, public services and housing programs shown in the table was also approved by the Council at the public hearing on April 7, 2014.

## Homeless and Special Needs Activities

The City of Springfield plans to continue to provide support for homeless and special needs activities through the utilization of CDBG program funding. Current and past CDBG projects that serve this diverse target population are:

- Non-profit owned facility improvements that benefit homeless and special needs populations. Agencies assisted include Pearl Buck Center, Full Access and Oregon Supported Living, Alvord-Taylor, Shankle Safe Haven and the Springfield Community Service Center.

- Transitional housing for homeless and at-risk families. (NEDCO, SVDP)
- Group homes for developmentally disabled persons. (Alvord-Taylor)
- Security deposit assistance for homeless and at-risk households. (City Program)
- Service enriched rental housing for special needs individuals, including low-income seniors and developmentally disabled adults. (Sheltercare, Mainstream Housing)
- Emergency rental assistance for very low-income households. (City Program)
- Dedicated housing for low-income seniors. (SVDP)
- Food box programs, energy assistance (Springfield Community Service Center)
- Emergency Housing and support services for DV victims. (Womenspace)

In addition to these CDBG activities, the City of Springfield supports other non-federally funded activities that provide critical assistance to homeless and at risk populations:

- Overnight Parking Program
- Egan Warming Centers
- Interfaith Emergency Shelter System

## Continuum of Care Service System

The enormous diversity of individual and families who are homeless and the unique problems and specific needs of each subgroup require highly complex service systems. The need to provide specialized services for different sub-populations means that some services or programs may be appropriate for some groups but not others. In addition, a single person or household may need the assistance of numerous mainstream services beyond housing. These may include health care, cash benefits, food, employment, and substance abuse treatment. Community-wide planning and coordination among homeless service providers and mainstream service providers is important if individuals and families are to get the help they need and eventually leave homelessness.

As described in the FY2012-13 One Year Action Plan, the primary strategy for reducing and ending homelessness in the Eugene/Springfield metropolitan area is the design and implementation of a continuum of care strategic plan for the delivery of services for homeless and at-risk persons. The cities of Eugene and Springfield, in partnership with Lane County participate in the Intergovernmental Human Services Commission (HSC) to address complex anti-poverty and homeless issues through a Continuum of Care (CoC) service delivery system that is designed to stimulate communitywide planning and coordination of programs for individuals and families who are homeless or at-risk. While the HSC has an existing CoC

strategy in place, the recent HEARTH Act amendments to the McKinney-Vento Homeless Assistance Act have prompted the HSC to formalize the role and function of the CoC.

The CoC is a strategic plan for addressing homeless in the community. It is designed to:

- Promote a communitywide commitment to the goal of ending homelessness
- Provide funding for efforts for rapidly rehousing homeless individuals and families
- Promote access to and effective use of mainstream programs
- Optimize self-sufficiency among individuals and families experiencing homelessness

Two critical components of the Eugene/Springfield/Lane County CoC are the One-Night Homeless Count (ONHC) and the Homeless Management Information System (HMIS). The ONHC is an annual, countywide undertaking that seeks out unsheltered homeless persons and collects important demographic data. From this intensive outreach effort we get a snapshot of the homeless population in our area, a general assessment of their needs and disabling conditions, and a basis for allocating resources. All personal information collected from the ONHC will remain confidential.

The HMIS is a point of entry identification system for individuals and households accessing homeless and supportive services through participating agencies. With the HMIS, an individual or household completes an intake form upon entry into the system. Client information is accessible by other HMIS agencies, needs assessments can be made and multiple services can be provided. The HMIS ensures that each client receives the care and assistance needed while reducing the potential for duplication or omission of critical services. Once entered into the HMIS, clients may access food services, emergency shelter, transitional and permanent housing, health care and other services under the CoC.

The more robust Continuum of Care strategic plan that is being developed and implemented will enhance outreach and assessment efforts of homeless and at-risk persons. It will allow agencies to provide coordinated supportive services to homeless persons that address their individualized need for shelter and rapid rehousing, healthcare, food and benefits. Most importantly, it will help direct local, state and federal resources to better address the emergency shelter, transitional and permanent housing needs of homeless and at-risk individuals and households in the Eugene/Springfield community.

## City of Springfield CDBG Funded Housing Programs

- The City of Springfield will continue to provide assistance to qualified low-income homeowners through its Emergency Minor Home Repair Program and the Springfield Home Improvement Program (SHIP). These programs are funded from CDBG program income generated through SHIP loan repayments (when available) and an allocation from the new CDBG grant. The City will allocate $70,000 from its new CDBG grant for this purpose.

- Emergency assistance to very low-income renters is made available through Springfield's Emergency Rental Assistance Program (ERAP). This program provides single episode assistance to qualified renters. Strict household and property eligibility requirements help to protect this program against abuse or misuse. The severe reduction to the FY2012/13 CDBG allocation forced the City of Springfield to suspend this vital program. This program is not expected to be revived until funding levels increase.

# Coordination

Coordination efforts between public assisted housing providers and private and government health, mental health and service agencies is an extremely important activity. It is important, particularly now, when a number of housing providers are including within their programs service components for the residents of their housing projects. Staff also works closely with other resource providers coordinating efforts with the Springfield Utility Board for energy assistance and weatherization, the Lane County Senior and Disabled Services, and the United Way.

The Housing Policy Board (HPB) is an intergovernmental body formed by representatives from Eugene, Springfield, Lane County, and the Housing and Community Service Agency (HACSA) to develop countywide housing priorities. The HPB's mission is "...to increase the availability of decent, affordable housing for low- and very low-income families and individuals in Lane County."

The HPB meets on a monthly basis. The meetings are regularly attended by HACSA, the HSC, Eugene and Springfield staff, non-profit providers, and developers. The agenda topics and information shared at the meetings allows for a formal method of communication to occur on a regular basis. The housing and service groups have established coordination and integration of the total housing delivery system (capital needs and service needs).

# Fair Housing Plan (CDBG and HOME Programs)

Eugene and Springfield have a long history of cooperation as they work together to address increasing the supply of low-income housing and furthering fair housing choices. The two jurisdictions formed a consortium to receive federal HOME funds. Elected officials from both jurisdictions serve on the Intergovernmental Housing Policy Board. The Consolidated Plan is another example of the jurisdictions working together.

The federal Fair Housing Act requires the Secretary of HUD "to administer the Department's housing and community development programs in a manner to affirmatively further fair housing." The Housing and Community Development Act of 1974 and the National Affordable Housing Act, as amended, govern the administration of CDBG and HOME funding and require participating jurisdictions to certify that they will affirmatively further fair housing.

In order to uphold its commitment to affirmatively further fair housing and meet its federal obligation to engage in fair housing planning, Eugene and Springfield have collaborated on an "Assessment of the Impediments to Fair Housing and Fair Housing Plan Strategies" that identifies road blocks or "impediments" that affect fair housing choice.

In addition to the issues and actions that are described in the Eugene-Springfield Fair Housing Plan, the following are some of the strategies and programs that the City of Springfield is using to affirmatively further fair housing:

Continue to identify areas in Springfield's Land Use Policies that may unintentionally restrict, inhibit or otherwise impede the development of affordable housing - A primary goal of the federal Fair Housing Act and its amendments is to provide housing choice for everyone; everyone should be able to live where they choose, if they can find housing in the area of their preference that they can afford. The 2010 Eugene-Springfield Fair Housing Plan identified a number of impediments to Fair Housing, including several that can be addressed in part through land use policies, such as: an inadequate supply of affordable housing; market conditions that increase housing cost or decrease housing choice; and that suitable sites for future affordable housing construction can be difficult to find, expensive to acquire, and may have constraints that limit development opportunities. Because economic needs, regional and local demographics, technological advancements, and other factors that affect housing development are ever changing, evaluation of and development of measures to address land use impediments to housing choice and affordability are ongoing activities at the City of Springfield.

Specific policies were incorporated in the Residential Land Use and Housing Element of the Springfield 2030 Refinement Plan to ensure that residential development will occur with housing types, mixes, and densities sufficient to accommodate the City's projected 20-year housing needs. This document includes policies to plan for growth and needed housing; to foster housing choice and affordability; and to encourage housing diversity and quality neighborhoods. Implementation of these policies includes actions that will, in part, address some of the aforementioned impediments to Fair Housing.

A number of these policies will be implemented through the neighborhood-specific Glenwood Refinement Plan, which was adopted in 2012. For example, the updated Glenwood Refinement Plan re-designates over 30 gross acres of land for high density residential mixed use, which increases development opportunities for a diversity of quality higher density housing types, including affordable housing, in a location served by existing frequent transit service and with access to employment centers, shopping, and recreational opportunities. The Glenwood Refinement Plan also includes policies developed to encourage and facilitate the development of high density housing in this mixed use transit oriented development area, including increasing the density minimum, allowing for density averaging on development sites, eliminating density maximums, increasing building heights, and providing financial incentives for the development of new high-density housing units through local, state, and federally-funded housing and community development programs. In

addition, transportation policies and associated development and design standards seek ways to reduce development impediments to more efficient utilization of the residential land supply through street widths, parking requirements, and parking management strategies.

**Fair Housing Hotline** – The availability to all Springfield residents of a fair housing consultant and a 24-hour fair housing hotline is a key component in Springfield's ongoing commitment to affirmatively further fair housing. The fair housing hot-liine is a valuable resource to people who feel that their rights to housing in Springfield have been violated. The consultant is also a valuable resource for property managers and landlords whether or not they are the focus of fair housing complaints. The fair housing consultant is able to educate and train them in the current state of fair housing law, answer questions they may have regarding their enforcement and eviction practices, and mediate tenant landlord disputes. By providing timely and accurate information to tenants, landlords, and property managers, the consultant is able to assist in the resolution of many housing related complaints, before they escalate. The City of Springfield's AI states under "Rental Practices" that the lack of fair housing training being provided to rental managers and landlords may contribute to the higher incidents of complaints in the rental market (relative to the ownership market). The Fair Housing Council of Oregon provides these services for the Eugene-Springfield area and supports Springfield's certification to affirmatively further fair housing.

**Springfield Home Ownership Program** - The City of Springfield continues to administer the very successful Springfield Homeownership Program (SHOP). The SHOP provides downpayment assistance for low-and very low-income households. SHOP brochures and posters have been printed in both English and Spanish language versions. The cities of Eugene and Springfield combine efforts to provide ongoing lender and realtor training. In addition Springfield staff avail themselves regularly to agencies and organizations to provide SHOP training to their employees, associates and clients. Springfield staff continues to work to build relationships with lenders and realtors to increase outreach to the Hispanic community and other minority populations.

**Housing for Special Needs Populations** - The Springfield City Council continues to support the development of housing to meet the needs of developmentally disabled, physically disabled and aging populations. The recently constructed Afiya Apartments are located at 10th Street and Main Street and provides affordable service enriched housing for adults with developmental and psychiatric disabilities. Alvord Taylor Supported Living has used an allocation of FY12 HOME funds to renovate a home for adults with developmental as well as severe physical disabilities. And the Aster Apartments were recently completed with the assistance of Springfield HOME funds, and now provides safe and affordable housing for seniors. These are a few of the many ways that the City is working to increase and diversify affordable housing opportunities as a way to affirmatively further fair housing in Springfield.

**Language as an Impediment to Fair Housing** – The City of Springfield has taken great strides to mitigate the impact of language as an impediment to fair housing opportunities. The City's Housing Planner is fluent in Spanish and will be available to interpret for clients and translate

related housing documents. In addition, all of the various housing program brochures have been printed in Spanish, and several employees who work in City Hall are bi-lingual and bi-cultural and are available to assist with client communication. HUD Fair Housing posters in Spanish language are posted in the Development and Public Works offices. As mentioned earlier, the City also sponsors the "The ABCs of Homebuying" classes in Spanish. We will continue to develop our outreach capabilities as a means of providing fair housing opportunities. As an additional resource, the Fair Housing Council of Oregon provides all of their hotline, information, outreach and enforcement services in Spanish and English.

**Housing Outreach** - Housing Programs Staff routinely participates in many community outreach events to inform low and moderate-income persons of the opportunities that are available to them through the City's housing programs. The City has been fortunate to be able work closely with the Neighborhood Economic Development Corporation (NEDCO) in their role as the Homeownership Center of Lane County. Located in an historic building three blocks from City Hall, NEDCO provides a comprehensive array of services that together help families achieve their goal of homeownership. The services include providing information on first time homebuyer programs, providing homeownership education and counseling through the ABC's of Homebuying class, working with lenders and real estate professionals who have a mission to help first time homebuyers. Through the Regional Housing Center staff has had numerous opportunities to participate in Mortgage Broker/Lender and Realtor training as well as the Oregon Real Estate Symposium. Most recently, NEDCO has been at the forefront with foreclosure counseling services provided from their downtown offices. The City will continue to partner with NEDCO to provide important and timely services to Springfield residents, and help the community meet its diverse housing needs.

## Reduction of Lead-Based Paint Hazard (CDBG and HOME Programs)

The health risks to young children posed by lead-based paint in residential dwellings remain an important issue. Progress in research and technology has improved the understanding of how children are poisoned and our knowledge of how to better protect them, yet lead-based paint risks to children is still a significant problem nationally. In an effort to address this problem, HUD published its Final Rule to Title X of the 1992 Housing and Community Development Act in September 1999. This rule, referred to as the Lead Safe Housing Regulation, requires certain prescribed actions by HUD grantees to identify, stabilize, or remove lead-based paint hazards in housing receiving HUD assistance. The scope of activities required by HUD is largely dependent upon the type of housing affected and the amount of Federal assistance provided, with rehabilitation activities using in excess of $25,000 of HUD funds requiring the highest level of treatment. Initially, all HUD grantees were required to be in compliance with the rule by September 2000. The rule only affects residential structures built before 1978. Currently, there is no plan for HUD or another section of the Federal government to provide funding to jurisdictions to help pay for the cost of implementing the lead-based paint regulations.

## City Administered Housing Rehabilitation Programs

It is estimated that, in the cities of Eugene and Springfield, approximately 55,000 units of housing were built prior to 1978, and may contain lead-based paint. This represents nearly 70% of all housing units in the metropolitan area. Since the vast majority of the homes assisted through each City's homeowner rehabilitation programs (including emergency minor home repair) are in this age category, it is clear that dealing with the issue of lead-based paint will have a significant impact on these programs. Many facets of each jurisdiction's housing programs will be affected:

- Costs associated with lead paint testing and treatment will increase the total costs of many small projects, meaning either an increased budget or a reduction in the number of units assisted.
- Temporary relocation of residents while treatment/abatement activities are taking place will add to the project cost, and make higher demands on the assigned staff.
- Because lead-hazard abatement may be cost-prohibitive, clients are being strategic on what they choose to repair or replace, and typically limit their requests to items that normally will not trigger the lead paint rules. These include items such as replacing roofing, water heaters, attic and crawlspace insulation, and electrical and plumbing repairs when the repairs do not disturb painted surfaces.

## City Administered Homeownership Programs

The homeownership downpayment assistance programs currently being administered by the City is also affected by the Lead Safe Housing Regulation, though not to the extent of the rehabilitation programs. Compliance means visually identifying deteriorated paint and stabilizing the affected areas using safe work practices. The unit must then be cleared by a certified lead-based paint inspector. Therefore, it is incumbent on the seller and listing realtor to take the necessary steps to present a "clean" unit upon initial inspection to avoid costs and delays associated with testing, stabilization, and clearance activities. When a home shows visual signs of deteriorated paint surfaces, sellers and buyers often choose to forego using the downpayment assistance programs if compliance with the lead-based paint rule is perceived as being overly burdensome.

## Non-Profit Housing Rehabilitation Projects

Acquisition and rehabilitation activities of older structures undertaken by area non-profit housing providers receiving HUD funds must also comply with the lead-hazard rule. Since these projects often require HUD subsidies exceeding $25,000 per unit, the cost of treating lead-based paint may add significantly to the overall cost of the project. Additional funds may be required to offset the increase in cost, with the probable result of fewer units being rehabilitated. Non-profit housing providers have become acutely aware of the impacts of the lead-hazard rule on their projects, and will typically avoid using CDBG or HOME funds to acquire or rehabilitate a property that may have significant lead paint issues.

# Other Activities

## Purchase of Distressed, Undervalued or Beneficial Properties

Occasionally, the City of Springfield is made aware of an opportunity to purchase property that is distressed or undervalued, or whose location and features are such that its acquisition by the City may be beneficial to the community. In the past, the City could not use CDBG and/or HOME funds to assist with the acquisition of such properties because that activity was not included in the current Consolidated Plan. When an opportunity presented itself, the City would, a) pass the opportunity to acquire the property on to area non-profit housing providers, b) allow the market to determine the property's disposition, or c) in the case of distressed properties, let the property lapse into foreclosure. With the rapid increase of land values in Springfield, the City may want to consider acquiring such properties with HOME or CDBG funds, and make them available in the future for purchase and/or development of an eligible project that would benefit the Springfield community. Examples of how this provision could be used:

- Purchase of residential properties prior to foreclosure to be made available for affordable homeownership housing.
- Purchase of vacant land for future use as affordable housing or neighborhood development.
- Purchase of distressed downtown properties for redevelopment.
- Purchase of properties in Glenwood for redevelopment.

Approval by the City Council will be required prior to acquiring any properties. Due to the scarcity of available CDBG and HOME funds, it is anticipated that this provision will be used very sparingly. However, inclusion of this provision in the Consolidated Plan is necessary for the City to consider acquisition with CDBG or HOME funds as an option.

## Relocation Assistance

At a work session on April 21, 2008, the Springfield City Council directed staff to investigate the viability of using CDBG and HOME funds to provide limited relocation assistance to mobile home park residents facing forced eviction. Although there are currently no plans for any mobile home park closures in Springfield, the growth and redevelopment of much of the urban core of the city seems to make MH park closures a certainty in the future. The Council felt that it is in the community's best interest to begin discussing and analyzing the options and resources available. Under most circumstances relocation assistance by the City will be provided on a voluntary basis, and not as a required action under the Uniform Relocation Act, CDBG or HOME statutes. This activity was included in the FY2010 One-year Action Plan as an amendment to the current Consolidated Plan. It is unclear how and in what capacity

CDBG and/or HOME funds will be used to assist with relocation, but general relocation assistance as a possible activity will continue to be included in the Consolidated Plan.

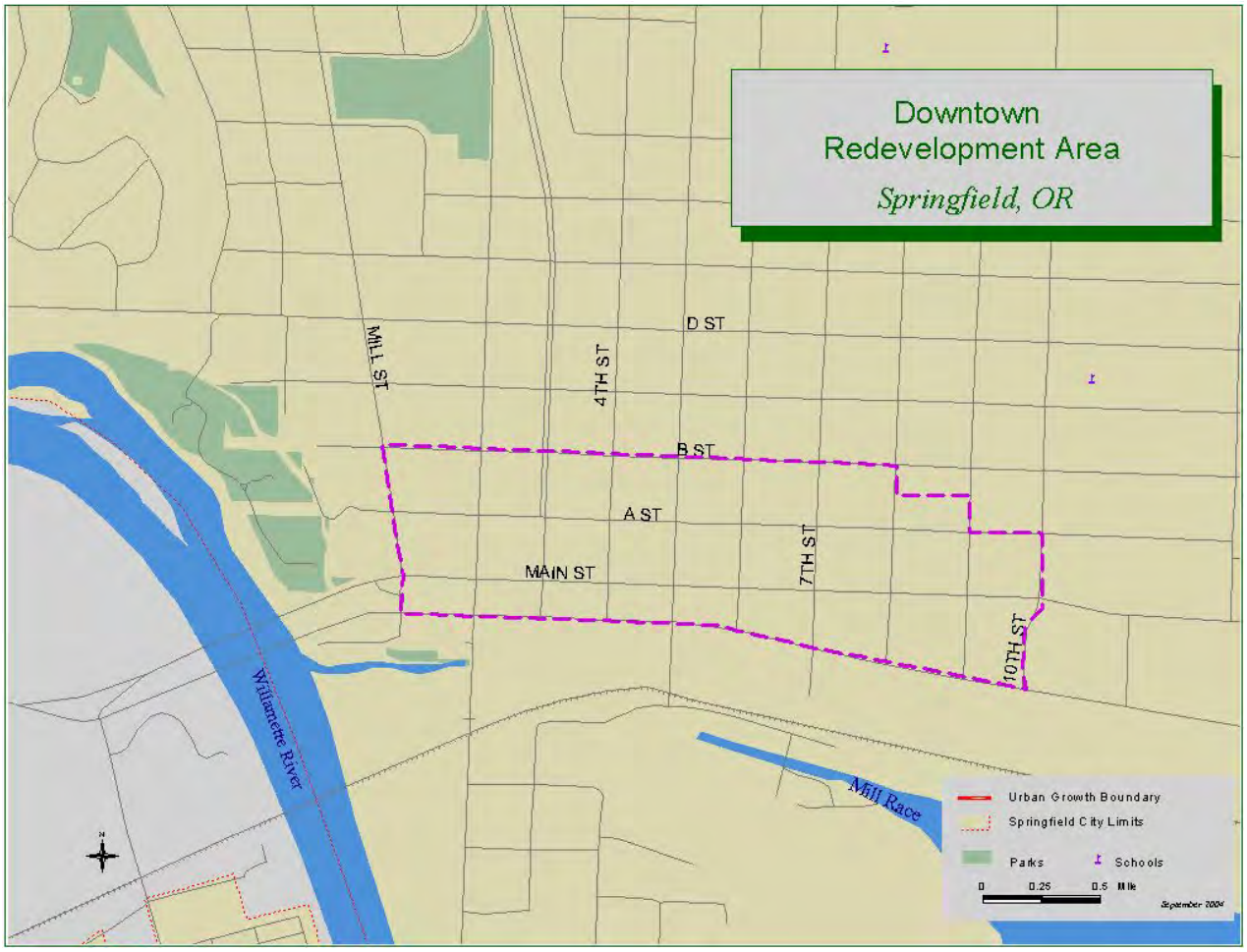
## Contingency Funding and Contract Amendments

It is the nature of CDBG and HOME projects that funding usually comes from a variety of different sources having different requirements. CDBG and HOME funds are often used as leverage by project developers to secure additional funding from foundations, state and local programs and from private donors. CDBG and HOME funds may be one of the earliest funding commitments for projects, and the amounts and terms of these commitments may need to be modified from time to time as the project evolves. Contingency funding during project development and contract amendments during the compliance period are ways that help to ensure continued public benefit for CDBG and HOME projects. Contingency funding allows the City to invest additional funds into a developing project without the requirement of a full public process, as long as the amount does not exceed 30% of the original allocation. This method is generally preferred over adding a contingency amount at the front end of project development because it doesn't tie up CDBG or HOME funds unnecessarily. Contingency funding is reported in IDIS and is reflected in the Consolidated Annual Performance and Evaluation Report (CAPER).

Although regulations allow CDBG and HOME allocations to be outright grants to eligible projects, the City of Springfield has taken a more individualized approach and creates its CDBG and HOME contracts to fit the needs of the particular project. When proforma operating budgets suggest that projected cash flows will support a loan, funds are loaned instead of granted. Particularly with HOME projects where housing affordability is the primary goal, conditions may occur that make it difficult or impossible for a project to make its HOME loan payments as stipulated in the contract. Allowing staff to amend the terms and/or conditions of the contract to meet the needs of the project will help affordable housing providers stay in compliance with federal affordability requirements. In doing so, projects are able to provide continued public benefit. This is also pertinent to CDBG Business Development Loans, which is a new program that the City started this fiscal year. All amendments to CDBG or HOME contracts shall maintain compliance with CDBG or HOME programmatic requirements.

## Downtown Redevelopment Area

With the designation of the Springfield Downtown Redevelopment Area in 2004, the City of Springfield took a major step toward reversing the decades of disinvestment and decay that has plagued the city's central business area. The City Council has committed CDBG funds to assist two capital projects in the downtown core, and identified a third project for future CDBG funding. These projects are described in the section "Activities for the Prevention or Elimination of Slum and Blighted Conditions".




## Monitoring

CDBG-funded projects meeting the Low and Moderate Income benefit (LMI) national objective must either serve a specific low-income area or target population. Individuals participating in a CDBG-funded program or receiving direct benefit from CDBG funded activities are required to meet HUD income guidelines. Funded programs and projects undergo regular monitoring by staff to ensure compliance with CDBG regulations.

**Five-Year Goals -** Performance goals are established for Springfield over the five-year period covered by the 2010 Consolidated Plan. Actual outcomes will be compared to the annual and five-year goals and will be reported in the Consolidated Annual Performance and Evaluation Report.

**Subrecipient Monitoring –** Local non-profit social service providers sign contracts that set goals, scope of work, and identify the budget for use of CDBG funds. These contracts are administered by Lane County. Quarterly progress reports are submitted. Annually, staff from the cities of Springfield and Eugene and staff from Lane County conduct a "risk assessment" of each agency's performance. A letter is then sent to the agency with any follow-up issues or concerns. These issues are addressed in an on-site follow-up monitoring of selected agencies.

For other subrecipients, City staff reviews the status of the contract regularly and works directly with the agency to review compliance.

**City Single Audit -** The City of Springfield's external auditors annually review the City's federal grants, including CDBG.

**Project Management –** CDBG and HOME projects are managed by City staff trained in federal grant administration. Compliance with federal, state and local regulations is monitored throughout the implementation period. Project contracts include a scope of work, timeline, budget and all regulatory requirements (use of minority business enterprises, environmental requirements, mitigation efforts, record keeping, etc.).

## Summary of Other Resources

The following is a list of Federal and non- federal public and private funding sources which can reasonably be expected to be available for project development (the City of Springfield does not receive Section 8 funds or McKinney-Vento Homeless Assistance program funds):

- **Oregon Housing Trust Fund.** Administered by the State of Oregon. Eligible activities include acquisition, construction and rehabilitation, and pre-development costs associated with low- and moderate-income housing development. The full amount of Oregon Trust Funds invested into the project is eligible as HOME match.

- **Oregon Affordable Housing Tax Credit Program.** Formerly called the Oregon Lender's Tax Credit Program; administered by the State of Oregon; provides below-market interest rates for low- and moderate-income housing projects. Maximum interest rate reduction is 4% below market, for a maximum term of twenty years. HOME match is calculated by applying the present discounted cash value to the total yield forgone by the lender.

- **Economic Development Initiative (EDI) Special Projects Grants.** The City of Springfield has been successful in the past in securing EDI grants for downtown redevelopment. EDI grants are project-specific awards by HUD to support and stimulate economic development. The Wildish Community Theater was the most recent recipient of an EDI-Special Projects grant from HUD. Although Congress did not provide funding for the EDI program in the Federal FY12 budget, it is likely that the EDI program may be resurrected in future budget years.

- **Low-Income Housing Tax Credits (LIHTC).** This is a federal program that can provide large infusions of capital to affordable housing projects. Tax credits are awarded to a project over a 10 year period. These tax credits are then sold or "syndicated" to private businesses or organizations at less than face value to offset their tax liability. The Royal Building project is the most recent recipient of an LIHTC award.

- **Section 108 Loan Program.** Springfield received its first Section 108 loan in 2009. The loan of $450,000 was to assist NEDCO with the purchase of a downtown building in

which to relocate their offices and classroom. The historic building also includes 4 residential rental units on the second floor and a ground floor retail space on Main Street. Section 108 funds are treated as CDBG funds, and projects are subject to the same national objectives and eligibility requirements.

- **Volunteer Labor**. Area non-profit housing developers have been successful in utilizing volunteer labor in their developments. The Lane Community College Construction Technologies Department has contributed student labor for all phases of housing development. Architects, attorneys, and other professionals have also contributed their services to non-profit housing developments in Springfield. Volunteer labor is eligible as HOME match and is calculated at a flat rate of $10.00 per hour.

- **State Loan Guarantee Program**. Although this is not a "true source" of funds, this program serves to enhance a loan by providing a warranty as security for up to 25% of the loan value. Used as a tool by housing developers, it can allow lenders to increase their loan amount, and/or decrease the interest rate of the loan at little or no additional risk to the lender. Not eligible for HOME match.

- **Property Tax Exemptions**. Exemptions from City property taxes have been allowed for qualified non-profit housing developers on a project-by-project basis to low- and moderate-income housing developments. Generally based on the benefits provided to the community and the duration of the low- and moderate-income housing commitment, property tax exemptions are eligible as HOME match. The amount of match credit is calculated as the current discounted cash value of the tax exemption.

- **Vertical Housing Development Zone Tax Exemption**. In October 2004, the City of Springfield received a Vertical Housing Development Zone (VHDZ) designation from the State of Oregon. The VHDZ program allows partial property tax exemption for qualified new housing that is built over street level commercial space. An eligible project can receive 20% of tax exemption per floor of housing up to a total of 80%. This program can provide valuable incentives to develop new housing in Springfield's downtown corridor, which in turn will help support commercial growth and revitalization activities.

- **Private Contributions**. Cash and materials have been contributed in the past by private businesses, corporations, and foundations to assist in the development of low-income housing in Springfield. It is expected that future contributions from private sources will continue to provide needed assistance. Private contributions are eligible as HOME match.

CDBG funding for four CDBG projects, grant administration, project/program delivery, Human Services Commission and housing program allocations were approved for funding at a public hearing before the Springfield City Council on April 7, 2014 and are included in this One-Year

Action Plan. A table of Springfield's CDBG activities and programs, and summary descriptions of Springfield's approved CDBG projects follow this narrative section.

# City of Springfield
# FY 2014/15 CDBG Funding Allocations

***Funding Amounts:***

| | |
|---|---|
| *New Grant Funds* | *$451,142* |
| *Prior Years* | *$ 0* |
| ***TOTAL AVAILABLE*** | ***$451,142*** |

| *Applicant* | *Project* | *Amount* | |
|---|---|---|---|
| | | *New Funds* | *Prior Years* |
| *Emerald Empire Art Association* | *Emerald Art Center, Window Lighting and Display* | *$8,000* | *$0* |
| *Catholic Community Services* | *Springfield Service Center, Built-in Refrigerator and Freezer* | *$27,615* | *$0* |
| *NEDCO, part 1* | *Business and Community Development on A Street* | *$56,379* | *$0* |
| *NEDCO, part 2* | *Business and Community Development, Retail Assistance on Main Street* | *$10,500* | *$0* |
| *Springfield Renaissance Development Corp.* | *Downtown Demonstration Project* | *$35,000* | *$0* |
| | *City Housing Programs* | *$70,000* | *$0* |
| | *Project/Program Delivery* | *$85,749* | *$0* |
| | *Human Services Commission* | *$61,671* | *$0* |
| | *Grant Administration* | *$90,228* | *$0* |
| | *Unallocated funds* | *$0* | *$0* |
| | ***GRAND TOTAL*** | ***$451,142*** | ***$0*** |

# City of Springfield
# Summary of FY2014/15
# CDBG Proposals and Approved Funding Amounts

| | | |
|---|---|---|
| **1.** | **Project:** | **Window Lighting and Display** |
| | **Location:** | 500 Main Street, Springfield |
| | **Developer:** | Emerald Empire Art Association |
| | **Approved:** | $8,000 CDBG Grant (S/B Area) |
| | **Total Proj. Cost:** | $8,780 |

The Emerald Empire Art Association (EEAA) is receiving $8,000 of CDBG funds to assist with renovation of the commercial storefront at the Emerald Art Center. Located at 500 Main Street, the Emerald Art Center is in the heart of downtown. The CDBG funds will be used to install front window lighting and display structures to highlight the Art Center and provide a more attractive, welcoming environment to downtown visitors. The four large windows facing Main Street are currently unlit and it is often difficult to determine if the Art Center is open for business. The Art Center is a key stopping point during the 2nd Friday Art Walk which occurs each month in downtown, typically attracting 100-200 visitors. Admission to the Art Center is free to the public, and is often visited by students and persons of low and moderate incomes. Improving the Main Street façade of the Emerald Art Center will further enhance the pedestrian environment of downtown, and will complement the streetlight improvements currently planned for downtown.

The mission of the Emerald Empire Art Association is to promote, teach and display art for the benefit of the local community. The EEAA has been in existence for over 50 years. CDBG has been used in the past to complete a major renovation of the art center, and more recently to make repairs to its exterior stucco. The Emerald Art Center was the first use of CDBG funds for downtown revitalization.

| | | |
|---|---|---|
| **2.** | **Project:** | **Community Service Center, Walk-in Freezer/Refrigerator** |
| | **Location:** | 1025 G Street, Springfield |
| | **Developer:** | Catholic Community Services (CCS) |
| | **Approved:** | $27,615 CDBG Grant (LMI Limited Clientele) |
| | **Total Proj. Cost:** | $149,625 |

Catholic Community Services (CCS) is receiving $27,615 in CDBG funding to purchase a walk-in freezer/refrigerator combination, to be installed at the Springfield Community Service Center at 1025 G Street. CCS operated a food box distribution program from this facility, and the freezer/refrigerator will allow the program to better store and distribute frozen and perishable food items to its low and very-low income clientele. This activity is part of a larger renovation being undertaken by CCS to expand their food box distribution service and better accommodate the growing numbers of individuals and families that use the program. The existing space is cramped and can only handle a few people at a time. People needing this service are required to wait in line for extended periods of time in order to get their food box. CCS is in the process of renovating the former sanctuary space to be its new food distribution area. The new area will be more spacious and efficient, and will greatly improve the ability of CCS to meet the growing needs of the community. The permanently installed unit will provide 250 cubic feet of freezer space and 250 cubic feet of refrigerator space.

CCS is the largest distributor of emergency food in Springfield. Last year the agency distributed over 375 tons of food, benefiting over 12,000 persons. In addition to the food distribution program, CCS also distributes free clothing, hygiene and household items to those in need. CCS proves many other needed services from its Springfield facility including, utility assistance, assistance with prescription medication, a location for the Egan Warming Center, and participation in the Overnight Parking program.

| | | |
|---|---|---|
| **3.** | **Project:** | **Business and Community Development on A Street** |
| | **Location:** | 405 A Street, Springfield |
| | **Developer:** | Neighborhood Economic Development Corporation (NEDCO) |
| | **Approved:** | $56,379 CDBG Grant (LMI-Microenterprise) |
| | **Total Proj. Cost:** | $828,125 |

NEDCO is receiving $56,379 to serve 30 clients through its Hatch Business Incubator Program and 3 clients through services delivered by Huerto de la Familia. Services will include workshops and classes, ongoing coaching, business planning and development, access to financial management tools, and outreach with a focus on the Latino community. These services are eligible under the CDBG Low and Moderate-Income (LMI) national objective, and will be provided by NEDCO from its three downtown locations: the Sprout! Regional Food Hub at 418 A Street, the Hatch Business Development Center at 212 Main Street, and at an existing building located at 405 A Street, across the street from Sprout! NEDCO will be leasing the building from its current owner.

This is a service activity, and the total project cost reflects the total anticipated annual cost of administering the Local Works suite of programs, which includes the Hatch Business Incubator

Program. NEDCO is a leader and active proponent of downtown revitalization, and has partnered with the City on several important downtown projects, including the Sprout! Food Hub, the NEDCO Building and the Springfield Farmers' Market.

| | | |
|---|---|---|
| **4.** | **Project:** | **Retail Assistance on Main Street** |
| | **Location:** | 212 Main Street, Springfield |
| | **Developer:** | Neighborhood Economic Development Corporation (NEDCO) |
| | **Approved:** | $10,500 CDBG Grant (S/B Area) |
| | **Total Proj. Cost:** | $828,125 |

NEDCO is also planning to use $7,500 of CDBG to provide up to 150 hours of Retail Business Incubator assistance to up to five existing downtown businesses. Services include merchandising assistance, secret shopper services and other retail specific training and support. $3,000 of CDBG is earmarked for outreach and marketing support. These services and activities are eligible under the Slums and Blight (S/B) national objective.

This is a service activity, and the total project cost reflects the total anticipated annual cost of administering the Local Works suite of programs, which includes the Hatch Business Incubator Program. NEDCO is a leader and active proponent of downtown revitalization, and has partnered with the City on several important downtown projects, including the Sprout! Food Hub, the NEDCO Building and the Springfield Farmers' Market.

| | | |
|---|---|---|
| **5.** | **Project:** | **SRDC Downtown Demonstration Project** |
| | **Location:** | 331-335 Main Street, Springfield |
| | **Developer:** | Springfield Renaissance Development Corporation |
| | **Request:** | $35,000 CDBG Grant (S/B Area) |
| | **Total Proj. Cost:** | $35,000 |

The Springfield Renaissance Development Corporation (SRDC) is requesting $35,000 of CDBG funds to assist with the renovation of a downtown property. Located at 331-335 Main Street, the property is an existing single story structure with three store fronts. Renovation activities include façade improvements, awnings, electrical and lighting improvements, interior renovations and painting. The project will demonstrate how relatively small capital investments in existing downtown structures can dramatically improve the business potential

of these buildings, benefit adjacent businesses and add to the revitalization of the downtown commercial core.

The SRDC board is made up of a group of civic-minded volunteers who are committed to improving Springfield downtown. The agency was the developer and driving force behind the Wildish Theater reconstruction. Completed in 2007 the Wildish Theater is a major benchmark in the growing downtown revitalization effort.

# Springfield 2014/15 CDBG Table 3C

## Non-Profit Capital Improvements

| | |
|---|---|
| **Project/Local ID:** | 0001 |
| **Project Name:** | **EEAA – Emerald Art Center Window Lighting Project** |
| **Project Location:** | 500 Main Street, Springfield |
| **Project Description:** | Install new window lighting to improve Main Street visibility and increase visitorship |
| **Project Explanation:** | Window lighting improvements to increase visibility and attract visitors to Art Center. |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Source:** | **CDBG** **$8,000** |
| **Matrix Code/Title:** | 14E – Rehab; publicly or privately owned commercial building |
| **Priority Need:** | Businesses |
| **Eligibility Citation:** | 570.202 |
| **National Objective** | SBA – 570.208(b)(1) – Slums and Blight Area |
| **Accomplishment Type/Goal:** | Businesses/1 |
| **Performance Measures** | |
| Objective | Suitable Living Environment |
| Outcome | Accessibility |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Non-Profit Capital Improvements

| | |
|---|---|
| **Project/Local ID:** | 0002 |
| **Project Name:** | **Catholic Community Services – Community Service Center Food Room Improvement** |
| **Project Location:** | 1025 G Street, Springfield |
| **Project Description:** | Purchase of a built-in commercial refrigerator/freezer unit for food room |
| **Project Explanation:** | Improve efficiency and capacity of food room to expand services for LMI persons |
| **Start/Completion Dates:** | 7/01/2014 – 9/30/2015 |
| **Funding Source:** | **CDBG** **$27,615** |
| **Matrix Code/Title:** | 14E Rehab; Publicly or Privately Owned Commercial or Industrial Buildings |
| **Priority Need:** | Public Facilities |
| **Eligibility Citation:** | 570.201(c) |
| **National Objective** | LMC – 570.208(a)(2) – Low / Mod Clientele |
| **Accomplishment Type/Goal:** | Public Facilities - 1 |
| **Performance Measures** | |
| Objective | Suitable Living Environment |
| Outcome | Sustainability |
| **Project Primary Purpose** | |
| Help the Homeless | Yes |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | Yes |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Micro-Enterprise Assistance

| | |
|---|---|
| **Project/Local ID:** | 0003 |
| **Project Name:** | **NEDCO – Business Development on A Street** |
| **Project Location:** | 405 A Street, Springfield, OR 97477 |
| **Project Description:** | Provide micro-business technical assistance and program support to 30 microenterprises through the Hatch Business Incubator Program and Huerto de la Familia. |
| **Project Explanation:** | Provide assistance to 30 emerging and growing micro-businesses through the Hatch Business Incubator Program |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Source:** | **CDBG** **$56,379** |
| **Matrix Code/Title:** | 18C – Micro-Enterprise Assistance |
| **Priority Need:** | Micro-Enterprise Assistance |
| **Eligibility Citation:** | 570.201(o) |
| **National Objective** | LMI-Limited Income – 570.208(a)(2)(i)(B) and (C) Limited Clientele |
| **Accomplishment Type/Goal:** | Micro-Businesses assisted – 30 |
| **Performance Measures** | |
| Objective | Economic Opportunity |
| Outcome | Accessibility |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Non-Profit Capital Improvements

| | |
|---|---|
| **Project/Local ID:** | 0004 |
| **Project Name:** | **NEDCO – Retail Assistance on Main Street** |
| **Project Location:** | Downtown Main Street, Springfield, OR 97477 |
| **Project Description:** | Provide technical assistance and support to existing Main Street retail businesses, to help them improve and attract new customers. |
| **Project Explanation:** | Provide assistance to 5 existing retail businesses through the Hatch Business Incubator Program |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Source:** | **CDBG** **$10,500** |
| **Matrix Code/Title:** | 18B – ED Technical Assistance |
| **Priority Need:** | Businesses |
| **Eligibility Citation:** | 570.203(b) |
| **National Objective** | SBA – 570.208(b)(1) – Slums and Blight Area |
| **Accomplishment Type/Goal:** | Businesses assisted – 5 |
| **Performance Measures** | |
| Objective | Economic Opportunity |
| Outcome | Sustainability |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Non-Profit Capital Improvements

| | |
|---|---|
| **Project/Local ID:** | 0005 |
| **Project Name:** | **SRDC – Downtown Demonstration Project** |
| **Project Location:** | 331-335 Main Street, Springfield |
| **Project Description:** | Make small capital investments to improve three commercial spaces. Activity will demonstrate the effectiveness even small investments can have on the vitality of downtown. |
| **Project Explanation:** | Commercial space improvement to enhance and increase marketability and utility of space. |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Source:** | **CDBG** **$35,000** |
| **Matrix Code/Title:** | 14E – Rehab; publicly or privately owned commercial building |
| **Priority Need:** | Businesses |
| **Eligibility Citation:** | 570.202 |
| **National Objective** | SBA – 570.208(b)(1) – Slums and Blight Area |
| **Accomplishment Type/Goal:** | Businesses/3 |
| **Performance Measures** | |
| Objective | Suitable Living Environment |
| Outcome | Sustainability |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Housing Rehabilitation Program/Single Unit

| | |
|---|---|
| **Project/Local ID:** | 0006 |
| **Project Name:** | **Housing Rehab Program/single Unit** |
| **Project Location:** | City-wide, Springfield, OR |
| **Project Description:** | Rehabilitation of housing for low-income households. |
| **Project Explanation:** | Rehabilitation loans and emergency repair grants/loans for eligible homeowners, and accessibility improvements for low and moderate-income tenants. |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Source:** | **CDBG** **$70,000** |
| **Matrix Code/Title:** | 14A Rehab; Single-unit Residential |
| **Priority Need:** | Housing |
| **Eligibility Citation:** | 570.202 |
| **National Objective** | LMH – 570.208(a)(3) – low/Mod Housing |
| **Accomplishment Type/Goal:** | Housing Units/90 |
| **Performance Measures** | |
| Objective | Decent Housing |
| Outcome | Sustainability |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Public Services – Human Services Commission

| | |
|---|---|
| **Project/Local ID:** | 0007 |
| **Project Name:** | **Human Services Commission (HSC) – Social Service Funding** |
| **Project Location:** | 125 E. 8th Ave, Eugene, OR 97401 |
| **Project Description:** | Social Services for low and moderate-income persons. |
| **Project Explanation:** | Social services provided by local, non-profit agencies funded by the City of Eugene, City of Springfield and Lane County as a collaborative effort through the HSC. |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Source:** | **CDBG** **$67,671** |
| **Matrix Code/Title:** | 05 - Public Services (General) |
| **Priority Need:** | Public Services |
| **Eligibility Citation:** | 570.201(e) |
| **National Objective** | LMC – 570.208(a)(2) – Low/Mod Clientele |
| **Accomplishment Type/Goal:** | Various |
| **Performance Measures** | |
| Objective | Suitable Living Environment |
| Outcome | Sustainability |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Public Services – Catholic Community Services

| | |
|---|---|
| **Project/Local ID:** | 0007 |
| **Project Name:** | **HSC/Catholic Community Services – Community Service Center** |
| **Project Location:** | 1025 G Street, Springfield, OR 97477 |
| **Project Description:** | Social Services for low and moderate-income persons. |
| **Project Explanation:** | Social service agency providing services and emergency shelter for homeless families. Funded by the City of Eugene, City of Springfield and Lane County as a collaborative effort through the HSC. |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Source:** | **CDBG** **$ 31,158** |
| **Matrix Code/Title:** | 03T Operating Costs of Homeless/AIDS |
| **Priority Need:** | Public Services |
| **Eligibility Citation:** | 570.201(e) |
| **National Objective** | LMC – 570.208(a)(2) – Low/Mod Clientele |
| **Accomplishment Type/Goal:** | People / 11,000 |
| **Performance Measures** | |
| Objective | Suitable Living Environments |
| Outcome | Sustainability |
| **Project Primary Purpose** | |
| Help the Homeless | Yes |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Public Services – Food for Lane County, Food Distribution

| | | |
|---|---|---|
| **Project/Local ID:** | 0007 | |
| **Project Name:** | **HSC/Food for Lane County – Food Distribution** | |
| **Project Location:** | 770 Bailey Hill Road, Eugene, OR 97402 | |
| **Project Description:** | Social Services for low and moderate-income persons. | |
| **Project Explanation:** | Social service agency providing collection and distribution of food to other agencies for inclusion in food boxes. Funded by the City of Eugene, City of Springfield and Lane County as a collaborative effort through the HSC. | |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 | |
| **Funding Source:** | **CDBG** | **$ 14,237** |
| **Matrix Code/Title:** | 05 - Public Services (General) | |
| **Priority Need:** | Public Services | |
| **Eligibility Citation:** | 570.201(e) | |
| **National Objective** | LMC – 570.208(a)(2) – Low/Mod Clientele | |
| **Accomplishment Type/Goal:** | People / 12,500 | |
| **Performance Measures** | | |
| Objective | Suitable Living Environment | |
| Outcome | Sustainability | |
| **Project Primary Purpose** | | |
| Help the Homeless | No | |
| Help Persons with HIV/AIDS | No | |
| Help Persons with Disabilities | No | |
| Address Public Housing Needs | No | |

# Springfield 2014/15 CDBG Table 3C

## Public Services – Womenspace

| | | |
|---|---|---|
| **Project/Local ID:** | 0007 | |
| **Project Name:** | **HSC/Womenspace – DV services** | |
| **Project Location:** | 577 Pearl St., Eugene, OR 97401 | |
| **Project Description:** | Services and emergency shelter for victims of domestic violence and abuse. | |
| **Project Explanation:** | Social service agency providing services to victims of domestic violence and their children. Funded by the City of Eugene, City of Springfield, and Lane County as a collaborative effort through the Human Services Commission (HSC). | |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 | |
| **Funding Source:** | **CDBG** | **$ 8,029** |
| **Matrix Code/Title:** | 05G Battered and Abused Spouses | |
| **Priority Need:** | Public Services | |
| **Eligibility Citation:** | 570.201(e) | |
| **National Objective** | LMC – 570.208(a)(2) – Low / Mod Clientele | |
| **Accomplishment Type/Goal:** | People / 115 | |
| **Performance Measures** | | |
| Objective | Suitable Living Environments | |
| Outcome | Sustainability | |
| **Project Primary Purpose** | | |
| Help the Homeless | Yes | |
| Help Persons with HIV/AIDS | No | |
| Help Persons with Disabilities | No | |
| Address Public Housing Needs | No | |

# Springfield 2014/15 CDBG Table 3C

## Public Services – Relief Nursery

| | |
|---|---|
| **Project/Local ID:** | 0007 |
| **Project Name:** | **HSC/Relief Nursery – Therapeutic Preschool** |
| **Project Location:** | 71720 West 25th Ave., Eugene, OR 97405 |
| **Project Description:** | Social Services for low and moderate-income persons. |
| **Project Explanation:** | Social service agency providing therapeutic preschool services and parent training activities for families who are at high risk of child abuse. Funded by the City of Eugene, City of Springfield and Lane County as a collaborative effort through the HSC. |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Source:** | **CDBG** **$14,247** |
| **Matrix Code/Title:** | 05N – Abused and Neglected Children |
| **Priority Need:** | Public Services |
| **Eligibility Citation:** | 570.201(e) |
| **National Objective** | LMC – 570.208(a)(2) – Low/Mod Clientele |
| **Accomplishment Type/Goal:** | People / 42 |
| **Performance Measures** | |
| Objective | Suitable Living Environment |
| Outcome | Sustainability |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# Springfield 2014/15 CDBG Table 3C

## Program Administration

| | | |
|---|---|---|
| **Project/Local ID:** | 0008 | |
| **Project Name:** | **CDBG Program Administration/General** | |
| **Project Location:** | 225 Fifth Street, Springfield, OR 97477 | |
| **Project Description:** | General management, oversight and coordination of CDBG Program. | |
| **Project Explanation:** | Supports eligible CDBG administrative costs. | |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 | |
| **Funding Source:** | **CDBG** | **$90,228** |
| **Matrix Code/Title:** | 21A - General Program Administration | |
| **Priority Need:** | Planning and Administration | |
| **Eligibility Citation:** | 570.206 | |
| **National Objective** | n/a | |
| **Accomplishment Type/Goal:** | n/a | |
| **Performance Measures** | | |
| Objective | n/a | |
| Outcome | n/a | |
| **Project Primary Purpose** | | |
| Help the Homeless | No | |
| Help Persons with HIV/AIDS | No | |
| Help Persons with Disabilities | No | |
| Address Public Housing Needs | No | |

# Springfield 2014/15 HOME Table 3C

## Housing Development – Permanent Multi-Family

| | |
|---|---|
| **Project/Local ID:** | 0009 |
| **Project Name:** | **Metropolitan Housing and HACSA – Glenwood Place** |
| **Project Location:** | Franklin Blvd., Glenwood/Springfield, OR 97403 |
| **Project Description:** | Acquisition and development of 150 unit mixed-use affordable housing complex in Glenwood. |
| **Project Explanation:** | Acquisition and development costs associated with the Glenwood Place mixed-use complex, commercial and 150 units of workforce housing. |
| **Start/Completion Dates:** | 3/01/2015– 12/31/2016 |
| **Funding Sources:** | **HOME - $186,306** |
| **Matrix Code/Title:** | Construction of Housing |
| **Priority Need:** | Housing |
| **Eligibility Citation:** | 92.206(a) |
| **National Objective** | LMI-Housing |
| **Accomplishment Type/Goal:** | 130 units, 11 HOME units |
| **Performance Measures** | |
| Objective | Decent Housing |
| Outcome | Affordability |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | Yes |

# Springfield 2014/15 HOME Table 3C

## Springfield Home Ownership Program

| | | |
|---|---|---|
| **Project/Local ID:** | 0010 | |
| **Project Name:** | **Springfield Home Ownership Program (SHOP)** | |
| **Project Location:** | City-wide, Springfield | |
| **Project Description:** | Downpayment assistance for low- and moderate-income homebuyers. | |
| **Project Explanation:** | Downpayment assistance loans of up to $7,000 to low- and moderate-income homebuyers. | |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 | |
| **Funding Sources:** | **HOME** | **$100,000** |
| **Matrix Code/Title:** | Direct Homeownership Assistance | |
| **Priority Need:** | Housing | |
| **Eligibility Citation:** | 92.206(c) | |
| **National Objective** | | |
| **Accomplishment Type/Goal:** | 15 units | |
| **Performance Measures** | | |
| Objective | Decent Housing | |
| Outcome | Affordability | |
| **Project Primary Purpose** | | |
| Help the Homeless | No | |
| Help Persons with HIV/AIDS | No | |
| Help Persons with Disabilities | No | |
| Address Public Housing Needs | No | |

# Springfield 2014/15 HOME Table 3C

## HOME Grant Administration

| | |
|---|---|
| **Project/Local ID:** | 0011 |
| **Project Name:** | **HOME Grant Administration** |
| **Project Location:** | 225 5th St., Springfield, OR 97477 |
| **Project Description:** | General management, oversight and coordination of Springfield HOME grant program. |
| **Project Explanation:** | Supports eligible HOME administrative costs. Amount shown includes utilizing 10% of projected Program Income for FY14-15 |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Sources:** | **HOME** **$29,957** |
| **Matrix Code/Title:** | HOME Admin/Planning Costs of PJ |
| **Priority Need:** | Housing |
| **Eligibility Citation:** | 92.207 |
| **National Objective** | |
| **Accomplishment Type/Goal:** | n/a |
| **Performance Measures** | |
| Objective | n/a |
| Outcome | n/a |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

# City of Springfield
# HOME Investment Partnerships Program

HOME Investment Partnerships Program (HOME) funds are received from the U.S. Department of Housing and Urban Development (HUD) and administered by the Eugene-Springfield Consortium for the metropolitan area. The primary purpose of the HOME program is to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for low- and moderate-income families. HOME funds can be used for new construction or rehabilitation of housing projects which will be affordable to low- and moderate-income households, for the acquisition of eligible properties by for-profit and non-profit developers, for tenant-based rental assistance programs, and for first-time homebuyer programs. HOME funds can be provided to the project as a grant or as a loan, and the loan can be set up in various ways; low- or no interest, amortized, deferred or forgiven according to the needs of the project. Springfield's Fiscal Year 2014/2015 (FY 2014/15) allocation of HOME funds is expected to be $299,575. This is a slight increase from the previous year's allocation, and will help to mitigate the reduction to the City's allocation of CDBG funds.

The HOME Agreement is a document entered into by the City of Springfield and the recipient of HOME funds. The Agreement fixes the amount of the allocation, determines the terms of repayment, defines the performance and monitoring parameters of the project, and certifies acceptance and compliance with all applicable Federal, State, and local regulations. Attachments to the HOME Agreement include a statement of work, HOME affordability requirements, recipient's certification of governmental assistance, a Declaration of Restrictive Covenants and the HOME Allocation Agreement, which determines the allocation of proceeds from the sale of a HOME-assisted project, should the sale occur prior to the expiration of the mandatory compliance period.

A Community Housing Development Organization (CHDO) is a special designation given to non-profit housing developers that meet certain specific requirements pertaining to the formation and stated purpose of the non-profit. A CHDO must have among its purposes the provision of decent housing that is affordable to low- and moderate-income persons. In addition, a CHDO must have representation of low-income community residents on its governing board and must have a defined geographic service area. The complete definition can be found in 24 CFR §92.2. A minimum of 15% of the HOME funds must be reserved for use by CHDOs.

The Community Development Advisory Committee (CDAC) was established by the City of Springfield to make recommendations concerning program policy and project selection to the City Council. The goals of the committee are: 1) To allocate HOME funds in a manner which will serve to expand and preserve the supply of decent, safe and affordable housing

for low- and moderate-income residents of Springfield, and 2) To ensure the long term viability of Springfield's Housing Programs through the efficient use, and return of investment of HOME funds. It is the City's preference to award HOME funds as a loan, with interest rates and repayment provisions matched closely with the needs of each individual project.

## Other Resources

The following is a list of non-federal public and private funding sources which can reasonably be expected to be available for project development:

- **Oregon Housing Trust Fund**. Administered by the State of Oregon. Eligible activities include acquisition, construction and rehabilitation, and pre-development costs associated with low- and moderate-income housing development. The full amount of Oregon Trust Funds invested into the project is eligible as HOME match.

- **Oregon Affordable Housing Tax Credit Program**. Formerly called the Oregon Lender's Tax Credit Program; administered by the State of Oregon; provides below-market interest rates for low- and moderate-income housing projects. Maximum interest rate reduction is 4% below market, for a maximum term of twenty years. HOME match is calculated by applying the present discounted cash value to the total yield forgone by the lender.

- **Volunteer Labor**. Area non-profit housing developers have been successful in utilizing volunteer labor in their developments. The Lane Community College Construction Technologies Department has contributed student labor for all phases of housing development. Architects, attorneys, and other professionals have also contributed their services to non-profit housing developments in Springfield. Volunteer labor is eligible as HOME match and is calculated at a flat rate of $10.00 per hour.

- **State Loan Guarantee Program**. Although this is not a "true source" of funds, this program serves to enhance a loan by providing a warranty as security for up to 25% of the loan value. Used as a tool by housing developers, it can allow lenders to increase their loan amount, and/or decrease the interest rate of the loan at little or no additional risk to the lender. Not eligible for HOME match.

- **Property Tax Exemptions**. Exemptions from City property taxes have been allowed for qualified non-profit housing developers on a project-by-project basis to low- and moderate-income housing developments. Generally based on the benefits provided to the community and the duration of the low- and moderate-income housing commitment, property tax exemptions are eligible as HOME match. The amount of match credit is calculated as the current discounted cash value of the tax exemption.

- **Vertical Housing Development Zone Tax Exemption**. In October 2004, the City of Springfield received a Vertical Housing Development Zone (VHDZ) designation from

the State of Oregon. The VHDZ program allows partial property tax exemption for qualified new housing that is built over street level commercial space. An eligible project can receive 20% of tax exemption per floor of housing, up to a total of 80%. This program can provide valuable incentives to develop new housing in Springfield's downtown corridor, which in turn will help support commercial growth and revitalization activities.

- **Private Contributions**. Cash and materials have been contributed in the past by private businesses, corporations, and foundations to assist in the development of low-income housing in Springfield. It is expected that future contributions from private sources will continue to provide needed assistance. Private contributions are eligible as HOME match.

## Leveraging Federal Funds

The City of Springfield allocates HOME funds through a competitive Request for Proposal (RFP) process. The current housing and supportive services needs of the city are outlined in the RFP packet. Housing activities are categorized and prioritized by community need and fund allotments are made by category. Also outlined in the packet are the City's criteria for ranking projects. One criterion is efficiency of use of Federal funds, which can be demonstrated by documenting the status and maximizing the amount of other funding sources. Thus, the most competitive projects will have maximized the funds leveraged by Federal dollars. The City has not had to impose any threshold percentages for leveraged or matched funds; the RFP process has been self-regulating in this respect. Springfield tracks HOME matching contributions on a continual basis to ensure compliance with applicable HOME program regulations, which requires a minimum 25% matching contribution.

- **Low-Income Housing Tax Credits (LIHTC).** This is a federal program that can provide large infusions of capital to affordable housing projects. Tax credits are awarded to a project over a 10 year period. These tax credits are then sold or "syndicated" to private businesses or organizations at less than face value to offset their tax liability. The Royal Building project is the most recent recipient of an LIHTC award.

The Springfield HOME Agreement contains a Subsidy Layering Certification which identifies all sources of project funding. If additional Federal funds are being utilized or applied for, the HOME recipient is required to notify the City. This allows the City to monitor all current and future sources of funds, and to evaluate the project's need for HOME funds. The City will conduct an additional review of subsidy layering at the time that the HOME agreement is put in to place. The City will only contribute HOME funds to projects in the amount that is necessary to provide affordable housing.

## HOME Assisted Housing Developments

- **Glenwood Place** is a mixed-use development proposed by HACSA in partnership with Metropolitan Affordable Housing. The development will be located in Glenwood, on property that is being annexed to the City of Springfield. When completed, Glenwood Place will provide 130 units of affordable workforce housing and a commercial component fronting Franklin Blvd. HACSA will be receiving $186,306 of HOME funds for development of the housing component. When completed, the workforce housing within the development will consist of studio, one-bedroom and two-bedroom apartments set at rent levels affordable to individuals and families earning 30-60% of median area income. The development will also include community spaces and meeting rooms, open areas, and parking for the commercial and residential tenants.

  Glenwood is located in a transit-rich area, positioned between Eugene and Springfield, with easy access to the U of O, LCC, Peace Health Medical Center, and both downtowns. The development will be a catalyst for new economic activity along the Franklin Blvd. corridor, and is consistent with the goals of the Glenwood Refinement Plan.

## HOME Funded Housing Programs

- **The Springfield Home Ownership Program** (SHOP) provides downpayment assistance to low-income first-time homebuyers. The maximum SHOP assistance has been reduced from $10,000 to a maximum of $7,000 per home. This reduction is in response to the overall reduction of funding to the HOME program, and the acknowledgement that current interest rates and the slowly recovering housing market in the area has made home ownership more affordable. The SHOP funds are to be used by the buyer to assist with downpayment and associated closing costs. Demand for SHOP assistance was moderately-high in FY13 and the program is expected to fully expend its available funds before the end of the fiscal year, assisting 14 first-time homebuyers. We expect demand for the program to remain high in FY14, and with little change to the HOME allocation, the city anticipates that SHOP funding will again be fully expended before the end of the fiscal year. Since its inception, the SHOP has helped approximately 559 first time homebuyers purchase homes in Springfield.

## Other Activities

- **HOME Funds for Interim Financing**. The City of Springfield has successfully utilized HOME funds for short term, interim financing of HOME eligible projects. Interim financing takes advantage of HOME funds which have been awarded to a project, but have not yet been expended for that purpose. These funds can be used for bridge, construction or other short term financing needs of other projects. The developer who applies for HOME interim financing must provide documentation of sufficient backup financing,

and must sign a loan agreement that provides for immediate repayment of the HOME funds when requested by the City. Because of the immediacy of the need for interim financing, application for the funds is a non-competitive, administrative review process. Utilizing HOME funds for interim financing of projects multiplies the community benefit of the HOME program.

- **Purchase of Distressed, Undervalued or Beneficial Properties.** With the rapid increase of land values in Springfield, the City may want to consider acquiring such properties with HOME or CDBG funds, and make them available in the future for purchase and/or development of an eligible project that would benefit the Springfield community. Inclusion of this provision in the five-year Consolidated Plan is necessary in order for the City to consider acquisition with CDBG or HOME funds as an option. (See "Activities to be Undertaken" in the Springfield CDBG Section for an expanded narrative)

- **Relocation Assistance**. At a work session in 2008, the Springfield City Council directed staff to investigate the viability of using CDBG and HOME funds to provide limited relocation assistance to mobile home park residents facing forced eviction. Although there are currently no plans for any mobile home park closures in Springfield, the growth and redevelopment of much of the urban core of the city seems to make MH park closures a certainty in the future. The Council felt that it is in the community's best interest to begin discussing and analyzing the options and resources available. Under most circumstances relocation assistance by the City will be provided on a voluntary basis, and not as a required action under the Uniform Relocation Act, CDBG or HOME statutes. This activity was included in the FY2010 One-year Action Plan as an amendment to the current Consolidated Plan. It is unclear how and in what capacity CDBG and/or HOME funds will be used to assist with relocation, but general relocation assistance as a possible activity will continue to be included in the Consolidated Plan.

- **Contingency Funding and Contract Amendments**. It is the nature of CDBG and HOME projects that funding usually comes from a variety of different sources having different requirements. CDBG and HOME funds are often used as leverage by project developers to secure additional funding from foundations, state and local programs and from private donors. CDBG and HOME funds may be one of the earliest funding commitments for projects, and the amounts and terms of these commitments may need to be modified from time to time as the project evolves. Contingency funding during project development and contract amendments during the operating cycle are ways that help to ensure continued public benefit for CDBG and HOME projects. Contingency funding allows the City to invest additional funds into a developing project without the requirement of a full public process, as long as the amount does not exceed 30% of the original allocation. This method is generally preferred over adding a contingency amount at the front end of project development because it doesn't tie up CDBG or HOME funds unnecessarily. Contingency funding is reported in

IDIS and is reflected in the Consolidated Annual Performance and Evaluation Report (CAPER).

Although regulations allow CDBG and HOME allocations to be outright grants to eligible projects, the City of Springfield has taken a more individualized approach and creates its CDBG and HOME contracts to fit the needs of the particular project. When proforma operating budgets suggest that projected cash flows will support a loan, funds are loaned instead of granted. Particularly with HOME projects where housing affordability is the primary goal, conditions may occur that make it difficult or impossible for a project to make its HOME loan payments as stipulated in the contract. Allowing staff to amend the terms and/or conditions of the contract to meet the needs of the project will help affordable housing providers stay in compliance with federal affordability requirements. In doing so, projects are able to provide continued public benefit. This is also pertinent to CDBG Business Development Loans, which is a new program that the City started this fiscal year. All amendments to CDBG or HOME contracts shall maintain compliance with CDBG or HOME programmatic requirements.

## Geographic Distribution

A dwelling must be located within Springfield's city limits in order to be eligible for assistance through the City's housing programs. Proposed housing development projects must be located within Springfield's Urban Growth Boundary (UGB) to be considered for funding, and the project site must be annexed into the city limits before HOME funds may be expended for site development.

With the designation of the Downtown Redevelopment Area, the Springfield City Council and local business leaders have made redevelopment of the core downtown area a priority. Creating a place where people work and live is vital to maintaining a thriving downtown.

## Minority Concentrations

New data from the 2010 Census has identified five census tracts with the highest reported percentage of Hispanic or Latino persons and five census tracts with the highest reported percentage of non-white persons. Cross-referencing this information, three census tracts in the City of Springfield have been identified that exhibit both high Hispanic and high minority populations, relative to the other census tracts. **Census Tract 19.02** is located in mid-Springfield. Its boundaries are roughly described by I-105 on the north, 42nd Street on the east, the Union Pacific RR tracks on the south and 28th Street on the west. This census tract reports 11.84% Hispanic and 6.90% non-white. **Census Tract 21.01** is in north Springfield. Its boundaries are roughly described by the UGB on the north, 5th Street on the east, I-105 on the south and MLK Blvd. on the west. This census tract reports 12.30% Hispanic and 8.10% non-white. **Census Tract 32.01** is located on the western edge of Springfield. Its boundaries are roughly described by I-105 on the north, Pioneer Parkway on the east, Centennial Blvd. on the south and I-5 on

the west. This census tract reports 12.0% Hispanic and 6.90% non-white. The data also shows that **Census Tract 33.01** located in mid-Springfield has the second highest percentage (12.27%) of Hispanic persons while reporting a non-white percentage of 6.47%, and that **Census Tract 21.02** located in west Springfield has the highest reported non-white percentage (8.91%), while reporting a Hispanic percentage of 11.42%.

## Homeless and Special Needs Activities

The City of Springfield plans to continue to provide support for homeless and special needs activities through the utilization of HOME program funding. Current and past HOME projects that serve this diverse target population are:

- Permanent and transitional housing units for low and very low-income individuals.
- Transitional housing for homeless families.
- Group homes for developmentally disabled persons.
- Security deposit assistance for homeless and at-risk households.
- Service enriched rental housing for special needs individuals, including low-income seniors and developmentally disabled adults.
- Emergency rental assistance for very low-income households.
- Dedicated housing for low-income seniors

The Consortium provides CHDO operating assistance for local non-profit agencies, two of which serve homeless populations in Springfield through counseling, case management, and other services.

## Other Actions

In addition to the homeless and special needs activities described above, Springfield plans to allocate HOME funds to support the following activities in the coming year:

- New construction of affordable work-force housing.
- Rehabilitation of existing housing stock to be used for very low-income rental housing for persons with disabilities.
- Down payment assistance for low-income first-time homebuyers.
- New construction of homeownership units.

In addition, a local non-profit agency also provides homeownership counseling and education to low and moderate-income families in Springfield.

# Specific HOME Program Requirements

The City of Springfield currently provides assistance to homebuyers through two programs. Each program has its own resale and recapture provisions.

- **Springfield Homeownership Program (SHOP)**. This program provides down payment assistance to low- and moderate-income first-time homebuyers. The current maximum amount of assistance is $7,000. The HOME funds are provided to the qualified buyer as a no interest deferred loan which is recorded as a lien against the HOME-assisted property. The lien is repaid in full to the City upon the subsequent resale of the property. There is no expiration date for the lien. Successful completion of a homeownership preparation course conducted by a participating lender or an equivalent program conducted by a participating CHDO is a prerequisite to qualifying for this program. All low- and moderate-income households who have not owned a home in the past three years are eligible for the SHOP.

  In addition to the assistance provided to first time homebuyers purchasing market rate homes, the Consortium has elected to provide assistance to homebuyers purchasing homes in housing developments and/or subdivisions constructed or rehabilitated specifically to provide housing for low-income homebuyers an increased subsidy amount up to double the customary SHOP subsidy. The City of Springfield is also allowing a doubling of SHOP assistance for eligible homeownership opportunities in its downtown. All other terms and conditions of the SHOP will remain the same.

One HOME project, grant administration, program/project delivery costs, CHDO operating support and housing program allocations were approved for funding at a Public Hearing before the Springfield City Council on April 7, 2014 and are included in this One-Year Action Plan. A table of Springfield's HOME activities and programs, and summary descriptions of Springfield's approved HOME projects follow this narrative section.

## City of Springfield: HOME Recapture Provisions for Homeownership Projects

The HOME Program requires that a jurisdiction must impose either resale or a recapture provisions when providing HOME assistance to homeownership projects, including homes acquired with SHOP downpayment assistance. In order to ensure affordability, the City of Springfield is imposing HOME recapture provisions on all homeownership projects and programs which include a "homebuyer subsidy" as described in 24CFR §92.254(a)(5)(ii). Under this recapture provisions, the HOME period of affordability is based on the total amount of homebuyer subsidy per unit:

HOME Affordability Table

| *Homebuyer Subsidy* | *Less than $15,000* | *$15,000 to $40,000* | *Over $40,000* |
|---|---|---|---|
| *Period of Affordability* | *Five Years* | *Ten Years* | *Fifteen Years* |

Homebuyer subsidy is the amount of the HOME assistance that enabled the homebuyer to buy the dwelling, and is the amount that is subject to recapture. This amount includes SHOP downpayment assistance, purchase financing (silent mortgages) and assistance with closing costs. It doesn't include any "development subsidy" which is the amount of HOME assistance provided to the housing developer that bridges the gap between the cost of producing the unit and its fair market value. HOME recapture provisions ensure that if the housing does not continue to be the principal residence of the family for the period of affordability, then all or a portion of the homebuyer subsidy shall be recaptured.

**Net Proceeds Limitation** - Under the recapture provisions, the homebuyer must repay to the City of Springfield the full amount of the homebuyer subsidy whenever the housing unit does not continue to be the principal residence of the family for the duration of the period of affordability. However, if the recapture requirement is triggered by the sale (voluntary or involuntary) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the entire homebuyer subsidy amount, the City may only recapture the net proceeds, if any. HOME affordability requirements will end upon recapture of the homebuyer subsidy. Any recaptured funds will be deposited into the consortium HOME account and will provide assistance to future HOME projects.

**NEDCO and St. Vincent de Paul Homeownership Housing** - This section clarifies how the HOME recapture provisions will be applied to NEDCO and St. Vincent de Paul (SVDP) HOME assisted housing. In their loan agreement with the homebuyer, both NEDCO and SVDP divide the purchase price into two or more parts. The intent of dividing the purchase price into separate parts is to make the purchase more affordable to the homebuyer and to prevent the homebuyer from profiting from the non-profit status of each agency and its programs by immediately selling the property at a profit. The parts are:

- Part A is the first mortgage between the borrower and the agency. This part is not subject to the HOME recapture provisions.
- Part B is a "silent mortgage" between the borrower, the agency and the City of Springfield. This is considered to be direct assistance to the homebuyer, and the full amount is subject to the HOME recapture provisions. If the property is no longer the primary residence of the borrower at any time during the period of affordability, the recapture provisions will take effect and the borrower will be required to repay the full amount of Part B to the City of Springfield. However, if the recapture provisions are triggered by sale or foreclosure of the property, the amount that the borrower will be

required to repay to the City of Springfield will be subject to the net proceeds limitation previously described.

- Other parts may be incorporated in the loan agreements that include grants, loans and other financing assistance provided by other sources. These parts are not subject to the HOME recapture provisions.

- NEDCO and SVDP will often encourage its homebuyers to use the SHOP program to provide down payment assistance during the purchase. SHOP assistance is also regarded as a direct homebuyer subsidy and is, therefore, subject to the HOME recapture provisions including the net proceeds limitation. For these properties, the full amount subject to recapture is the sum of Part B and the SHOP assistance.

**Habitat for Humanity Homeownership Housing** - This section clarifies how the HOME recapture provisions will be applied to HOME assisted housing produced by the Springfield-Eugene chapter of Habitat for Humanity (HfH). In its Note and Loan Agreement with the homebuyer, HfH divides the purchase price into three parts. The intent of dividing the purchase price into three parts is to prevent the borrower from profiting from the non-profit status of HfH and its programs by immediately selling the property at a profit. The three parts are:

- Part A is the first mortgage between the borrower and HfH. This part is not subject to the HOME recapture provisions.

- Part B is a "silent second mortgage" between the borrower, HfH and the City of Springfield. This is the full amount of the direct HOME assistance to the homebuyer, and is the amount subject to the HOME recapture provisions. If the property is no longer the primary residence of the borrower at any time during the period of affordability, the recapture provisions will take effect and the borrower will be required to repay the full amount of Part B to the City of Springfield. However, if the recapture provisions are triggered by sale or foreclosure of the property, the amount that the borrower will be required to repay to the City of Springfield will be subject to the net proceeds limitation previously described.

- Part C is a "silent third mortgage" between the borrower and HfH and is not subject to the HOME recapture provisions.

**Optional Assumption of HOME Affordability Obligations** – Springfield is making an additional provision available only to NEDCO, SVDP and HfH homeownership projects. Springfield will permit a subsequent low-income purchaser of a NEDCO, SVDP or HfH HOME assisted unit to assume the HOME loan and recapture obligation entered into by the original buyer. This includes any SHOP downpayment assistance. The new homeowner will also assume the remaining period of affordability. This provision will give these agencies the opportunity to prolong the affordability of its homes in keeping with their missions. This consideration is

optional and does not limit or eliminate the original buyer's right to sell the home to a willing buyer at any income level.

**Extended Affordability, Occupancy and Repayment Requirements** - The HOME affordability requirements and recapture provisions will expire at the end of the mandated periods shown in the HOME Affordability Table. However, many homeownership programs extend affordability, occupancy and repayment requirements beyond the HOME mandated periods. For instance, most SHOP loans have a five-year HOME period of affordability. However, the loan made by the City to the homebuyer does not expire, and repayment is required upon sale or transfer, or whenever the unit is no longer the principle residence of the homebuyer. If a SHOP homebuyer sells his home ten years after the date of purchase, the HOME recapture provisions will have expired and repayment is not subject to the net proceeds limitation. The homebuyer must repay the full amount of the SHOP loan. Homeownership loan agreements by NEDCO, SVDP and HfH may include affordability, occupancy and repayment terms that continue beyond the HOME mandated period of affordability and after the HOME recapture provisions expire. When repayment occurs after the HOME mandated period of affordability, the repayment is considered program income and will be returned to the HOME Consortium account to be used to support future HOME activities.

If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale provision described in 24CFR §92.254(a)(5)(i) must be used. The City of Springfield does not anticipate participating in a homeownership project where only a development subsidy is provided, therefore, a resale provision is not included in this section.

## Monitoring

Regulations state that the One-Year Action Plan must describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the Plan and to ensure that long-term compliance with requirements of the programs involved.

- **HOME Project Monitoring** – Client income certification sheets are submitted annually by developers of HOME-funded projects and are placed in the project file. Review of income and other eligibility documentation are completed on-site. Physical inspections of HOME-assisted units are conducted on a one-, two-, and three-year cycle based on the number of HOME units. The inspector summarizes the findings and any follow-up work required. These inspection forms are filed in the project files.

- **Consortium Monitoring** – The cities of Eugene and Springfield recently entered into a Memorandum of Understanding which states the program responsibilities of the Consortium. Springfield participates in an annual monitoring conducted by the City of Eugene as lead agency.

- **City Single Audit** – The Federal HOME program is reviewed by the City's external auditors annually.

- **Project Management** – Each project is managed by Springfield HOME program staff. The project manager reviews projects for compliance throughout the implementation of the project. Project contracts include a scope of work, timeline, and budget as well as regulatory requirements – use of minority business enterprises, environmental requirements, mitigation efforts, record keeping, etc.

- **Affirmative Marketing** – Both cities have a joint Affirmative Marketing Policy that complies with 24CFR §92.351. The City of Springfield periodically reviews the marketing plans for all affordable housing developments in Springfield. The housing providers have active plans in place and are diligent in their work to seek out and provide housing to our minority communities. NEDCO provides homebuyer outreach and marketing activities in Spanish.

- **Program Income** – In addition to its FY2013/14 HOME entitlement, the City of Springfield is allocating an estimated $53,235 of HOME Program Income (PI) received in FY12/13 to projects and activities. Springfield anticipates receiving approximately $90,000 of PI in FY13/14. Ten percent of the PI received will be used for HOME program administration. The remainder will be carried forward, and will be allocated in the following program year.

# City of Springfield
# Springfield FY 2014/15 HOME Funding Allocations

***Funding Amounts:***

| | |
|---|---|
| *New Grant Funds* | *$ 299,575* |
| *Program Income (est.)* | *$ 99,010* |
| *Previous Year* | *$ 3,486* |
| ***TOTAL AVAILABLE*** | ***$ 402,071*** |

| Applicant | Project | HOME Amount | |
|---|---|---|---|
| | | New Funds | Previous Year Carryover, PI |
| HACSA, Metropolitan Housing | Development of Glenwood Place mixed-use development | $ 83,810 | $102,496 |
| | Grant Administration* | $ 29,958 | - |
| | Program/Project Delivery | $59,016 | |
| | City Housing Programs | $100,000 | - |
| | CHDO Operating | $ 14,979 | - |
| | Unallocated amount (carry forward to next year) | $ 11,813 | - |
| | Subtotal | $299,575 | $102,496 |
| | **GRAND TOTAL** | **$402,071** | |

# City of Springfield

## Summary of FY2013/14
## HOME Proposals and Approved Funding Amounts

| | | |
|---|---|---|
| **1.** | **Project:** | **Glenwood Place** |
| | **Location:** | 4224 Franklin Blvd, Glenwood |
| | **Developer:** | HACSA, Metropolitan Affordable Housing |
| | **Approved:** | $186,306 HOME Grant |
| | **Total Proj. Cost:** | $11,445,684 (Phase 1) |

HACSA, in partnership with Metropolitan Affordable Housing is receiving $186,306 of HOME funding to support the development of Glenwood Place, a multi-family mixed used development located in Glenwood. When completed, the development will consist of 130 affordable workforce housing units and ground floor commercial space fronting Franklin Blvd. Glenwood is located in a transit-rich area, positioned between Eugene and Springfield, with easy access to the U of O, LCC, Peace Health Medical Center, and both downtowns.

The workforce housing within the development will consist of studio, one-bedroom and two-bedroom apartments set at rent levels affordable to individuals and families earning 30-60% of median area income. The development will include community spaces and meeting rooms, open areas, and parking for the commercial and residential tenants. The development will be a catalyst for new economic activity along the Franklin Blvd. corridor, and is consistent with the goals of the Glenwood Refinement Plan.

If awarded, these funds may not be used by the developers until the site has received environmental clearance, and has been annexed to the City of Springfield. The annexation process has been completed. HACSA received a HOME grant of $96,500 in FY2012 for predevelopment costs associated with Glenwood Place. In FY2013, HACSA received allocations of CDBG and HOME funds totaling $291,750 to assist with the development of the project.

2

# Springfield 2014/15 HOME Table 3C

## Housing Development – Permanent Multi-Family

| | |
|---|---|
| **Project/Local ID:** | 0012 |
| **Project Name:** | **Metropolitan Housing and HACSA – Glenwood Place** |
| **Project Location:** | Franklin Blvd., Glenwood/Springfield, OR 97403 |
| **Project Description:** | Acquisition and development of 130 unit mixed-use affordable housing complex in Glenwood. |
| **Project Explanation:** | Acquisition and development costs associated with the Glenwood Place mixed-use complex, commercial and 150 units of workforce housing. |
| **Start/Completion Dates:** | 3/01/2015– 12/31/2016 |
| **Funding Sources:** | **HOME - $186,306** |
| **Matrix Code/Title:** | Construction of Housing |
| **Priority Need:** | Housing |
| **Eligibility Citation:** | 92.206(a) |
| **National Objective** | LMI-Housing |
| **Accomplishment Type/Goal:** | 130 units, 11 HOME units |
| **Performance Measures** | |
| Objective | Decent Housing |
| Outcome | Affordability |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | Yes |

# Springfield 2014/15 HOME Table 3C

## Springfield Home Ownership Program

| | | |
|---|---|---|
| **Project/Local ID:** | 0013 | |
| **Project Name:** | **Springfield Home Ownership Program (SHOP)** | |
| **Project Location:** | City-wide, Springfield | |
| **Project Description:** | Downpayment assistance for low- and moderate-income homebuyers. | |
| **Project Explanation:** | Downpayment assistance loans of up to $7,000 to low- and moderate-income homebuyers. | |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 | |
| **Funding Sources:** | **HOME** | **$100,000** |
| **Matrix Code/Title:** | Direct Homeownership Assistance | |
| **Priority Need:** | Housing | |
| **Eligibility Citation:** | 92.206(c) | |
| **National Objective** | | |
| **Accomplishment Type/Goal:** | 15 units | |
| **Performance Measures** | | |
| Objective | Decent Housing | |
| Outcome | Affordability | |
| **Project Primary Purpose** | | |
| Help the Homeless | No | |
| Help Persons with HIV/AIDS | No | |
| Help Persons with Disabilities | No | |
| Address Public Housing Needs | No | |

# Springfield 2014/15 HOME Table 3C

## HOME Grant Administration

| | |
|---|---|
| **Project/Local ID:** | 0014 |
| **Project Name:** | **HOME Grant Administration** |
| **Project Location:** | 225 5th St., Springfield, OR 97477 |
| **Project Description:** | General management, oversight and coordination of Springfield HOME grant program. |
| **Project Explanation:** | Supports eligible HOME administrative costs. Amount shown includes utilizing 10% of projected Program Income for FY14-15 |
| **Start/Completion Dates:** | 7/01/2014 – 6/30/2015 |
| **Funding Sources:** | **HOME** **$29,957** |
| **Matrix Code/Title:** | HOME Admin/Planning Costs of PJ |
| **Priority Need:** | Housing |
| **Eligibility Citation:** | 92.207 |
| **National Objective** | |
| **Accomplishment Type/Goal:** | n/a |
| **Performance Measures** | |
| Objective | n/a |
| Outcome | n/a |
| **Project Primary Purpose** | |
| Help the Homeless | No |
| Help Persons with HIV/AIDS | No |
| Help Persons with Disabilities | No |
| Address Public Housing Needs | No |

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Andy Limbird, DPW |
| | **Staff Phone No:** | Ext. 3784 |
| | **Estimated Time:** | 15 Minutes |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Encourage Economic Development and Revitalization through Community Partnerships |

| | |
|---|---|
| **ITEM TITLE:** | ANNEXATION OF TERRITORY TO THE CITY OF SPRINGFIELD – ANNEX 3.84 ACRES OF PROPERTY LOCATED AT 3491, 3521 & 3535 GAME FARM ROAD, SPRINGFIELD. |
| **ACTION REQUESTED:** | Conduct a public hearing and first reading on the following ordinance:<br>AN ORDINANCE APPROVING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF SPRINGFIELD, AND WILLAMALANE PARK AND RECREATION DISTRICT; AND WITHDRAWING THE SAME TERRITORY FROM THE WILLAKENZIE RURAL FIRE PROTECTION DISTRICT AND THE RAINBOW WATER DISTRICT (FIRST READING). |
| **ISSUE STATEMENT:** | A request for annexation to the City of Springfield has been received from OneLife Management on behalf of four property owners. The subject properties are located on the east side of Game Farm Road just north of the intersection with Martin Luther King, Jr. Parkway in the Gateway area of north Springfield. The 3.84-acre site requested for annexation is inside the City's Urban Growth Boundary (UGB) and is contiguous with the City limits. The applicant is requesting annexation to facilitate future redevelopment of the site with a residential care facility. |
| **ATTACHMENTS:** | Attachment 1: Staff Report and Recommendations<br>Attachment 2: Area, Vicinity and Site Maps<br>Attachment 3: Ordinance with Exhibits<br>Exhibit A: Maps and Legal Description<br>Exhibit B: Application<br>Attachment 4: Annexation Agreement |
| **DISCUSSION/ FINANCIAL IMPACT:** | The City Council is authorized by ORS Chapter 222 and SDC Article 5.7-100 to act on annexation requests. In accordance with SDC 5.7-155 and ORS 222.040, 222.180 and 222.465, if approved the annexation will become effective 30 days after signature by the Mayor or upon acknowledgement by the State – whichever date is later.<br><br>The subject property is contiguous with the existing City limits and is currently developed with three single family dwellings, a small filbert orchard, accessory buildings, and access driveways. The four tax lots requested for annexation have an aggregate assessed value of $479,748. Staff advises that future utility system upgrades and extensions are identified for this area of north Springfield so an annexation agreement has been prepared to accompany this request. Upon annexation, the proposed development site would be subject to the Site Plan Review process.<br><br>The parcels requested for annexation are zoned Low Density Residential and Medium Density Residential with an Urbanizable Fringe Overlay (UF-10) in accordance with the Springfield Zoning Map. Upon annexation, the UF-10 overlay will be removed.<br><br>As outlined in the attached staff report (Attachment 1), the annexation area can be served with the minimum level of key urban facilities and services as required in the *Eugene-Springfield Metropolitan Area General Plan*. The attached staff report also confirms the annexation request meets the criteria established in Section 5.7-100 of the Springfield Development Code.<br><br><u>Recommendation</u>: Staff finds the proposal complies with the annexation criteria of approval listed in SDC 5.7-140, and Council is within its authority to approve annexation of the subject territory to the City of Springfield and Willamalane Park and Recreation District; and withdrawal of the subject territory from the Willakenzie Rural Fire Protection District and the Rainbow Water District. Staff recommends the City Council schedule the ordinance for second reading and adoption. |

# TYPE IV – ANNEXATION
# STAFF REPORT AND RECOMMENDATION

**File Name:** OneLife Management Annexation

**Applicant:** Jon Oakes, Poage Engineering

**Case Number:** ANX14-00002

**Proposal Location:** 3491, 3521 & 3535 Game Farm Road (Map 17-03-15-40, TL 2500; and Map 17-03-22-00, TL 400-600)

**Current Zoning:** Low Density Residential (LDR) and Medium Density Residential (MDR) with Urbanizable Fringe Overlay (UF-10)

**Plan Designation:** LDR & MDR

**Applicable Comprehensive Plan:**
*Gateway Refinement Plan*

**Application Submittal Date:** March 31, 2014

**Associated Applications:** PRE13-00026 (Development Issues Meeting for Annexation); PRE14-00016 (Pre-Submittal Meeting for Annexation)

## CITY OF SPRINGFIELD'S DEVELOPMENT REVIEW COMMITTEE

| POSITION | REVIEW OF | NAME | PHONE |
|---|---|---|---|
| Project Manager | Planning | Andy Limbird | 541-726-3784 |
| Transportation Planning Engineer | Transportation | Michael Liebler | 541-736-1034 |
| Public Works Civil Engineer | Streets and Utilities | Clayton McEachern | 541-736-1036 |
| Deputy Fire Marshal | Fire and Life Safety | Gilbert Gordon | 541-726-2293 |
| Building Official | Building | David Bowlsby | 541-736-1029 |

## APPLICANT'S DEVELOPMENT REVIEW TEAM

| POSITION | NAME | PHONE | MAILING ADDRESS |
|---|---|---|---|
| Applicant | Zach Falk<br>OneLife Management | 541-914-7801 | 1830 NW Riverscape St #803<br>Portland OR 97209 |
| Applicant's Representative | Jon Oakes<br>Poage Engineering | 541-485-4505 | PO Box 2527<br>Eugene OR 97402 |

**Review Process (SDC 5.7-115):** The subject annexation request is being reviewed under Type IV procedures, without Planning Commission consideration.

**Development Issues Meeting (SDC 5.7-120):** A Development Issues Meeting (DIM) is required of all public agency and private landowner-initiated annexation applications.

Finding: A Development Issues Meeting for the subject annexation request was held on October 3, 2013.

Conclusion: The requirement in SDC 5.7-120 is met.

**Annexation Initiation and Application Submittal (SDC 5.7-125):** In accordance with SDC 5.7-125.B.2.b.i and ORS 222.170(1), an annexation application may be initiated by "more than half the owners of land in the territory, who also own more than half the land in the contiguous territory and of real property therein representing more than half the assessed value of all real property in the contiguous territory consent in writing to the annexation of their land".

Finding: The property owners who own all of the land and real property, and full assessed value of real property in the contiguous territory, have filed applications and petitions requesting annexation to the City of Springfield (Attachment 3).

Conclusion: The application requirements in SDC 5.7-125 have been met.

**Site Information:** The territory requested for annexation is four contiguous tax lots located at the northeast corner of Game Farm Road at Martin Luther King, Jr. Parkway in the North Gateway area of Springfield. The subject site is inside the Springfield Urban Growth Boundary (UGB) and is contiguous to the Springfield city limits on three sides. The requested annexation territory contains three single family dwellings, landscaped yards, a small filbert orchard, several accessory buildings and residential driveways. The subject annexation territory comprises a total of 3.84 acres and is split between LDR and MDR zoning. According to the applicant's submittal, the subject annexation territory is intended to be redeveloped with a memory care residential facility. Redevelopment of the property would be subject to the Site Plan Review process once the property is entirely within the City limits.

Existing public services are provided to the annexation area as follows: police (Lane County Sheriff, Springfield Police Department), schools (Eugene 4J School District), roads (City of Springfield), and Fire (Eugene/Springfield under contract with the Willakenzie Rural Fire Protection District). Rainbow Water District operates the water utility infrastructure that serves unincorporated areas in north Springfield, including the subject site. Springfield Utility Board provides electrical service to the proposed annexation area. Upon annexation, the City of Springfield will be responsible for all urban services, including sewer, water, electricity and police/fire response to the subject area.

**Notice Requirements (SDC 5.7-130):** Consistent with SDC 5.7-130, notice was provided as follows:

> **Mailed Notice.** Notice of the annexation application was mailed April 15, 2014, which is at least 14 days prior to the public hearing date, to the affected property owner(s); owners and occupants of properties located within 300 feet of the perimeter of the affected territory; affected neighborhood groups or community organizations officially recognized by the city that includes the affected territory; affected special districts and all other public utility providers; and the Lane County Land Management Division, Lane County Elections, and the Lane County Board of Commissioners.
>
> **Newspaper Notice.** Notice of the May 5, 2014 public hearing was published in *The Register-Guard* on April 21 and 28, 2014.

**Posted Notice.** Notice of the May 5, 2014 public hearing was posted in four public places in the City: at one location along the property frontage on Game Farm Road; at Springfield City Hall and in the Development and Public Works office; and on the City of Springfield website.

Finding: Upon annexation of the subject territory to the City the Low Density Residential zoning will be retained, but the Urbanizable Fringe Overlay District (UF-10) will no longer apply. Due to this change, the Oregon Department of Land Conservation and Development (DLCD) was notified in writing of the annexation proceedings prior to the public hearing. Notification to DLCD regarding the proposed annexation was sent on April 2, 2014.

Finding: Staff responded to several telephone calls from residents of the Patrician Village mobile home park who had received the mailed public hearing notice. Staff answered questions of the respondents and clarified that the annexation request was for property on the east side of Game Farm Road, not the Patrician Village property. The callers did not express any concerns or objection to the annexation request for the subject property, and no other written or verbal comments were received.

Conclusion: Notice of the public hearing was provided consistent with SDC 5.7-130.

**Recommendation to City Council (SDC 5.7-135):** The Director shall forward a written recommendation on the annexation application to the City Council based on the approval criteria specified in Section 5.7-140, which are provided as follows with the SDC requirements, findings, and conclusions. The Director's recommendation follows SDC 5.7-140, Criteria.

**Criteria (SDC 5.7-140):** The application may be approved only if the City Council finds that the proposal conforms to the following criteria:

**A. The affected territory proposed to be annexed is within the City's urban growth boundary; and is**
   **1. Contiguous to the city limits; or**
   **2. Separated from the City only by a public right of way or a stream, lake or other body of water.**

Finding: The subject annexation territory is located within the acknowledged urban growth boundary (UGB) of the Eugene-Springfield Metropolitan Area General Plan (Metro Plan). The area requested for annexation abuts the Springfield city limits along the north, west and south boundary. Therefore, this annexation application meets the statutory definition of contiguity as found in ORS 222.111(1).

Conclusion: The proposal meets this criterion.

**B. The proposed annexation is consistent with applicable policies in the Metro Plan and in any applicable refinement plans or Plan Districts;**

Finding: The *Metro Plan* was acknowledged by the Land Conservation and Development Commission (LCDC) in August, 1982 and has been subsequently amended. The annexation area is located within the acknowledged UGB of the *Metro Plan*. Territory within the delineated UGB ultimately will be within the City of Springfield.

Finding: The territory requested for annexation is located within the adopted *Gateway Refinement Plan* area and is zoned and designated Low Density Residential (LDR) and Medium Density Residential (MDR). There are no proposed changes to the current zoning or plan designation.

Finding: The continued annexation of properties and public street rights-of-way to the City of Springfield is consistent with the Metro Plan, which will result in the elimination of special districts within the urbanizable area. The *Metro Plan* recognizes that as annexations to the City occur, the special district service areas will diminish incrementally and eventually will be dissolved.

Finding: The territory requested for annexation is within the Willakenzie Rural Fire Protection District. The Fire Protection District has a service arrangement with Eugene/Springfield for provision of fire response to unincorporated areas of north Springfield. After the public hearing and upon Council adoption of the annexation Ordinance, the annexation area will be withdrawn from the Willakenzie Rural Fire Protection District consistent with ORS 222.510, 222.520, and 222.525 and the Cities of Eugene & Springfield will provide fire protection service directly to the annexation area.

Finding: The territory requested for annexation is within the service area of Rainbow Water District. After the public hearing and if determined by the City Council that withdrawal is in the best interest of the City, the annexation area will be withdrawn from the Rainbow Water District consistent with ORS 222.510, 222.520, and 222.525 and Springfield Utility Board will provide water service directly to the annexation area.

Finding: After the public hearing and upon Council adoption of the annexation Ordinance, the annexation area will be annexed into the Willamalane Park and Recreation District as authorized by an intergovernmental agreement between the City of Springfield and Lane County. The park district provides park and recreation facilities and services to territory within the City of Springfield.

Conclusion: The proposal meets this criterion.

**C. The proposed annexation will result in a boundary in which the minimum level of key urban facilities and services as defined in the Metro Plan can be provided in an orderly efficient and timely manner; and**

Finding: The *Metro Plan* recognizes annexation as the highest priority for extending the minimum level of key urban facilities and services to urbanizable areas.

Finding: The territory requested for annexation will take advantage of urban service delivery systems that are already in place or can be logically extended to serve this area. In addition to urban utilities, the following facilities and services are either available or can be extended to this annexation area:

Water – The Springfield Utility Board currently provides water service to the North Gateway area of Springfield. Upon annexation, the subject site would be served by the City by and through the Springfield Utility Board. The territory proposed for annexation contains existing single family dwellings and a private well house. The applicant is requesting annexation to facilitate redevelopment of the site with a congregate care facility, which is a listed use in both the LDR and MDR districts.

Electricity – SUB Electric provides service to developed properties in this area of North Gateway including the subject site. Upon annexation, the developer will be able to request an upgraded electrical service for the proposed residential care facility. Existing electrical system infrastructure within the adjacent public rights-of-way will be maintained by the affected utility providers.

Police Services – Springfield Police Department currently provides service to areas of North Gateway that are already inside the City. The subject territory is within the joint jurisdiction of Springfield Police Department and Lane County Sheriff's Department. Upon annexation, this area will receive Springfield Police services on an equal basis with other properties inside the City.

Fire and Emergency Services – Fire protection is currently provided to the annexation area by Eugene/ Springfield Fire Department under contract with Willakenzie Rural Fire Protection District. Upon annexation, the Eugene/Springfield Fire Department will continue to provide fire and emergency services to the subject territory.

Emergency medical transport (ambulance) services are provided on a regional basis by the Eugene/Springfield Fire Department, and Lane Rural Fire/Rescue to central Lane County. The annexation area will continue to

receive this service consistent with the adopted ambulance service area (ASA) plan. Mutual aid agreements have been adopted by the three regional ASA providers to provide backup coverage for each other's jurisdictions.

Parks and Recreation – Park and recreation services are provided to the City of Springfield by the Willamalane Park and Recreation District. The park district operates several indoor recreation facilities, such as the Willamalane Park Swim Center, Lively Park Swim Center, Memorial Building Community Center, and Willamalane Adult Activity Center. The park district offers various after-school and other programs for children at schools and parks throughout the community. Also available are pathways and several categories of parks, including community parks, sports parks, special use parks, and natural area parks.

Concurrent with annexation to the City of Springfield, the subject area will be annexed to the Willamalane Park and Recreation District consistent with City policy and the adopted Willamalane Comprehensive Plan.

Library Services – Upon annexation to the City of Springfield, the subject area will be within the service area of the Springfield Public Library.

Schools – The Eugene 4J School District serves portions of the North Gateway area of Springfield. However, based on characteristics of the applicant's development proposal it is not expected that the annexation territory will generate any school-age population.

Sanitary Sewer – The annexation area is not currently served by sanitary sewer, but sewer laterals have been installed along the property frontages on Game Farm Road and Deadmond Ferry Road. The site can be served by connection of one or more laterals to the existing sanitary sewer lines in the adjacent public streets.

Stormwater – The subject annexation territory is not currently served by a piped stormwater management system. Improvements to the public stormwater system will be required as development plans are advanced for the subject site. Staff advises that future downstream stormwater system upgrades for this area of north Springfield will require participation by the benefiting property owner/developer. Provisions for future participation in stormwater facility improvements have been detailed in an Annexation Agreement for the property. The site can be served by a combination of on-site treatment and regulated discharge to the adjacent public street system. There are no immediate planned changes to the public stormwater management system associated with this annexation request.

Streets – The subject annexation area has frontage on Game Farm Road and Deadmond Ferry Road, which are classified as major collector streets and are fully developed to urban standards. There are no immediate planned or required street improvements associated with this annexation request. Street frontage improvements, if required, will be reviewed and approved through the Site Plan Review process.

Solid Waste Management – The City and Sanipac have an exclusive franchise arrangement for garbage service inside the City limits. Upon annexation, solid waste disposal service can be provided by Sanipac.

Communication Facilities – Various providers offer both wired and wireless communication services in the Eugene-Springfield metropolitan area. Existing providers and those entering the market have the capability to provide service to this area.

Land Use Controls – The annexation area is within Springfield's urban growth boundary. Through an intergovernmental agreement between Lane County and the City of Springfield, the City already has planning and building jurisdiction for unincorporated areas of Springfield. The City will continue to administer land use controls after annexation.

Finding: The minimum level of key urban facilities and services, as outlined in the *Metro Plan*, are either immediately available or can be provided within a reasonable future time frame as needed.

Conclusion: The proposal meets this criterion.

**D. Where applicable fiscal impacts to the City have been mitigated through an Annexation Agreement or other mechanism approved by the City Council.**

Finding: The developer requesting annexation is well aware of the need for future connection and extension of urban utilities to serve the site and land beyond the annexation area, and the responsibility of the developer to fund such improvements. Staff has outlined the responsibilities and expectations of the developer in an Annexation Agreement to be executed by the developer and City. The City Council is asked to authorize City Manager execution of the attached Annexation Agreement prior to final annexation approval. Future on site improvements will be reviewed through the Site Plan Review process.

Conclusion: The proposal meets this criterion.

**DIRECTOR'S RECOMMENDATION: The proposal complies with the annexation criteria of approval listed in SDC 5.7-140, and Council is within its authority to approve annexation of the subject territory to the City of Springfield and Willamalane Park and Recreation District; and withdrawal of the subject territory from the Willakenzie Rural Fire Protection District and the Rainbow Water District.**

**City Council Decision (SDC 5.7-145):** City Council approval of the annexation application shall be by Ordinance.

Finding: On May 5, 2014, the City Council will hold a Public Hearing for the subject annexation request and give first reading to the Annexation Ordinance. Based on the staff analysis and recommendation, and on testimony provided at the Public Hearing, the City Council may take action to approve, modify or deny the Annexation Ordinance.

**Zoning (SDC 5.7-150):** The area requested for annexation is zoned and designated Low Density Residential and Medium Density Residential in accordance with the *Gateway Refinement Plan* diagram. Properties that are outside the City limits have the Urbanizable Fringe Overlay District (UF-10) applied to the zoning. Upon the effective date of the annexation, the UF-10 overlay will be automatically removed and the site will retain the Low Density Residential (LDR) and Medium Density Residential (MDR) zoning.

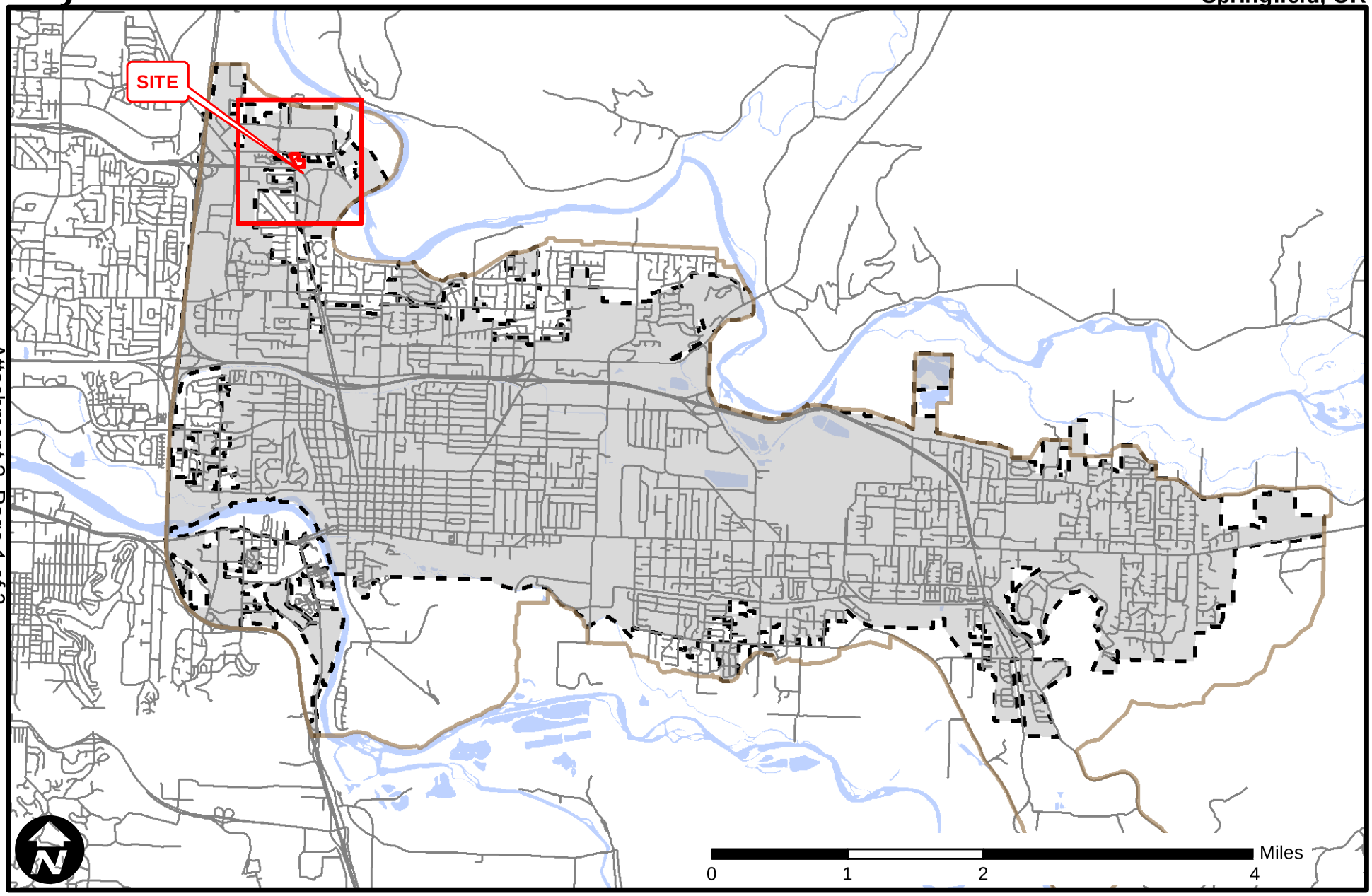
**Effective Date and Notice of Approved Annexation (SDC 5.7-155):** If the annexation is approved by the City Council on May 5, 2014 and granted a second reading on May 19, 2014, the Ordinance will become effective 30 days after adoption by the City Council and execution by the Mayor (anticipated on or around June 18, 2014), or upon acknowledgement of filing with the Secretary of State – whichever date is later.

**Withdrawal from Special Service Districts (SDC 5.7-160):** Withdrawal from special districts may occur concurrently with the approved annexation Ordinance or after the effective date of the annexation of territory to the City. The Director shall recommend to the City Council for consideration of the withdrawal of the annexed territory from special districts as specified in ORS 222. In determining whether to withdraw the territory, the City Council shall determine whether the withdrawal is in the best interest of the City. Notice of the withdrawal shall be provided in the same manner as the annexation notice in Section 5.7-150.

Finding: The annexation area is within the delineated service territory of SUB (electric), Rainbow Water District (water) and the Willakenzie Rural Fire Protection District (fire response). The Cities of Eugene/Springfield will provide fire and emergency services after annexation, and the City of Springfield by and through the Springfield Utility Board will provide water service after annexation. Consistent with SDC 5.7-160, notice was provided, a public hearing was held, and the City Council determined that withdrawal from the Willakenzie Rural Fire Protection District and the Rainbow Water District was in the best interest of the City. The withdrawal decision was codified in Ordinance No._____.

# Citywide Overview

**Springfield, OR**




SPRINGFIELD OREGON

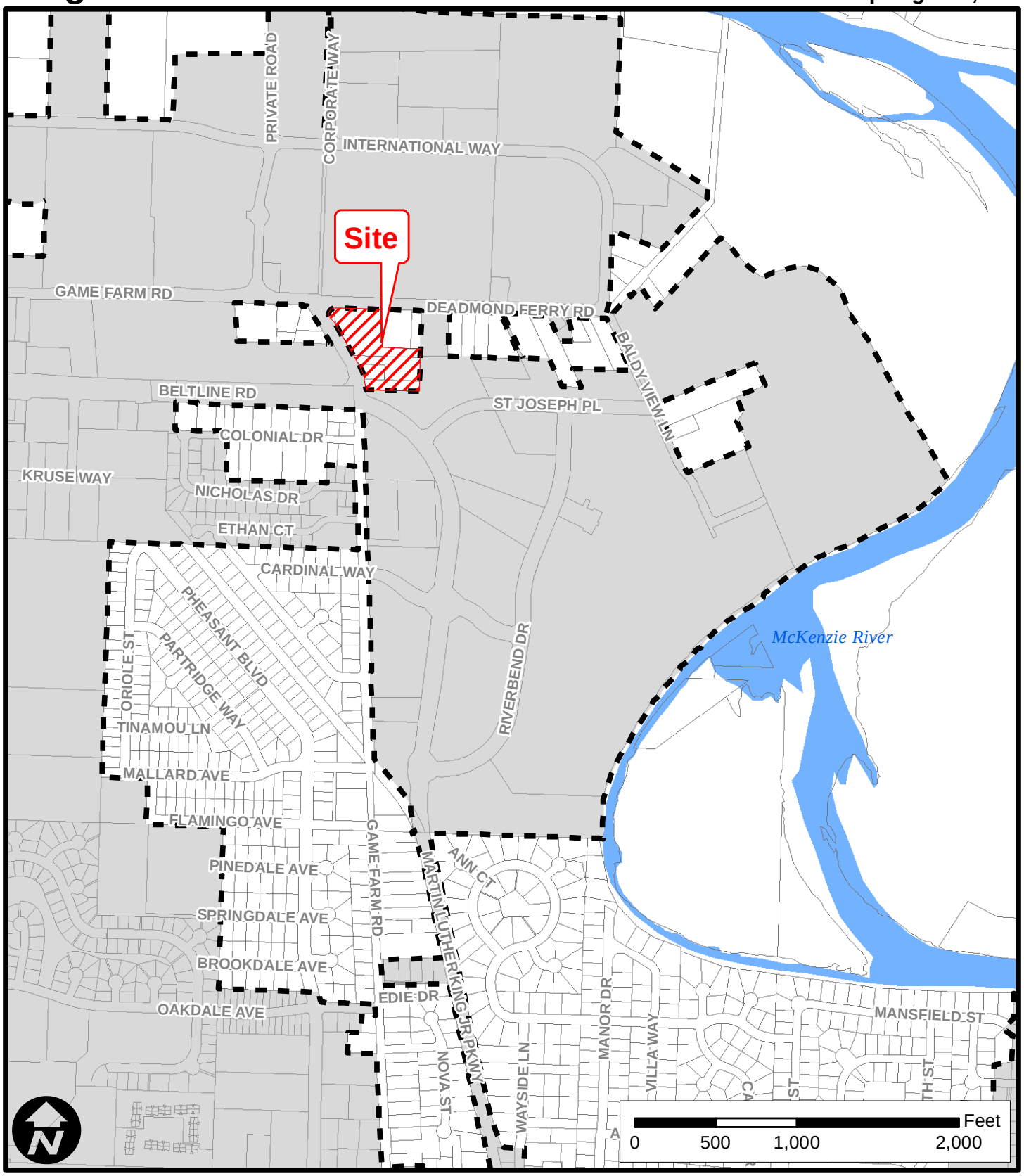
There are no warranties that accompany this product. Users assume all responsibility for any loss or damage arising from any error, omission or positional inaccuracy of this product

Within Springfield City Limits

Outside Springfield City Limits

# Neighborhood Overview

**Springfield, OR**




SPRINGFIELD OREGON

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Proposed Annexation

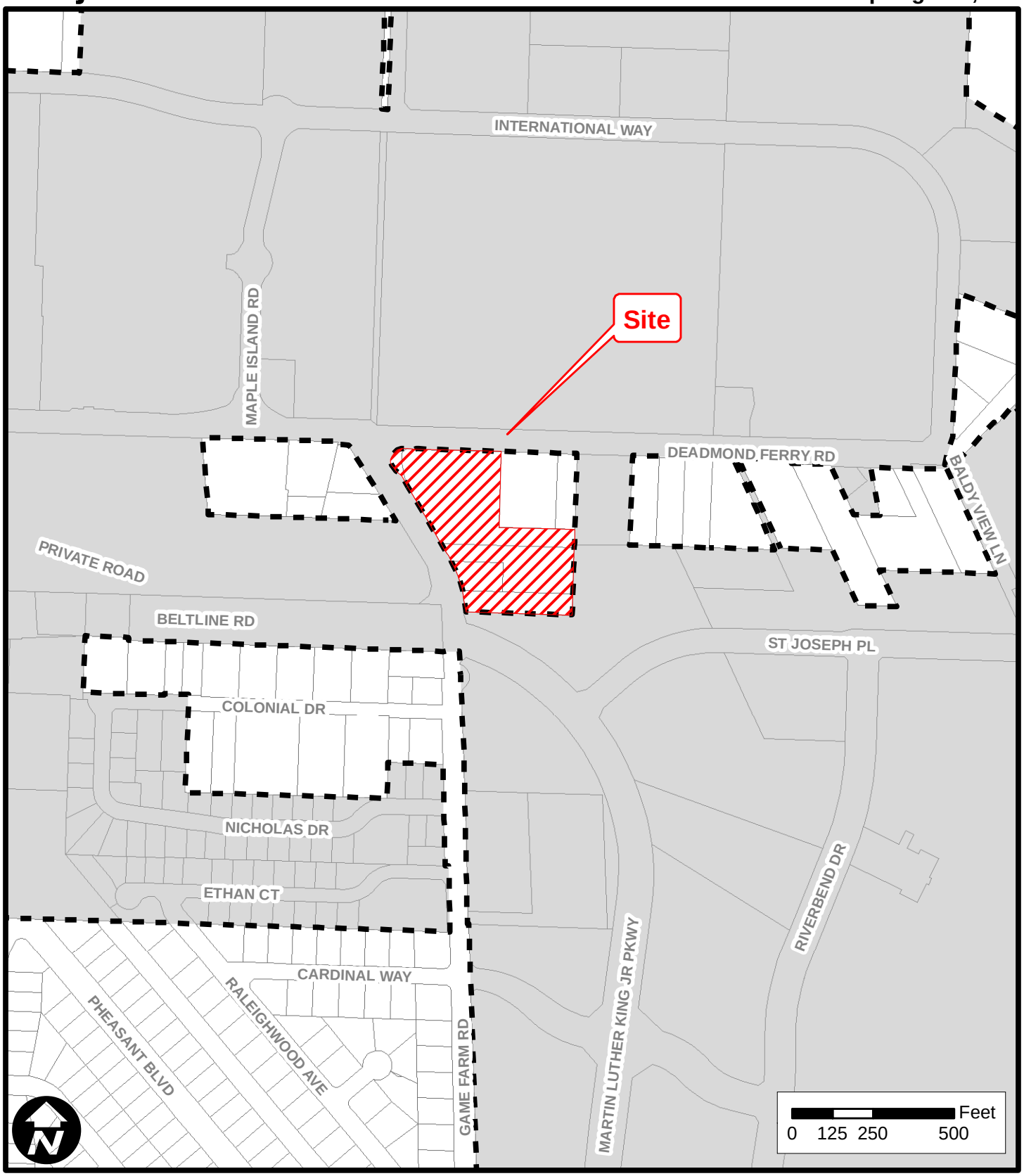
Tax Lots

Within Springfield City Limits

Outside Springfield City Limits

# Subject Area

**Springfield, OR**




SPRINGFIELD OREGON

There are no warranties that accompany this product. Users assume all responsibility for any loss or damage arising from any error, omission or positional inaccuracy of this product

Proposed Annexation

Tax Lots

Within Springfield City Limits

Outside Springfield City Limits

**ORDINANCE NO _____**

**AN ORDINANCE APPROVING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF SPRINGFIELD AND WILLAMALANE PARK AND RECREATION DISTRICT; AND WITHDRAWING THE SAME TERRITORY FROM THE WILLAKENZIE RURAL FIRE PROTECTION DISTRICT AND THE RAINBOW WATER DISTRICT**

**THE COMMON COUNCIL OF THE CITY OF SPRINGFIELD FINDS THAT:**

**WHEREAS**, the City Council is authorized by Springfield Development Code (SDC) Article 5.7-100 and ORS Chapter 222 to accept, process, and act on annexations to the City; and

**WHEREAS**, a request to annex certain territory was submitted on January 28, 2014, said territory being Assessor's Map Township 17 South, Range 03 West, Section 15, Map 40, Tax Lot 2500 and Assessor's Map Township 17 South, Range 03 West, Section 22, Map 00, Tax Lots 400, 500 & 600, which are municipally addressed as 3491, 3521 and 3535 Game Farm Road and are generally depicted and more particularly described in **Exhibit A** to this Ordinance; and

**WHEREAS**, in accordance with SDC 5.7-125.A and ORS 222.111, the property owners initiated the annexation action by submittal of the required application forms and petitions for annexation attached hereto as **Exhibit B** to this Ordinance; and

**WHEREAS**, this annexation has been initiated in accordance with SDC 5.7-125.A and ORS 222 and has been set for public hearing; and,

**WHEREAS**, the territory requested to be annexed is within the City's urban growth boundary and is contiguous to the City limits [SDC 5.7-140.A]; and,

**WHEREAS**, the minimum level of key urban facilities and services can be provided in an orderly and efficient manner as outlined in the *Metro Plan*, and there is a logical area and time within which to deliver urban services and facilities [SDC 5.7-140.C]; and,

**WHEREAS**, a Staff Report (**Exhibit C**) was presented to the City Council with the Development & Public Works Director's recommendation to concurrently annex the subject territory to the Willamalane Park and Recreation District, as this Special District is a service provider for the City [SDC 5.7-140.B]; and is consistent with the intergovernmental agreement between Lane County and Springfield regarding boundary changes dated May 21, 2008; and,

**WHEREAS**, a Staff Report was presented to the City Council with the Director's recommendation to concurrently withdraw the annexation territory from the Willakenzie Rural Fire Protection District, as the Cities of Eugene and Springfield would provide emergency response service directly to the area after it was annexed to the City [SDC 5.7-160.B]; and,

**WHEREAS**, a Staff Report was presented to the City Council with the Director's recommendation to concurrently withdraw the annexation territory from the Rainbow Water District, as the City of Springfield acting by and through the Springfield Utility Board would provide water utility service directly to the area after it was annexed to the City [SDC 5.7-160.B]; and,

**WHEREAS**, on March 3, 2014, the Springfield Common Council conducted a public hearing and is now ready to take action on this request for annexation based on the recommendation and findings in support of approving the annexation request, and the Willakenzie Rural Fire Protection District's withdrawal as set forth in the aforementioned Staff Report to the Council, incorporated herein by reference, and the evidence and testimony presented at this public hearing held in the matter of adopting this Ordinance.

**NOW THEREFORE**, THE CITY OF SPRINGFIELD ORDAINS AS FOLLOWS:

**SECTION 1:** The Common Council of the City of Springfield does hereby approve annexation of the following described territory to the City of Springfield and Willamalane Park and Recreation District, said territory being more particularly described in **Exhibit A** to this Ordinance.

**SECTION 2:** The City Manager or the Development and Public Works Director shall send copies of this Ordinance to affected State and local agencies as required by SDC 5.7-155.

**SECTION 3:** This Ordinance shall become effective 30 days from the date of its passage by the City Council and approval by the Mayor, or upon the date of its filing with the Secretary of State as provided by ORS 222.180, whichever date is later.

**ADOPTED** by the Common Council of the City of Springfield this _____ day of _____, 2014, by a vote of _____for and _____ against.

**APPROVED** by the Mayor of the City of Springfield this _____ day of _____, 2014.

ATTEST:

_____
Mayor

_____
City Recorder

REVIEWED & APPROVED
AS TO FORM
DATE: 4/11/14
OFFICE OF CITY ATTORNEY

FOR ASSESSMENT AND TAXATION ONLY

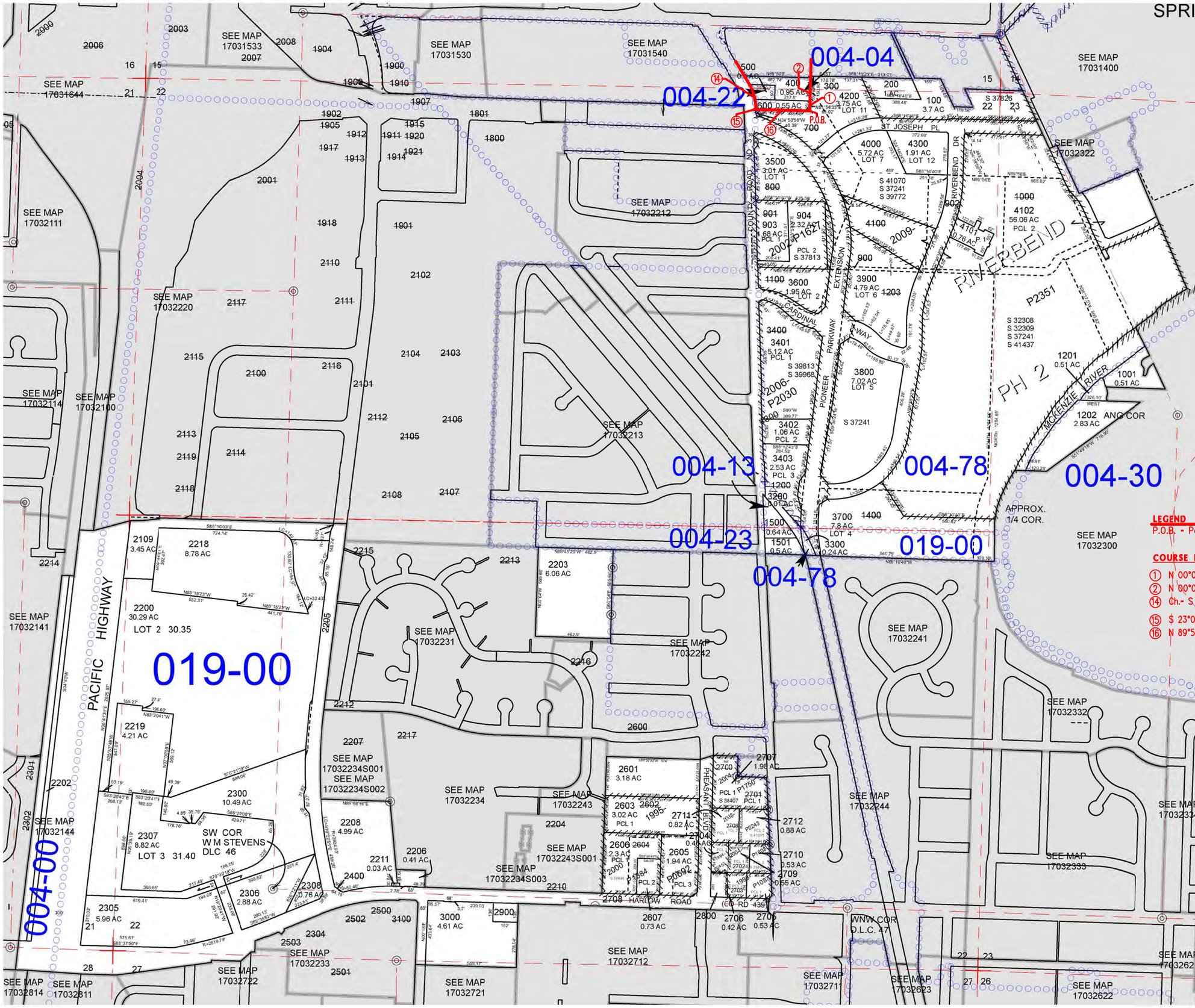
# SECTION 22 T.17S. R.3W. W.M.
## Lane County
1" = 400'

REVISIONS
06/02/2011 - LCAT155 - CONVERT MAP TO GIS
07/19/2012 - LCAT115 - MISCL MAP CORRECTION TL 2300



17032200
EUGENE
SPRINGFIELD

lcatcab - 2012-07-19 10:00




CANCELLED
2110-2119
2204
1200
1300
1600
1700
1800
1801
1900-1921
2000-2008
2100-2108
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2210
2212-2217
2301-2304
2400
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2502
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2602
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3100
3101
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901
300
700
800
902
1000
1100
1203
1400
4100
2205
2604
2700-2703
2708

**LEGEND**
P.O.B. - Point of Beginning

**COURSE INDEX**
1. N 00°09'36" E 67.97'
2. N 00°06'43" E 156.20'
14. Ch.- S 19°20'21" E 159.36' R=326.48'
15. S 23°05'26" E 12.03'
16. N 89°59'02" E 338.74'



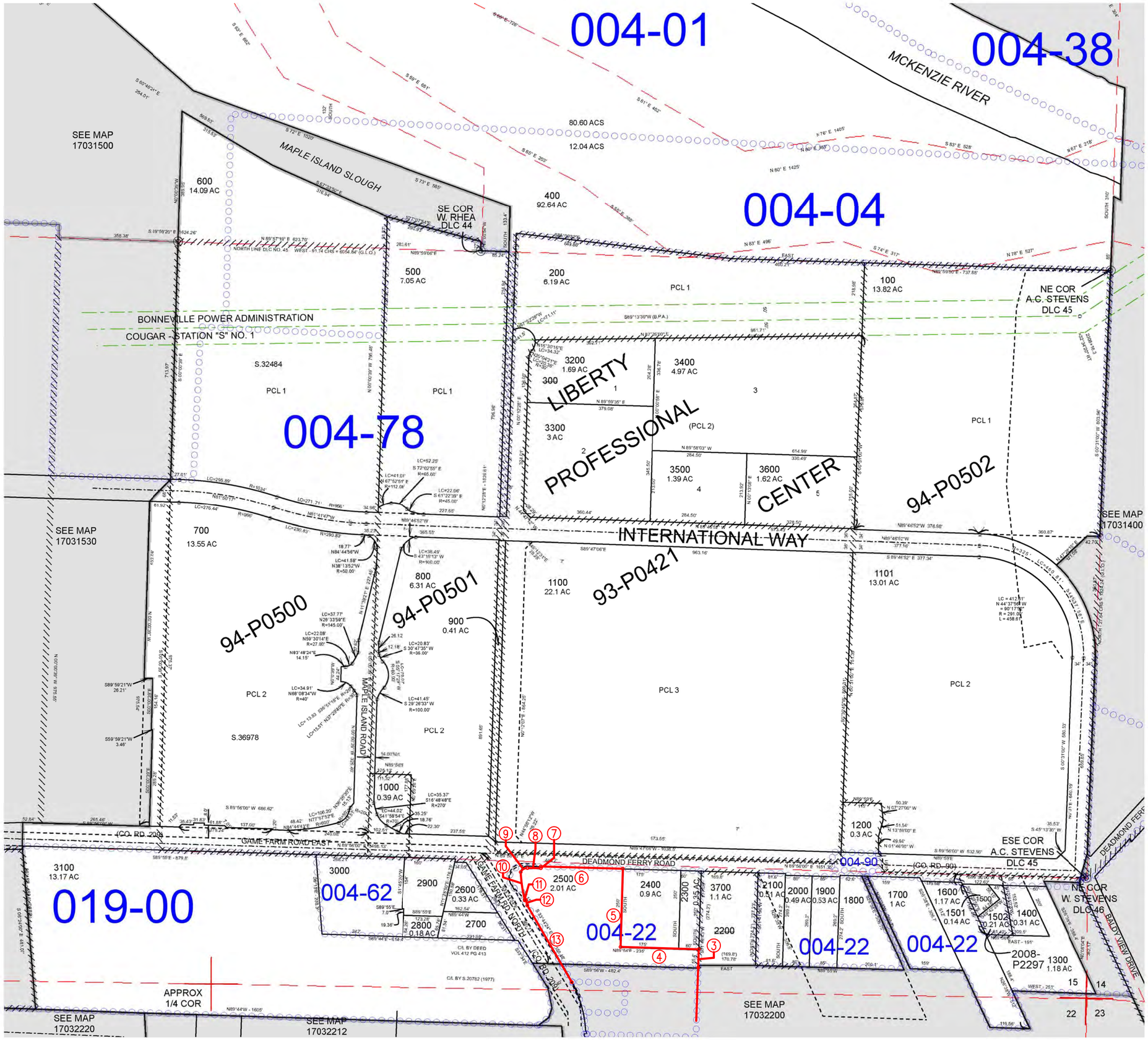
EUGENE
SPRINGFIELD

FOR ASSESSMENT AND TAXATION ONLY

# S.E.1/4 SEC. 15 T.17S. R.3W. W.M.
Lane County
1" = 200'

17031540
SPRINGFIELD

lcatjcg - 2012-05-15 13:38




**COURSE INDEX**

③ N 00°14'30" W 39.18'
④ S 89°59'16" W 235.00'
⑤ N 00°04'14" E 237.75'
⑥ S 89°56'00" W 275.54'
⑦ S 00°00'44" E 9.49'
⑧ S 89°59'16" W 27.00'
⑨ Ch.= S 43°31'00" W 29.00' R=20.00'
⑩ Ch.= S 10°47'28" E 74.45' R=273.00'
⑪ N 67°55'59" E 0.33'
⑫ S 32°10'18" E 11.27'
⑬ S 32°09'44" E 263.80'

REVISIONS
06/03/2011 - LCAT113 - CONVERT MAP TO GIS
05/14/2012 - LCAT174 - CORRECTION TO TAX CODE

SPRINGFIELD
17031540

**Legal Description for the Annexation**
**of**
**Assessor's Map No. 17-03-22-00 Tl No.'s 400, 500 & 600**
**and**
**Assessor's Map No. 17-03-15-40 TL No. 2500**
**to the**
**City of Springfield**

Beginning at a 5/8" rebar marking the interior ell in the west boundary of Lot 11 of RIVERBEND, PHASE II as platted and recorded June 3, 2008 Recep. No. 2008-030895 Lane County Oregon Official Records; thence along the westerly boundary of said Lot 11

**1.)** North 00°09'36" East 67.97 feet to a point referenced by a 5/8" rebar; thence continuing along the westerly boundary of Lot 11 and Lot 10 of said RIVERBEND, PHASE II

**2.)** North 00°06'43" East 156.20 feet to a 5/8" rebar with a yellow plastic cap stamped "Skinner and Associates" marking an angle point in the west boundary of Lot 10 of said RIVERBEND, PHASE II ; thence continuing along the west boundary of said Lot 10

**3.)** North 00°14'30" West 39.18 feet to an iron pipe marking the most easterly northeast corner of that certain tract of land described as Parcel 2 in a Warranty Deed recorded July 7, 1960 Recep. No. 3955 Lane County Oregon Deeds and Records; thence leaving the westerly boundary of said Lot 10 and running along the boundary of said last described tract

**4.)** South 89°59'16" West 235.00 to an iron pin marking the southwest corner of that certain tract of land described as Parcel 1 in a Warranty Deed recorded July 7, 1960 Recep. No. 3955 Lane County Oregon Deed Records; thence along the west boundary of said last described tract

**5.)** North 00°04'14" East 237.75 feet to a point on the south margin of Deadmond Ferry Rd. (County Rd. No. 90), said point being 15.00 feet southerly of, when measured at right angles to the north boundary of the William Stevens D.L.C. No. 46 in Township 17 South, Range 3 West of the Willamette Meridian; thence along the south margin of Deadmond Ferry Road, parallel to and 15 feet southerly of the north boundary of said D.L.C. No. 46

**6.)** South 89°56'00" West 275.54 feet; thence

**7.)** South 00°00'44" East 9.49 feet to a point on the south margin of Deadmond Ferry Road as dedicated to the City of Springfield through a Bargain and Sale Deed recorded August 23, 1982 Recep. No. 8224852 Lane County Oregon Deeds and Records; thence along the south margin of Deadmond Ferry Road as dedicated in said last described tract, the following three courses numbered 8-10

Date Received:

MAR 3 1 2014



Original Submittal

**8.)** South 89°59'16" West 27.00; thence

**9.)** along the arc of a 20.0 foot radius curve left (the chord of which bears South 43°31'00" West 29.00 feet) a distance of 32.44 feet; thence

**10.)** along the arc of a 273.00 foot radius curve left (the chord of which bears South 10°47'28" East 74.45 feet) a distance of 74.68 feet; thence leaving said margin and running

**11.)** North 67°55'59" East 0.33 feet to a point on the easterly margin of North Game Farm Road as dedicated in a Bargain and Sale Deed recorded June 7, 2005 Recep. No. 2005-041501 Lane County Oregon Official Records, said point being 45.13 feet easterly of and opposite engineer's centerline station L 27+18.02 P.O.C.; thence along the easterly margin of North Game Farm Road as dedicated in said last described tract, the following four (4) courses and distances numbers 12-15

**12.)** South 32°10'18" East 11.27 feet to a point 46.0 feet easterly of and opposite engineer's station L 26+97.70 PC.; thence

**13.)** South 32°09'44" East 263.80 feet to a point 40.0 feet easterly of and opposite engineer's station L 24+33.97 PT. ; thence

**14.)** along the arc of a 326.48 foot radius curve right (the chord of which bears South 19°20'21" East 159.36 feet) a distance of 160.99 feet to a point 40.0 feet easterly of engineer's centerline station L 22+87.63 PC.; thence

**15.)** South 23°05'26" East 12.03 feet to a 5/8" rebar with a yellow plastic cap stamped "KPFF INC" marking "Point A" on the boundary of Lot 11 of said plat of RIVERBEND, PHASE II; thence leaving said easterly margin and running along the boundary of Lot 11 of said RIVERBEND, PHASE II

**16.)** North 89°59'02" East 338.74 feet to the point of beginning, all in Lane County Oregon,

Bearing used hereon are based on C.S.F. No. 37211 on file in the office of the Lane County Surveyor.

Date Received:

MAR 3 1 2014

Original Submittal

City of Springfield
Development Services Department
225 Fifth Street
Springfield, OR 97477

3

SPRINGFIELD

## Annexation Application Type IV

| Application Type | (Applicant: Check one) |
|---|---|
| Annexation Application Pre-Submittal: | ☐ |
| Annexation Application Submittal: | ☒ |

| Required Proposal Information | (Applicant: Complete This Section) | | |
|---|---|---|---|
| Property Owner: | SEE ATTACHED | Phone: | |
| Address: | | Fax: | |
| | | E-mail: | |
| Owner Signature: | | | |
| Owner Signature: | | | |
| Agent Name: | JONATHAN OAKES | Phone | 541-485-4505 |
| Company: | POAGE ENGINEERING | Fax: | 541-485-5624 |
| Address: | P.O. BOX 2527 EUGENE OR 97402 | E-mail | OAKES@POAGE.NET |
| Agent Signature: | Jonathan A. Oakes | | |

If the applicant is other than the owner, the owner hereby grants permission for the applicant to act in his or her behalf, except where signatures of the owner of record are required, only the owner may sign the petition.

| | | | |
|---|---|---|---|
| ASSESSOR'S MAP NO: | 17-03-15-40 TL 2500 & SEE ATTACHED 17-03-22-00 | TAX LOT NO(S): | 400, 500, 600 |
| Property Address: | 3535 Game Farm Rd & 3521 & 3491 Game Farm Rd & Vacant | | |
| Area of Request: | Acres: 3.84 ACRES | Square Feet: | |
| Existing Use(s) of Property: | RESIDENTIAL | | |
| Proposed Use of Property: | MULTI-BED MEMORY CARE FACILITY | | |

| Required Property Information | (City Intake Staff: Complete This Section) | | | | |
|---|---|---|---|---|---|
| Case No.: | ANX 14 00002 | Date: | 3/31/14 | Reviewed By: (initials) | L. Miller |
| Application Fee: | $10,536.56 | Postage Fee: | 543.00 | Total Fee: | $11,606.39 |
| | | Tech Fee: | 526.83 | | |

Date Received: MAR 31 2014

PRJ13-00021

## Owner Signatures

This application form is used for both the required pre-submittal meeting and subsequent complete application submittal. Owner signatures are required at both stages in the application process.

**An application without the Owner's original signature will not be accepted.**

**Pre-Submittal**

The undersigned acknowledges that the information in this application is correct and accurate for scheduling of the Pre- Submittal Meeting. If the applicant is not the owner, the owner hereby grants permission for the applicant to act in his/her behalf. I/we do hereby acknowledge that I/we are legally responsible for all statutory timelines, information, requests and requirements conveyed to my representative.

**Owner:**

_____ **Date:** _____

**Signature**

_____

**Print**

**Submittal**

I represent this application to be complete for submittal to the City. Consistent with the completeness check performed on this application at the Pre-Submittal Meeting, I affirm the information identified by the City as necessary for processing the application is provided herein or the information will not be provided if not otherwise contained within the submittal, and the City may begin processing the application with the information as submitted. This statement serves as written notice pursuant to the requirements of ORS 227.178 pertaining to a complete application.

**Owner:**

See attached (multiple owners) **Date:** _____

**Signature**

_____

**Print**

Date Received:

MAR 3 1 2014

Original Submittal

**Property Owner Information**
**OneLife Management Annexation Application**
**City of Springfield**

Property No. 1: Marian L. Beach (Owner)
3535 Game Farm Rd.
Springfield OR. 97477
Assessor's Map No. 17-03-15-40 TL No. 2500 (2.1 acres)
3535 Game Farm Rd. Springfield OR. 97477

Marian L. Beach

Marian L. Beach

**Property Owner Information**
**OneLife Management Annexation Application**
**City of Springfield**

Property No. 2: Sandra Hanson / Deborah H. Orton (Owners)
3811 Croisan Mountain Ct. S
Salem, OR. 97302
Assessor's Map No. 17-03-22-00 TL No. 400 (0.92 acres)
(Vacant)

Sandra Hanson

Sandra Hanson

Deborah H. Orton

Property No, 3: Sandra Hanson / Deborah H. Orton
3811 Croisan Mountain Ct. S
Salem, OR. 97302
Assessor's Map No. 17-03-22-00 TL No. 500 (0.31 acres)
3521 Game Farm Rd. Springfield OR. 97477

Sandra Hanson

Sandra Hanson

Deborah H. Orton

**Property Owner Information**
**OneLife Management Annexation Application**
**City of Springfield**

Property No. 2: Sandra Hanson / Deborah H. Orton (Owners)
3811 Croisan Mountain Ct. S
Salem, OR. 97302
Assessor's Map No. 17-03-22-00 TL No. 400 (0.92 acres)
(Vacant)

_____
Sandra Hanson

Deborah R. Orton
Deborah ~~H.~~ R. Orton

Property No, 3: Sandra Hanson / Deborah H. Orton
3811 Croisan Mountain Ct. S
Salem, OR. 97302
Assessor's Map No. 17-03-22-00 TL No. 500 (0.31 acres)
3521 Game Farm Rd. Springfield OR. 97477

_____
Sandra Hanson

Deborah R. Orton
Deborah ~~H.~~ R. Orton

**Property Owner Information**
**OneLife Management Annexation Application**
**City of Springfield**

Property No. 4: Kay Renken
~~304 10th Street~~ 2455 Maia Loop
Springfield, OR. 97477
Assessor's Map No. 17-03-22-00 TL No. 600 (0.51 acres)
3491 Game Farm Rd. Springfield OR. 97477

Kay Renken

Kay Renken

Application #: C SP 2009 - _____
*For City Use Only*

# FORM 1

## PETITION/PETITION SIGNATURE SHEET
## Annexation by Individuals
[SDC 5.7-125(2)(b)(i)/ORS 222.170(1)]

We, the following property owners of the following territory, consent to the annexation to the City of Springfield and concurrent annexation to Lane County Metropolitan Wastewater Service District and Willamalane Parks and Recreation District, as deemed necessary:

| Signature | Date Signed m/d/y | Print Name | Residence Address (*street, city, zip code*) | Map and Tax Lot Number (example: 17-04-03-00-00100) | ✓ Land Owner | Acres (qty) |
|---|---|---|---|---|---|---|
| 1. Kay Renken | 01-05-14 | KAY RENKEN | ~~304 16TH ST.~~ SPRINGFIELD OR 97477 | 17-03-22-00 TL 600 | ✓ | 0.51 |
| 2. | | | 3455 Maia Loop | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |

Note: With the above signature(s), I am attesting that I have the authority to consent to annexation on my own behalf or on behalf of my firm or agency. *(Attach evidence of such authorization when applicable.)*

I, Gary F Martin *(printed name of circulator)*, hereby certify that every person who signed this sheet did so in my presence.

x Gary F Martin *(signature of circulator)*

**CERTIFICATION OF OWNERSHIP**

The total landowners in the proposed annexation are 6 *(qty)*. This petition reflects that 6 *(qty)* landowners *(or legal representatives)* listed on this petition represent a total of 100 *(%)* of the landowners and 100 *(%)* of the acres as determined by the map and tax lots attached to the petition. *A&T is not responsible for subsequent deed activity that may not yet be reflected on the A&T computerized tax roll.*

Alice H Mark

**Lane County Department of Assessment and Taxation**

2-19-14

Date Signed and Certified

Application #: C SP 2009 - _____
*For City Use Only*

**FORM 1**

PETITION/PETITION SIGNATURE SHEET
Annexation by Individuals
[SDC 5.7-125(2)(b)(i)/ORS 222.170(1)]

We, the following property owners of the following territory, consent to the annexation to the City of Springfield and concurrent annexation to Lane County Metropolitan Wastewater Service District and Willamalane Parks and Recreation District, as deemed necessary:

| Signature | Date Signed m/d/y | Print Name | Residence Address (street, city, zip code) | Map and Tax Lot Number (example: 17-04-03-00-00100) | ✓ Land Owner | Acres (qty) |
|---|---|---|---|---|---|---|
| 1. Marian Beach | 2-12-14 | MARIAN BEACH | 3535 GAME FARM RD SPRINGFIELD OR 97477 | 17-03-15-40 TL 2500 | ✓ | 2.1 |
| 2. | | Marian Beach Trustee of Fenning Trust | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |

Note: With the above signature(s), I am attesting that I have the authority to consent to annexation on my own behalf or on behalf of my firm or agency. *(Attach evidence of such authorization when applicable.)*

I, Michael Forthing *(printed name of circulator)*, hereby certify that every person who signed this sheet did so in my presence.
x _____ *(signature of circulator)*

**CERTIFICATION OF OWNERSHIP**
The total landowners in the proposed annexation are _____ *(qty)*. This petition reflects that _____ *(qty)* landowners *(or legal representatives)* listed on this petition represent a total of _____ *(%)* of the landowners and _____ *(%)* of the acres as determined by the map and tax lots attached to the petition. *A&T is not responsible for subsequent deed activity that may not yet be reflected on the A&T computerized tax roll.*

See attached Sheet 1 AW 2-19-14
**Lane County Department of Assessment and Taxation**

_____
Date Signed and Certified

Application #: C SP 2009 - _____
*For City Use Only*

**FORM 1**

PETITION/PETITION SIGNATURE SHEET
Annexation by Individuals
[SDC 5.7-125(2)(b)(i)/ORS 222.170(1)]

We, the following property owners of the following territory, consent to the annexation to the City of Springfield and concurrent annexation to Lane County Metropolitan Wastewater Service District and Willamalane Parks and Recreation District, as deemed necessary:

| Signature | Date Signed m/d/y | Print Name | Residence Address (*street, city, zip code*) | Map and Tax Lot Number (example: 17-04-03-00-00100) | ✓ Land Owner | Acres (qty) |
|---|---|---|---|---|---|---|
| 1. | | SANDRA HANSON | 3811 CROISAN MT. CT.S SALEM OR 97302 | 17-03-22-00 TL# 400 | ✓ | 0.92 |
| 2. Deborah Orton | | DEBORAH ORTON | 3811 CROISAN MT. CT.S SALEM OR 97302 | 17-03-22-00 TL# 400 | ✓ | 0.92 |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |

Note: With the above signature(s), I am attesting that I have the authority to consent to annexation on my own behalf or on behalf of my firm or agency. *(Attach evidence of such authorization when applicable.)*

I, Gary F. Martin *(printed name of circulator)*, hereby certify that every person who signed this sheet did so in my presence.
x Gary F Martin *(signature of circulator)*

**CERTIFICATION OF OWNERSHIP**
The total landowners in the proposed annexation are _____ *(qty)*. This petition reflects that _____ *(qty)* landowners *(or legal representatives)* listed on this petition represent a total of _____ *(%)* of the landowners and _____ *(%)* of the acres as determined by the map and tax lots attached to the petition. *A&T is not responsible for subsequent deed activity that may not yet be reflected on the A&T computerized tax roll.*

See attached sheet 1 (AW) 2-19-14
**Lane County Department of Assessment and Taxation**

Date Signed and Certified

Revised 10/9/13 kl

Application #: C SP 2009 - _____
*For City Use Only*

**FORM 1**

PETITION/PETITION SIGNATURE SHEET
Annexation by Individuals
[SDC 5.7-125(2)(b)(i)/ORS 222.170(1)]

We, the following property owners of the following territory, consent to the annexation to the City of Springfield and concurrent annexation to Lane County Metropolitan Wastewater Service District and Willamalane Parks and Recreation District, as deemed necessary:

| Signature | Date Signed m/d/y | Print Name | Residence Address *(street, city, zip code)* | Map and Tax Lot Number (example: 17-04-03-00-00100) | ✓ Land Owner | Acres (qty) |
|---|---|---|---|---|---|---|
| 1. Sandra Hanson | 2/12/2014 | SANDRA HANSON | 3811 CROISAN MT. CT.S SALEM OR 97302 | 17-03-22-00 TL# 400 | ✓ | 0.92 |
| 2. | | DEBORAH ORTON | 3811 CROISAN MT. CT.S SALEM OR 97302 | 17-03-22-00 TL# 400 | ✓ | 0.92 |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |

Note: With the above signature(s), I am attesting that I have the authority to consent to annexation on my own behalf or on behalf of my firm or agency. *(Attach evidence of such authorization when applicable.)*

I, Gary F Martin *(printed name of circulator)*, hereby certify that every person who signed this sheet did so in my presence.

x Gary F Martin *(signature of circulator)*

**CERTIFICATION OF OWNERSHIP**

The total landowners in the proposed annexation are _____ *(qty)*. This petition reflects that _____ *(qty)* landowners *(or legal representatives)* listed on this petition represent a total of _____ *(%)* of the landowners and _____ *(%)* of the acres as determined by the map and tax lots attached to the petition. *A&T is not responsible for subsequent deed activity that may not yet be reflected on the A&T computerized tax roll.*

See attached sheet / 2-19-14

**Lane County Department of Assessment and Taxation**

Date Signed and Certified

Application #: C SP 2009 - _____
*For City Use Only*

# FORM 1

## PETITION/PETITION SIGNATURE SHEET
## Annexation by Individuals
[SDC 5.7-125(2)(b)(i)/ORS 222.170(1)]

We, the following property owners of the following territory, consent to the annexation to the City of Springfield and concurrent annexation to Lane County Metropolitan Wastewater Service District and Willamalane Parks and Recreation District, as deemed necessary:

| Signature | Date Signed m/d/y | Print Name | Residence Address (*street, city, zip code*) | Map and Tax Lot Number (example: 17-04-03-00-00100) | ✓ Land Owner | Acres (qty) |
|---|---|---|---|---|---|---|
| 1. | | SANDRA HANSON | 3811 CROISAN MT. CT. S SALEM OR 97302 | 17-03-22-00 TL# 500 | ✓ | 0.31 |
| 2. Deborah Orton | | DEBORAH ORTON | 3811 CROISAN MT. CT. S SALEM OR. 97302 | 17-03-22-00 TL# 500 | ✓ | 0.31 |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |

Note: With the above signature(s), I am attesting that I have the authority to consent to annexation on my own behalf or on behalf of my firm or agency. *(Attach evidence of such authorization when applicable.)*

I, Gary F Martin *(printed name of circulator)*, hereby certify that every person who signed this sheet did so in my presence.

x Gary F Martin *(signature of circulator)*

**CERTIFICATION OF OWNERSHIP**

The total landowners in the proposed annexation are _____ *(qty).* This petition reflects that _____ *(qty)* landowners *(or legal representatives)* listed on this petition represent a total of _____ *(%)* of the landowners and _____ *(%)* of the acres as determined by the map and tax lots attached to the petition. *A&T is not responsible for subsequent deed activity that may not yet be reflected on the A&T computerized tax roll.*

See attached sheet! AM 2-19-14

**Lane County Department of Assessment and Taxation**

_____

Date Signed and Certified

Application #: C SP 2009 - _____
*For City Use Only*

**FORM 1**

PETITION/PETITION SIGNATURE SHEET
Annexation by Individuals
[SDC 5.7-125(2)(b)(i)/ORS 222.170(1)]

We, the following property owners of the following territory, consent to the annexation to the City of Springfield and concurrent annexation to Lane County Metropolitan Wastewater Service District and Willamalane Parks and Recreation District, as deemed necessary:

| Signature | Date Signed m/d/y | Print Name | Residence Address *(street, city, zip code)* | Map and Tax Lot Number (example: 17-04-03-00-00100) | ✓ Land Owner | Acres (qty) |
|---|---|---|---|---|---|---|
| 1. | 2/12/2014 | SANDRA HANSON | 3311 CROISAN MT. CT S SALEM OR 97302 | 17-03-22-00 TL* 500 | ✓ | 0.31 |
| 2. | | DEBORAH ORTON | 3311 CROISAN MT. CT. S SALEM OR 97302 | 17-03-22-00 TL* 500 | ✓ | 0.31 |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |

Note: With the above signature(s), I am attesting that I have the authority to consent to annexation on my own behalf or on behalf of my firm or agency. *(Attach evidence of such authorization when applicable.)*

I, Gary F Martin *(printed name of circulator)*, hereby certify that every person who signed this sheet did so in my presence.

x: _____ *(signature of circulator)*

**CERTIFICATION OF OWNERSHIP**

The total landowners in the proposed annexation are _____ *(qty)*. This petition reflects that _____ *(qty)* landowners *(or legal representatives)* listed on this petition represent a total of _____ *(%)* of the landowners and _____ *(%)* of the acres as determined by the map and tax lots attached to the petition. *A&T is not responsible for subsequent deed activity that may not yet be reflected on the A&T computerized tax roll.*

See attached sheet 1 2-19-14

**Lane County Department of Assessment and Taxation**

Date Signed and Certified

# FORM 2

## OWNERSHIP WORKSHEET

(This form is **NOT** the petition)

(Please include the name and address of ALL owners regardless of whether they signed an annexation petition or not.

### OWNERS

| Property Designation (Map/lot number) | Name of Owner | Acres | Assessed Value | Imp. Y / N | Signed Yes | Signed No |
|---|---|---|---|---|---|---|
| 17-03-15-40 TL#2500 | MARIAN BEACH | 2.1 | $45,840 | Y | | |
| 17-03-22-00 TL#400 | HANSON / ORTON | 0.92 | $115,743 | N | | |
| 17-03-22-00 TL# 500 | HANSON / ORTON | 0.31 | $118,880 | Y | | |
| 17-03-22-00 TL# 600 | KAY RENKEN | 0.51 | $166,596 | Y | | |
| | | | | | | |
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| | | | | | | |
| | | | | | | |
| | TOTALS: | 3.84 | $447,059 | | | |

| | |
|---|---|
| TOTAL NUMBER OF OWNERS IN THE PROPOSAL | 4 |
| NUMBER OF OWNERS WHO SIGNED | 4 |
| PERCENTAGE OF OWNERS WHO SIGNED | 100% |
| TOTAL ACREAGE IN PROPOSAL | 3.84 |
| ACREAGE SIGNED FOR | 3.84 |
| PERCENTAGE OF ACREAGE SIGNED FOR | 100% |
| TOTAL VALUE IN THE PROPOSAL | $447,059 |
| VALUE CONSENTED FOR | $447,059 |
| PERCENTAGE OF VALUE CONSENTED FOR | 100% |

# FORM 3

## SUPPLEMENTAL INFORMATION FORM

*(Complete **all** the following questions and provide all the requested information. Attach any responses that require additional space, restating the question or request for information on additional sheets.)*

Contact Person: JONATHAN OAKES

E-mail: OAKES@POAGE.NET

**Supply the following information regarding the annexation area.**

- Estimated Population **(at present)**: 5
- Number of Existing Residential Units: 3
- Other Uses: _____
- Land Area: 3.84 total acres
- Existing Plan Designation(s): SEE ATTACHED
- Existing Zoning(s): SEE ATTACHED
- Existing Land Use(s): SINGLE FAMILY RESIDENTIAL
- Applicable Comprehensive Plan(s): METRO PLAN
- Applicable Refinement Plan(s): GATEWAY REFINEMENT PLAN
- Provide evidence that the annexation is consistent with the applicable comprehensive plan(s) and any associated refinement plans.

  SEE ATTACHED

- Are there development plans associated with this proposed annexation?

  Yes ✓ No _____

  If yes, describe.

  SEE ATTACHED

- Is the proposed use or development allowed on the property under the current plan designation and zoning?

  Yes ✓ No _____

- Please describe where the proposed annexation is contiguous to the city limits (non-contiguous annexations cannot be approved under 5.7-140, Criteria).

  SEE ATTACHED

Does this application include all contiguous property under the same ownership?

Yes ✓ No _____

If no, state the reasons why all property is not included:

_____

_____

- Check the special districts and others that provide service to the annexation area:

| | |
|---|---|
| ☐ Glenwood Water District | ☒ Rainbow Water and Fire District |
| ☒ Eugene School District | ☐ Pleasant Hill School District |
| ☐ Springfield School District | ☐ McKenzie Fire & Rescue |
| ☐ Pleasant Hill RFPD | ☒ Willakenzie RFPD |
| ☒ EPUD | ☐ SUB |
| ☐ Willamalane Parks and Rec District | ☐ Other _____ |

- Names of persons to whom staff notes and notices should be sent, in addition to applicant(s), such as an agent or legal representative.

| | |
|---|---|
| ZACK FALK | JONATHAN OAKES |
| ***(Name)*** | ***(Name)*** |
| 1830 NW RIVERSCAPE ST. | P.O. BOX 2527 |
| *(Address)* SUITE #803 | *(Address)* |
| PORTLAND OR 97209 | EUGENE OR 97402 |
| *(City)* *(Zip)* | *(City)* *(Zip)* |
| ***(Name)*** | ***(Name)*** |
| *(Address)* | *(Address)* |
| *(City)* *(Zip)* | *(City)* *(Zip)* |

# Expanded Supplemental Information
# OneLife Management Annexation Application
# City of Springfield

Existing Plan Designation: Assessor's Map No. 17-03-15-40 TL No. 2500 has a low density Plan Designation. The remaining properties associated with this annexation (Map No. 17-03-22-00 TL No.'s 400, 500 & 600) have a medium density Plan Designation.

Existing Zoning: Assessor's Map No. 17-03-15-40 TL No. 2500 currently carries a LD, low Density zoning classification. The remaining properties associated with this Annexation application (Map No. 17-03-22-00 TL No.'s 400, 500 & 600) are currently zoned MD, medium density.

Both the Metro Plan and the Gateway Refinement Plan designate the subject properties for Low Density and Medium Density residential use consistent with the current zoning classifications for the individual properties associated with this annexation application as shown above.

Onelife Management is proposing to construct a multi-bed memory care facility on that portion of the subject properties zoned medium density residential. Portions of the development area will extend into that portion of the subject properties that is zoned low density residential. However, only those uses permitted within the low density residential zoning district (i.e. access drives and parking area serving the medium density residential use) will be constructed within that portion of the site designated low density residential. All structures used for residential purposes will be constructed within that portion of the development area designated for medium density use.

The properties associated with this annexation application are contiguous with the current city limits for the City of Springfield along their entire southern boundary and the south half (more or less) of their eastern boundary.

**FORM 4**

WAIVER OF ONE YEAR TIME LIMIT
FOR ANNEXATION PURSUANT TO ORS 222.173

This waiver of the time limit is for the following described property:

17-03-15-40 TL# 2500 — 3535 GAME FARM RD. SPRINGFIELD OR 97477

Map and Tax Lot Number — Street Address of Property (if address has been assigned)

ONE WAIVER OF TIME LIMIT FOR EACH PARCEL, PLEASE

We, the owner(s) of the property described above understand the annexation process can take more than one year but desire to annex to have City services. Therefore, we agree to waive the one-year time limitation on this petition to annex established by Oregon Revised Statutes 222.173, and further agree that this contract shall be effective [ ] indefinitely or [ ] until _____.

Date

Signatures of Legal Owners

| Please print or type name | Signature | Date Signed |
|---|---|---|
| MARIAN BEACH | Marian Beach | 2-12-14 |
| | | |
| | | |
| | | |
| | | |

*LCOG: L:\BC\2008 BOUNCHANGE TRANSITION\APPLICATION FORMS\SPRINGFIELD\10-03-08 UPDATED FORMS\PRE-SUBMITTAL ANNEXATION APPLICATION 10-07-08.DOC*
*Last Saved: October 10, 2013*

# FORM 4

## WAIVER OF ONE YEAR TIME LIMIT FOR ANNEXATION PURSUANT TO ORS 222.173

This waiver of the time limit is for the following described property:

17-03-22-00 TL# 600
Map and Tax Lot Number assigned)

3491 GAME FARM RD. SPRINGFIELD OR 97477
Street Address of Property (if address has been

ONE WAIVER OF TIME LIMIT FOR EACH PARCEL, PLEASE

We, the owner(s) of the property described above understand the annexation process can take more than one year but desire to annex to have City services. Therefore, we agree to waive the one-year time limitation on this petition to annex established by Oregon Revised Statutes 222.173, and further agree that this contract shall be effective [X] indefinitely or [ ] until _____.
Date

Signatures of Legal Owners

| Please print or type name | Signature | Date Signed |
|---|---|---|
| KAY RENKEN | Kay Renken | 01-05-2014 |
| | | |
| | | |
| | | |
| | | |

LCOG: L:\BC\2008 BOUNCHANGE TRANSITION\APPLICATION FORMS\SPRINGFIELD\10-03-08 UPDATED FORMS\PRE-SUBMITTAL ANNEXATION APPLICATION 10-07-08.DOC
Last Saved: October 10, 2013

**FORM 4**

WAIVER OF ONE YEAR TIME LIMIT
FOR ANNEXATION PURSUANT TO ORS 222.173

This waiver of the time limit is for the following described property:

17-03-22-00 TL #400 — Map and Tax Lot Number assigned)

VACANT — Street Address of Property (if address has been

ONE WAIVER OF TIME LIMIT FOR EACH PARCEL, PLEASE

We, the owner(s) of the property described above understand the annexation process can take more than one year but desire to annex to have City services. Therefore, we agree to waive the one-year time limitation on this petition to annex established by Oregon Revised Statutes 222.173, and further agree that this contract shall be effective [ ] indefinitely or [ ] until

_____.
Date

Signatures of Legal Owners

| Please print or type name | Signature | Date Signed |
|---|---|---|
| SANDRA HANSON | Sandra Hanson | 2/12/2014 |
| DEBORAH ORTON | | |
| | | |
| | | |
| | | |

LCOG: L:\BC\2008 BOUNCHANGE TRANSITION\APPLICATION FORMS\SPRINGFIELD\10-01-08 UPDATED FORMS\PRE-SUBMITTAL ANNEXATION APPLICATION 10-07-08.DOC
Last Saved: October 10, 2013

**FORM 4**

WAIVER OF ONE YEAR TIME LIMIT
FOR ANNEXATION PURSUANT TO ORS 222.173

This waiver of the time limit is for the following described property:

17-03-22-00 TL#500 — Map and Tax Lot Number assigned)

3521 GAME FARM RD SPRINGFIELD OR 97477 — Street Address of Property (if address has been

ONE WAIVER OF TIME LIMIT FOR EACH PARCEL, PLEASE

We, the owner(s) of the property described above understand the annexation process can take more than one year but desire to annex to have City services. Therefore, we agree to waive the one-year time limitation on this petition to annex established by Oregon Revised Statutes 222.173, and further agree that this contract shall be effective [ ] indefinitely or [ ] until

_____.
Date

Signatures of Legal Owners

| Please print or type name | Signature | Date Signed |
|---|---|---|
| SANDRA HANSON | Sandra Hanson | 2/12/2014 |
| DEBORAH ORTON | | |
| | | |
| | | |
| | | |

LCOG: L:\BC\2008 BOUNCHANGE TRANSITION\APPLICATION FORMS\SPRINGFIELD\10-03-08 UPDATED FORMS\PRE-SUBMITTAL ANNEXATION APPLICATION 10-07-08.DOC
Last Saved: October 10, 2013

**FORM 4**

WAIVER OF ONE YEAR TIME LIMIT
FOR ANNEXATION PURSUANT TO ORS 222.173

This waiver of the time limit is for the following described property:

17-03-22-00 TL#500 — Map and Tax Lot Number assigned)

3521 GAME FARM RD SPRINGFIELD OR 97477 — Street Address of Property (if address has been

ONE WAIVER OF TIME LIMIT FOR EACH PARCEL, PLEASE

We, the owner(s) of the property described above understand the annexation process can take more than one year but desire to annex to have City services. Therefore, we agree to waive the one-year time limitation on this petition to annex established by Oregon Revised Statutes 222.173, and further agree that this contract shall be effective [ ] indefinitely or [ ] until _____.
Date

Signatures of Legal Owners

| Please print or type name | Signature | Date Signed |
|---|---|---|
| SANDRA HANSON | | |
| DEBORAH ORTON | Deborah Orton | |
| | | |
| | | |
| | | |

*LCOG: L:\BC\2008 BOUNCHANGE TRANSITION\APPLICATION FORMS\SPRINGFIELD\10-03-08 UPDATED FORMS\PRE-SUBMITTAL ANNEXATION APPLICATION 10-07-08.DOC*
*Last Saved: October 10, 2013*

**FORM 4**

WAIVER OF ONE YEAR TIME LIMIT
FOR ANNEXATION PURSUANT TO ORS 222.173

This waiver of the time limit is for the following described property:

17-03-22-00 TL#400 — Map and Tax Lot Number assigned

VACANT — Street Address of Property (if address has been assigned)

ONE WAIVER OF TIME LIMIT FOR EACH PARCEL, PLEASE

We, the owner(s) of the property described above understand the annexation process can take more than one year but desire to annex to have City services. Therefore, we agree to waive the one-year time limitation on this petition to annex established by Oregon Revised Statutes 222.173, and further agree that this contract shall be effective [ ] indefinitely or [ ] until _____.
Date

Signatures of Legal Owners

| Please print or type name | Signature | Date Signed |
|---|---|---|
| SANDRA HANSON | | |
| DEBORAH OCTON | Deborah Octon | |
| | | |
| | | |
| | | |

LCOG: L:\BC\2008 BOUNCHANGE TRANSITION\APPLICATION FORMS\SPRINGFIELD\10-03-08 UPDATED FORMS\PRE-SUBMITTAL ANNEXATION APPLICATION 10-07-08.DOC
Last Saved: October 10, 2013

# Written Narrative addressing Approval Criteria
# OneLife Management Annexation Application
# Assessor's Map No. 17-03-15-40 TL No. 2500
# and
# Assessor's Map No. 17-03-22 TL No.'s 400, 500 & 600
# City of Springfield, Oregon

***A. The affected territory proposed to be annexed is within the City's portions of the urban growth boundary and is contiguous to the City limits or separated from the City limits only by a public right of way or a stream, lake or other body of water***

The tax lots proposed for annexation are within the urban growth boundary for the City of Springfield and are contiguous with the existing City limits along the subject properties entire southern boundary and the south one-half of the eastern boundary. The property is separated from the City limits along the north boundary by the public right of way for Deadmond Ferry Road.

***B. The proposed annexation is consistent with applicable policies in the Metro Plan and in applicable refinement plan or Plan Districts.***

The proposed annexation is consistent with the Metro Plan in that it continues the orderly and efficient conversion of the existing rural property into urbanizable lands in harmony with the surrounding existing urban uses, The site is located within the urban growth boundary of Springfield and promotes the Metro Plan's policy of compact growth through in-filling and making better use of underutilized lands. Both the Metro Plan and the Gateway Refinement Plan designate the subject properties for either Low Density (TL No. 2500) or Medium Density (TL No.'s 400, 500 & 600) residential use, which is consistent with the current zoning classifications for the individual properties associated with this annexation application.

***C. The proposed annexation will result in a boundary in which the minimum level of key urban facilities and services as defined in the Metro Plan can be provided in an orderly, efficient and timely manner.***

Key urban facilities as defined in the Metro Plan are readily available to the site. The site has frontage on existing public roads along it's entire western and northern boundaries. Water service and sanitary sewer service are available to the subject property from the existing facilities located in Game Farm Road and Deadmond Ferry Road public rights of way.

Date Received:

MAR 3 1 2014

Original Submittal

***D. Where applicable fiscal impacts to the City have been mitigated through a signed Annexation Agreement or other mechanism approved by the City Council.***

The applicant is not aware of any fiscal impacts the proposed annexation will have on the City. Therefore this criteria is not applicable

Date Received:

MAR 3 1 2014

Original Submittal

# ANNEXATION AGREEMENT

This Annexation Agreement ("Agreement") is made between the City of Springfield, an Oregon municipal corporation ("City") and Marian Beach, Sandra Hanson, Deborah Orton and Kay Renken ("APPLICANT").

RECITALS

A. APPLICANT owns the parcel(s) of land legally described in Exhibit A, the Property, and shown on the map attached as Exhibit B. The property is proximate to the jurisdictional limits of the City and is subject to annexation by the City of Springfield in accordance with provisions of Springfield Development Code Section 5.7-100.

B. APPLICANT has submitted to the City an Annexation Application Journal No. ANX14-00002, dated March 31, 2014, for Assessor's Map 17-03-15-40-2500 & 17-03-22-00-400-600

C. APPLICANT wishes to annex the Property to the City in order to facilitate redevelopment of the properties with an assisted living facility. The Springfield Common Council has adopted Annexation Ordinance _____ effecting the annexation action.

D. The Property is currently zoned and designated Low Density Residential (LDR) and Medium Density Residential as depicted on the Gateway Refinement Plan and is within the UF-10 Overlay District until annexed.

E. Annexation of the Property requires a showing under SDC 5.7-140.C that the Property can be provided with the minimum level of key urban facilities and services as defined in the Metro Plan Policy 8a and 8b, p.II-C-4, and such showing is supported by the substantial evidence in the record of the proceeding on this annexation. City staff has determined the minimum level of key urban services is currently available to the property. The purpose of this Agreement is to memorialize APPLICANT's and City's commitment and agreement to the allocation of financial responsibility for public facilities and services for the Property and other users of the facilities, sufficient to meet the City's requirements for the provision of key urban services, necessary for an annexation to the City of Springfield.

**After Recording, Return to:** **Place Bar Code Sticker Here:**

City of Springfield
Development and Public Works
225 Fifth Street
Springfield, OR 97477

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F. A public sanitary sewer system with sufficient capacity to serve the Property and other existing and proposed land uses in the vicinity of the Property is necessary to support a finding that this key urban service is available to serve the Property.

- An existing public sanitary sewer system is available with lateral stubs to the property frontages along both Game Farm Road and Deadmond Ferry Road.
- The developer will be limited to using the existing stubs to the property as both city streets fronting the property are comprised of concrete paving in good repair.
- The applicant agrees to decommission the septic systems on the properties being annexed at the time of development or connect the existing dwelling(s) to the sanitary sewer system should any dwelling remain unoccupied for 90 days or longer and should any of the dwellings becoming reoccupied for any length of time.
- The applicant agrees to pay sewer-in-lieu-of-assessment charges at the time of annexation. This total is calculated to be $66,238.00

G. A public stormwater management system with sufficient capacity to serve the Property and other existing and proposed land uses in the vicinity of the Property is also necessary to support a finding that this key urban service is available to serve the Property.

- An existing stormwater system is installed with stubs to the property frontages along both Game Farm Road and Deadmond Ferry Road.
- The APPLICANT will install a (***insert description of planned storm system***) and be allowed to connect to either or both of these existing public stormwater management systems, but will be required to provide pre-treatment for 100% of newly paved surfaces, using such methods as double chambered catch basins with oil filtration media or a water quality manhole. Additionally, a minimum of 50% of the non-building rooftop runoff impervious surfaces on the property shall be treated vegetatively.
- The applicant will design a stormwater management system that will utilize onsite treatment and disposal methods to the greatest extent possible within site constraints of soil permeability and site design.
- The property currently receives flow along the eastern property boundary from a portion of the Peacehealth campus. This flow is to be allowed to continue to drain through the property to the public stormwater system at historic rates and location.
- The developer will be limited to using the existing stubs to the property as both city streets fronting the property are comprised of concrete paving in good repair.
- As the surrounding area develops, an additional stormwater trunk line will be required to be constructed north of the site to Maple Island Slough. The property will be required to pay an assessment for its proportional use of this line at the time of construction.

H. An interconnected transportation system with the existing and proposed land uses in the vicinity of the Property is also required in order to provide access and a transportation system for the provision of Fire and Life Safety services to and from the annexed property.

- The property has frontages on two existing city streets, Game Farm Road and Deadmond Ferry Road, in good repair with full urban improvements of curb, gutter, sidewalk and street trees.



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- The applicant will not have any access to Game Farm Road to the south of the existing driveway closest to the intersection with Martin Luther King Parkway (approximately 110 feet from the curb return).
- No street cuts into the concrete road portion of either Game Farm Road or Deadmond Ferry Road will be allowed.
- One Access onto Game Farm Road and One Access to Deadmond Ferry will be allowed. Driveway Access will need to meet the City's standards for separation from intersections.

I. In order to facilitate orderly development of the Property and ensure the full provision of key urban services that are satisfactory to the City in order for annexation to occur, and in exchange for the obligations of the City set forth below, APPLICANT shall comply with all requirements imposed on APPLICANT in this Agreement.

Now, therefore based upon the foregoing Recitals, which are specifically made a part of this Agreement, the parties agree as follows:

**AGREEMENT**

1. Obligations of APPLICANT. Consistent with the above recitals and subject to the issuance of Site Plan Tentative Approval, APPLICANT agrees to perform the obligations set forth in this section.

1.1 Apply for, and obtain, Tentative Site Plan Approval within 12 months, unless extended by the City, of the effective date of the APPLICANT's annexation request. This Paragraph is subject to the requirements of Paragraph 8, below.

1.1.1 APPLICANT further agrees to hold the City harmless for any and all claims that may arise from any delay of the development of the Property as a result of the City's performance, or lack thereof.

2. Obligations of City. Consistent with the above Recitals, City agrees to:

2.1 Support annexation of the Property to the City and support APPLICANT's defense of any appeal of a decision of the City Council, annexing the Property to the City. However, the City will not assume any financial responsibility to provide legal counsel on appeal.

2.2 Conduct the timely review and decision making of the Site Plan in accordance with City procedures for the development of the Property.

3. Covenants Running With the Land. It is the intention of the parties that the covenants herein are necessary for the annexation and development of the Property and as such shall run with the Property and shall be binding upon the heirs, executors, assigns, administrators, and successors of the parties hereto, and shall be construed to be a benefit and burden upon the Property. This Agreement shall be recorded, at APPLICANT's expense, upon its execution in the Lane County Deeds and Records. This Agreement may be assigned by APPLICANT



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and shall benefit any assigns or successors in interest to APPLICANT. Execution of this Agreement is a precondition to the annexation of the Property described in Exhibit A to the City. Accordingly, the City retains all rights for enforcement of this Agreement.

4. Limitations on the Development. No portion of the Property shall be developed prior to the approval of a Site Plan.

5. Mutual Cooperation. City and APPLICANT shall endeavor to mutually cooperate with each other in implementing the various matters contained herein.

6. Waiver of Right of Remonstrance. APPLICANT agrees to sign any and all waivers, petitions, consents and all other documents necessary to obtain the public facilities and services described herein as benefiting the Property, under any Improvement Act or proceeding of the State of Oregon, Lane County or the City and to waive all rights to remonstrate against these improvements. APPLICANT does not waive the right to protest the amount or manner of spreading the assessment thereof, if the assessment appears to APPLICANT to be inequitable or operate unfairly upon the Property. APPLICANT waives any right to file a written remonstrance against these improvements. APPLICANT does not waive its right to comment upon any proposed Local Improvement District (LID) or any related matters orally or in writing.

7. Modification of Agreement. This Agreement may only be modified in writing signed by both parties. Any modifications to this Agreement shall require the approval of the Springfield Common Council. This Agreement shall not be modified such that the key urban facilities and services as defined in the Metro Plan Policy 8a and 8b, p.II-C-4 and as required herein are not provided in a timely manner to the Property.

8. Land Use. Nothing in this Agreement shall be construed as waiving any requirements of the Springfield Development Code or Springfield Municipal Code which may be applicable to the use and development of this Property. Nothing herein shall be construed as City providing or agreeing to provide approval of any building, land use, or other development application or Land and Drainage Alteration Program (LDAP) permit application submitted by APPLICANT. APPLICANT is responsible for obtaining, at APPLICANT's expense, all State and/or Federal permits and any other approvals as may be required.

9. Dolan. APPLICANT knows and understands its rights under Dolan v. City of Tigard (512 U.S.___114 S. Ct. 2309, 1994) and by entering into this Agreement hereby waives any requirement that the City demonstrate the public improvements and other obligations of APPLICANT, for payments, financial responsibility and reimbursements set forth in Section 1, required herein, are roughly proportional to the burden and demands placed upon the urban facilities and services by the development and to the impacts of the development of the Property. APPLICANT further waives any cause of action it may have pursuant to Dolan v. City of Tigard and cases interpreting the legal effect of Dolan arising out of the actions described herein.

10. Ballot Measure 37. APPLICANT knows and understands any rights it may have under Oregon Revised Statutes (ORS) Chapter 197 as amended by Ballot Measure 37 passed



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November 2, 2004. APPLICANT for itself and its heirs, executors, assigns, administrators and successors hereby waives any claim or cause of action it may have under such ORS provisions against the City.

11. Invalidity. If any provision of this Agreement shall be deemed unenforceable or invalid, such enforceability or invalidity shall not affect the enforceability or validity of any other provision of this Agreement. The validity, meaning, enforceability, and effect of the Agreement and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the State of Oregon.

DRAFT

DATED this _____ day of _____, 2014.

IN WITNESS WHEREOF, the APPLICANT and City have executed this Agreement as of the date first herein above written.

APPLICANT

_____ _____
(OWNER)

_____ _____
(OWNER)

_____ _____
(OWNER)

_____ _____
(OWNER)

STATE OF OREGON
COUNTY OF LANE } SS

BE IT REMEMBERED that on this _____ day of _____ , 2014 before me, the undersigned, a notary public in and for said County and State, personally appeared the within named _____
whose identity was proved to me on the basis of satisfactory evidence and who executed the within instrument and acknowledged to me that _____ executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

_____
Notary Public for Oregon

_____
My Commission Expires

DRAFT

CITY OF SPRINGFIELD

By: _____
Gino Grimaldi, City Manager

STATE OF OREGON
COUNTY OF LANE } SS

BE IT REMEMBERED that on this _____ day of _____, 2014 before me, the undersigned, a notary public in and for said County and State, personally appeared the within named Gino Grimaldi whose identity was proved to me on the basis of satisfactory evidence and who by me duly sworn, did say that he is the City Manager of the within named municipal corporation and does acknowledge said instrument to be the free act and deed of said municipal corporation, and that the seal affixed to said instrument is the Corporate seal of said municipal corporation, and that said instrument was signed and sealed in behalf of said municipal corporation by authority of its Common Council.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

_____
NOTARY PUBLIC FOR OREGON

_____
MY COMMISSION EXPIRES

DRAFT

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Matt Stouder/DPW |
| | **Staff Phone No:** | 541-726-1006 |
| | **Estimated Time:** | 10 Minutes |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Provide Financially Responsible and Innovative Government Services |

| | |
|---|---|
| **ITEM TITLE:** | RATIFICATION OF THE METROPOLITAN WASTEWATER MANAGEMENT COMMISSION (MWMC) FY 2014-15 REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENT PROGRAM (CIP). |
| **ACTION REQUESTED:** | Adopt or not adopt a motion ratifying the FY 2014-15 Regional Wastewater Program Budget and Capital Improvement Program (CIP). |
| **ISSUE STATEMENT:** | As provided for in the MWMC Intergovernmental Agreement (IGA), the City of Springfield, the City of Eugene, and Lane County, as governing bodies, must ratify the annual MWMC's Budget and CIP. |
| **ATTACHMENTS:** | 1. The Regional Wastewater Program Budget and Capital Improvements Program (CIP) for FY 2014-15, as approved by MWMC |
| **DISCUSSION/ FINANCIAL IMPACT:** | The FY 14-15 Regional Wastewater (RWP) Budget and CIP document was approved by the MWMC on April 11, 2014. In preparing and reviewing the Budget and CIP, the MWMC convened three work sessions and a public hearing prior to taking action to adopt the FY 14-15 MWMC Budget. The FY 14-15 Budget funds all operations, administrative services, and capital projects planned for the Regional Wastewater Facilities. The approved operating budget is $16.68 million, which includes a total increase of 2.0% ($329,854) in FY 14-15, when compared to the prior year.<br><br>The CIP outlines and describes the capital projects planned for the next five years. The FY 14-15 RWP Budget and CIP document reflects a continued focus on the completion of facilities upgrades and expansion, and operations and maintenance activities to provide wastewater treatment for a growing community through 2025 in a manner that protects the public's health and safety, and the environment. The Commission took a corresponding action to adopt a 3.5% increase in regional wastewater user charges in order to fully fund the Budget and CIP. On May 5, 2014 the City Council will hold a public hearing on the FY 14-15 regional rates within the City. Following the public hearing, Council is scheduled to adopt a resolution to set the FY 14-15 regional user fee rates within the City of Springfield.<br><br>In accordance with the IGA, the MWMC contracts with the City of Eugene for operations and maintenance services, and with the City of Springfield for administrative services. The attached budget document provides regional program and budget summaries as well as detailed budgets for services provided by Eugene and Springfield. The budget document also provides information about how the RWP activities are driven by the MWMC established goals and performance measures.<br><br>The FY 14-15 RWP Budget and CIP must be approved by the MWMC and ratified by Lane County, the cities of Eugene and Springfield, and then finally adopted by the MWMC, prior to the beginning of the next fiscal year (July 1, 2014). The Eugene City Council is scheduled to ratify the MWMC Budget and CIP on May 12, 2014, and the Board of County Commissioners is scheduled to ratify the MWMC Budget and CIP on May 20, 2014, with MWMC final budget adoption on June 13, 2014. |

*Preliminary*

# REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS PROGRAM

## Fiscal Year 2014-15

Metropolitan Wastewater Management Commission

*partners in wastewater management*

# REGIONAL WASTEWATER PROGRAM

# BUDGET
# and
# CAPITAL IMPROVEMENTS PROGRAM
# Fiscal Year 2014-15

The Metropolitan Wastewater Management Commission adopted its Operating Budget and Capital Improvements Program (CIP) for FY 14-15 April 11, 2014. The Budget and CIP are currently scheduled for consideration and ratification by the Springfield City Council on May 5, 2014, the Eugene City Council on May 12, 2014, and the Lane County Board of Commissioners on May 20, 2014. The Commission is scheduled for final ratification of the budget and CIP on June 13, 2014**.**


COMMISSION MEMBERS:

Faye Stewart, President (Lane County)
Hilary Loud, Vice President (Eugene)
George Brown (Eugene)
Bill Inge (Lane County)
Doug Keeler (Springfield)
Walt Meyer (Eugene)
Marilee Woodrow (Springfield)

STAFF:

Leonard J. Goodwin, MWMC Executive Officer/Springfield Development and Public Works Director
Matthew Stouder, MWMC General Manager/Springfield Environmental Services Manager
Michelle Cahill, Eugene Wastewater Division Director
Robert Duey, MWMC Finance Officer/Springfield Finance Director

**METROPOLITAN WASTEWATER MANAGEMENT COMMISSION**

***Preliminary* FY 14-15 BUDGET AND CAPITAL IMPROVEMENTS PROGRAM for the**

**REGIONAL WASTEWATER PROGRAM**

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# REGIONAL WASTEWATER PROGRAM BUDGET

# BUDGET MESSAGE

# BUDGET MESSAGE

**To the Metropolitan Wastewater Management Commission:**
I am pleased to present the Metropolitan Wastewater Management Commission's (MWMC) budget for fiscal year (FY) 2014-15. This budget funds operations, administration, and capital projects planned for the Regional Wastewater Program (RWP). The MWMC administration and Capital Improvements Program (CIP) components of the budget are reflected in the City of Springfield's RWP budget. The operations, maintenance, equipment replacement, and major rehabilitation components are reflected in the City of Eugene's RWP budget. The Cities' Industrial Pretreatment Programs, managed locally in compliance with the MWMC Model Ordinance, also are included in the RWP budget.

This year's budget reflects a continued focus on design and construction of capital improvements planned to ensure that operation of the Regional Wastewater Facilities meets environmental regulations, and that adequate capacity will be provided to meet the needs of a growing service area. The FY 14-15 capital budget and FY 14-15 – FY 18-19 capital improvements work plan, which are included in this budget document, are derived from the 2004 MWMC Facilities Plan. The budgeted amount for FY 14-15 Facilities Plan capital improvement projects is $13,266,247; $5,596,247 is carryover from unfinished projects budgeted in FY 13-14, and $7,670,000, is new or rephased funding programmed in FY 14-15. The FY 14-15 capital budget also includes Equipment Replacement, and Major Rehabilitation capital projects, budgeted at $439,400 and $1,234,000 respectively. The capital budget for FY 14-15 is $14,939,647. Approximately $6 million of the total capital budget will not be spent in FY 14-15, but is included to enable MWMC to commit to contracts that will occur in FY 14-15. Unspent funds will be carried forward to the FY 15-16 budget as appropriate. In order to fund the actual cash flow requirements of the FY 14-15 CIP, the Commission will use State Revolving Fund (SRF) loans as well as strategic draw downs of capital reserves.

The FY 14-15 RWP Operating Budget for Personnel Services, Materials and Services and Capital Outlay expense is $16,682,647. Consistent with the Commission's Financial Plan and policies, the FY 14-15 budget maintains and uses several reserves, which are fully described in this budget document. Finally, the FY 14-15 budget includes Debt Service payments totaling $9,163,982 as scheduled for repayment of $47.3 million of revenue bonds issued in November 2006, with an additional bond issuance of $50.7 million in November 2008, and $20.8 million in SRF loans to fund the Facilities Plan capital improvements.

Revenue sources necessary to fund Operations, Capital programs, Debt Service requirements and Reserves include user charges, System Development Charges (SDCs), interest earnings and a small amount of miscellaneous revenues. For FY 14-15 user fee revenues (including septage service and SDC Compliance Charge) are projected at $29,372,000. This level of revenue is projected based on a 3.5% increase in regional wastewater user fees, as recommended by the MWMC financial advisor in order to meet the Commission's Financial Plan policies and net revenue objectives. Projected SDC revenues are estimated at $830,000.

In summary, the projected FY 14-15 budget funds operations and administration sufficiently to maintain existing levels of service, and to meet the environmental performance and other legal obligations of the Commission. It funds Capital Programs at a level necessary to implement the

2004 Facilities Plan objectives for compliance with the National Pollutant Discharge Elimination System (NPDES) permit issued to the MWMC and the two Cities. Finally, this budget implements the Commission's adopted Financial Plan policies regarding reserves, asset management, and capital financing.

REGIONAL WASTEWATER PROGRAM
RESOURCE AND EXPENDITURE SUMMARY

| | ADOPTED BUDGET 2013-14 | AMENDED BUDGET 2013-14 | ADOPTED BUDGET 2014-15 | |
|---|---|---|---|---|
| RESOURCES | | | | |
| Beginning Cash | $93,172,564 | $96,833,702 | $98,084,436 | |
| User Fees | 28,272,000 | 28,272,000 | 29,372,000 | |
| Internal Transfers | 14,228,946 | 14,548,946 | 15,224,591 | |
| Miscellaneous | 1,713,400 | 1,882,065 | 1,570,300 | |
| System Development Charge | 652,000 | 652,000 | 830,000 | |
| Revenue Bond/SRF Proceeds | 317,500 | 317,500 | 175,000 | * |
| Interest | 245,000 | 245,000 | 359,300 | |
| | **$138,601,410** | **$142,751,213** | **$145,615,627** | |
| EXPENDITURES | | | | |
| Reserves | $84,453,188 | $85,757,605 | $89,604,760 | |
| CIP | 14,496,514 | 16,982,524 | 14,939,647 | ** |
| Internal Transfers | 14,228,946 | 14,548,946 | 15,224,591 | *** |
| Operations | 12,716,031 | 12,396,031 | 12,771,358 | |
| Debt Service | 9,069,969 | 9,377,116 | 9,163,982 | |
| Administration | 3,636,762 | 3,688,991 | 3,911,289 | |
| | **$138,601,410** | **$142,751,213** | **$145,615,627** | |

* Because all capital projects for which contracts will be awarded in FY 14-15 must be fully budgeted in FY 14-15, the revenue requirements, and in this case, any necessary borrowing, must also be shown in the budget year.

** In governmental budgeting, projects are fully budgeted in the fiscal year in which the contract is awarded. At the end of each fiscal year, unspent funds are carried forward until the project is completed. This provides budget appropriations necessary for MWMC to commit to contracts that span more than one fiscal year. Therefore, although the budgeted amount in the capital budget for FY 14-15 is $14,939,647, which includes Equipment Replacement, Major Rehab and Major Capital Outlay totaling $1,673,400, the capital project spending for FY 14-15 is only expected to total about $6,000,000.

*** Includes equipment replacement contributions totaling $500,000, a Capital Reserve contribution of $7,000,000, a $17,890 transfer from Reimbursement SDC Compliance Charge to Operating, and transfers of $6,306,701 from operating and $1,400,000 from Improvement SDC to finance debt service.

Respectfully submitted,

Leonard J. Goodwin
MWMC Executive Officer

# REGIONAL WASTEWATER PROGRAM BUDGET

# OVERVIEW

# REGIONAL WASTEWATER PROGRAM OVERVIEW

## The Metropolitan Wastewater Management Commission

The Metropolitan Wastewater Management Commission (MWMC) was formed by Eugene, Springfield, and Lane County through an intergovernmental agreement (IGA) in 1977 to provide wastewater collection and treatment services for the Eugene-Springfield metropolitan area. The seven-member Commission is composed of members appointed by the City Councils of Eugene (3 representatives), Springfield (2 representatives) and the Lane County Board of Commissioners (2 representatives). Since its inception, the Commission, in accordance with the IGA, has been responsible for oversight of the Regional Wastewater Program (RWP) including: construction, maintenance, and operation of the regional sewerage facilities; adoption of financing plans; adoption of budgets, user fees and connection fees; adoption of minimum standards for industrial pretreatment and local sewage collection systems; and recommendations for the expansion of regional facilities to meet future community growth. Staffing and services have been provided in various ways over the 37 years of MWMC's existence. Since 1983, the Commission has contracted with the Cities of Springfield and Eugene for all staffing and services necessary to maintain and support the RWP. Lane County's partnership has involved participation on the Commission and support to the Lane County Metropolitan Wastewater Service District (CSD), which managed the proceeds and repayment of general obligation bonds issued to construct RWP facilities.

## Regional Wastewater Program Purpose and Key Outcomes

The purpose of the RWP is to protect public health and safety and the environment by providing high quality wastewater management services to the Eugene-Springfield metropolitan area. The MWMC and the regional partners are committed to providing these services in a manner that will achieve, sustain, and promote balance between community, environmental, and economic needs while meeting customer service expectations. Since the mid-1990s, the Commission and RWP staff have worked together to identify key outcome areas within which to focus annual work plan and budget priorities. The FY 14-15 RWP work plans and budget reflect a focus on the following key outcomes or goals. In carrying out the daily activities of managing the regional wastewater system, we will strive to achieve and maintain:

1. ***High environmental standards;***
2. ***Fiscal management that is effective and efficient;***
3. ***A successful intergovernmental partnership;***
4. ***Maximum reliability and useful life of regional assets and infrastructure;***
5. ***Public awareness and understanding of MWMC, the regional wastewater system, and MWMC's objectives of maintaining water quality and a sustainable environment.***

The Commission believes that these outcomes, if achieved in the long term, will demonstrate success of the RWP in carrying out its purpose. In order to determine whether we are successful, indicators of performance and targets have been identified for each key outcome. Tracking performance relative to identified targets over time assists in managing the RWP to achieve desired results. The following indicators and performance targets provide an important framework for the development of the FY 14-15 RWP Operating Budget, Capital Improvements Program and associated work plans.

**Outcome 1:** ***Achieve and maintain high environmental standards.***

| Indicators: | Performance: | | |
|---|---|---|---|
| | FY 12-13 Actual | FY 13-14 Estimated Actual | FY 14-15 Target |
| • Amount of wastewater treated to water quality standards | 100 %; 11.4 billion gallons | 100 %; 13 billion gallons | 100 %; 13 billion gallons |
| • Compliance with environmental performance requirements of all permits | 100% compliance | 100% compliance | 100% compliance |
| • MWMC target for high quality biosolids | <50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met | <50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met | <50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met |
| • Volume of reclaimed water beneficially reused (million gallons) | 83 million gallons | 68 million gallons | 70 million gallons |
| • Performance targets under the Environmental Management System (EMS) are achieved | 100% of numeric EMS targets met or on schedule | 100% of numeric EMS targets met or on schedule | 100% of numeric EMS targets met or on schedule |

**Outcome 2:** ***Achieve and maintain fiscal management that is effective and efficient.***

| Indicators: | Performance: | | |
|---|---|---|---|
| | FY 12-13 Actual | FY 13-14 Estimated Actual | FY 14-15 Target |
| • Annual Budget and Rates meet MWMC Financial Plan Policies | Policies Met | Policies Met | Policies Met |
| • Annual audited financial statements | Clean Audit | Clean Audit | Clean Audit |
| • Uninsured Bond Rating | AA | AA | A |
| • Reserves Funded at Target Levels | yes | yes | yes |
| • Net Revenue to Debt Service coverage ratio | 1.97 | >1.25 | >1.25 |

**Outcome 3:** ***Achieve and maintain a successful intergovernmental partnership.***

| Indicators: | Performance: | | |
|---|---|---|---|
| | FY 12-13 Actual | FY 13-14 Estimated Actual | FY 14-15 Target |
| • Industrial Pretreatment Program Implementation in compliance with state/federal requirements; any required corrections completed | 100% | 100% | 100% |
| • Capacity Management Operations and Maintenance (CMOM) Program Development | Regional CMOM Elements drafted | Adopt Regional CMOM Program Framework | Implement Regional CMOM Program Plan and annual reporting |
| • MWMC Facilities Plan projects consistent with CIP budget and schedule | 100% of initiated projects within budget and 57% (4 of 7 projects) on schedule | 100% of initiated projects within budget and 75% (6 of 8 projects) on schedule | 100% of initiated projects within budget and 50% on schedule |

**Outcome 4:** ***Maximize reliability and useful life of regional assets and infrastructure.***

| Indicators: | Performance: | | |
|---|---|---|---|
| | FY 12-13 Actual | FY 13-14 Estimated Actual | FY 14-15 Target |
| • Preventive maintenance completed on time (best practices benchmark is 90%) | 95% | 94% | 90% |
| • Preventative maintenance to corrective maintenance ratio (benchmark 4:1-6:1) | 5.7:1 | 5:1 | 5:1 |
| • Emergency maintenance required (best practices benchmark is <2% of labor hours) | 1% | 1% | <2% of labor hours |

**Outcome 5:** ***Achieve and maintain public awareness and understanding of MWMC, the regional wastewater system, and MWMC's objectives of maintaining water quality and a sustainable environment.***

| Indicators: | Performance: | | |
|---|---|---|---|
| | FY 12-13 Actual | FY 13-14 Estimated Actual | FY 14-15 Target |
| • MWMC Annual Report | Produced | Produced | Produce |
| • Create and distribute e-newsletters | 4 Newsletters | 4 Newsletters | 4 Newsletters |
| • Organize pollution prevention campaigns | 4 Campaigns | 4 Campaigns | 4 Campaigns |
| • Provide tours of the Water Pollution Control Facility | 23 Tours | > 20 Tours | > 20 Tours |
| • MWMC website traffic | Increased visitor traffic by 40% | Maintain visitor levels | Maintain visitor levels |
| • Customer survey | --- | In Progress | Complete |
| • Complete virtual tour video of Water Pollution Control Facility | In Progress | Complete | --- |
| • Interpretive Signs at Wastewater Pollution Control Facility | Completed | --- | --- |
| • Deliver presentations on new MWMC topics to community groups | 1 Presentation | --- | --- |

**Roles and Responsibilities**

In order to effectively oversee and manage the RWP, the partner agencies provide all staffing and services to the MWMC. The following sections describe the roles and responsibilities of each of the partner agencies, and how intergovernmental coordination occurs on behalf of the Commission.

City of Eugene

The City of Eugene supports the RWP through representation on the MWMC, provision of operation and maintenance services, and active participation on interagency project teams and committees. Three of the seven MWMC members represent Eugene – two citizens and one City Councilor. Pursuant to the Intergovernmental Agreement (IGA), the Eugene Wastewater Division operates and maintains the Regional Water Pollution Control Facility (WPCF), the Biosolids Management Facility (BMF) and associated residuals and reclaimed water activities, along with regional wastewater pumping stations and transmission sewers. In support of the RWP, the Division also provides technical services for wastewater treatment; management of equipment replacement and infrastructure rehabilitation; biosolids treatment and recycling; industrial source control (in conjunction with Springfield staff); and regional laboratory services for wastewater and water quality analyses. These services are provided under contract with the MWMC through the regional funding of 77.40 full-time equivalent (FTE) employees.

City of Springfield

The City of Springfield supports the RWP through representation on the MWMC, provision of MWMC administration services, and active coordination of and participation on interagency project teams and committees. Two MWMC members represent Springfield – one citizen and one City Councilor. Pursuant to the IGA, the Springfield Development and Public Works Director, and the Environmental Services Manager serve as the MWMC Executive Officer and General Manager, respectively. The Environmental Services Division and Finance Department staff provide ongoing staff support to the Commission and administration of the RWP in the following areas: legal and risk management services; financial management and accounting; coordination and management of public policy; regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning, design, and construction management; coordination of public information, education, and citizen involvement programs; and coordination and development of regional budgets, rate proposals, and revenue projections. Springfield staff also provides local implementation of the Industrial Pretreatment Program, as well as billing coordination and customer service. These services are provided under contract with the MWMC through the regional funding of 15.01 FTE of Development and Public Works Department staff and 0.88 FTE of Finance Department staff, for a total 15.89 FTE as reflected in the FY 14-15 Budget.

Lane County

The Board of County Commissioners support the RWP through representation on the MWMC, including two MWMC members that represent Lane County – one citizen and one County Commissioner. Lane County's partnership initailly included providing support to manage the proceeds and repayment of the RWP general obligation bonds to finance the local share of the RWP facilities construction. These bonds were paid in full in 2002. The County, while not presently providing sewerage, has the authority under its charter to do so. The Urban Growth Boundary includes the two Cities (urban lands) and certain unincorporated areas surrounding the

Cities which lies entirely within the County. Federal funding policy requires sewage treatment and disposal within the Urban Growth Boundary to be provided on a unified, metropolitan basis.

Interagency Coordination

The effectiveness of the MWMC and the RWP depends on extensive coordination, especially between Springfield and Eugene staff, who provide ongoing program support. This coordination occurs in several ways. The Springfield ESD/MWMC General Manager and the Eugene Wastewater Division Director coordinate regularly to ensure adequate communication and consistent implementation of policies and practices as appropriate. The Eugene and Springfield Industrial Pretreatment Program supervisors and staff meet regularly to ensure consistent implementation of the Model Industrial Pretreatment Ordinance. Additionally, interagency project teams provide input on and coordination of ongoing MWMC administration issues and ad hoc project needs.

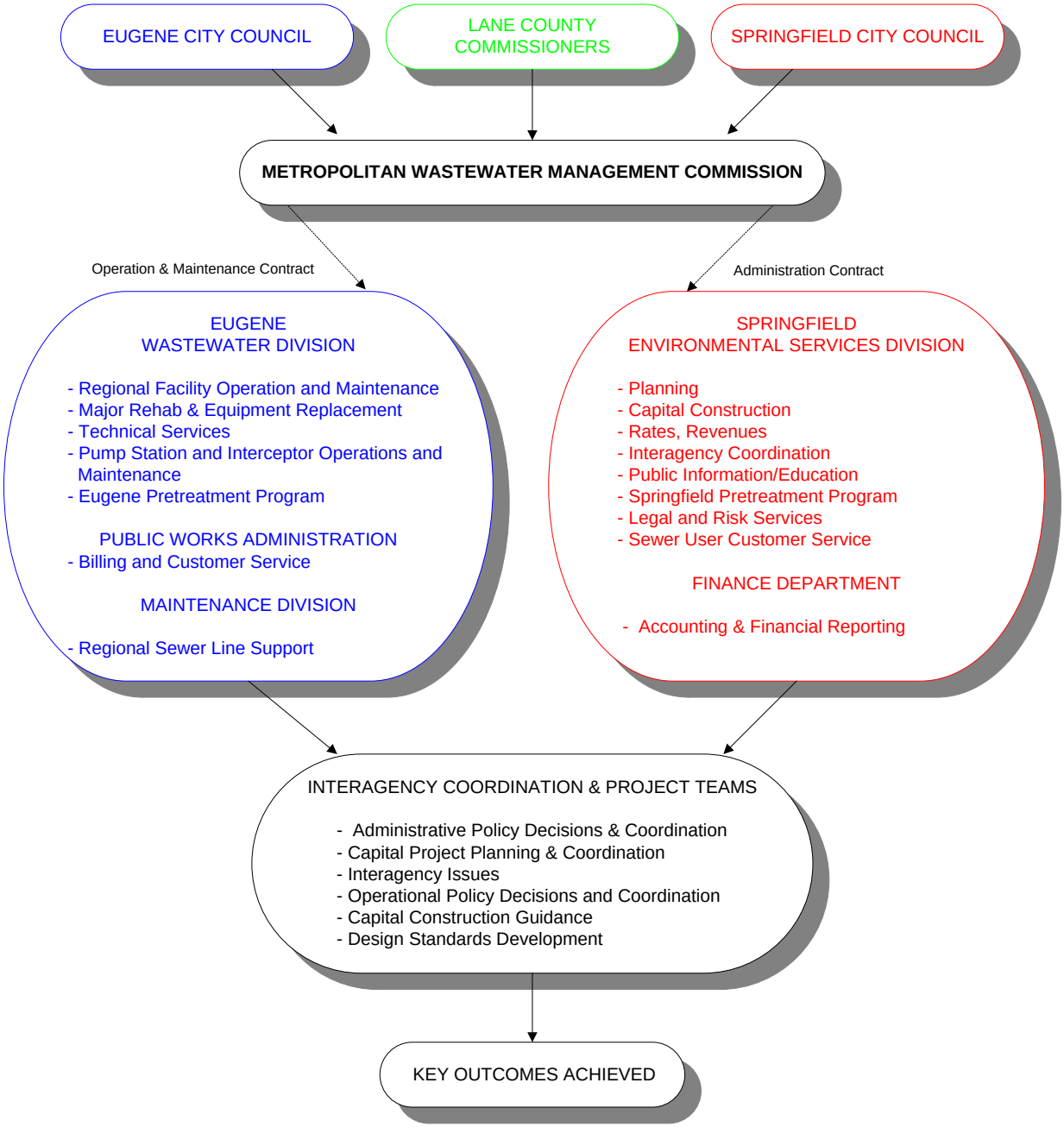
Exhibit 1 on the following page reflects the interagency coordination structure supporting the RWP. Special project teams are typically formed to manage large projects such as design and construction of new facilities. These interagency staff teams are formulated to provide appropriate expertise, operational knowledge, project management, and intergovernmental representation.

**Relationship to Eugene and Springfield Local Sewer Programs**

The RWP addresses only part of the overall wastewater collection and treatment facilities that serve the Eugene-Springfield metropolitan area. The Cities of Eugene and Springfield both maintain sewer programs that provide for construction and maintenance of local collection systems and pump stations, which discharge to the regional system. Sewer user fees collected by the two Cities include both local and RWP rate components.

# EXHIBIT 1

## REGIONAL WASTEWATER PROGRAM
## INTERAGENCY COORDINATION STRUCTURE



# REGIONAL WASTEWATER PROGRAM BUDGET

# BUDGET AND PROGRAM SUMMARY

## REGIONAL WASTEWATER PROGRAM
## FY 14-15 BUDGET

The MWMC's RWP Operating Budget provides the Commission and governing bodies with an integrated view of the RWP elements. Exhibit 2 provides a summary of the overall Operating Budget. Separate Springfield and Eugene agency budgets and staffing also are presented within this budget document. Major program areas supported by Springfield and Eugene are described in the pages that follow and are summarized in Exhibit 3 on page 12. Finally, Exhibit 4 on page 13 combines revenues, expenditures, and reserves to illustrate how funding for all aspects of the RWP is provided. It should also be noted that the "Amended Budget FY 13-14" column in all budget tables represents the updated FY 13-14 RWP budget as of February 13, 2014, which reconciled actual beginning balances at July 1, 2013, and approved budget transfers and supplemental requests.

### EXHIBIT 2

REGIONAL OPERATING BUDGET SUMMARY:
INCLUDING RESERVE CONTRIBUTIONS

| | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 | CHANGE **(1)** INCR/(DECR) | |
|---|---|---|---|---|---|
| Full-Time Equivalent Staffing Level | 93.08 | 93.29 | 93.29 | 0.21 | 0.2% |
| Personnel Services **(2)** | $9,548,513 | $9,501,395 | $9,656,542 | $108,029 | 1.1% |
| Materials & Services **(2)** | 6,751,952 | 6,531,299 | 6,962,605 | 210,653 | 3.1% |
| Capital Outlay **(2, 3)** | 52,328 | 52,328 | 63,500 | 11,172 | 21% |
| Equip Replacement Contr **(4)** | 500,000 | 500,000 | 500,000 | 0 | 0.0% |
| Capital Reserve Contr **(5)** | 6,000,000 | 6,320,000 | 7,000,000 | 1,000,000 | 17% |
| Working Capital Reserve **(6)** | 900,000 | 900,000 | 900,000 | 0 | 0% |
| Rate Stability Reserve Contr **(7)** | 2,000,000 | 2,000,000 | 2,000,000 | 0 | 0% |
| Insurance Reserve **(8)** | 100,000 | 100,000 | 100,000 | 0 | 0% |
| Operating Reserve **(9)** | 2,131,836 | 3,117,227 | 3,017,045 | 885,209 | 42% |
| Debt Service Contr **(10)** | 7,669,969 | 7,977,116 | 7,763,982 | 94,013 | 1% |
| Rate Stabilization Reserve Contr **(11)** | 2,000,000 | 2,000,000 | 2,000,000 | 0 | 0% |
| SRF Loan Reserve **(12)** | 643,078 | 643,078 | 642,866 | (212) | NA |
| Revenue Bond Reserve Contr **(13)** | 4,100,000 | 4,100,000 | 4,100,000 | 0 | NA |
| **Budget Summary** | **$42,397,676** | **$43,742,443** | **$44,706,540** | **$2,308,864** | **5.4%** |

Notes:

1. The Change column and Percent Change column compare the adopted FY 14-15 Budget with the originally Adopted FY 13-14 Budget column.
2. Personnel Services, Materials and Services, and Capital Outlay budget amounts represent combined Springfield and Eugene Operating Budgets that support the RWP.

3. Capital Outlay does not include CIP, Equipment Replacement, Major Capital Outlay, or Major Rehabilitation, which are capital programs.
4. The Equipment Replacement Contribution is a budgeted transfer of operating revenues to "sinking funds" (reserves) for scheduled future replacement of major equipment, vehicles, and computers. See table on page 22 for year-end balance.
5. The Capital Reserve Contribution is a budgeted transfer of operating revenues to "sinking funds" (reserves). Capital is passed through the Springfield Administration Budget. See table on page 24 for year-end balance.
6. The Working Capital Reserve acts as a revolving account which is drawn down and replenished on a monthly basis to fund Eugene's and Springfield's cash flow needs.
7. The Rate Stability Reserve is used to set aside revenues available at year-end after the budgeted Operating Reserve target is met. Internal policy has established a level of $2 million for the Rate Stability Reserve. See Exhibit 7 on page 21 for year-end balance.
8. The Insurance Reserve was established to set aside funds equivalent to the insurance deductible amount for property and liability insurance coverage, for general losses per occurrence.
9. The Operating Reserve is used to account for the accumulated operating revenues net of operations expenditures. The Commission has adopted a policy of maintaining an Operating Reserve balance of a minimum 10% of the adopted Operating Budget. This targeted level of funding provides for contingency funds in the event unanticipated expenses or revenue shortfalls occur during the budget year.
10. The Debt Service line item is the sum of annual interest and principal payments on the Revenue Bonds and Clean Water State Revolving Fund (SRF) loans made from the Operating Budget (derived from user rates). The total amount of Debt Service budgeted in FY 14-15 is $7,763,982 the balance of which is budgeted from SDCs.
11. The Rate Stabilization Reserve was established at $2 million as a result of the 2006 MWMC Revenue Bond Declaration and Covenants. It holds funds that are available if needed, to ensure Debt Service payments can be made.
12. The Clean Water SRF loan reserve is budgeted as required per loan agreements.
13. The Revenue Bond Reserve was established to provide assurances to the bond holders that adequate revenue coverage will be provided for future debt service obligations. The $4.1 million reserve to cover the 2006 bond is established in the operating fund, as it was funded with user fees. The bond reserve for the 2008 issuance is held in the Capital funds.

**EXHIBIT 3**

REGIONAL WASTEWATER PROGRAM OPERATING BUDGET
LINE ITEM SUMMARY BY PROGRAM AREA

| SPRINGFIELD | ACTUAL FY 12-13 | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 | CHANGE INCR/(DECR) | |
|---|---|---|---|---|---|---|
| **MWMC ADMINISTRATION** | | | | | | |
| Personnel Services | $1,102,068 | $1,278,956 | $1,243,657 | $1,280,438 | $1,482 | 0.1% |
| Materials & Services | 1,371,858 | 1,812,885 | 1,912,232 | 2,050,323 | 237,438 | 13.1% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | -- |
| **TOTAL** | **$2,473,926** | **$3,091,841** | **$3,155,889** | **$3,330,761** | **$238,920** | **7.7%** |
| **INDUSTRIAL PRETREATMENT** | | | | | | |
| Personnel Services | $281,246 | $314,595 | $305,409 | $334,275 | $19,680 | 6.3% |
| Materials & Services | 95,563 | 113,124 | 113,124 | 122,551 | 9,427 | 8.3% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | -- |
| **TOTAL** | **$376,809** | **$427,719** | **$418,533** | **$456,826** | **$29,107** | **6.8%** |
| **ACCOUNTING** | | | | | | |
| Personnel Services | $83,835 | $90,068 | $87,435 | $91,932 | $1,864 | 2.1% |
| Materials & Services | 21,796 | 27,134 | 27,134 | 31,770 | 4,636 | 17.1% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | -- |
| **TOTAL** | **$105,631** | **$117,202** | **$114,569** | **$123,702** | **$6,500** | **5.5%** |
| **TOTAL SPRINGFIELD** | | | | | | |
| Personnel Services | $1,467,149 | $1,683,619 | $1,636,501 | $1,706,645 | $23,026 | 1.4% |
| Materials & Services | 1,489,217 | 1,953,143 | 2,052,490 | 2,204,644 | 251,501 | 12.9% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | -- |
| **TOTAL** | **$2,956,366** | **$3,636,762** | **$3,688,991** | **$3,911,289** | **$274,527** | **7.5%** |
| **EUGENE** | | | | | | |
| **ADMINISTRATIVE SERVICES** | | | | | | |
| Personnel Services | 1,431,713 | 1,716,706.00 | 1,716,706.00 | 1,737,124.00 | 20,418 | 1.2% |
| Materials & Services | 475,380 | 713,441.44 | 713,441.44 | 745,403.08 | 31,962 | 4.5% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | -- |
| **TOTAL** | **$1,907,093** | **$2,430,147** | **$2,430,147** | **$2,482,527** | **$52,380** | **2.2%** |
| **BIOSOLIDS MANAGEMENT** | | | | | | |
| Personnel Services | 1,170,577 | 1,223,763.00 | 1,223,763.00 | 1,203,064.00 | ($20,699) | -1.7% |
| Materials & Services | 802,229 | 1,038,476.39 | 1,038,476.39 | 991,252.48 | (47,224) | -4.5% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | -- |
| **TOTAL** | **$1,972,806** | **$2,262,239** | **$2,262,239** | **$2,194,316** | **($67,923)** | **-3.0%** |
| **INDUSTRIAL SOURCE CONTROL** | | | | | | |
| Personnel Services | 474,294 | 525,342.00 | 525,342.00 | 535,786.00 | $10,444 | 2.0% |
| Materials & Services | 91,679 | 143,153.62 | 143,153.62 | 133,775.96 | (9,378) | -6.6% |
| Capital Outlay | 0 | 0 | 0 | 20,000 | 20,000 | NA |
| **TOTAL** | **$565,972** | **$668,496** | **$668,496** | **$689,562** | **$21,066** | **3.2%** |
| **TREATMENT PLANT** | | | | | | |
| Personnel Services | 4,032,323 | 4,053,381.00 | 4,053,381.00 | 4,123,432.00 | $70,051 | 1.7% |
| Materials & Services | 2,161,063 | 2,481,069.79 | 2,161,069.79 | 2,458,367.78 | (22,702) | -0.9% |
| Capital Outlay | 24,149 | 52,328.00 | 52,328.00 | 43,500.00 | (8,828) | -16.9% |
| **TOTAL** | **$6,217,535** | **$6,586,779** | **$6,266,779** | **$6,625,300** | **$38,521** | **0.6%** |
| **REGIONAL PUMP STATIONS** | | | | | | |
| Personnel Services | 102,129 | 176,983.00 | 176,983.00 | 181,185.00 | $4,202 | 2.4% |
| Materials & Services | 234,641 | 354,782.56 | 354,782.56 | 338,368.94 | (16,414) | -4.6% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | -- |
| **TOTAL** | **$336,770** | **$531,766** | **$531,766** | **$519,554** | **($12,212)** | **-2.3%** |
| **BENEFICIAL REUSE SITE** | | | | | | |
| Personnel Services | 126,636 | 168,719.00 | 168,719.00 | 169,306.00 | $587 | 0.3% |
| Materials & Services | 48,098 | 67,885.19 | 67,885.19 | 90,792.75 | $22,908 | 33.7% |
| Capital Outlay | 0 | 0 | 0 | 0 | $0 | -- |
| **TOTAL** | **$174,735** | **$236,604** | **$236,604** | **$260,099** | **$23,495** | **9.9%** |
| **TOTAL EUGENE** | | | | | | |
| Personnel Services | $7,337,672 | $7,864,894 | $7,864,894 | $7,949,897 | $85,003 | 1.1% |
| Materials & Services | 3,813,091 | 4,798,809 | 4,478,809 | 4,757,961 | (40,848) | -0.9% |
| Capital Outlay | 24,149 | 52,328 | 52,328 | 63,500 | 11,172 | 21.3% |
| **TOTAL** | **$11,174,912** | **$12,716,031** | **$12,396,031** | **$12,771,358** | **$55,327** | **0.4%** |
| **TOTAL REGIONAL BUDGET** | | **$16,352,793** | | **$16,682,647** | **$329,854** | **2.0%** |

**EXHIBIT 4**

REGIONAL WASTEWATER PROGRAM

BUDGET SUMMARY AND COMPARISON

| | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 | CHANGE * INC(DECR) |
|---|---|---|---|---|
| **OPERATING BUDGET** | | | | |
| Administration | $3,631,762 | $3,683,991 | $3,906,289 | $274,527 |
| Operations | 12,716,031 | 12,396,031 | 12,771,358 | 55,327 |
| Capital Contribution | 6,000,000 | 6,320,000 | 7,000,000 | 1,000,000 |
| Equip Repl - Contribution | 500,000 | 500,000 | 500,000 | 0 |
| Operating & Revenue Bond Reserves | 11,874,914 | 12,860,305 | 12,759,911 | 884,997 |
| Debt Service | 7,669,969 | 7,977,116 | 7,763,982 | 94,013 |
| **Total Operating Budget** | **$42,392,676** | **$43,737,443** | **$44,701,540** | **$2,308,864** |
| Funding: | | | | |
| Beginning Balance | $12,369,756 | $13,714,523 | $13,693,350 | $1,323,593 |
| User Fees | 28,270,000 | 28,270,000 | 29,370,000 | 1,100,000 |
| Other | 1,752,920 | 1,752,920 | 1,638,190 | (114,730) |
| **Total Operating Budget Funding** | **$42,392,676** | **$43,737,443** | **$44,701,540** | **$2,308,863** |
| **CAPITAL PROGRAM BUDGET** | | | | |
| Wet Weather Planning / CMOM | $184,740 | $214,504 | $96,504 | ($88,236) |
| Facility Plan Engineering Services | 70,000 | 103,310 | 70,000 | 0 |
| Odorous Air Treatment 2 | 0 | 176,555 | 0 | NA |
| Influent PS/Willakenzie PS/Headworks | 306,256 | 304,051 | 208,051 | (98,205) |
| Primary Sludge Thickening | 30,320 | 306,504 | 36,504 | 6,184 |
| Sodium Hypochlorite Conversion | 2,960,666 | 3,233,690 | 2,063,690 | (896,976) |
| Tertiary Filtration 1 | 500,000 | 518,882 | 200,000 | (300,000) |
| Digestion Capacity Increase | 0 | 0 | 2,800,000 | NA |
| Thermal Load Pre-Implementation | 700,000 | 661,143 | 275,000 | (425,000) |
| Thermal Load Implementation 1 | 700,000 | 617,928 | 433,928 | (266,072) |
| Poplar Harvest Mgmt Svcs 1 | 0 | 261,700 | 161,700 | NA |
| Biosolids Force Main Rehab | 1,373,000 | 1,425,870 | 915,870 | (457,130) |
| Line Biosolids Lagoons 4 | 2,132,000 | 2,150,950 | 0 | NA |
| Tertiary Filtration Phase 2 | 3,000,000 | 3,000,000 | 0 | NA |
| WPCF Lagoon Remove/Decommission | 1,500,000 | 1,500,000 | 4,705,000 | 3,205,000 |
| Mixing Zone Study | 0 | 198,173 | 0 | NA |
| Operations Building Improvements | 0 | 0 | 1,300,000 | NA |
| Asset Management: | | | | |
| Equipment Replacement Purchases | 542,181 | 542,181 | 439,400 | (102,781) |
| Major Rehab | 497,351 | 923,202 | 1,234,000 | 736,649 |
| Major Capital Outlay | 0 | 843,881 | 0 | NA |
| **Total Capital Projects** | **$14,496,514** | **$16,982,524** | **$14,939,647** | **$443,133** |
| Funding: | | | | |
| Equipment Replacement | $542,181 | $542,181 | $439,400 | ($102,781) |
| Capital Bond Fund | 10,469,756 | 10,875,833 | 10,937,849 | 468,093 |
| Capital Reserve | 3,484,577 | 5,564,510 | 3,562,398 | 77,821 |
| **Total Capital Projects Funding** | **$14,496,514** | **$16,982,524** | **$14,939,647** | **$443,133** |

Note: * The Change (Increase/Decrease) column compares the adopted FY 14-15 budget to the originally adopted FY 13-14 budget column.

## OPERATING BUDGET AND RATE HISTORY

The graphs on pages 15 and 16 show the Regional Residential Sanitary Sewer costs over a 5-year period, and a 5-year Regional Operating Budget Comparison. Because the Equipment Replacement and Major Infrastructure Rehabilitation programs are managed in the Eugene Operating Budget, based on the size, type and budget amount of the project these programs are incorporated into either the 5-year Regional Operating Budget Comparison graph or the 5-Year Capital Programs graph on page 16. The Regional Wastewater Capital Improvement Programs graph on page 16 shows the expenditures over the recent five years in the MWMC's Capital Program and including Asset Management projects. A list of capital projects is located in Exhibit 13 on page 44.

As shown on the Regional Residential Sanitary Sewer Rate graph on page 15, regional sewer user charges have incrementally increased to meet the revenue requirements necessary to fund facility improvements as indentified in the 2004 MWMC Facilities Plan. This Plan demonstrated the need for a significant capital investment in new and expanded facilities to meet environmental performance requirements and capacity to serve the community through 2025. Although a portion of these capital improvements can be funded through system development charges (SDCs), much of the funding for approximately $196 million (in 2006 dollars) in capital improvements over the 20-year period will come from user charges. Since 2004, this has become the major driver of the MWMC's need to increase sewer user rates on an annual basis.

In FY 08-09, there was an 11% user rate increase over FY 07-08 rates applied uniformly across all user classes. This rate increase provided adequate revenue to meet current bond covenants and meet requirements to issue $50.7 million in bonds in FY 08-09. Additionally, in October of 2008, the Commission adopted an interim user rate increase of 7% due to the closure of Hynix Semiconductor. This increase was necessary to issue new revenue bonds and maintain bond covenants for existing bonds. The typical residential monthly wastewater bill (based on 5,000 gallons of usage) increased an additional $1.10 per month and went into effect on December 1, 2008.

In FY 09-10, there was an 18% user rate increase over FY 08-09 rates applied uniformly across all user classes. This rate provided for Operations, Administration, Capital programs, reserves and debt service to be funded at sufficient levels to meet FY 09-10 requirements. It met the capital and operating requirements, the Commission's Financial Plan policies, and covenants associated with the MWMC's 2006 and 2008 revenue bonds.

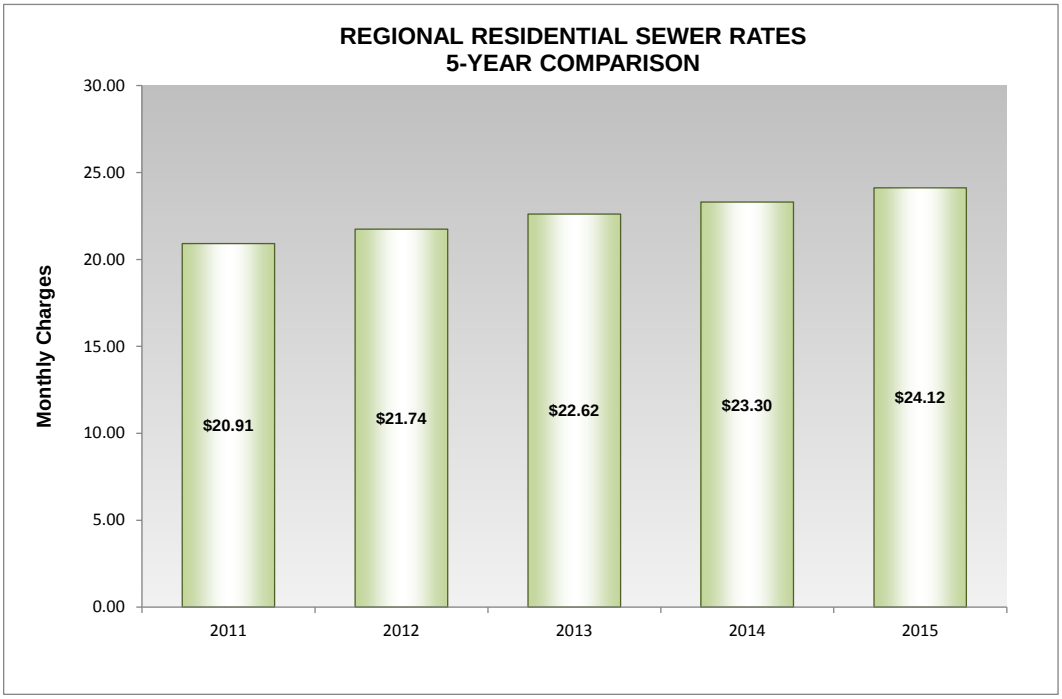
In FY10-11 user rates increased 5% over the prior year rates, and in FY 11-12 and FY 12-13 user rates increased 4% each year, over the prior year rates to provide for Operations, Administration, Capital programs, reserves, debt service, and debt coverage requirements.

In FY 13-14 user rates increased 3% over the FY 12-13 rates to provide for Operations, Administration, Capital programs, reserves, debt service, and debt coverage requirements.

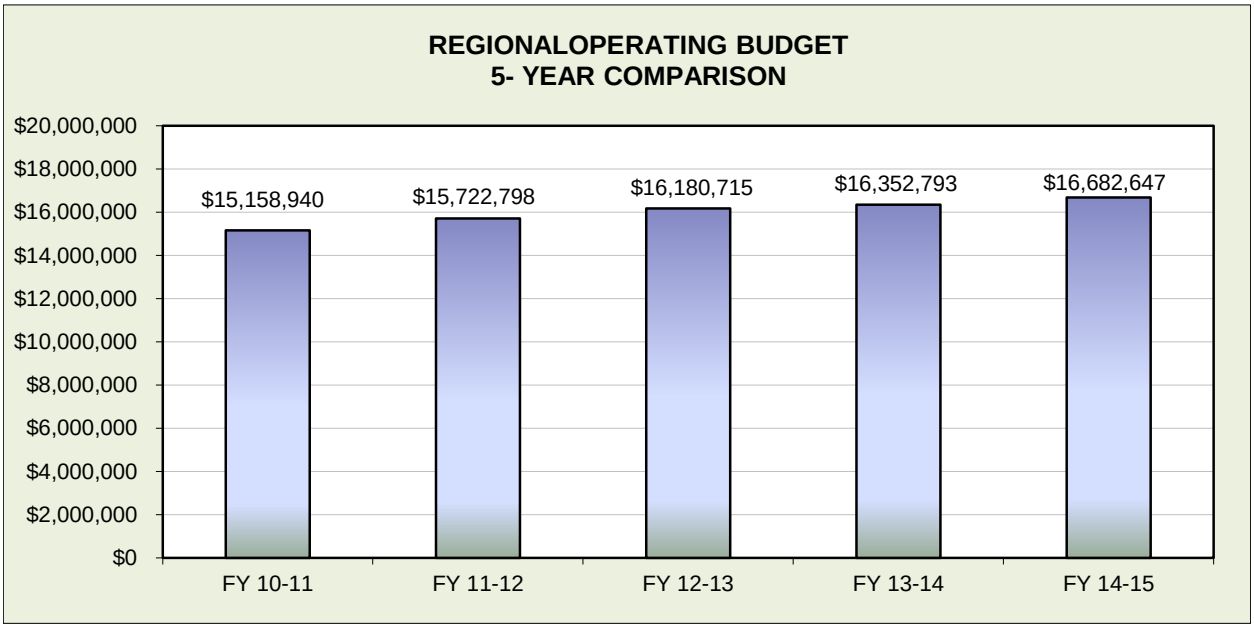
The FY 14-15 Budget is based on a 3.5% user rate increase over the FY 13-14 rates. This increase will continue to provide for Operations, Administration, Capital programs, reserves and debt service, continuing to meet capital and operating requirements, and supporting the

Commission's Financial Plan policies and covenants associated with the MWMC's 2006 and 2008 revenue bonds, as well as financially positioning for a future $20 million bond sale.

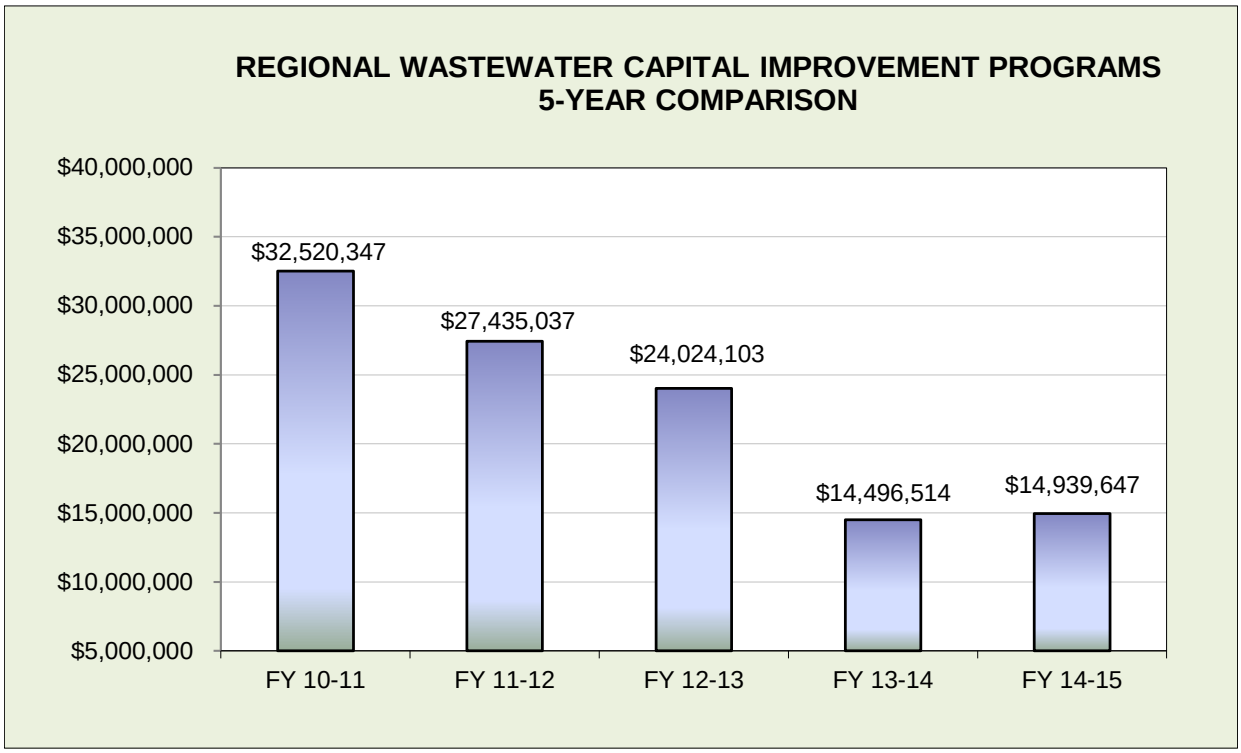
The chart below displays the regional component of a residential monthly bill when applying the base and flow rates to 5,000 gallons of wastewater treated.



The graph below displays the Regional Operating Budget amounts for the recent 5-year period.



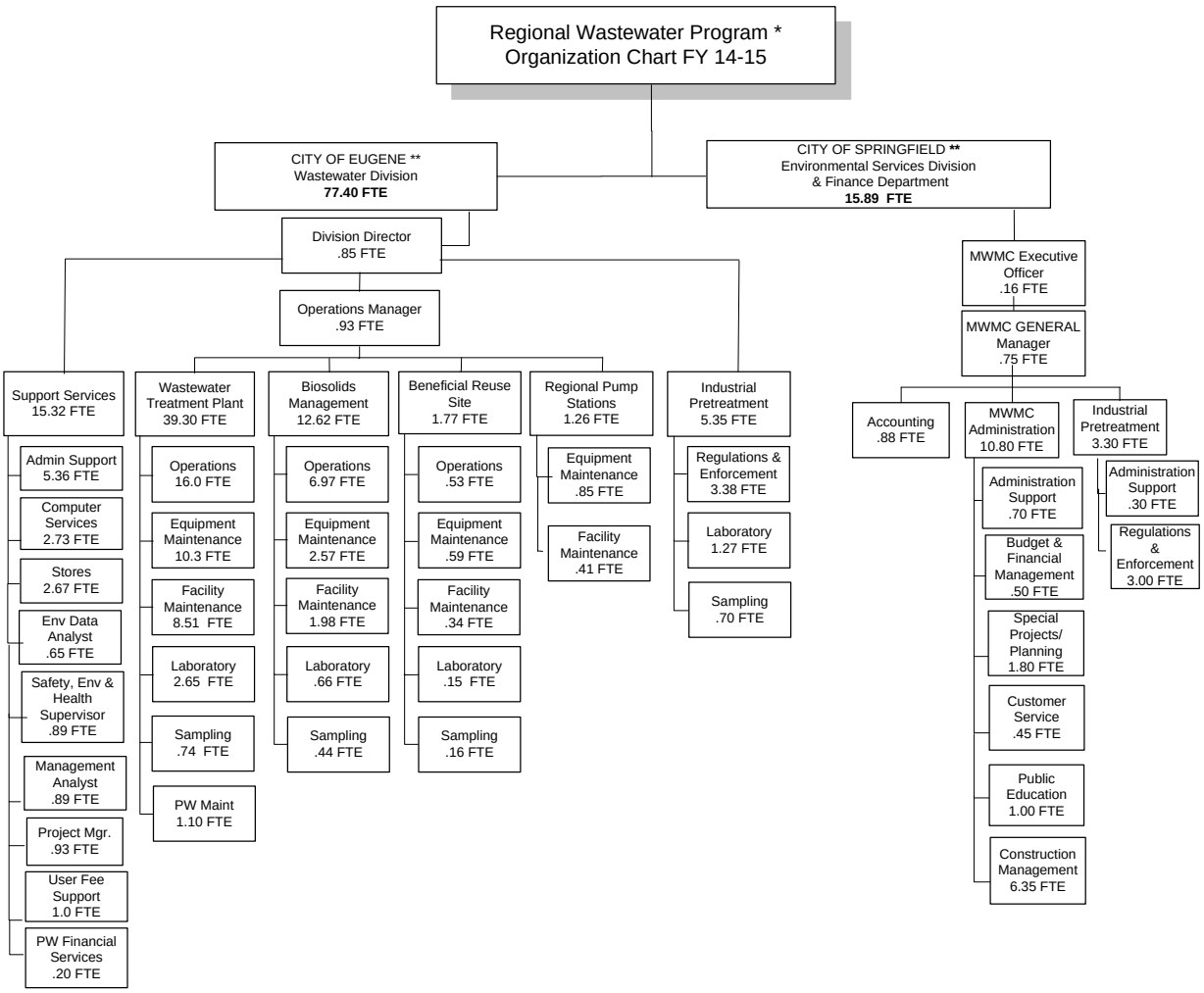

The graph below displays the Regional Wastewater Capital Improvement Program Budget amounts for the recent 5-year period.



# REGIONAL WASTEWATER PROGRAM BUDGET

# STAFFING

# EXHIBIT 5




Notes:

* Full-Time Equivalent (FTE) figures represent portions of Eugene and Springfield staff funded by regional wastewater funds.

** The chart represents groups of staff dedicated to program areas rather than specific positions.

## EXHIBIT 6

REGIONAL WASTEWATER PROGRAM
POSITION SUMMARY

| CLASSIFICATION | BUDGET FY 12-13 | BUDGET FY 13-14 | BUDGET FY 14-15 | FTE CHANGE |
|---|---|---|---|---|
| **SPRINGFIELD ENVIRONMENTAL SERVICES & FINANCE** | | | | |
| Development and Public Works Director | 0.05 | 0.08 | 0.08 | - |
| Development and Public Works Deputy Director | 0.00 | 0.08 | 0.08 | - |
| ESD Manager/MWMC General Manager | 0.75 | 0.75 | 0.75 | - |
| ESD/MWMC Assistant Manager | 0.70 | 0.00 | 0.00 | - |
| Enviromental Services Program Manager | 0.55 | 0.55 | 0.55 | - |
| Managing Civil Engineer | 2.00 | 2.00 | 2.00 | - |
| Civil Engineer/Design & Construction Coordinator | 3.00 | 3.00 | 3.00 | - |
| Construction Inspector II | 1.00 | 1.00 | 1.00 | - |
| Environmental Management Analyst | 0.90 | 0.90 | 0.90 | - |
| Senior Finance Analyst | 0.50 | 0.50 | 0.50 | - |
| Public Information & Education Specialist | 0.65 | 1.00 | 1.00 | - |
| Engineering Assistant | 1.60 | 1.60 | 1.60 | - |
| Administrative Specialist - Secretary | 0.80 | 0.80 | 0.80 | - |
| Administrative Specialist - Clerk III | 0.25 | 0.25 | 0.25 | - |
| Accountant | 0.80 | 0.80 | 0.80 | - |
| Accounting Supervisor | 0.08 | 0.08 | 0.08 | - |
| Environmental Services Program Coordinator | 1.00 | 1.00 | 1.00 | - |
| Environmental Services Technician II | 1.20 | 1.00 | 1.00 | - |
| Environmental Services Technician I | 0.00 | 0.50 | 0.50 | - |
| **TOTAL SPRINGFIELD** | **15.83** | **15.89** | **15.89** | **-** |

**EXHIBIT 6 (Continued)**

REGIONAL WASTEWATER PROGRAM
POSITION SUMMARY

| CLASSIFICATION | BUDGET FY 12-13 | BUDGET FY 13-14 | BUDGET FY 14-15 | FTE CHANGE |
|---|---|---|---|---|
| **EUGENE WASTEWATER DIVISION & OTHER PW** | | | | |
| Administrative Specialist | 1.78 | 1.78 | 1.78 | - |
| Administrative Specialist, Sr | 0.95 | 0.95 | 0.95 | - |
| Application Support Technician | 0.95 | 0.95 | 0.95 | - |
| Application Systems Analyst | 1.78 | 1.78 | 1.78 | - |
| Custodian | 1.00 | 1.00 | 1.00 | - |
| Finance & Admin Manager | 0.89 | 0.89 | 0.89 | - |
| Electrician 1 | 0.70 | 1.28 | 3.28 | 2.00 |
| Engineering Associate | 0.35 | 0.35 | 0.35 | - |
| Maintenance Worker | 11.34 | 12.29 | 12.29 | - |
| Management Analyst | 3.36 | 4.25 | 4.25 | - |
| Office Supervisor, Sr | 0.89 | 0.89 | 0.89 | - |
| Parts and Supply Specialist | 1.78 | 1.78 | 1.78 | - |
| PW Financial Services Manager | 0.20 | 0.20 | 0.20 | - |
| Utility Billing Coordinator | 1.00 | 1.00 | 1.00 | - |
| Wastewater Lab Assistant | 0.82 | 0.82 | 0.82 | - |
| Wastewater Division Director | 0.85 | 0.85 | 0.85 | - |
| Wastewater Instrument Electrician | 3.58 | 3.00 | 1.00 | (2.00) |
| Wastewater Plant Operations Manager | 0.93 | 0.93 | 0.93 | - |
| Wastewater Operations Supervisor | 2.89 | 2.00 | 2.00 | - |
| Wastewater Plant Maintenance Supervisor | 2.88 | 2.88 | 2.88 | - |
| Wastewater Pretreatment & Lab Supervisor | 0.82 | 0.82 | 0.82 | - |
| Wastewater Technician | 37.51 | 36.71 | 36.71 | - |
| **TOTAL** | **77.25** | **77.40** | **77.40** | **-** |
| **GRAND TOTAL** | **93.08** | **93.29** | **93.29** | **-** |

# REGIONAL WASTEWATER PROGRAM BUDGET

# RESERVES

# REGIONAL WASTEWATER PROGRAM RESERVES

The RWP maintains reserve funds for the dedicated purpose to sustain stable rates while fully funding operating and capital needs. Commission policies and guidance, which direct the amount of reserves appropriated on an annual basis, are found in the 2005 MWMC Financial Plan. Further details on the FY 14-15 reserves are provided below.

## OPERATING RESERVES

The MWMC Operating Budget includes seven separate reserves: the Working Capital Reserve, Rate Stability Reserve, Rate Stabilization Reserve, Revenue Bond Reserve, State Revolving Fund (SRF) Reserve, Insurance Reserve and the Operating Reserve. Revenues are appropriated across the reserves in accordance with Commission policy and expenditure needs. Each reserve is explained in detail below.

### WORKING CAPITAL RESERVE

The Working Capital Reserve acts as a revolving account that is drawn down and replenished on a monthly basis to provide funds for payment of Springfield Administration and Eugene Operations costs prior to the receipt of user fees from the Springfield Utility Board and Eugene Water and Electric Board. The Working Capital Reserve is set at $900,000 for FY 14-15, $200,000 of which is dedicated to Administration and $700,000 is dedicated to Operations.

### RATE STABILITY RESERVE

The Rate Stability Reserve was established to implement the Commission's objective of maintaining stable rates. It is intended to hold revenues in excess of the current year's operating and capital requirements for use in future years, in order to avoid "rate spikes." The amount budgeted on an annual basis has been set at $2,000,000, with any additional net revenues being transferred to the capital reserve for future projects.

### RATE STABILIZATION RESERVE

The Rate Stabilization Reserve contains funds to be used at any point in the future when net revenues are insufficient to meet the bond covenant coverage requirement. The Commission shall maintain the Rate Stabilization account as long as bonds are outstanding. In FY 14-15 no additional contribution to this reserve is budgeted and the balance at June 30, 2015, will remain at $2,000,000.

### REVENUE BOND RESERVE

The Bond Reserve was created to provide assurances to the bond holders that adequate revenue coverage will be provided for future debt service payments. To meet reserve requirements of the 2006 bond issuance the Bond Reserve is budgeted at $4,100,000 for FY14-15, and is held in

the operating fund, as it was funded with user fees. The Bond Reserve from the 2008 issuance is held in the capital funds.

## CLEAN WATER STATE REVOVLING FUND (SRF) RESERVE

The Clean Water SRF Reserve was established to meet revenue coverage requirements for SRF loans. The SRF Reserve is set at $642,866 for FY 14-15.

## INSURANCE RESERVE

The Insurance Reserve was established to set aside funds equivalent to the insurance deductible amount for property and liability insurance coverage, for general losses per occurrence. The Insurance Reserve is set at $100,000 for FY 14-15.

## OPERATING RESERVE

The Operating Reserve is used to account for accumulated operating revenues net of operating expenditures (including other reserves). The Commission's adopted policy is to budget the Operating Reserve at approximately 10% of the adopted operating budget. For FY 14-15, the Operating Reserve is budgeted at $3,017,045, which includes the 10% of total Personal Services, Materials and Services, and Capital Outlay in accordance with Commission policy.

**EXHIBIT 7**

| **OPERATING RESERVES** | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 |
|---|---|---|---|
| Beginning Balance | 12,369,756 | 13,714,523 | 13,693,350 |
| User Fee Revenue | 28,100,000 | 28,100,000 | 29,200,000 |
| Septage Revenue | 170,000 | 170,000 | 170,000 |
| Other Revenue | 1,713,400 | 1,713,400 | 1,570,300 |
| Interest | 22,000 | 22,000 | 50,000 |
| Transfer from Bond Capital Fund | 0 | 0 | 0 |
| Transfer from Reimbursement SDCs | 17,520 | 17,520 | 17,890 |
| Personal Services | (9,548,513) | (9,501,395) | (9,656,542) |
| Materials & Services | (6,746,952) | (6,526,299) | (6,957,605) |
| Capital Outlay | (52,328) | (52,328) | (63,500) |
| Interfund Transfers | (6,500,000) | (6,820,000) | (7,500,000) |
| Transfer to Bond Debt Service Fund | (6,311,426) | (6,311,426) | (6,306,701) |
| Debt Service - SRF Loan | (1,358,543) | (1,665,690) | (1,457,281) |
| **WORKING CAPITAL** | (900,000) | (900,000) | (900,000) |
| **INSURANCE RESERVE** | (100,000) | (100,000) | (100,000) |
| **SRF LOAN RESERVE** | (643,078) | (643,078) | (642,866) |
| **RATE STABILITY RESERVE** | (2,000,000) | (2,000,000) | (2,000,000) |
| **RATE STABILIZATION RESERVE** | (2,000,000) | (2,000,000) | (2,000,000) |
| **BOND RESERVE - REVENUE 06** | (4,100,000) | (4,100,000) | (4,100,000) |
| **Operating Reserve** | **$2,131,836** | **$3,117,227** | **$3,017,045** |

## CAPITAL RESERVES

The MWMC Capital Budget includes five reserves: the Equipment Replacement Reserve, SDC Reimbursement Reserves, SDC Improvement Reserves, the Capital Reserve and the Bond Reserve. These reserves accumulate revenue to help fund capital projects including equipment replacement and major rehabilitation. They are funded by annual contributions from user rates, SDCs, bond proceeds, and SRF loans. Each reserve is explained in detail below.

### EQUIPMENT REPLACEMENT RESERVE

The Equipment Replacement Reserve accumulates replacement funding for three types of equipment: 1) major/stationary equipment items costing less than $200,000 with useful lives of 20 years or less; 2) fleet vehicles maintained by the Eugene Wastewater Division; and 3) computers that serve the Eugene Wastewater Division. Contributions to the Equipment Replacement Reserve in the FY 14-15 budget total $500,000, additional budget details are provided below.

The Equipment Replacement Reserve is intended to accumulate funds necessary to provide for the timely replacement or rehabilitation of equipment, and may also be borrowed against to provide short-term financing of capital improvements. An annual analysis is performed on the Equipment Replacement Reserve. The annual contribution is set so that all projected replacements will be funded over a 20-year period and at the end of the 20-year period, the reserve will contain replacement funds for all equipment projected to be in use at that time. Estimates used in the analysis include interest earnings, inflation rates and useful lives for the equipment.

| **EQUIPMENT REPLACEMENT RESERVE** | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 |
|---|---|---|---|
| Beginning Balance | 11,110,287 | 11,110,287 | 11,159,523 |
| Annual Equipment Contribution | 500,000 | 500,000 | 500,000 |
| Annual Vehicle Contribution | 0 | 0 | 0 |
| Annual Computer Contribution | 0 | 0 | 0 |
| Interest | 40,000 | 40,000 | 40,000 |
| Equipment Purchases | (542,181) | (542,181) | (439,400) |
| **Equipment Replacement Reserve** | **$11,108,106** | **$11,108,106** | **$11,260,123** |

### SYSTEM DEVELOPMENT CHARGE (SDC) RESERVES

SDCs are required as part of the MWMC IGA. They are connection fees charged to new users to recover the costs related to system capacity, and are limited to funding Capital Programs. The purpose of the SDC Reserves is to collect and account for SDC revenues separately from other revenue sources, in accordance with Oregon statutes. The Commission's SDC structure includes a combination of "Reimbursement" and "Improvement" fee components. Estimated SDC revenues for FY 14-15 are approximately $830,000. Budgeted expenditures include $1,400,000 from Improvement Fees to fund portions of the annual debt service payments on the

2006 and 2008 revenue bonds. The projected beginning SDC Reserve balance on July 1, 2014 is $2,664,877.

| REIMBURSEMENT SDC RESERVE | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 |
|---|---|---|---|
| Beginning Balance | 197,068 | 281,445 | 382,525 |
| Reimbursement SDCs Collected | 51,000 | 51,000 | 80,000 |
| Interest | 3,000 | 3,000 | 1,800 |
| SDC Compliance Charge | 2,000 | 2,000 | 2,000 |
| Xfr to Debt Service (Fund 312) | 0 | 0 | 0 |
| Xfr to Debt Service (Fund 612) | (17,520) | (17,520) | (17,890) |
| Materials & Services | (2,000) | (2,000) | (2,000) |
| **Reimbursement SDC Reserve** | **$233,548** | **$317,925** | **$446,435** |

| IMPROVEMENT SDC RESERVE | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 |
|---|---|---|---|
| Beginning Balance | 1,609,352 | 2,575,852 | 2,282,352 |
| Improvement SDCs Collected | 601,000 | 601,000 | 750,000 |
| Interest | 5,000 | 5,000 | 7,500 |
| Materials & Services | (3,000) | (3,000) | (3,000) |
| Xfr to Debt Service (Fund 312 ) | (1,400,000) | (1,400,000) | (1,400,000) |
| **Improvement SDC Reserve** | **$812,352** | **$1,778,852** | **$1,636,852** |

## CAPITAL RESERVE

The Capital Reserve accumulates funds transferred from the Operating Reserve for the purpose of funding the CIP, Major Capital Outlay and Major Rehabilitation Program costs. The intent is to collect sufficient funds over time to construct a portion of planned capital projects with cash in an appropriate balance with projects that are funded with debt financing. The FY 14-15 Budget includes a contribution from the Operating Reserve of $7,000,000. The beginning balance on July 1, 2014, is projected to be $70,566,686. Additional budget detail on the CIP, Major Capital Outlay and Major Rehabilitation Program reserves is provided below.

## REVENUE BOND RESERVE

The Bond Reserve was created to provide assurances to the bond holders that adequate revenue coverage will be provided for future debt service payments. For FY 14-15 the Bond Reserve is budgeted at $4,000,000 in order to meet reserve requirements of the 2008 bond issuance. The Bond Reserve from the 2006 issuance is held in the operating funds.

| CAPITAL RESERVES | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 |
|---|---|---|---|
| Beginning Balance | 67,886,101 | 69,151,595 | 70,566,686 |
| Transfer from Operating Reserve | 6,000,000 | 6,320,000 | 7,000,000 |
| Interest | 60,000 | 60,000 | 60,000 |
| Interest Income (Revenue Bond Proceeds) | 115,000 | 115,000 | 200,000 |
| Revenue Bond Sale & SRF Proceeds | 317,500 | 317,500 | 175,000 |
| Other revenue | 0 | 168,665 | 0 |
| Funding For Capital Improvement Projects | (13,456,982) | (14,673,260) | (13,266,247) |
| Funding For Major Rehabilitation | (497,351) | (923,202) | (1,234,000) |
| Funding For Major Capital Outlay | 0 | (843,881) | 0 |
| **Revenue Bond Reserve** | (4,000,000) | (4,000,000) | (4,000,000) |
| **Capital Reserve** | **$56,424,268** | **$55,692,417** | **$59,501,439** |

# REGIONAL WASTEWATER PROGRAM BUDGET

# APPENDICES

# REGIONAL WASTEWATER PROGRAM BUDGET

# APPENDIX A

# SPRINGFIELD PROGRAM DETAIL

## CITY OF SPRINGFIELD
## REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES

The City of Springfield manages administration services for the RWP under the Intergovernmental Agreement for the Metropolitan Wastewater Management Commission (MWMC). The programs maintained by Springfield to support the RWP are summarized below and are followed by Springfield's regional wastewater budget summaries. Activities, and therefore program budgets, for the MWMC administration vary from year to year depending upon the major construction projects and special initiatives underway. A list of the capital projects Springfield staff will support in FY 14-15 is provided in Exhibit 12 on page 40.

Program Responsibilities
- Administration & Management
- Financial Planning & Management
- Long-Range Capital Project Planning
- Project and Construction Management
- Coordination between the Commission and governing bodies
- Coordination and Management of:
  - Risk Management & Legal Services
  - Public Policy Issues
  - Regulatory and Permit Compliance Issues
- Public Information, Education and Outreach
- Industrial Pretreatment Source Control
- Customer Service

### MWMC ADMINISTRATION

The Springfield Environmental Services Division (ESD) and Finance Department provide ongoing support and management services for the MWMC. The Development and Public Works (DPW) Director serves as the MWMC Executive Officer. The Environmental Services Manager serves as the General Manager. Springfield provides the following administration functions: financial planning management, accounting and financial reporting; risk management and legal services; coordination and management of public policy; coordination and management of regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning and construction management; coordination of public information, education, and citizen involvement programs; sewer user customer service; and coordination and development of regional budgets, rate proposals, and revenue projections.

### INDUSTRIAL PRETREATMENT (SOURCE CONTROL) PROGRAM

The Industrial Pretreatment Program is a regional activity implemented jointly by the Cities of Eugene and Springfield. The Industrial Pretreatment section of the ESD is charged with administering the program for the regulation and oversight of wastewater discharged to the sanitary collection system by industries in Springfield. This section is responsible for ensuring that these wastes do not damage the collection system, interfere with wastewater treatment processes, result in the pass-through of harmful pollutants to treated effluent or biosolids, or threaten worker health or safety.

This responsibility is fulfilled, in part, by the use of a permit system for industrial dischargers. This permit system, common to both Eugene and Springfield, implements necessary limitations on waste characteristics and establishes inspection, monitoring, and reporting requirements for documenting waste quality and quantity controls. The Industrial Pretreatment section is also responsible for locating new industrial discharges in Springfield and evaluating the impact of those discharges on the regional WPCF. As of February 2014, there were 20 significant industrial users under permit in Springfield. The Industrial Pretreatment Program also addresses the wastewater discharges of some commercial/industrial businesses through the development

and implementation of Pollution Management Practices. Pretreatment program staff also coordinates pollution prevention activities in cooperation with the Pollution Prevention Coalition of Lane County.

ACCOUNTING AND FINANCIAL REPORTING

Accounting and financial reporting services for the RWP are provided by the Accounting section in the Springfield Finance Department, in coordination with ESD. Springfield Accounting staff maintains grant and contract accounting systems, as well as compliance with all local, state and federal accounting and reporting requirements for MWMC finances. This section also assists ESD with preparation of the MWMC budget, capital financing documents, sewer user rates, and financial policies and procedures.

## PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES

In FY 14-15, the City of Springfield will support the following major regional initiatives in addition to ongoing Commission administration and industrial pretreatment activities:

- Develop and implement the regional Capacity Management Operations and Maintenance (CMOM) Program Plan, focusing on continued inflow and infiltration reductions, including flow monitoring, data tracking, regional coordination, and continue to explore methods of addressing private laterals.
- Implement Capital Financing strategies necessary to meet current revenue bond obligations, prepare for additional debt financing, and ensure sufficient revenues in accordance with the 2005 MWMC Financial Plan.
- Continue implementation of the 2004 MWMC Facilities Plan to meet all regulatory requirements and capacity needs and update the 2004 Facilities Plan in FY 14-15. Considering emerging environmental regulations that may impact the operation of the WPCF.
- Continue public information, education and outreach activities focused on the MWMC Facilities Plan and MWMC's objectives for maintaining water quality and a sustainable environment.
- Protect RWP interests through participation in Association of Clean Water Agencies activities.
- Coordinate temperature Total Maximum Daily Load (TMDL) compliance through continued development and implementation of the thermal load mitigation strategy, that includes but is not limited to a recycled water program.
- Continue participation with the Association of Clean Water Agencies and the Department of Environmental Quality in the development of a Capacity Management Operations and Maintenance (CMOM) Program.

## SIGNIFICANT BUDGET CHANGES FOR FY 14-15

The budget for Springfield Personnel Services, Materials and Services, and Capital Outlay for FY 14-15 totals $3,911,289 representing an overall increase of $274,527 (7.5%) over the adopted FY 13-14 budget, as displayed in Exhibit 8 on page 28.

### Personnel Services

Personnel Services totaling $1,706,645 represent a FY 14-15 increase of $23,026 or 1.4% over the originally adopted FY 13-14 budget. The major changes are summarized below:

**Staffing Level – 15.89 full-time equivalent (FTE) staff remains level**
Staffing remains level in the FY 14-15 budget when compared to FY 13-14.

**Regular Wages - $1,138,648, an increase of $50,585 or 4.6%**
Salaries are based upon the negotiated management/labor contracts as approved by the Springfield City Council.

**PERS/OPSRP Contributions - $151,571, a decrease of $42,060 or -21.7%**
Employee retirement contribution is decreased in the FY 14-15.

**Health Insurance - $299,688, an increase of $17,466 or 6.2%**
Health insurance includes employee related medical and dental insurance.

### Materials and Services

The Materials and Services budget total is $2,204,644 in FY14-15, representing an increase of $251,501 or 12.9% over the originally adopted FY 13-14 budget. The major changes are summarized below:

**Property and Liability Insurance - $463,600, an increase of $133,600 or 40.5%**
The $133,600 increase is in comparison to the orignially adopted FY 13-14 budget. The FY 13-14 budget was amended increasing the budget by $66,267 or 20% from $330,000 to $396,267 to meet increased premiums for insurance coverage levels in FY 13-14. In FY 14-15, the budget is increased by an additional $67,333 or 17% when compared to the FY 13-14 amended budget.

**Contractual Services –$186,180, a net increase of $46,480 or 33.3%**
The $46,480 increase includes $30,000 (net $21,480) for development, execution and tabulation of a regional customer survey, and $25,000 for technical assistance to assist with further evaluation on development of a regional private lateral program.

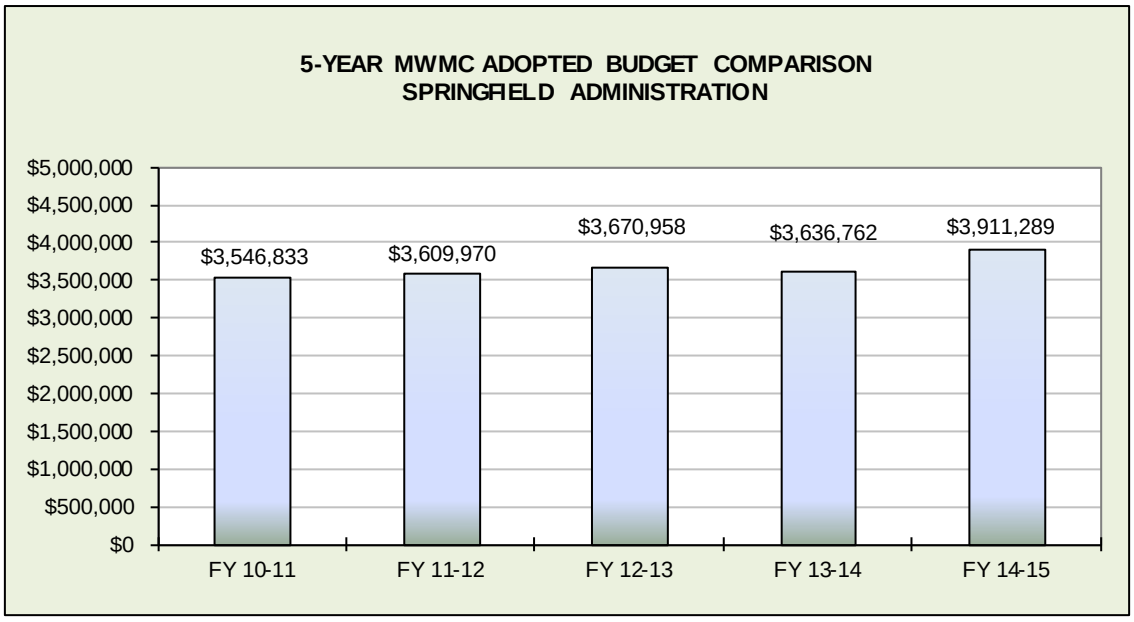
**Internal Charges - $180,061, an increase of $35,550 or 24.6%**
The $35,550 increase is primarily related to the regional portion of the City of Springfield internal insurance charges including liability, auto, property and risk insurance.

**Indirect Costs - $330,824, an increase of $24,506 or 8%**
The $24,504 increase is based on changes in overhead costs as programmed in the FY 14-15 budget, when compared FY 13-14. Indirect Costs are based on a methodology approved by the federal government, which is outlined in the MWMC Intergovernmental Agreement.

**EXHIBIT 8**

SPRINGFIELD ADMINISTRATION PROGRAM
ADOPTED FY 14-15
BUDGET SUMMARY

| | ACTUAL FY 12-13 | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 | CHANGE * INCR/(DECR) | |
|---|---|---|---|---|---|---|
| Personnel Services | $1,467,149 | $1,683,619 | $1,636,501 | $1,706,645 | $23,026 | 1.4% |
| Materials & Services | 1,489,217 | 1,953,143 | 2,052,490 | 2,204,644 | 251,501 | 12.9% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | NA |
| **Budget Summary** | **$2,956,366** | **$3,636,762** | **$3,688,991** | **$3,911,289** | **$274,527** | **7.5%** |




Note: * Change column compares the adopted FY 14-15 Budget to the adopted FY 13-14 Budget.

**EXHIBIT 9**
SPRINGFIELD ADMINISTRATION
LINE ITEM BUDGET SUMMARY

| | ACTUAL FY 12-13 | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 | CHANGE INCR/(DECR) | |
|---|---|---|---|---|---|---|
| **PERSONNEL SERVICES** | | | | | | |
| Regular Wages | $996,846 | $1,088,063 | $1,088,063 | $1,138,648 | $50,585 | 4.6% |
| Overtime | 623 | 7,716 | 7,716 | 7,716 | 0 | 0.0% |
| Employee Benefits | 100,502 | 111,987 | 111,987 | 109,022 | (2,965) | -2.6% |
| PERS/OPSRP | 130,321 | 193,631 | 146,513 | 151,571 | (42,060) | -21.7% |
| Medical/Dental Insurance | 238,857 | 282,222 | 282,222 | 299,688 | 17,466 | 6.2% |
| Total Personnel Services | **$1,467,149** | **$1,683,619** | **$1,636,501** | **$1,706,645** | **$23,026** | **1.4%** |
| FTE | 16.68 | 15.89 | 15.89 | 15.89 | - | 0.0% |
| **MATERIALS & SERVICES** | | | | | | |
| Billing & Collection Expense | 504,439 | 568,000 | 568,000 | 575,000 | 7,000 | 1.2% |
| Property & Liability Insurance | 263,750 | 330,000 | 396,267 | 463,600 | 133,600 | 40.5% |
| Contractual Services | 21,447 | 139,700 | 147,780 | 186,180 | 46,480 | 33.3% |
| Attorney Fees and Legal Expense | 32,171 | 175,000 | 175,000 | 175,505 | 505 | 0.3% |
| WPCF/NPDES Permits | 103,371 | 126,500 | 126,500 | 126,600 | 100 | 0.1% |
| Materials & Program Expense | 47,159 | 84,499 | 84,473 | 86,689 | 2,190 | 2.6% |
| Computer Software & Licenses | 35,372 | 39,800 | 64,800 | 39,050 | (750) | -1.9% |
| Employee Development | 8,264 | 19,365 | 19,365 | 20,915 | 1,550 | 8.0% |
| Travel & Meeting Expense | 9,581 | 19,450 | 19,550 | 20,220 | 770 | 4.0% |
| Internal Charges | 141,560 | 144,511 | 144,437 | 180,061 | 35,550 | 24.6% |
| Indirect Costs | 322,103 | 306,318 | 306,318 | 330,824 | 24,506 | 8.0% |
| Total Materials & Services | **$1,489,217** | **$1,953,143** | **$2,052,490** | **$2,204,644** | **251,501** | **12.9%** |
| **CAPITAL OUTLAY** | 0 | 0 | 0 | 0 | 0 | NA |
| Total Capital Outlay | 0 | 0 | 0 | 0 | 0 | NA |
| **TOTAL** | **$2,956,366** | **$3,636,762** | **$3,688,991** | **$3,911,289** | **274,527** | **7.5%** |

# REGIONAL WASTEWATER PROGRAM BUDGET

# APPENDIX B

# EUGENE PROGRAM DETAIL

## CITY OF EUGENE
## REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES

The Wastewater Division for the City of Eugene manages all regional wastewater pollution control facilities serving the areas inside the Eugene and Springfield Urban Growth Boundaries under the Intergovernmental Agreement for the Metropolitan Wastewater Management Commission (MWMC). These regional facilities include the Eugene/Springfield Regional Water Pollution Control Facility (WPCF), the Biosolids Management Facility, the Beneficial Reuse Site, the Biocycle Farm site, and regional wastewater pumping stations and transmission sewers.

Program Responsibilities
- Administration & Management
- Facility Operations
- Facility Maintenance
- Biosolids Management
- Industrial Source Control
- Management Information Services
- Project Management

In support of the water pollution control program, the Division provides technical services for wastewater treatment, management of equipment replacement and infrastructure rehabilitation, biosolids treatment and recycling, regional laboratory services, and an industrial source control and pretreatment program in conjunction with City of Springfield staff.

### ADMINISTRATIVE AND MANAGEMENT SERVICES
Administrative Services provides management, administrative, and office support to the Wastewater Division. This support includes the general planning, directing, and managing of the activities of the Division; development and coordination of the budget; administration of personnel records; and processing of payroll, accounts payable, and accounts receivable. This section also provides tracking and monitoring of all assets for the regional wastewater treatment facilities and clerical support for reception, telephone services, and other miscellaneous needs. The Administrative services include oversight and coordination of the Division's Environmental Management System, safety, and training programs, and a stores unit that purchases and stocks parts and supplies and assists with professional services contracting. Another area this program administers is the coordination of local and regional billing and rate activities.

### REGIONAL WASTEWATER TREATMENT FACILITY OPERATIONS
The Wastewater Division operates the WPCF to treat domestic and industrial liquid wastes to achieve an effluent quality that protects and sustains the beneficial uses of the Willamette River. The Operations section optimizes wastewater treatment processes to ensure effluent quality requirements are met in an efficient and cost effective manner. In addition, the Operations section provides continuous monitoring of the alarm functions for all plant processes, regional and local pump stations, Biosolids Management Facility, and the Beneficial Reuse Site

### MAINTENANCE
The mechanical, electrical, and facilities maintenance sections of the Wastewater Division are responsible for preservation of the multi-million dollar investment in the equipment and infrastructure of the WPCF, local and regional pump stations, pressure sewers, as well as the Biosolids Management Facility. These sections provide a preventative maintenance program

to maximize equipment life and reliability; a corrective maintenance program for repairing unanticipated equipment failures; a facility maintenance program to maintain the buildings, treatment structures, and grounds.

BIOSOLIDS MANAGEMENT

The Residuals Management section of the Wastewater Division manages the handling and beneficial reuse of the biological solids (biosolids) produced as a result of the activated sludge treatment of wastewater. This section operates the Biosolids Management Facility (BMF) and the Biocycle Farm located at Awbrey Lane in Eugene. Approximately 4,600 dry tons of biosolids are produced annually by the WPCF. The biosolids are treated using anaerobic digestion, stored in facultative lagoons (which provide some additional treatment benefits), and then processed through a belt filter press and air-dried to reduce the water content and facilitate transport. The dried material is ultimately applied to agricultural land. Biosolids are also irrigated on poplar trees at the Biocycle Farm as a beneficial nutrient and soil conditioner. This section also operates the Beneficial Reuse Site which formerly served to treat wastewater from food processing operation.

INDUSTRIAL SOURCE CONTROL (Pretreatment) and ANALYTICAL SERVICES, SAMPLING TEAM

The pretreatment program is a regional activity implemented jointly by the cities of Eugene and Springfield. The Industrial Source Control group of the Wastewater Division is charged with administering the pretreatment program for the regulation and oversight of commercial and industrial wastewaters discharged to the wastewater collection system by fixed-site industries in Eugene and by mobile waste haulers in the Eugene and Springfield areas. This group is also responsible for ensuring that these wastes do not damage the collection system, interfere with wastewater treatment processes, result in the pass-through of harmful pollutants to treated effluent or biosolids, or threaten worker health or safety.

This responsibility is fulfilled through the use of a permit system for industrial dischargers. This permit system, common to both Eugene and Springfield, implements necessary limitations on waste characteristics and establishes inspection, monitoring, and reporting requirements for documenting waste quality and quantity controls. The staff is also responsible for locating new industrial discharges in Eugene and evaluating the impact of new non-residential discharges on the WPCF. During the calendar year 2013 there were 22 significant industrial users under permit in Eugene. The section also has responsibilities related to environmental spill response activities.

The Analytical Services group provides necessary analytical work in support of wastewater treatment, residuals management, industrial source control, stormwater monitoring, and special project activities of the Wastewater Division. The laboratory's services include sample handling and analyses of influent sewage, treated wastewater, biosolids, industrial wastes, stormwater, and groundwater. Information from the laboratory is used to make treatment process control decisions, document compliance with regulatory requirements, demonstrate environmental protection, and ensure worker health and safety.

The Sampling Team is responsible for the sampling activities related to regional wastewater program functions. These include the Eugene pretreatment program, wastewater treatment process control, effluent and ambient water quality, groundwater quality, facultative sludge lagoons, and stormwater samples. The Division's Environmental Data Analyst evaluates and reports on the sampling data for various programs.

MANAGEMENT INFORMATION SERVICES (MIS)

The MIS section provides services for electronic data gathering, analysis, and reporting as necessary in compliance with regulatory requirements and management functions. This section also maintains the electronic communication linkages with the City of Eugene and supplies technical expertise and assistance in the selection, operation, and modification of computer systems (hardware and software) within the Division.

PROJECT MANAGEMENT

Management of wastewater system improvements and ongoing developments is carried out by the Project Management staff. Activities include coordination of CIP activities with the City of Springfield staff, problem-solving and action recommendations, project management, technical research, coordination of activities related to renewal of the NPDES wastewater discharge permit, computer-aided design and electronic storage of design drawings, and planning of projects to anticipate and prepare for new regulatory and operational requirements. Special emphasis is given to coordinating energy efficiency projects with operations staff. The Project Management staff develops Request for Proposals and Request for Quotes, coordinates special project activities between work sections, and coordinates the procurement of building permits as necessary in support of project activities.

## PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES

In FY 14-15, Eugene staff will support the following major regional initiatives in addition to ongoing operational activities.

- Manage the O&M responsibilities of the NPDES permits for the wastewater discharge and treatment plant stormwater programs and the LRAPA air emissions permit for the regional wastewater treatment plant.
- Continue to evaluate impacts of regulatory actions (such as the federal SSO and blending policy development, Willamette River TMDLs implementation, and any newly adopted state water quality standards) upon operational responsibilities.
- Provide technical input and O&M assessments related to proposed initiatives for addressing TMDL compliance, greenhouse gas emission controls, and renewable energy objectives.
- Complete scheduled major rehabilitation, equipment replacement, and other capital projects in an efficient and timely manner.

- Work cooperatively on the CIP elements and effectively integrate capital project work with ongoing O&M activities, with emphasis on maintaining an effective CIP management and coordination program with Springfield.
- Manage the Operations & Maintenance (O&M) aspects of the Biocycle Farm, continuing biosolids irrigation practices and poplar tree management.

## SIGNIFICANT CHANGES IN THE O & M BUDGET FOR FY 14-15

The budget for Operations and Maintenance of the regional wastewater treatment facilities (personnel, materials and services, and capital outlay) for FY 14-15 totals $12,771,358**.** The amount represents an increase of $55,327 or 0.4% from the FY 13-14 budget. The largest cost centers for the budget are personnel costs, utilities, materials, maintenance, and chemicals. Details of significant items and changes for the FY 14-15 Operations and Maintenance budget as compared to the FY 13-14 budget include:

### Personnel Services

Personnel Services totaling $7,949,897 represents a FY 14-15 increase of $85,003 or 1.1%. The major changes are in the following budget categories:

**Staffing**
The FY 14-15 budget requests no change in staffing level from the FY 13-14 budget. Staffing requests remains at 77.40 Full Time Equivalent (FTE).

**Regular Wages - $4,910,853, an increase of $103,117 or 2.1%**
Salaries are based upon the negotiated management/labor contracts between the City of Eugene and the local union (AFSCME).

**Employee Benefits - $1,580,338, a decrease of $84,716 or -5.1%**
The employee benefits consist mainly of PERS/OPSRP retirement system costs and Medicare contributions.

**Health Insurance - $1,296,759, an increase of $86,193 or 7.1%**
The increase is based on group claims experience and cost projections. Costs are calculated based on the number of employees.

### Materials and Services

The Materials and Services budget totaling $4,757,961 and represents an FY 14-15 decrease of $40,848 or -0.9%. The major changes are in the following budget categories:

**Indirect Charges - $983,500, a decrease of $154,000 or -13.5%**
This expenditure category includes costs for payroll processing, human resources services, information technology services, and budget and financial services provided by the City of Eugene to the Wastewater Division.

**Contractual Services - $637,448, an increase of $119,125 or 23%**
This account includes services for outside lab testing, USGS water monitoring, poplar tree pruning and grit waste disposal. The FY14-15 budget request increase includes $75,000 for one-time electrical arc flash safety improvements.

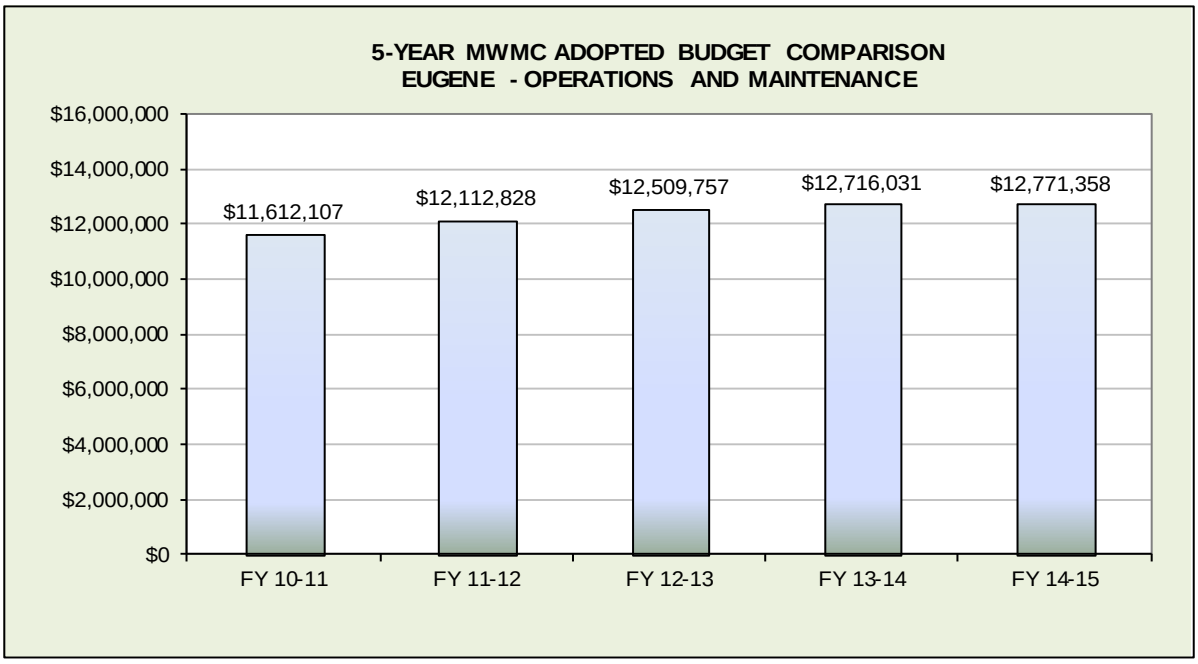
**Materials & Program Expense - $637,480, an increase of $76,826 or 13.7%**
Materials & Program Expense account includes a wide variety of operational items such as telephone charges, training costs, tools, small equipment, safety supplies, and inventory. FY14-15 budget request increase includes $48,308 for tools and small equipment, and $23,000 for large diameter pipe CCTV services.

**Chemicals - $340,302, a decrease of $45,814 or -11.9%**
Chemicals cost decrease due to solicitation of new price agreements resulting in lower costs for disinfection chemicals.

**EXHIBIT 10**

EUGENE - OPERATIONS AND MAINTENANCE PROGRAM
ADOPTED FY 14-15
BUDGET SUMMARY

| | ACTUAL FY 12-13 | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 | CHANGE * INCR/(DECR) | |
|---|---|---|---|---|---|---|
| Personnel Services | $7,337,672 | $7,864,894 | $7,864,894 | $7,949,897 | $85,003 | 1.1% |
| Materials & Services | 3,813,091 | 4,798,809 | 4,478,809 | 4,757,961 | (40,848) | -0.9% |
| Capital Outlay | 24,149 | 52,328 | 52,328 | 63,500 | 11,172 | 21.3% |
| **Budget Summary** | **$11,174,911** | **$12,716,031** | **$12,396,031** | **$12,771,358** | **$55,327** | **0.4%** |



## EXHIBIT 11

EUGENE - OPERATIONS & MAINTENANCE
LINE ITEM BUDGET SUMMARY

| | ACTUAL FY 12-13 | ADOPTED BUDGET FY 13-14 | AMENDED BUDGET FY 13-14 | ADOPTED BUDGET FY 14-15 | CHANGE INCR/(DECR) | |
|---|---|---|---|---|---|---|
| **PERSONNEL SERVICES** | | | | | | |
| Regular Wages | 4,574,921 | 4,807,736 | 4,807,736 | 4,910,853 | 103,117 | 2.1% |
| Extra Help | 10,151 | 0 | 0 | 0 | 0 | NA |
| Overtime | 57,385 | 94,645 | 94,645 | 71,120 | (23,525) | -24.9% |
| Employee Benefits | 1,493,622 | 1,665,054 | 1,665,054 | 1,580,338 | (84,716) | -5.1% |
| Workers' Comp/Unemploy Ins | 84,757 | 86,893 | 86,893 | 90,827 | 3,934 | 4.5% |
| Health Insurance | 1,116,836 | 1,210,566 | 1,210,566 | 1,296,759.00 | 86,193 | 7.1% |
| TOTAL PERSONNEL SERVICES | **$7,337,672** | **$7,864,894** | **$7,864,894** | **$7,949,897** | **$85,003** | 1.1% |
| FTE | 77.40 | 77.40 | 77.40 | 77.40 | 0.00 | 0.0% |
| **MATERIALS & SERVICES** | | | | | | |
| Utilities | 636,920 | 765,924 | 765,924 | 751,190 | (14,734) | -1.9% |
| Fleet Operating Charges | 397,310 | 412,620 | 412,620 | 391,967 | (20,653) | -5.0% |
| Maintenance-Equip & Facilities | 269,583 | 383,153 | 383,153 | 341,408 | (41,745) | -10.9% |
| Contractual Services | 301,832 | 518,323 | 518,323 | 637,448 | 119,125 | 23.0% |
| Materials & Program Expense | 513,840 | 560,654 | 240,654 | 637,480 | 76,826 | 13.7% |
| Chemicals | 384,177 | 386,116 | 386,116 | 340,302 | (45,814) | -11.9% |
| Parts & Components | 211,753 | 240,004 | 240,004 | 300,034 | 60,030 | 0.1% |
| Risk Insurance - Employee Liability | 66,774 | 65,464 | 65,464 | 49,174 | (16,290) | -2.0% |
| Laboratory Equipment & Supplies | 62,920 | 77,401 | 77,401 | 80,000 | 2,599 | -8.7% |
| Computer Equip, Supplies, Maint | 173,319 | 251,650 | 251,650 | 245,458 | (6,192) | 26.2% |
| Indirects | 794,664 | 1,137,500 | 1,137,500 | 983,500 | (154,000) | -13.5% |
| TOTAL MATERIALS & SERVICES | **$3,813,091** | **$4,798,809** | **$4,478,809** | **$4,757,961** | **($40,848)** | -0.9% |
| **CAPITAL OUTLAY** | | | | | | |
| Motorized Vehicles | 16,573 | 42,328 | 42,328 | 0 | (42,328) | NA |
| Capital Outlay-Other | 7,576 | 10,000 | 10,000 | 63,500 | 53,500 | 535.0% |
| TOTAL CAPITAL OUTLAY | **$24,149** | **$52,328** | **$52,328** | **$63,500** | **$11,172** | 21% |
| **TOTAL** | **$11,174,911** | **$12,716,031** | **$12,396,031** | **$12,771,358** | **$55,327** | **0.4%** |

# REGIONAL WASTEWATER PROGRAM BUDGET

# CAPITAL PROGRAM

# REGIONAL WASTEWATER PROGRAM
# CAPITAL PROGRAMS

## Overview

The Regional Wastewater Program (RWP) includes two components: the Capital Improvement Program (CIP) and the Asset Management Capital Program (AMCP). The FY 14-15 CIP Budget, the FY 14-15 AMCP Budget, and the associated 5-Year Capital Plan are based on the 2004 MWMC Facilities Plan (2004 FP). The 2004 FP was approved by the MWMC, the governing bodies of the City of Eugene, the City of Springfield, Lane County, and the Oregon Department of Environmental Quality in 2004. The 2004 FP and its 20-year capital project list was the result of a comprehensive evaluation of the regional wastewater treatment facilities serving the Eugene-Springfield metropolitan area.

The 2004 FP built on previous targeted studies, including the 1997 Master Plan, 1997 Biosolids Management Plan, 2001 Wet Weather Flow Management Plan (WWFMP), and the 2003 Management Plan for a dedicated biosolids land application site. The 2004 FP was intended to meet changing regulatory and wet weather flow requirements and to serve the community's wastewater capacity and treatment needs through 2025. Accordingly, the 2004 FP established the CIP project list to provide necessary facility enhancements and expansions over the planning period. The CIP is administered by the City of Springfield for the MWMC. The AMCP implements the projects and activities necessary to maintain functionality, lifespan, and effectiveness of the MWMC facility assets on an ongoing basis. The AMCP is administered by the City of Eugene for the MWMC and consists of three sub-categories:

- Equipment Replacement Program
- Major Rehabilitation Program
- Major Capital Outlay

The MWMC has established these capital programs to achieve the following RWP objectives:

- Compliance with applicable local, state, and federal laws and regulations
- Protection of the health and safety of people and property from exposure to hazardous conditions such as untreated or inadequately treated wastewater
- Provision of adequate capacity to facilitate community growth in the Eugene-Springfield metropolitan area consistent with adopted land use plans
- Construction, operation, and management of the MWMC facilities in a manner that is as cost-effective, efficient, and affordable to the community as possible in the short and long term
- Implementation of the Citizens Advisory Committee recommendations, which represent diverse community interests, values and involvement, and that have been adopted by the Commission as the MWMC's plans and policies
- Mitigation of potential negative impacts of the MWMC facilities on adjacent uses and surrounding neighborhoods (ensuring that the MWMC facilities are "good neighbors" as judged by the community)

## Capital Program Funding and Financial Planning Methods and Policies

This annual budget document presents the FY 14-15 CIP Budget, the FY 14-15 AMCP Budget, and 5-Year Capital Plan which includes the CIP and AMCP Capital Plan. The MWMC Capital Program financial planning and funding methods are in accordance with the financial management policies put forth in the MWMC 2005 Financial Management Plan.

Each of the two RWP capital programs relies on funding mechanisms to achieve RWP objectives described above. The CIP is funded primarily through proceeds from revenue bond sales, system development charges, and transfers from the Operating Fund to Capital Reserves. The AMCP is funded through wastewater user fees.

In addition to revenue bond sales, project financing for qualified CIP projects was also secured through the State of Oregon Department of Environmental Quality (DEQ)'s Clean Water State Revolving Fund (CWSRF) loan program. The MWMC secured several CWSRF loan agreements totalling $20.8 million in 2008, 2009, and 2010. These 20-year loans provide the MWMC below-market interest rates ranging from 0 to 2.77 percent (%), along with additional financial benefits.

Through the CWSRF loan program, loans of $8,000,000, $7,500,000, and $4,000,000 were approved for Tertiary Filtration – Phase 1, Odorous Air Treatment – Phase 1, and Primary Sludge Thickening projects, respectively. Additionally, $1,279,200 in CWSRF financing was approved for the MWMC for CIP planning efforts.

Of the $8,000,000 provided through the Tertiary Filtration project loan, $450,000 is Sponsorship funding allocated for riparian shade tree planting projects to help address the MWMC's pending thermal load obligations. The financing of these watershed-based projects is made available through the CWSRF program Sponsorship Option, which provides funding to the borrower to address nonpoint source water quality solutions through a reduced interest rate. The interest rate reduction allows the MWMC to invest in watershed improvements using money that would have otherwise been paid as interest on the loan.

Of the $7,500,000 approved loan funding for the Odorous Air Treatment – Phase 1 project, $4,000,000 was funded through the American Reinvestment and Recovery Act (ARRA, or "Stimulus"). This funding was part of the federal government's economic stimulus program, with loans issued under favorable conditions to stimulate infrastructure and capital project investment. The ARRA funding agreement provided 50% of the loan in forgiven principal, and the remaining 50% of principal payment bearing 0% interest. This resulted in $2,000,000 of net revenue to the CIP in addition to interest savings.

The RWP's operating fund is maintained to pay for operations, administration, debt service, equipment replacement contributions and capital contributions associated with the RWP. The operating fund derives the majority of its revenue from regional wastewater user fees that are collected by the City of Eugene and City of Springfield from their respective customers. In accordance with the MWMC 2005 Financial Plan, funds remaining in excess of budgeted operational expenditures can be transferred from the operating fund to the Capital Reserve fund. The Capital Reserve accumulates revenue to help fund capital projects, including major rehabilitation, to reduce the amount of borrowing necessary to finance capital projects.

The AMCP consists of three programs managed by the City of Eugene and funded through regional wastewater user fees: The Equipment Replacement Program, which funds replacement of equipment valued at or over $10,000 but less than $200,000; The Major Rehabilitation Program, which funds rehabilitation of plant infrastructure such as roof replacements, structure coatings, etc.; and the Major Capital Outlay Program for capital items (new or replacement) with costs greater than $200,000. The MWMC assets are tracked throughout their lifecycle using asset management tracking software. Based on this information, the three AMCP program annual budgets are established and projected for the 5-Year Capital Plan.

For planning purposes, the MWMC must consider market changes that drive capital project expenditures. Specifically, the MWMC capital plan reflects projected price changes over time that affect the cost of materials and services. Until about 2003, the 20-city average *Engineering News Record Construction Cost Index* (ENRCCI) served as a good predictor for future inflation and was used for projecting the MWMC's construction costs. Accordingly, construction cost projections considered in the 2004 FP were based on January 2004, 20-city average ENRCCI. However, in the period 2004 through 2008, construction inflation accelerated nationally with local construction cost inflation accelerating even faster than the national average. City of Springfield staff identified this trend in 2005 and subsequently modified their inflationary projection methodology accordingly.

In early 2006, the MWMC hired the consulting firm CH2M Hill to perform a comprehensive update of project cost estimates. Following the 2006 update, the RWP's CIP assumed a general price increase of five-percent (5%) per-year over the planning period. However, the MWMC continues to monitor inflationary trends to inform our forecasting of capital improvement costs. Recent construction bidding remains favorable when compared to engineering estimates. Accordingly, based on historical inflationary rates from 2006 through 2013, capital project budgets now reflect a 4% annual inflationary factor in the FY 14-15 Budget and 5-year Capital Plan.

## Regional Wastewater Capital Program Status and Budget

### CIP Project Status and Budget

The FY 14-15 CIP Budget is comprised of the individual budgets for each of the active (carryover) or starting (new) projects in the first year of the 5-Year Capital Plan. The total of these FY 14-15 project budgets is $13,266,247. Each capital project represented in the FY 14-15 Budget is described in detail in a CIP project sheet that can be found at the end of this document. Each project sheet provides a description of the project, the project's purpose and driver (the reason for the project), the funding schedule for the project, and the project's expected final cost and cash flow. For those projects that are in progress, a short status report is included on the project sheet.

## Completed Capital Projects

In FY 13-14, the following three capital projects are projected to be completed and closed out. No CIP project sheets are included for these projects because there is no expected carryover of project funds to FY 14-15.

- Line Biosolids Lagoon – Phase 4
- Odorous Air Treatment – Phase 2
- Outfall Mixing Zone Study

## Carryover Capital Projects

The remaining funding for active capital projects in FY 13-14 is carried forward to the FY 14-15 Budget. The on-going carryover projects are:

- Wet Weather Planning/ Capacity Management Operations and Maintenance (CMOM)
- Facilities Plan Engineering Services
- Influent Pumping and Headworks Expansion*
- Sodium Hypochlorite Conversion
- Primary Sludge Thickening
- Poplar Harvest Management Services MU-1
- Tertiary Filtration – Phase 1*
- Thermal Load Mitigation: Pre-Implementation
- Thermal Load Mitigation: Implementation 1
- Repair/Partial Replacement of Biosolids Force Main
- WPCF Lagoon Removal / Decommissioning

Overall, the budgeting for these projects follows, and is consistent with, the 2006 CH2M Hill estimated cost of the listed capital projects. Landscape design and implementation for the Water Pollution Control Facility is funded through projects identified with an asterisk (*) above.

## New Projects

The following new project has been added in the FY 14-15 Capital Budget:

- Increase Digestion Capacity
- Operations and Maintenance Building Improvements

## FY 14-15 Capital Budget Summary (Exhibit 12)

Exhibit 12 below displays the adjusted budget and end-of-year expenditure estimates for FY 13-14, the amount of funding projected to be carried over to FY 14-15 and additional funding for existing and/or new projects in FY 14-15.

### EXHIBIT 12

**Summary of FY 14-15 MWMC Construction Program Capital Budget**

| | FY 13-14 ADJUSTED BUDGET | FY 13-14 ESTIMATED ACTUALS | FY 13-14 CARRYOVER TO FY 14-15 | NEW FUNDING FOR FY 14-15 | TOTAL FY 14-15 BUDGET |
|---|---|---|---|---|---|
| **Projects to be Completed in FY 13-14** | | | | | |
| Line Biosolids Lagoon - Phase 4 | 2,150,950 | 1,220,000 | 0 | 0 | 0 |
| Odorous Air - Phase 2 | 176,555 | 7,000 | 0 | 0 | 0 |
| Outfall Mixing Zone Study | 198,173 | 198,173 | 0 | 0 | 0 |
| **Projects to be Carried Over to FY 14-15** | | | | | |
| Wet Weather Planning / CMOM | 214,504 | 118,000 | 96,504 | 0 | 96,504 |
| Facilities Plan Engineering Services | 103,310 | 103,310 | 0 | 70,000 | 70,000 |
| Influent Pumping and Headworks Expansion | 304,051 | 96,000 | 208,051 | 0 | 208,051 |
| Sodium Hypochlorite Conversion | 3,233,690 | 170,000 | 2,063,690 | 0 | 2,063,690 |
| Primary Sludge Thickening | 306,504 | 270,000 | 36,504 | 0 | 36,504 |
| Poplar Harvest Management Services MU-1 | 261,700 | 100,000 | 161,700 | 0 | 161,700 |
| Tertiary Filtration - Phase 1 | 518,882 | 152,000 | 200,000 | 0 | 200,000 |
| Thermal Load Mitigation: Pre-Implementation | 661,143 | 275,000 | 275,000 | 0 | 275,000 |
| Thermal Load Mitigation: Implementation 1 (1) | 617,928 | 184,000 | 433,928 | 0 | 433,928 |
| Repair/ Replacement of Biosolids Force Main | 1,425,870 | 510,000 | 915,870 | 0 | 915,870 |
| Tertiary Filtration - Phase 2 (2) | 3,000,000 | 0 | 0 | 0 | 0 |
| WPCF Lagoon Removal / Decommissioning | 1,500,000 | 295,000 | 1,205,000 | 3,500,000 | 4,705,000 |
| **Newly Budgeted Projects for FY 14-15** | | | | | |
| Increase Digestion Capacity (3) | 0 | 0 | 0 | 2,800,000 | 2,800,000 |
| Operations & Maint Building Improvements | 0 | 0 | 0 | 1,300,000 | 1,300,000 |
| **TOTAL** | **$14,673,260** | **$3,698,483** | **$5,596,247** | **$7,670,000** | **$13,266,247** |

Notes:

(1) Thermal Load Mitigation: Implementation 1 budget includes Mill Race Sponsorship ($200,000) and Cedar Creek Sponsorship ($250,000).

(2) The Tertiary Filtration – Phase 2 project was rescheduled to start in FY 17-18 instead of FY 13-14.

(3) The Increase Digester Capacity project previously paid for a portion of landscape services in FY 11-12 and FY 12-13.

## FY 14-15 Asset Management Capital Project Status and Budget

Equipment Replacement Program - Budget

The FY 14-15 Capital Programs budget includes $439,400 in Equipment Replacement purchases that are identified on the table below.

| Equipment Replacement | |
|---|---|
| **Project Description** | **FY 14-15 Budget** |
| Lab Mass Spectrometer | 165,000 |
| Ammonia Analyzer | 70,000 |
| PA Alarm and Security Camera System | 57,100 |
| Fleet Replacement | 48,600 |
| Variable Frequency Drives | 46,700 |
| Electric Motor | 40,000 |
| Computer Server Replacement | 12,000 |
| **Total** | **$439,400** |

**Lab Mass Spectrometer.** Replacement of 11 year old spectrometer in the main laboratory.

**Ammonia Analyzer at Final Treatment.** An on-line ammonia analyzer provides for continuous measurement and monitoring of ammonia in the plant effluent. The effluent ammonia concentration values are used for ongoing process control and to verify that the plant is in compliance with the NPDES permit discharge limit for ammonia. The existing analyzer has been in service for 11 years. The new analyzer will provide monitoring capabilities for 10 additional process control parameters.

**PA Alarm and Security Camera System.** An alarm system project will consist of upgrading audio/visual alarm in event of potential explosive conditions at pretreatment and digester process areas. Replacement is also planned for the camera system which provides remote monitoring of plant processes and assists with security.

**Fleet Replacement.** Consists of replacement of one pickup truck and one utility vehicle.

**Variable Frequency Drives (2) at Secondary Treatment.** Provides for replacement of variable frequency drives for two return activated sludge (RAS) pumps. The RAS pumping is a critical function of the activated sludge treatment process. The existing VFD's have been in service for more than 16 years and replacement will improve reliability of critical process equipment.

**Electric Motor at Willakenzie Pump Station.** The original 300 hp electric motors for the pumps at MWMC's largest pump station are approaching the end of their useful life. One motor will be replaced each year over the next 4 years.

**Computer Server Replacement**. Scheduled replacement of one network file server.

Major Rehabilitation Program - Budget

The FY 14-15 Capital Programs budget includes $1,234,000 for Major Rehabilitation projects that are identified on the table below.

| Major Rehabilitation | |
|---|---|
| **Project Description** | **FY 14-15 Budget** |
| Laboratory Rehabilitation | 800,000 |
| Air Drying Bed Resurfacing (2 beds) | 169,000 |
| Jenbacher Cogeneration Engine Rebuild | 100,000 |
| East Bay Interceptor (EBI) Vaults | 75,000 |
| Operations/Maintenance Building Improvements | 50,000 |
| Grit Chamber Metal Rails Coating | 40,000 |
| **Total** | **$1,234,000** |

**Laboratory Rehabilitation.** Replace/repair 30 year old flooring, plumbing, electrical, windows, fume hoods, and counter tops in the north section of the main laboratory.

**Air Drying Bed Resurfacing.** The biosolids drying process takes place on 13 asphalt drying beds over a 25 acre area. Many of the beds require resurfacing to extend their useful life. In FY 13-14 two beds were resurfaced. In FY 14-15 two additional beds will be resurfaced.

**Jenbacher Cogeneration Upper Engine Rebuild.** The regional treatment plant's cogeneration system provides power equivalent to approximately 55% of the plant's power needs. Continuous power generation will require a regularly scheduled 20,000 hour engine rebuilding in FY 14-15.

**East Bank Interceptor (EBI) Vaults.** A prior inspection of the EBI vaults/piping identified exposed reinforcing steel in two vaults. Rehabilitation repairs will be completed to prevent corrosion and premature failure.

**Operations/Maintenance Building Improvements.** This expenditure will go towards miscellaneous improvements, repairs, and renovations to improve the functionality and usefulness of existing buildings.

**Grit Chamber Metal Rails Coating.** The regional treatment plant's grit collectors move settled grit which is dewatered and disposed. Two collectors were rebuilt in FY 13-14 and two more will be rebuilt in FY 14-15. Recoating the metal rails of the collectors is a part of this rebuild project.

Major Capital Outlay

There are no requests for Major Capital Outlay funding in FY 14-15

## 5-Year Capital Plan (Exhibit 13)

For each fiscal planning cycle, only the first year of budget authority is appropriated. The remaining four years of the CIP and AMCP Capital Plans are important and useful for fiscal and work planning purposes. However, it is important to note that the funds in the outer years of the Capital Plan are only planned and not appropriated. Also, the full amount of obligated multi-year project costs is often appropriated in the first year of the project, unless a smaller subset of the project, such as project design, can be identified and funded without budgeting the full estimated project cost. For these multi-year contracts, unspent funds from the first fiscal year will typically be carried over to the next fiscal year until the project is completed. Accordingly, the RWP Capital Plan presented herein is a subsequent extension of the plan presented in the adopted FY 13-14 Budget that has been carried forward by one year. However, changes to the plan typically occur from year to year as more information becomes available. Additionally, RWP staff were further informed by a Partial Facilites Plan Update that was completed in FY 13-14. The Partial Facilities Plan Update included assessments of the following projects using the best available data:

- Increased Digestion Capacity
- Waste Activated Sludge Thickening
- Tertiary Filtration – Phase 2

Based on these assessments, the following changes to the 5-Year Capital Program Plan were made:

- The Increased Digestion Capacity Project was rescheduled to start in FY 14-15 instead of FY 15-16
- The Waste Activated Sludge Thickening Project was rescheduled to start in FY 21-22 instead of FY 15-16
- The Tertiary Filtration – Phase 2 Project was rescheduled to start in FY 17-18 instead of FY 13-14

In addition to the above changes, the planned budgets for all three phases of the MWMC's Thermal Load Mitigation Program (Pre-Implementation, Implementation – Phase 1, and Implementation – Phase 2) have been restructured in this year's Capital Plan to better respond to the changing status of Oregon's temperature standard and that of the Willamette Temperature Total Mass Daily Load (TMDL).

Exhibit 13 displays the MWMC 5-Year Capital Plan programs budget, which includes $61,569,247 in planned capital projects and $10,040,600 in planned asset management capital projects for an overall 5-Year Capital Plan Budget of $71,609,847.

# EXHIBIT 13

## Regional Wastewater 5-Year Capital Programs

| | FY 14-15 | FY 15-16 | FY 16-17 | FY 17-18 | FY 18-19 | TOTAL |
|---|---|---|---|---|---|---|
| **CAPITAL PROJECTS** | | | | | | |
| **Biosolids Management** | | | | | | |
| Repair / Replacement of Biosolids Force Main | 915,870 | | | | | 915,870 |
| Poplar Harvest Management Services MU1 | 161,700 | | | | | 161,700 |
| **Non-Process Facilities and Facilities Planning** | | | | | | |
| Capacity Mgmt Operations Maint (CMOM) | 96,504 | | | | | 96,504 |
| Facility Plan Engineering Services | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 350,000 |
| Comprehensive Facility Plan Update | | | 726,000 | 762,000 | | 1,488,000 |
| **Conveyance Systems** | | | | | | |
| Influent Pumping & Headworks | 208,051 | | | | | 208,051 |
| **Plant Performance Improvements** | | | | | | |
| Sodium Hypochlorite Conversion | 2,063,690 | | | | | 2,063,690 |
| Primary Sludge Thickening | 36,504 | | | | | 36,504 |
| Tertiary Filtration - Phase 1 | 200,000 | | | | | 200,000 |
| Tertiary Filtration - Phase 2 | | | | 2,800,000 | 7,700,000 | 10,500,000 |
| WPCF Lagoon Removal / Decommissioning | 4,705,000 | | | | | 4,705,000 |
| Thermal Load Mitigation: Pre-Implementation (1) | 275,000 | 200,000 | | | | 475,000 |
| Thermal Load Mitigation: Implementation 1 (1) | 433,928 | 100,000 | 484,000 | 4,600,000 | 4,581,000 | 10,198,928 |
| Thermal Load Mitigation: Implementation 2 (1) | | | | | 2,000,000 | 2,000,000 |
| Increase Digestion Capacity | 2,800,000 | 6,370,000 | | | | 9,170,000 |
| Aeration Basin Improvements - Phase 2 | | | 2,600,000 | 5,300,000 | 5,300,000 | 13,200,000 |
| Operations & Maintenance Building Improvements (2) | 1,300,000 | | 4,500,000 | | | 5,800,000 |
| ***TOTAL CAPITAL PROJECTS*** | ***13,266,247*** | ***6,740,000*** | ***8,380,000*** | ***13,532,000*** | ***19,651,000*** | ***61,569,247*** |
| **ASSET MANAGEMENT** | | | | | | |
| Equipment Replacement | 439,400 | 1,602,300 | 843,600 | 1,026,800 | 1,748,800 | 5,660,900 |
| Major Rehab | 1,234,000 | 196,000 | 840,000 | 892,700 | 667,000 | 3,829,700 |
| Major Capital Outlay | | | 550,000 | | | 550,000 |
| ***TOTAL ASSET MANAGEMENT*** | ***1,673,400*** | ***1,798,300*** | ***2,233,600*** | ***1,919,500*** | ***2,415,800*** | ***10,040,600*** |
| **TOTAL CAPITAL IMPROVEMENTS** | **$14,939,647** | **$8,538,300** | **$10,613,600** | **$15,451,500** | **$22,066,800** | **$71,609,847** |

Notes:

(1) This project represents the transition from Effluent Reuse to a more comprehensive thermal load reduction strategy that includes, but is not limited to, a Recycled Water Program.

(2) A detailed planning study to determine the scope and budget for this project will be conducted in FY 14-15.

# REGIONAL WASTEWATER PROGRAM BUDGET

# CAPITAL PROGRAM PROJECT SHEETS

## REPAIR AND/OR PARTIAL REPLACEMENT OF BIOSOLIDS FORCE MAIN

**Description:** Investigate, repair, and/or replace sections of the biosolids force main (piping system) where struvite deposits reduce the pipe diameter and can't be removed by an acid washing method. The existing piping system connects the Water Pollution Control Facility (WPCF) to the Biosolids Management Facility (BMF). A project estimate is $1.5 million that may require additional funding after further evaluation of the system.

**Status:** As of January 9, 2014, the project is in the design development phase using consultant services. Construction is anticipated to begin in the summer of 2014.

**Justification:** Maintain system reliability. The project will rehabilitate portions of the existing MWMC biosolids conveyance system (WPCF to BMF).

**Project Driver:** Maintain system functionality of the biosolids conveyance system.

**Project Trigger:** Functionality and capacity issues within the existing pipeline.

**Project Type:** 100% Rehabilitation

**Estimated Project Cost:** $1,500,000

**Expected Cash Flow:** FY 11-12 = $364; FY 12-13 = $73,766; FY 13-14 = $510,000; FY 14-15 = $915,870

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $74,130 | $510,000 | $915,870 | $0 | $0 | $0 | $0 | $1,500,000 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$74,130** | **$510,000** | **$915,870** | **$0** | **$0** | **$0** | **$0** | **$1,500,000** |

## POPLAR HARVEST MANAGEMENT SERVICES MU-1

**Description:** This project ensures the completed harvest of Management Unit 1 (MU1) trees before the 12-year rotation limit in spring 2016. MU1 hosts 156 acres of Phase 1 trees planted in 2004.

**Status:** 33% completed. An initial trial harvest of 52 acres was completed in fall 2013 at Year 10 of growth. The remaining 104 acres will be harvested in Years 11 and 12 of growth.

**Justification:** Land use regulatory requirement for operation of the Biocycle Farm.

**Project Driver:** Land Use Compatibility Statement (LUCS) issued by Lane County.

**Project Trigger:** Oregon ORS/OAR and NRCS rules dictating that exclusive farm use lands and farmed wetland status agricultural lands requiring agriculturally managed hybrid poplar plantations must be limited to a 12-year rotation duration.

**Project Type:** 100% Performance

**Improvement SDC Eligibility:** 0%

**Estimated Project Cost:** $261,700 for initial MU1 harvest and administration.

**Expected Cash Flow:** FY 13-14 = $100,000; FY 14-15 = $100,000; FY 15-16 = $61,700

| Expenditure/Category: | Prior Years | Est. Act. 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $100,000 | $161,000 | $0 | $0 | $0 | $0 | $261,700 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$0** | **$100,000** | **$161,000** | **$0** | **$0** | **$0** | **$0** | **$261,700** |

## CAPACITY MANAGEMENT, OPERATIONS, AND MAINTENANCE (CMOM)

**Description:** This project (formerly identified as the WWFMP Update project) supports and guides ongoing collection system capacity management, operations and maintenance (CMOM) programs to address Inflow and Infiltration (I/I) and sanitary sewer overflows (SSOs). The MWMC's NPDES permit requires wet weather planning and prohibits SSOs. DEQ's SSO Enforcement Internal Management Directive identifies CMOM as an acceptable programmatic approach to help ensure compliance. The MWMC CMOM program provides staff resources and engineering consultant services to support the implementation of CMOM programs owned and operated by the two partner cities within the MWMC's service area (i.e., Eugene and Springfield). The regional support funded through this project provides or supports workshop organization and facilitation, guidance documentation, technical analysis, standards establishment, and CMOM gap analysis assistance.

**Status:** Collection system rehabilitation work as identified in the 2001 WWFMP has been completed. The regional collection system hydraulic model has been updated. Regional staff has facilitated workshops and meetings to charter a standard CMOM approach for both partner cities. Both partner cities have completed a CMOM gap analysis to identify the needed effort to implement their respective CMOM programs. The Regional Wastewater Policy Team has approved the MWMC's CMOM framework and guidance documents. CH2M Hill has completed an evaluation of historical collection system flow data to estimate the I/I contributions from each city's collection system.

**Project Driver:** Meet new NPDES requirements concerning SSOs, wet weather planning, and I/I reduction through a CMOM program approach.

**Project Trigger:** Address NPDES Permit General Conditions requirements related to SSOs and I/I.

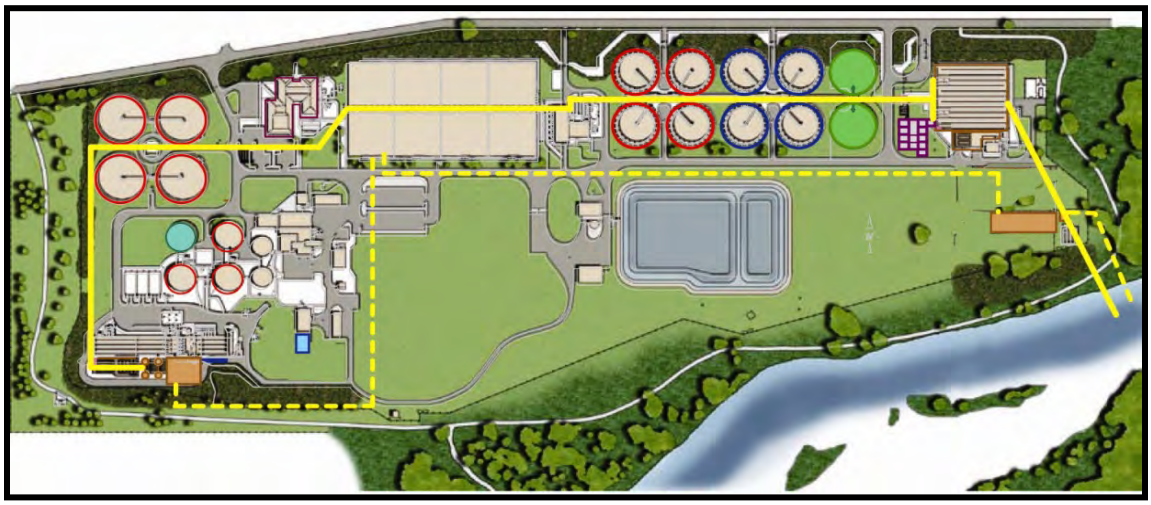
**Improvement SDC Eligibility:** 11%

**Estimated Project Cost**: $532,000

**Expected Cash Flow:** FY 05-06 = $6,028; FY 06-07 = $86,895; FY 07-08 = $42,589; FY 08-09 = $9,562
FY 09-10 = $14,724; FY 10-11 = $7,538; FY 11-12 = $26,909; FY 12-13 = $123,251; FY 13-14 = $118,000; FY 14-15 = $96,504

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other | $317,496 | $ 118,000 | $96,504 | $0 | $0 | $0 | $0 | $532,000 |
| **Total Cost** | **$317,496** | **$ 118,000** | **$96,504** | **$0** | **$0** | **$0** | **$0** | **$532,000** |

## FACILITY PLAN ENGINEERING SERVICES



**Description:** Engineering services for analysis, project definition, cost estimating, and general consultation regarding the 20-Year Facilities Plan.

**Status:** This year, work included, plant flow and load projection, CIP project prioritization and schedule analysis, and regulatory evaluation and analysis.

**Justification:** Projects were developed to varying levels of specificity in the 20-Year Facilities Plan and there is an on-going need for on-going technical and engineering resources to help in further refining projects and generally assisting with implementation of the plan. Another need addressed by this resource is assurance that the new improvements maintain the overall integrity of the plant in terms of treatment processes and hydraulics.

**Project Driver:** On-going goal to efficiently follow and accommodate the upgrades resulting from the 20-Year Facilities Plan.

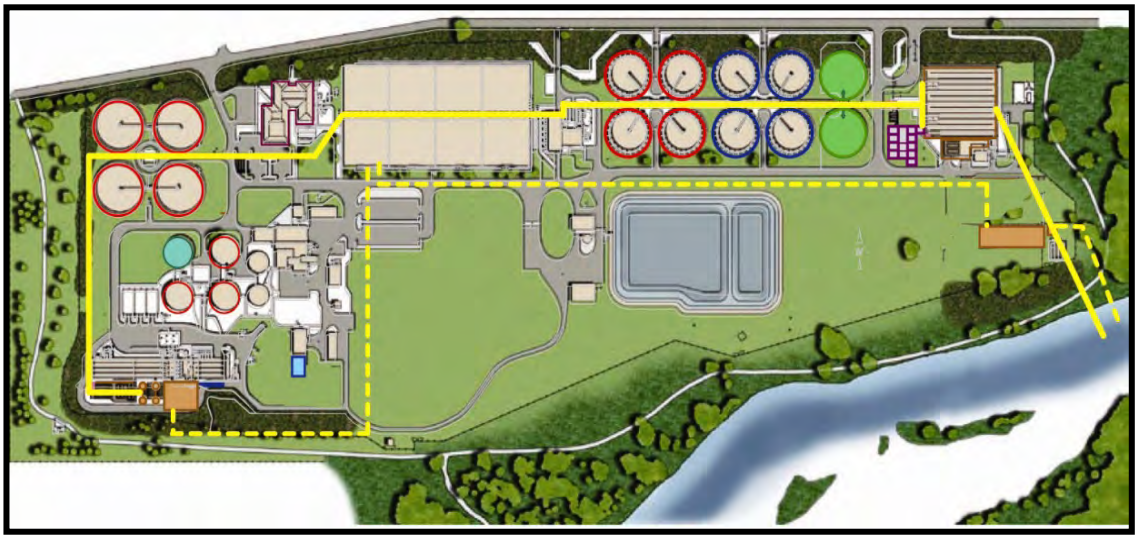
**Project Trigger:** On-going need.

**Estimated Project Cost:** $721,205

**Expected Cash Flow:** FY 06-07 = $50,000; FY 07-08 = $50,044; FY 08-09 = $25,467; FY 09-10 = $31,829; FY 10-11 = $69,419; FY 11-12 = $8,699; FY 12-13 = $32,437; FY 13-14 = $103,310; FY 14-15 = $70,000; FY 15-16 = $70,000; FY 16-17 = $70,000; FY 17-18 = $70,000; FY 18-19=$70,000

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other | $267,895 | $ 103,310 | $70,000 | $70,000 | $70,000 | $70,000 | $70,000 | $721,205 |
| **Total Cost** | **$267,895** | **$103,310** | **$70,000** | **$70,000** | **$70,000** | **$70,000** | **$70,000** | **$721,205** |

## COMPREHENSIVE FACILITIES PLAN



**Description:** The Comprehensive Facilities Plan effort will consider a 20-year planning horizon and will draw on the most recent plant data, regulatory landscape, and available technology in order to ensure the MWMC continues to meet future regulations, environmental standards, and customer needs.

**Status:** Planned for future implementation.

**Justification:** Plan future conveyance and treatment upgrades and/or expansions to meet regulatory requirements, preserve public health and regional water quality standards.

**Project Driver:** Planning for facilities required to ensure continuing compliance with regulations, and meet customer services expectations in a manner that that will achieve, sustain, and promote balance between community, environmental, and economic needs.

**Project Trigger:** Planning cycle initiated under the 2004 Facilities Plan and later modified to match evolving NPDES permit renewal schedule, now estimated for 2017.

**Project Type:** Facilities Plan

**Improvement SDC Eligibility:** 21%

**Estimated Project Cost:** $1,488,000

**Expected Cash Flow:** FY 16-17 = $726,000; FY 17-18 = $762,000

| Expenditure/Category: | Prior Years | 2013-14. Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other | $0 | $0 | $0 | $0 | $726,000 | $762,000 | $0 | $1,488,000 |
| **Total Cost** | **$0** | **$0** | **$0** | **$0** | **$726,000** | **$762,000** | **$0** | **$1,488,000** |

## INFLUENT PUMPING IMPROVEMENTS AND HEADWORKS EXPANSION

**Description:** This project provides influent pumping improvements and headworks expansion required to accommodate planning thru year 2025 peak wet weather flow of 277 mgd. Major components include: upgrades to the Willakenzie Pump Station, expansion of the headworks facilities with new screening and grit removal equipment, a new Influent Pump Station at the Water Pollution Control Facility (WPCF), improvements to the regional force main system at two off-site locations, and landscaping upgrades. Due to the time critical nature of this project, it was delivered using a Construction Manager/General Contractor (CM/GC) project delivery process that the Commission approved.

**Status:** Construction was completed by Wildish at the end of 2009 with some punch list items addressed in 2010. The remaining budgeted project money will help fund improvements to an influent gate system in 2014 and follow up inspection in 2015 of the pipe-liner (warranty work).

**Justification:** Improved influent pumping and headworks hydraulic capacity are required to increase total plant influent hydraulic capacity to 277 mgd (the forecasted year 2025 peak flow) and to meet redundancy requirements for pumping and screening.

**Project Driver:** Ability to provide treatment to peak flows and systematic elimination of sanitary sewer overflows by year 2010.

**Project Trigger:** Collection system computer model estimates the current wet weather peak flow to plant to be 264 mgd. The 2009 upgrades increased the headworks hydraulic capacity from 175 mgd to 277 mgd (peak flows).

**Project Type:** 100% Capacity

**Improvement SDC Eligibility:** 38%

**Estimated Project Cost**: $28,054,000

**Expected Cash Flow:** FY 05-06 = $16,348; FY 06-07 = $376,293; FY 07-08 = $2,132,064; FY 08-09 = $9,644,009; FY 09-10 = 14,950,783; FY 10-11 = $482,947; FY 11-12 = $135,300; FY 12-13 = $12,205; FY 13-14 = $96,000; FY 14-15 = $208,051

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $27,749,949 | $96,000 | $208,051 | $0 | $0 | $0 | $0 | $28,054,000 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$27,749,949** | **$96,000** | **$208,051** | **$0** | **$0** | **$0** | **$0** | **$28,054,000** |

## SODIUM HYPOCHLORITE CONVERSION

**Description:** Convert the chlorine gas system to sodium hypochlorite for the base and wet weather flows. Retain the existing chlorine contact basins for the disinfection process. Install new system with capability for high rate disinfection of primary effluent diversion using dosages of sodium hypochlorite into a new contact basin structure. The new contact basin has been split off of this project and was installed by a different MWMC project (Peak Flow Management Improvements), so the budget for that portion of the project has also been moved. Staff included upgrades of the existing recreational vehicle (RV) wastewater dump station to accommodate boat wastewater dumping in the construction bid documents for the sodium hypochlorite conversion project. The boat wastewater dump modification was designed and grant funded by the Oregon State Marine Board that the MWMC approved for implementation at the September 21, 2006, public meeting. The project budget below includes $80,000 allocated to the project for the boat wastewater dump that was reimbursed by the state agency after construction was completed.

**Status:** The converted disinfection system has been in operation since March of 2010. Update as of January 3, 2014: The contractor and product provider submitted recommendations in 2013 to change the sodium hypochlorite injection/mixing system that deviated from the construction contract documents and staff rejected the construction submittal. On December 23, 2013, the contractor requested information from staff and the contractor group hopes to develop an acceptable sodium hypochlorite injection/mixing system.

**Justification:** Liquid sodium hypochlorite and sodium bisulfite system will replace the existing chlorine and sulfur dioxide gas systems and increase the disinfection capacity from 175 mgd to 277 mgd (peak flows). The high rate disinfection of the primary effluent is a key component of the primary/secondary split treatment process, which is needed for meeting peak flow capacity needs of the wastewater treatment plant.

**Project Driver:** Operator and community safety issues and meeting flow capacity requirements for peak flows and year around final treatment/disinfection.

**Project Trigger:** Phasing with other related MWMC projects and need to meet peak flow treatment requirements.

**Project Type:** **5**0% Capacity; 50% Performance

**Improvement SDC Eligibility:** 25%

**Estimated Project Cost:** $6.8 million (reduced from past budgeting)

**Expected Cash Flow:** FY 06-07 = $1,353; FY 07-08 = $594,520; FY 08-09 = $3,319,347; FY 09-10 = $(102,501); FY 10-11 = $180,326; FY 11-12 = $385,289; FY 12-13 = $187,976; FY 13-14 = $170,000; FY 14-15 = $2,063,690

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $4,566,310 | $170,000 | $2,063,690 | $0 | $0 | $0 | $0 | $6,800,000 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$4,566,310** | **$170,000** | **$2,063,690** | **$0** | **$0** | **$0** | **$0** | **$6,800,000** |

## PRIMARY SLUDGE THICKENING

**Description:** Installation of primary sludge gravity thickening facilities with cover, upgrade primary sludge pumping and piping systems, install supernatant overflow pumping and piping, and thickened sludge piping/pumping to digesters. Also, this project helped with funding for the treatment plant landscape improvements required for project permits.

**Status:** As of January 10, 2014, the project team is collecting system performance data for evaluation and reporting to the DEQ related to the Clean Water State Revolving Fund (CWSRF) loan to the MWMC.

**Justification:** Optimize digester capacity and performance through provision of thicker sludge feed. Also to thicken sludge in dedicated tank outside of the primary clarifies to increase primary treatment capacity and avoid washout of solids during peak flow event.

**Project Driver:** Meet Class B biosolids requirements during peak two-week solids loading event with all three existing digesters in service.

**Project Trigger:** Availability of sludge thickening capacity is needed prior to adding a fourth digester.

**Project Type:** 100% Capacity

**Improvement SDC Eligibility:** 65%

**Estimated Project Cost**: $4,666,665 (Revised budget and the MWMC received a CWSRF loan for the primary sludge thickening project).

**Expected Cash Flow:** FY 07-08 = $9,730; FY 08-09 = $40,606 FY 09-10 = $501,876; FY 10-11 = $375,533; FY 11-12 = $2,029,935; FY 12-13 = $1,402,481; FY 13-14 = $270,000; FY 14-15 = $36,504

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $4,360,161 | $270,000 | $36,504 | $0 | $0 | $0 | $0 | $4,666,665 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$4,360,161** | **$270,000** | **$36,504** | **$0** | **$0** | **$0** | **$0** | **$4,666,665** |

## TERTIARY FILTRATION - PHASE 1

**Description:** The phased work program will install infrastructure/support facilities for 30 mgd of filters for tertiary filtration of secondary treated effluent. The first phase/project only installed filter system technology sufficient for 10 mgd of treatment. Future projects will install the remaining filter technology. Some of the project funding will support the plant-wide landscape upgrades.

**Status:** As of January 2014, the Tertiary Filtration (Phase 1) project has past the one-year construction warranty phase and the MWMC received DEQ acceptance on September 19, 2013 related to the clean water state revolving fund (CWSRF) loan. Some of the project budget will be supporting the plant-wide landscape agreement in 2013 and 2014.

**Justification:** Up to 10 mgd of filtration is required in the first phase to meet dry season mass limits, with the need for filtration increasing up to 30 mgd by the end of the planning period (year 2025). The 2004 MWMC Facilities Plan proposes phasing filters on an as-needed basis. Filtration provides high quality secondary effluent and potential Level 4 reuse water. Also, filtration is needed to assist with meeting wet season mass load requirements during peak flow events.

**Project Driver:** Performance reliability to meet the dry weather NPDES total suspended solids limits of less than 10 mg/L, reuse development, and compliance with effluent limits during peak flow conditions.

**Project Trigger:** NPDES permit compliance for TSS: Dry weather maximum month flow in excess of 49 mgd. Also, initially to provide higher quality effluent so that reuse options can be developed.

**Improvement SDC Eligibility:** 42%

**Estimated Project Cost**: Additional budget reduction from $11,500,000 (through June 30, 2013) to $9,618,774 (Note: Part of the project money will support the treatment plant landscape upgrades. Also, MWMC received a DEQ clean water state revolving fund (CWSRF) loan for the tertiary filtration project).

**Expected Cash Flow:** FY 07-08 = $236,186; FY 08-09 = $554,241; FY 09-10 = $647,844; FY 10-11 = $3,534,429; FY 11-12 = $4,097,956; FY 12-13 = $196,118; FY 13-14 = $152,000; FY 14-15 = $200,000 (design, construction, landscape, administration, etc.)

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $9,266,774 | $152,000 | $200,000 | $0 | $0 | $0 | $0 | $9,618,774 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$9,266,774** | **$152,000** | **$200,000** | **$0** | **$0** | **$0** | **$0** | **$9,618,774** |

## TERTIARY FILTRATION - PHASE 2

**Description:** The phased work program will install infrastructure/support facilities for 30 mgd of filters for tertiary filtration of secondary treated effluent. Phase 2 is planned to install filter system technology sufficient for another 10 mgd of treatment that will increase the total filtration capacity to 20 mgd. The Phase 3 project will install the remaining filtration technology to meet the capacity needs identified in the 2004 MWMC Facilities Plan.

**Status:** Tertiary Filtration (Phase 2) project is anticipated to start design development in fiscal year 17-18. The MWMC has an existing equipment agreement (ending October 2017) to allow for additional filtration equipment at a defined price.

**Justification:** The 2004 MWMC Facilities Plan proposes phasing filters on a phased work program. Filtration provides high quality secondary effluent to help meet permit requirements and potential Level 4 reuse water.

**Project Driver:** Performance reliability to meet the dry weather NPDES total suspended solids limits of less than 10 mg/L, reuse development, and compliance with effluent limits during peak flow conditions.

**Project Trigger:** NPDES permit compliance for total suspended solids (TSS): Dry weather maximum month flow in excess of 49 mgd. Also, provide higher quality effluent so that reuse can be developed.

**Improvement SDC Eligibility:** 41.6%

**Estimated Project Cost**: $10,500,000

**Expected Cash Flow:** FY 17-18 = $1,600,000; FY 18-19 = $4,600,000; FY 19-20 = $4,300,000

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $0 | $0 | $0 | $0 | $2,800,000 | $7,700,000 | $10,500,000 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$0** | **$0** | **$0** | **$0** | **$0** | **$2,800,000** | **$7,700,000** | **$10,500,000** |

## WPCF ONSITE LAGOON

**Description:** This project decommissions the existing biosolids lagoon at the Water Pollution Control Facility (WPCF) and adds solids handling facilities to manage biosolids during digester cleaning events.

**Status:** As of January 8, 2014: Planning stage. Staff plans to seek consultant services for the MWMC in 2014.

**Justification:** The lagoon was constructed in 1979 as a temporary biosolids storage facility while the Biosolids Management Facility was under construction. Since that time it has also served as a temporary storage lagoon to support digester cleaning operations. However, the lagoon no longer serves the purpose for which it was originally constructed and does not meet current design standards for wastewater lagoons.

**Project Driver:** The lagoon can no longer provide the biosolids capacity for which it was intended nor cost effectively continue to support digester cleaning operations. The lagoon is almost full of accumulated rainwater and residual solids. Therefore, the decision was made to decommission the lagoon and provide up to date facilities to support digester cleaning operations.

**Project Trigger:** The WPCF lagoon no longer functions as originally designed.

**Estimated Project Cost:** $5,000,000

**Improvement SDC Eligibility:** Not applicable

**Expected Cash Flow:** FY 13-14 = $295,000; FY 14-15 = $3,400,000; FY 15-16 = $1,305,000

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $295,000 | $4,705,000 | $0 | $0 | $0 | $0 | $5,000,000 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$0** | **$295,000** | **$4,705,000** | **$0** | **$0** | **$0** | **$0** | **$5,000,000** |

## THERMAL LOAD MITIGATION PRE-IMPLEMENTATION

**Description:** This project includes the phased recycled water planning effort and feasibility studies, study and planning of associated thermal load mitigation measures such as riparian shading and water quality trading credit activities, and permit negotiation and legal strategy related to the temperature TMDL and NPDES permit renewal.

**Status:** Currently in feasibility study and assessment of conceptual recycled water use projects and ongoing permit and TMDL compliance coordination.

**Justification:** Provides planning of infrastructure, projects, and collaborative agreements needed so that thermal loads are reduced on the Willamette River while providing additional environmental and community benefits.

**Project Driver:** Address NPDES permit thermal load compliance related to Willamette River total maximum daily loads (TMDL) temperature requirements.

**Project Trigger:** Compliance with Oregon DEQ TMDL settlement requirement.

**Project Type:** 100% Performance

**Improvement SDC Eligibility:** 26%

**Estimated Project Cost:** $750,000

**Expected Cash Flow:** FY 13-14 = $ 275,000; FY 14-15 =$200,000;
FY 15-16=$125,000; FY 16-17=$85,000; FY 17-18=$40,000; FY 18-19=$25,000

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other | $0 | $275,000 | $275,000 | $ 200,000 | $0 | $0 | $0 | $750,000 |
| **Total Cost** | **$0** | **$275,000** | **$275,000** | **$200,000** | **$0** | **$0** | **$0** | **$750,000** |

## THERMAL LOAD MITIGATION – IMPLEMENTATION 1

**Description:** This project implements thermal load mitigation projects strategized for regulatory compliance and additional environmental and community benefits. The projects may include recycled water use expansion at MWMC and/or community partner facilities, riparian shade projects (initially being implemented on Cedar Creek and Springfield Mill Race), and potentially water quality trading credit strategies through shade credit investments and collaborative partnerships for permit compliance.

The recycled water projects under consideration include: Class D storage and use at the Biocycle Farm and Beneficial Reuse Site and Class C industrial use at neighboring aggregate company facilities. Project components may include additional treatment, disinfection, pumping, pipeline, and distribution/irrigation systems.

**Status:** Riparian shade projects are currently being implemented under a 25-year contract agreement with The Freshwater Trust. Additional construction needs are being evaluated under the Thermal Load Mitigation: Pre-Implementation Project.

**Justification:** Implementation of the thermal load compliance strategy developed under pre-implementation planning phase.

**Project Driver:** Address NPDES permit thermal load compliance related to Willamette River total maximum daily loads (TMDL) temperature requirements.

**Project Trigger:** Compliance with Oregon DEQ TMDL settlement requirement

**Project Type:** 100% Performance

**Improvement SDC Eligibility:** 26%

**Estimated Project Cost:** $10,382,000

**Expected Cash Flow:** FY 13-14 = $184,000; FY 14-15 =$320,000; FY 15-16 = $50,000; FY 16-17= $650,000; FY 17-18=$4,500,000; FY 18-19=$4,678,000

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $184,000 | $433,000 | $100,000 | $484,000 | $4,600,000 | $4,581,000 | $10,382,000 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$0** | **$184,000** | **$433,000** | **$100,000** | **$484,000** | **$4,600,000** | **$4,581,000** | **$10,382,000** |

## THERMAL LOAD MITIGATION – IMPLEMENTATION 2

**Description:** This project anticipates future expansion of recycled water uses, riparian restoration, and/or other thermal load and watershed management strategies for regulatory compliance and environmental and community benefits. These projects are subject to the outcomes of the regulatory scenarios and goals associated with changing conditions of TMDL implementation, community and climatic factors, and emerging water quality/quantity needs.

**Status:** To be planned.

**Justification:** Ongoing fulfillment of thermal load mitigation strategic plans.

**Project Driver:** Address NPDES permit thermal load compliance related to Willamette River total maximum daily loads (TMDL) temperature requirements, other emerging water quality regulatory drivers, and community needs.

**Project Trigger:** Compliance with NPDES discharge permit.

**Project Type:** 100% Performance

**Improvement SDC Eligibility:** 26%

**Estimated Project Cost:** $2,000,000 (plus up to $15,000,000 anticipated project need in the out-years FY 19-20 and beyond for a total project cost of $17,000,000).

**Expected Cash Flow:** FY 18-19 = $2,000,000

| Expenditure/Category: | Prior Years | 2013-14 Est. Act | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $0 | $0 | $0 | $0 | $0 | $2,000,000 | $2,000,000 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$2,000,000** | **$2,000,000** |

## INCREASE DIGESTION CAPACITY

**Description:** Installation of a fourth digester for expanded production of Class B biosolids. This project also included supporting the plant-wide landscaping construction work that was completed in December of 2012.

**Status:** Update as of January 29, 2014, the project to Increase Digestion Capacity is anticipated to start the design development phase by 2015. The MWMC has three existing digesters.

**Justification:** Continue to meet the requirements for Class B digestion with the ability to take one digester out of service for cleaning and/or repairs.

**Project Driver:** Addresses anaerobic digestion capacity needs. The 2004 MWMC Facilities Plan considers an option to upgrade the existing digestion process to meet Class A biosolids standards as a strategy to secure a wider range of beneficial end-use options and increase program flexibility. Since that time, the MWMC has effectively expanded beneficial application of Class B biosolids with expansion of the Biocycle Poplar Farm, and through working with private sector end-users.

**Project Trigger:** Recent observations indicate that expanded digestion facilities will not be needed before 2017 or perhaps later. This project will take a few years to design and construct. The project trigger depends on projected loading and other factors including the effectiveness of new primary sludge thickening process, and digester cleaning protocols and schedules.

**Improvement SDC Eligibility:** 54.3%

**Estimated Project Cost**: $9,353,170 (The estimated cost was adjusted.)

**Expected Cash Flow:** FY 11-12 = $139,028; FY 12-13 = $44,142; FY 13-14 = $0; FY 14-15 = $620,000
FY 15-16 = $1,200,000; FY 16-17 = 3,000,000; FY 17-18 = 4,100,000;
FY 18-19 = 250,000

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $183,170 | $0 | $2,800,000 | $6,370,000 | $0 | $0 | $0 | $9,353,170 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$183,170** | **$0** | **$2,800,000** | **$6,370,000** | **$0** | **$0** | **$0** | **$9,353,170** |

## AERATION BASIN IMPROVEMENTS – PHASE 2

**Description:** Aeration Basin (Phase 2): Add step feed, anoxic selectors, and fine bubble diffusers to 4 of the 8 cells of the aeration basins and make hydraulic improvements. This project was originally the North Aeration Basin Improvements project; however the Phase 1 study/design phase showed that improvements to the 4 eastern most basins as a first phase would allow for better hydraulics and more operational flexibility.

**Status:** The Aeration Basin (Phase 2) project is anticipated to start design development in 2016.

**Justification:** Increase the dry weather aeration basin treatment capacity with respect to ammonia (with nitrification) and increase the wet weather treatment capacity.

**Project Driver:** National Pollution Discharge Elimination System (NPDES) permit includes ammonia limit requiring nitrification in dry weather and expansion of wet weather capacity to treat wet weather flows to meet NPDES permit monthly and weekly suspended solids limits.

**Project Trigger:** Address water quality requirements (need to evaluate the requirements based on the MWMC NPDES permit renewal).

**Project Type:** 50% Capacity; 50%Performance

**Improvement SDC Eligibility:** 58.7%

**Estimated Project Cost:** $13,200,000

**Expected Cash Flow:** FY 16-17 = $1,600,000; FY 17-18 = $6,000,000; FY 18-19 = $5,600,000

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $0 | $0 | $0 | $2,600,000 | $5,300,000 | $5,300,000 | $13,200,000 |
| Other | $ 0 | 0 | 0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$0** | **$0** | **$0** | **$0** | **$2,600,000** | **$5,300,000** | **$5,300,000** | **$13,200,000** |

## OPERATIONS & MAINTENANCE BUILDING IMPROVEMENTS

Operations Building

Maintenance Building Aerial

Maintenance Building

ISC Modular Building

**Description:** Update and expand the Maintenance Building and the Operations Building at the Water Pollution Control Facility (WPCF). Construct new building to replace the existing temporary Industrial Source Control (ISC) modular office building.

**Status:** This MWMC project sheet was created as a placeholder in preparation to further develop this project. In 2013, a consultant study provided a preliminary analysis. Staff needs to further develop the project scope of work, project budget, and anticipated schedule for each phase of work (planning/design/bidding/construction/warranty).

**Justification:** The original design for the Operations Building at the WPCF was completed in 1978. Since that time, use of the operations and maintenance (O&M) buildings have changed substantially due to modifications in the workforce, advancing technology, regulatory changes, and an increase in staff from 51 to 78 full-time-equivalents (FTE). The temporary ISC modular building was installed in 1996 and is in poor condition.

**Project Driver:** The MWMC continues to implement improvements identified in the 2004 Facilities Plan. The need to update and/or upgrade the existing O&M facilities is driven by changes in the wastewater/environmental business since the original MWMC construction that occurred in the early 1980's.

**Project Trigger:** As needed, due to expansion and changes related to the MWMC facilities.

**Estimated Project Cost:** To be determined during the project scoping phase (planning estimates as follows)

- Maintenance Building improvements: $2.5 million
- Admin/Operations Building improvements: $1.0 million
- Modular Building replacement: $2.3 million

**Improvement SDC Eligibility:** To be determined

**Expected Cash Flow:** FY 14-15 = $1,000,000; FY 15-16 = $300,000; FY 16-17 = $2,500,000; FY 17-18 = $2,000,000 (estimated cash flow)

| Expenditure/Category: | Prior Years | 2013-14 Est. Act. | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Total |
|---|---|---|---|---|---|---|---|---|
| Design/Construction | $0 | $0 | $1,300,000 | $0 | $4,500,000 | $0 | $0 | $5,800,000 |
| Other | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Cost** | **$0** | **$0** | **$1,300,000** | **$0** | **$4,500,000** | **$0** | **$0** | **$5,800,000** |

| AGENDA ITEM SUMMARY | | |
|---|---|---|
| | **Meeting Date:** | 5/5/2014 |
| | **Meeting Type:** | Regular Meeting |
| | **Staff Contact/Dept.:** | Jeff Towery/CMO |
| | **Staff Phone No:** | 541.726.3700 |
| | **Estimated Time:** | 10 Minutes |
| **S P R I N G F I E L D C I T Y C O U N C I L** | **Council Goals:** | Encourage Economic Development and Revitalization through Community Partnerships |

**ITEM TITLE:**

COUNCIL GOAL SETTING PROJECTS UPDATE

**ACTION REQUESTED:**

None. This item is informational only.

**ISSUE STATEMENT:**

During their Goal Setting Session, Council chose Glenwood development as their focus for the coming year.

**ATTACHMENTS:**

None

**DISCUSSION/ FINANCIAL IMPACT:**

Council has chosen to focus on Glenwood development in the coming year and asked to receive regular updates on projects in that area. Staff will provide an update on current projects in Glenwood.