



**LAKE OSWEGO REDEVELOPMENT AGENCY MEETING
MINUTES
January 2, 2018**

14. CALL TO ORDER

Chair Studebaker called the Lake Oswego Redevelopment Agency (LORA) meeting to order at 8:43 p.m., following the regular City Council meeting on January 2, 2018, in the City Council Chambers, 380 A Avenue.

Present: Chair Studebaker and Board Members Buck, Manz, LaMotte, Gudman, Kohlhoff, and O'Neill

Staff Present: Scott Lazenby, Executive Director; David Powell, LORA Counsel; Anne-Marie Simpson, Recording Secretary; Jordan Wheeler, Deputy City Manager

Others Present: Vanessa Sturgeon, Sturgeon Development Partners

15. BOARD BUSINESS

15.1 Contract Award with Howard S. Wright for Construction Management and General Contractor Services (CM/GC) for the City Hall.

Board Report

Attachment 1 to Board Report

Attachment 2 to Board Report

Mr. Wheeler noted that Board authorization was requested to award the contract for Construction Manager and General Contractor (CM/GC) services for the City Hall (Civic Center) project to Howard S. Wright. The proposed CM/GC would be the final cornerstone of the project team, as outlined in the Redevelopment Agency Report. He described the role of the CM/GC early in the project, including pre-construction services and participation in the design process. The CM/GC will work together with the other project team members to establish a Guaranteed Maximum Price (GMP) for the construction, this being the overall construction cost ceiling for the project; it includes the CM/GC's fee, the overall cost of work, and the contractor's contingency. Briefly reviewing the selection process, he noted that the Howard S. Wright proposal had been chosen of the three submissions for the project. With the Board's approval of the contract award, LORA would be committing to payment of \$50,000 to Howard S. Wright for the pre-construction services

portion of the project. Once the design is completed, the GMP would be negotiated and set, with the contract amended to reflect the GMP accordingly (Report, p 2). Efforts to establish the GMP are already underway, and the team will be presenting the estimate to the Board in early February, he noted. Staff recommends that the Board authorize the Executive Director to execute the contract with Howard S. Wright as requested in the Report.

Chair Studebaker noted that he wanted Board members to be aware that Troy Dickson, Senior Vice President of Howard S. Wright, is his next-door neighbor. He had only recently learned of this connection and of the company's bid on the project, and indicated that his only relationship with Mr. Dickson was as a neighborly acquaintance.

Board Member Gudman moved to authorize the LORA Executive Director to execute a contract with Balfour Beatty Construction, LLC dba Howard S. Wright for Construction Management and General Contractor (CM/GC) services for the new City Hall (Civic Center) project. Board Member LaMotte seconded the motion.

A voice vote was held, and the motion passed, with Chair Studebaker and Board Members Buck, Manz, LaMotte, Gudman, Kohlhoff, and O'Neill voting 'aye'. (7-0)

16. PUBLIC HEARING

16.1 LORA Resolution 18-02, Authorizing an Agreement with Sturgeon Development Partners, LLC for the Disposition and Development of the North Anchor Properties

Report and Attachment

Mr. Powell announced the public hearing on the proposed sale of the North Anchor properties pursuant to the Disposition and Development Agreement provided as Exhibit A to the LORA Resolution before the Board. After reviewing the time limits for testimony as shown in the agenda, he asked if Board members wished to make any declarations with relation to conflicts of interest; none was heard.

Mr. Lazenby noted that the hearing represented a major step in the long-envisioned North Anchor Project. He described the extended process of acquiring the necessary properties, detailed in the staff report. With the properties now assembled for construction of a mixed-use development, the Project will provide a complementary anchor at the north end of 1st Street for the development on the south end. He touched on the community outreach process and the issuance of a Request for Proposals guided by the input received. The proposal from Sturgeon Development Partners addressed key elements, as discussed in the report. The Agreement as negotiated has two primary elements: sale of the property, currently owned by LORA, and development of the property. He highlighted provisions of the sale portion, including appraisal information, development fee contributions by LORA, and property tax revenue projections (Report, p 2). Certain conditions of importance to LORA, as the urban renewal agency, were included. Describing a number of public benefits to the city, he emphasized the intent of urban renewal: to see investments of this kind that stimulate other investments in town. He outlined aspects of the development portion of the Agreement, including required components. Board members were referred to the staff report for additional information. Finally, he noted the extensive efforts made

by Mr. Powell to ensure that the Agreement would protect the city's interest while allowing the private partner to build a good development.

Mr. Powell summarized ways in which the Agreement works to further the intent of the redevelopment agency, as well as to protect its interests. Numerous provisions of the Agreement were intended to ensure that the purposes of the redevelopment plan were supported by the design development drawings that would go through the land use process. Included were conditions and prerequisites to closing the sale. Various covenants in the Agreement afforded another form of protection, as did other provisions. He reminded the Board of an adjustment to the Agreement that Staff would recommend with regard to indemnity provisions if a motion was offered following the hearing.

Testimony

Chair Studebaker asked if anyone wished to testify on the matter.

Charles Ormsby, 170 SW Birdshill Road, Portland 97219, conveyed his concerns about the turning radius for TriMet buses, as well school buses, moving from State Street to B Avenue. As congestion on B Avenue increases, he has also identified concerns about access for fire and emergency response vehicles through the area. As the North Anchor Project is now configured, he does not believe that first responders have been considered. To ensure timely response to emergencies in his neighborhood and others, he requested that this be addressed.

Board Member Manz moved to approve LORA Resolution 18-02. Board Member Buck seconded the motion. In clarifying discussion, it was confirmed that the motion was to be re-stated as follows: **Board Member Manz moved to approve LORA Resolution 18-02, adding the words costs (including attorney fees) to the lists of items for which Sturgeon Development Partners is to indemnify LORA under Sections 6.4, 6.11.4, 4.1.1.1 and 4.2 of the Disposition and Development Agreement. Board Member Buck seconded the motion.**

Member Buck expressed gratification at involvement planned by Sturgeon Development Partners after completion of the project. He reiterated his regret that the opportunity for an affordable housing component had been missed. Otherwise, he regarded this as a good project.

Board Member LaMotte raised the question of the seven additional points identified earlier by the Board as requested refinements to the existing conceptual drawings. In brief discussion, it was clarified that he wished to see those refinements, originally identified in the October study session, reflected in the final plans. **Ms. Sturgeon** confirmed her awareness of these refinements and advised that they were not problematic. In response to **Board Member Kohlhoff's** follow-up questions about documentation of these items, **Mr. Lazenby** clarified that they would be addressed during the final planning stage of the project, rather than in the Agreement now before the Board. **Ms. Sturgeon** indicated that this was agreeable to her.

Board Member Gudman requested, in light of the Agreement, the updated net amount of inflow/outflow as compared to the \$700,000 budgeted in May. **Mr. Lazenby** indicated that it would be approximately \$1.4 million to the positive for the City.

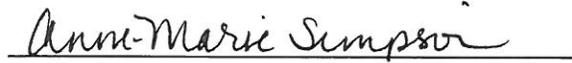
In a clarifying note on Sturgeon Development Partners' involvement, **Mr. Powell** advised the Board that the terms of the agreement allow transfer to a partnership limited liability company or joint venture of which Sturgeon or their affiliate are a general partner, managing member or venture. Once construction of the Project was completed, there would be no restriction under the Disposition and Development Agreement for transfers.

A roll call vote was held, and the motion passed, with Chair Studebaker and Board Members Buck, Manz, LaMotte, Gudman, Kohlhoff, and O'Neill voting 'aye'. (7-0)

17. ADJOURNMENT

Chair Studebaker adjourned the LORA Board meeting at 9:10 p.m.

Respectfully submitted,


Anne-Marie Simpson, Recording Secretary

APPROVED BY THE LAKE OSWEGO
REDEVELOPMENT AGENCY
ON April 17, 2018


Kent Studebaker, Chair