August 1, 2024
6:00 P.M.
Medford City Hall, Council Chambers
411 W. 8th Street, Room 300
www.medfordoregon.gov

The public may view live and recorded City Council meetings through our website HERE.

10. Roll Call

20. Recognitions, Community Group Reports
   20.1 Employee of the Quarter

30. Oral Requests and Communications from the Audience
   The City Council sets aside 30 minutes for in-person public comments. Comments are limited to two minutes per individual, group or organization. Please complete a public comment form before speaking.

   The City Council encourages written comments. Please submit your comments by regular mail to City Council, 411 W. 8th Street or by email to PublicComments@cityofmedford.org. Comments must be received by noon on the date of the meeting to be noted in the record. Please include the date of the Council meeting with your comments.

40. Approval or Correction of the July 18, 2024 Meeting Minutes

50. Consent Calendar
   50.1 COUNCIL BILL 2024-70
       AN ORDINANCE approving and authorizing Amendment No. 2 to the option and lease agreement with AMWOHI MPL Tower Holdings LLC for operation of a cell tower in Bear Creek Park through April 1, 2031, with three 10-year extension options.

   50.2 COUNCIL BILL 2024-71
       AN ORDINANCE approving and authorizing execution of a contract in an amount not to exceed $500,000 with Carollo Engineering for the purpose of providing Owner’s Advisory (OA) services to the City in conjunction with the Medford Regional Water Reclamation Facility (RWRF) expansion project.
50.3 **COUNCIL BILL 2024-72**
AN ORDINANCE approving and authorizing payment of Street System Development Charge (SDC) credit in the amount of $600,479.02 to Crystal Springs Development Group Joint Venture.

60. **Items Removed from the Consent Calendar**

70. **Ordinances and Resolutions**

70.1 **COUNCIL BILL 2024-73**
AN ORDINANCE amending sections 3.817, 3.838, 3.873, and 3.892 of the Medford Municipal Code (MMC), pertaining to the reduction of City Systems Development Charges assessed for construction of Accessory Dwelling Units.

70.2 **COUNCIL BILL 2024-74**
AN ORDINANCE approving and authorizing selection of the City of Medford’s next City Manager, Robert Field, and adopting an Employment Agreement with Mr. Field, commencing September 16, 2024.

80. **Public Hearings**

90. **Council Business**

90.1 Proclamations Issued

90.2 **Committee Reports and Communications**

a. Council Officers Update

b. Committee Reports

100. **City Manager and Staff Reports**

110. **Adjournment**
COUNCIL BILL 2024-70
AN ORDINANCE approving and authorizing Amendment No. 2 to the option and lease agreement with AMWOHI MPL Tower Holdings LLC for operation of a cell tower in Bear Creek Park through April 1, 2031, with three 10-year extension options.

SUMMARY AND BACKGROUND
The Parks, Recreation and Facilities Department requests Council approval of Amendment No. 2 to the option and lease agreement with AMWOHI MPL Tower Holdings LLC for operation of a cell tower in Bear Creek Park through April 1, 2031, with three 10-year extension options.

PREVIOUS COUNCIL ACTIONS
On November 4, 2005, Council approved Council Bill 2005-249, approving execution of a lease agreement with New Cingular Wireless PCS, and authorizing installation and operation of a cell tower on City property in Bear Creek Park.

On February 18, 2016, Council approved Council Bill 2016-22, approving Amendment No. 1 to the 2005 lease agreement authorizing an additional 358 square feet of ground space to the existing cell tower facility in Bear Creek Park.

ANALYSIS
In November 2005, Council approved a 25-year ground lease with an AT&T-affiliated company to rent 1,200 square feet of parkland in Bear Creek Park at the terminus of Alba Drive, adjacent to Interstate 5, to install, operate, and maintain a cell tower through April 1, 2011, with four five-year extension options through April 1, 2031.

In November 2015, the lease was amended to allow an additional 358 square feet of operational space, to modify the landscape buffer, and to adjust the monthly rent. Amendment No. 1 also clarified the tenant is responsible for grounds maintenance inside the fenced area.

At the request of Delaware-based AMWOHI MPL Tower Holdings LLC, Council is now asked to approve a 10-year lease extension through April 1, 2041 with two additional 10-year extension options, and an updated monthly rental fee schedule tied to a 3% annual inflationary adjustment.

The current monthly rental fee is $2,118.65, or $25,423.80 annually. Based on the annual 3% increase, the monthly amount escalates to $6,324.65 ($75,895.81 annually) in 2061 if the tenant exercises the extension options.
The financial terms are similar to cell tower agreements involving parkland in other Oregon cities:

<table>
<thead>
<tr>
<th>City</th>
<th>Monthly Rental Fee</th>
<th>Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bend*</td>
<td>$3,041.75</td>
<td>9% every 5 years</td>
</tr>
<tr>
<td>Beaverton</td>
<td>$1,144.00</td>
<td>3% annually</td>
</tr>
<tr>
<td>Medford</td>
<td>$2,118.65</td>
<td>3% annually</td>
</tr>
</tbody>
</table>

* Bend and Verizon are negotiating a lower monthly rental fee. Verizon requested $2,100/month.

The area the cell tower occupies is on the western edge of Quality Fence Fields, the home of Medford American Little League and the Junior Giants baseball/softball program. There are neither residential neighbors nor park expansion plans in that area of Bear Creek Park.

**COUNCIL GOALS**

- **Council Goal and Objective:** Public Infrastructure
- **Strategy:** Plan, Fund, partner and develop park and recreation facilities that meet the needs of a growing population and stimulate the local economy.
- **Deliverable:** N/A

**FINANCIAL AND/OR RESOURCE CONSIDERATIONS**

City to receive over $26,000 annually starting in 2025 in Fund 100, General Fund.

**TIMING ISSUES**

None

**COUNCIL OPTIONS**

- Approve the ordinance as presented.
- Modify the ordinance as presented.
- Deny the ordinance as presented and provide direction to staff.

**STAFF RECOMMENDATION**

Staff recommends approval of the ordinance.

**SUGGESTED MOTION**

I move to approve the ordinance as presented.

**EXHIBITS**

- Ordinance
- Alba Drive Cell Tower Amendment #2
AN ORDINANCE approving and authorizing Amendment No. 2 to the option and lease agreement with AMWOHI MPL Tower Holdings LLC for operation of a cell tower in Bear Creek Park through April 1, 2031, with three 10-year extension options.

WHEREAS, in November 2005, Council approved a 25-year ground lease with an AT&T-affiliated company to rent 1,200 square feet of parkland in Bear Creek Park at the terminus of Alba Drive, adjacent to Interstate 5, to install, operate, and maintain a cell tower through April 1, 2011, with four five-year extension options through April 1, 2031;

WHEREAS, in November 2015, the lease was amended to allow an additional 358 square feet of operational space, to modify the landscape buffer, and to adjust the monthly rent. Amendment No. 1 also clarified the tenant is responsible for grounds maintenance inside the fenced area; and

WHEREAS, at the request of AMWOHI MPL Tower Holdings LLC, Council is asked to approve a 10-year lease extension through April 1, 2041 with two additional 10-year extension options, and an updated monthly rental fee schedule tied to a 3% annual inflationary adjustment; now, therefore,

THE CITY OF MEDFORD ORDAINS AS FOLLOWS:

The City Council hereby approves and authorizes Amendment No. 2 to the option and lease agreement with AMWOHI MPL Tower Holdings LLC for operation of a cell tower in Bear Creek Park through April 1, 2031, with three 10-year extension options. The lease documents are on file in the City Recorder’s office.

PASSED by the Council and signed by me in authentication of its passage this 1st day of August, 2024.

ATTEST: ____________________________   ____________________________
City Recorder                           Mayor Randy Sparacino

APPROVED August 1, 2024

__________________________
Mayor Randy Sparacino
SECOND AMENDMENT TO
OPTION AND LEASE AGREEMENT

THIS SECOND AMENDMENT TO OPTION AND LEASE AGREEMENT (this “Second Amendment”) is dated and made effective as of the date of the last party to sign (“Effective Date”), by and between the CITY OF MEDFORD, an Oregon municipal corporation (“Landlord”), with a mailing address of 411 West 8th Street, Medford, Oregon 97501, and AMWOHI MPL TOWER HOLDINGS LLC, a Delaware limited liability company, by and through CCATT LLC, a Delaware limited liability company, its attorney in fact (“Tenant”), with a mailing address of 2000 Corporate Drive, Canonsburg, Pennsylvania 15317.

RECITALS

WHEREAS, Landlord and New Cingular Wireless PCS, LLC, a Delaware limited liability company (“Original Tenant”) entered into an Option and Lease Agreement dated November 4, 2005 (the “Original Agreement”), a memorandum of which was recorded in the official records of Jackson County, Oregon (the “Official Records”) on November 29, 2005 at Document No. 2005-072288, whereby Original Tenant leased certain real property, together with access and utility easements, located in Jackson County, Oregon from Landlord (the “Premises”), all located within certain real property owned by Landlord (the “Property”); and

WHEREAS, the Original Agreement was amended by that certain First Amendment to Option and Lease Agreement dated March 8, 2016 (the “First Amendment”) (hereinafter the Original Agreement and all subsequent amendments are collectively referred to as the “Agreement”); and

WHEREAS, AMWOHI MPL Tower Holdings LLC is currently the tenant under the Agreement as ultimate successor in interest to Original Tenant; and

WHEREAS, the Premises may be used for the purpose of constructing, maintaining and operating a communications facility, including tower structures, equipment shelters, cabinets, meter boards, utilities, antennas, equipment, any related improvements and structures and uses incidental thereto; and

WHEREAS, the Agreement had an initial term that commenced on April 1, 2006 and expired on April 1, 2011. The Agreement provides for four (4) extensions of five (5) years each (each an “Extension Term”), the first three (3) of which were exercised by Tenant. According to the Agreement, the final Extension Term expires on April 1, 2031; and

WHEREAS, Landlord and Tenant desire to amend the Agreement on the terms and conditions contained herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Landlord and Tenant agree as follows:

1. Recitals; Defined Terms. The parties acknowledge the accuracy of the foregoing recitals. Any capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

2. Term. Upon expiration of the final five (5) year Extension Term on April 1, 2031, the Agreement will automatically renew for three (3) additional ten (10) year terms (each an “Extension Term”), upon the same terms and conditions unless Tenant notifies Landlord in writing of Tenant’s intention not to renew this Agreement at least sixty (60) days prior to the expiration of the then-current Extension Term, with the final Extension Term expiring on April 1, 2061. Section 3(c) of the Original Agreement is hereby amended to replace each use of the phrase “fourth (4th) extended term” with “final Extension Term”.

Site Name: BARNETT & I-5
Business Unit #: 856520

Page 6
3. **Rent and Rent Escalation.** Landlord and Tenant acknowledge that on April 1, 2024, the monthly Rent is Two Thousand One Hundred Eighteen and 65/100 Dollars ($2,118.65). Commencing on April 1, 2025, and every year thereafter (each an “Adjustment Date”), the monthly Rent shall increase by an amount equal to three percent (3%) of the monthly Rent in effect for the month immediately preceding the Adjustment Date in accordance with the schedule set forth in Exhibit A attached hereto. Such Rent escalations shall replace any Rent escalations currently in the Agreement scheduled to occur on or after April 1, 2025.

4. **Notices.** Landlord’s notice addresses as stated in the Agreement is amended as follows:

   Landlord: City of Medford  
   411 West 8th Street  
   Medford, OR 97501

5. **IRS Form W-9.** Landlord agrees to provide Tenant with a completed IRS Form W-9, or its equivalent, upon execution of this Second Amendment and at such other times as may be reasonably requested by Tenant. In the event the Premises is transferred, the succeeding landlord shall have a duty at the time of such transfer to provide Tenant with a completed IRS Form W-9, or its equivalent, and other related paperwork to effect a transfer in the rent to the new landlord. Landlord’s failure to provide the IRS Form W-9 within thirty (30) days after Tenant’s request shall be considered a default and Tenant may take any reasonable action necessary to comply with IRS regulations including, but not limited to, withholding applicable taxes from rent payments.

6. **Ratification.**

   a) Landlord and Tenant agree that Tenant is the current tenant under the Agreement, the Agreement is in full force and effect, as amended herein, and the Agreement contains the entire agreement between Landlord and Tenant with respect to the Premises.

   b) Landlord agrees that any and all actions or inactions that have occurred or should have occurred prior to the date of this Second Amendment are approved and ratified and that no breaches or defaults exist as of the date of this Second Amendment.

   c) Landlord represents and warrants that Landlord is duly authorized and has the full power, right and authority to enter into this Second Amendment and to perform all of its obligations under the Agreement as amended.

   d) Landlord agrees to provide such further assurances as may be requested to carry out and evidence the full intent of the parties under the Agreement as amended hereby, and ensure Tenant’s continuous and uninterrupted use, possession and quiet enjoyment of the Premises under the Agreement as amended hereby.

   e) Landlord acknowledges that the Premises, as defined, shall include any portion of the Property on which communications facilities or other Tenant improvements exist on the date of this Second Amendment.

7. **Remainder of Agreement Unaffected.** The parties hereto acknowledge that except as expressly modified hereby, the Agreement remains unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms of this Second Amendment and the Agreement, the terms of this Second Amendment shall control. The terms, covenants and provisions of this Second Amendment shall extend to
and be binding upon the respective executors, administrators, heirs, successors and assigns of Landlord and Tenant. This Second Amendment may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

8. **Recordation.** Tenant, at its cost and expense, shall have the right to record a memorandum of this Second Amendment (“Memorandum”) in the Official Records at any time following the execution of this Second Amendment by all parties hereto.

9. **Electronic Signatures.** Each party agrees that the electronic signatures of the parties included in this Second Amendment are intended to authenticate this writing and to have the same force and effect as manual signatures. As used herein, “electronic signature” means any electronic sound, symbol, or process attached to or logically associated with this Second Amendment and executed and adopted by a party with the intent to sign this Second Amendment, including facsimile or email electronic signatures.

[Execution Pages Follow]
This Second Amendment is executed by Landlord as of the date written below.

LANDLORD:
CITY OF MEDFORD,
an Oregon municipal corporation

By: _______________________________
Name: ____________________________
Title: _____________________________
Date: ______________________________

[Tenant Execution Page Follows]
This Second Amendment is executed by Tenant as of the date written below.

**TENANT:**
AMWOHI MPL TOWER HOLDINGS LLC,
a Delaware limited liability company

By: CCATT LLC,
a Delaware limited liability company
Its: Attorney In Fact

By: _____________________________
Name: ___________________________
Title: ___________________________
Date: ___________________________
## Exhibit A
### Rent Schedule

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<tr>
<td>2061</td>
<td>$6,324.65</td>
<td>$75,895.81</td>
</tr>
</tbody>
</table>
MEMORANDUM OF AMENDMENT TO
OPTION AND LEASE AGREEMENT

This Memorandum of Amendment to Option and Lease Agreement (“Memorandum”) is dated and made effective as of the date of the last party to sign, by and between the CITY OF MEDFORD, an Oregon municipal corporation (“Landlord”), with a mailing address of 411 West 8th Street, Medford, Oregon 97501, and AMWOHI MPL TOWER HOLDINGS LLC, a Delaware limited liability company, by and through CCATT LLC, a Delaware limited liability company, its attorney in fact (“Tenant”), with a mailing address of 2000 Corporate Drive, Canonsburg, Pennsylvania 15317.

1. Landlord and New Cingular Wireless PCS, LLC, a Delaware limited liability company (“Original Tenant”) entered into an Option and Lease Agreement dated November 4, 2005 (the “Original Agreement”), a memorandum of which was recorded in the official records of Jackson County, Oregon on November 29, 2005 at Document No. 2005-072288, whereby Original Tenant leased certain real property, together with access and utility easements, located in Jackson County, Oregon from Landlord (the “Premises”), all located within certain real property owned by Landlord (the “Property”). The Property, of which the Premises is a part, is more particularly described in Exhibit A attached hereto.

2. The Original Agreement was amended by that certain First Amendment to Option and Lease Agreement dated March 8, 2016 (the “First Amendment”) (hereinafter the Original Agreement and all subsequent amendments are collectively referred to as the “Agreement”).

3. AMWOHI MPL Tower Holdings LLC is currently the tenant under the Agreement as ultimate successor in interest to Original Tenant.

4. The Premises may be used for the purpose of constructing, maintaining and operating a communications facility, including tower structures, equipment shelters, cabinets, meter boards, utilities, antennas, equipment, any related improvements and structures and uses incidental thereto.

5. The Agreement had an initial term that commenced on April 1, 2006 and expired on April 1, 2011. The Agreement provides for four (4) extensions of five (5) years each (each an “Extension Term”), the first three (3) of which have been exercised by Tenant. According to the Agreement, the final Extension Term expires on April 1, 2031.
6. Landlord and Tenant have entered into a Second Amendment to Option and Lease Agreement (the “Second Amendment”), of which this is a Memorandum, providing for three (3) additional Extension Terms of ten (10) years each. Pursuant to the Second Amendment, the final Extension Term expires on April 1, 2061.

7. In the event of any inconsistency between this Memorandum and the Second Amendment, the Second Amendment shall control.

8. The terms, covenants and provisions of the Second Amendment shall extend to and be binding upon the respective executors, administrators, heirs, successors and assigns of Landlord and Tenant.

9. This Memorandum does not contain the social security number of any person.

10. A copy of the Second Amendment is on file with Landlord and Tenant.

[Execution Pages Follow]
IN WITNESS WHEREOF, hereunto and to duplicates hereof, Landlord has caused this Memorandum to be duly executed on the date first written below.

LANDLORD:
CITY OF MEDFORD,
an Oregon municipal corporation

By: ______________________________
Name: __________________________
Title: __________________________
Date: __________________________

ALL PURPOSE ACKNOWLEDGMENT

STATE OF _________________  }
COUNTY OF _________________  }

On this ___ day of _____________, 20___ before me ________________________ (notary public), personally appeared __________________________ (print name), who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _________________ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________ (notary public)

(NOTARY SEAL)

[Tenant Execution Page Follows]
IN WITNESS WHEREOF, hereunto and to duplicates hereof, Tenant has caused this Memorandum to be duly executed on the date first written below.

TENANT:
AMWOHI MPL TOWER HOLDINGS LLC,
a Delaware limited liability company

By: CCATT LLC,
a Delaware limited liability company
Its: Attorney in Fact

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________

State of Texas
County of __________

Before me, __________________________, a Notary Public, on this day personally appeared __________________________ of CCATT LLC, a Delaware limited liability company, as Attorney in Fact for AMWOHI MPL TOWER HOLDINGS LLC, a Delaware limited liability company, known to me (or proved to me on the oath of __________ or through driver’s license, state id card, resident id card, military id card, or passport) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she/he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this ____________ day of __________, 20__.

______________________________
(Personalized Seal)            Notary Public’s Signature
EXHIBIT A
Legal Description of the Property

BEGINNING AT A POINT WHICH IS SOUTH 0°09’ EAST, 217 FEET FROM AN IRON PIN AT THE NORTHWEST CORNER OF DONATION LAND CLAIM NO. 50, TOWNSHIP 37 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, JACKSON COUNTY, OREGON; THENCE NORTH 89°57’ EAST, 1234.5 FEET; THENCE SOUTH 0°09’ EAST, 184.5 FEET; THENCE SOUTH 89°57’ WEST, 1234.5 FEET; THENCE NORTH 0°09’ WEST, 184.5 FEET TO THE PLACE OF BEGINNING.

ALSO: BEGINNING AT A 3” IRON PIPE AT THE NORTHWEST CORNER OF DONATION LAND CLAIM NO. 50, TOWNSHIP 37 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, JACKSON COUNTY, OREGON, AND FROM SAID POINT THENCE NORTH 89°57’ EAST, ALONG THE NORTH LINE OF SAID DONATION LAND CLAIM NO. 50, A DISTANCE OF 1054.0 FEET TO A POINT IN THE CENTER OF THE CHANNEL OF BEAR CREEK; THENCE ALONG THE PRESENT CHANNEL OF BEAR CREEK, APPROXIMATELY SOUTH 54°18’ EAST, 371.3 FEET TO A POINT WHICH IS SOUTH 0°09’ EAST, 217.0 FEET, AND NORTH 89°57’ EAST, 1355.0 FEET FROM THE PLACE OF BEGINNING; THENCE SOUTH 89°57’ WEST, 1355.0 FEET; THENCE NORTH 0°09’ WEST, 217.0 FEET TO THE PLACE OF BEGINNING.

# Request for Taxpayer Identification Number and Certification

Before you begin. For guidance related to the purpose of Form W-9, see Purpose of Form, below.

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<tr>
<th>Part I</th>
<th>Taxpayer Identification Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)</td>
</tr>
<tr>
<td>2</td>
<td>Business name/disregarded entity name, if different from above.</td>
</tr>
<tr>
<td>3a</td>
<td>Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes.</td>
</tr>
<tr>
<td>3b</td>
<td>If on line 3a you checked “Partnership” or “Trust/estate,” or checked “LLC” and entered “P” as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions.</td>
</tr>
<tr>
<td>4</td>
<td>Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</td>
</tr>
<tr>
<td>5</td>
<td>Address (number, street, and apt. or suite no.). See instructions.</td>
</tr>
<tr>
<td>6</td>
<td>City, state, and ZIP code</td>
</tr>
<tr>
<td>7</td>
<td>List account number(s) here (optional)</td>
</tr>
</tbody>
</table>

**Part II Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign Here**

<table>
<thead>
<tr>
<th>Signature of U.S. person</th>
<th>Date</th>
</tr>
</thead>
</table>

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

**What's New**

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the “LLC” box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they...
must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return. Examples of information returns include, but are not limited to, the following:

• Form 1099-INT (interest earned or paid).
• Form 1099-DIV (dividends, including those from stocks or mutual funds).
• Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).
• Form 1099-NEC (nonemployee compensation).
• Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).
• Form 1099-S (proceeds from real estate transactions).
• Form 1099-K (merchant card and third-party network transactions).
• Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).
• Form 1099-C (canceled debt).
• Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

Caution: If you don’t return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee; and
4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and
5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See What is FATCA Reporting, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester’s form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:
• An individual who is a U.S. citizen or U.S. resident alien;
• A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
• An estate (other than a foreign estate); or
• A domestic trust (as defined in Regulations section 301.7701-7).

Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding. Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441-1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

• In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
• In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.
• In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(f)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, employee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:
1. You do not furnish your TIN to the requester;
2. You do not certify your TIN when required (see the instructions for Part II for details);
3. The IRS tells the requester that you furnished an incorrect TIN;
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or
5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under “By signing the filled-out form” above (for reportable interest and dividend accounts opened after 1983 only).
Certain payees and payments are exempt from backup withholding. See Exempt payee code, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding, earlier.

What Is FATCA Reporting?
The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See Exemption from FATCA reporting code, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information
You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties
Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions
Line 1
You must enter one of the following on this line; do not leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

• Individual. Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note for ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 if you filed with your application.

• Sole proprietor. Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or “doing business as” (DBA) name on line 2.

• Partnership, C corporation, S corporation, or LLC, other than a disregarded entity. Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

• Other entities. Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

• Disregarded entity. In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner’s name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2
If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

Line 3a
Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

<table>
<thead>
<tr>
<th>IF the entity/individual on line 1 is a(n) . . .</th>
<th>THEN check the box for . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation</td>
<td>Corporation.</td>
</tr>
<tr>
<td>Individual or</td>
<td>Individual/sole proprietor.</td>
</tr>
<tr>
<td>Sole proprietorship</td>
<td></td>
</tr>
<tr>
<td>LLC classified as a partnership for U.S. tax purposes or</td>
<td>Limited liability company and enter the appropriate tax classification:</td>
</tr>
<tr>
<td>LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation</td>
<td>P = Partnership, C = C corporation, or S = S corporation.</td>
</tr>
<tr>
<td>Partnership</td>
<td>Partnership.</td>
</tr>
<tr>
<td>Trust/estate</td>
<td>Trust/estate.</td>
</tr>
</tbody>
</table>

Line 3b
Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

Note: A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

Line 4 Exemptions
If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

• Generally, individuals (including sole proprietors) are not exempt from backup withholding.

• Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.

• Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.

• Corporations are not exempt from backup withholding with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner’s SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity’s EIN.

**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov/SS-5. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov.

**Note:** Entering “Applied For” means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.
**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see Exempt payee code, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. “Other payments” include payments made in the course of the requester’s trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

<table>
<thead>
<tr>
<th>What Name and Number To Give the Requester</th>
<th>For this type of account:</th>
<th>Give name and EIN of:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For this type of account:</strong></td>
<td><strong>Give name and SSN of:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Individual</td>
<td>The individual</td>
<td>The owner</td>
</tr>
<tr>
<td>2. Two or more individuals (joint account) other than an account maintained by an FFI</td>
<td>The actual owner of the account or, if combined funds, the first individual on the account</td>
<td>Legal entity ¹</td>
</tr>
<tr>
<td>3. Two or more U.S. persons (joint account maintained by an FFI)</td>
<td>Each holder of the account</td>
<td>The corporation</td>
</tr>
<tr>
<td>4. Custodial account of a minor (Uniform Gift to Minors Act)</td>
<td>The minor ²</td>
<td>The organization</td>
</tr>
<tr>
<td>5. a. The usual revocable savings trust (grantor is also trustee)</td>
<td>The grantor-trustee ³</td>
<td>The partnership</td>
</tr>
<tr>
<td>b. So-called trust account that is not a legal or valid trust under state law</td>
<td>The actual owner</td>
<td>The broker or nominee</td>
</tr>
<tr>
<td>6. Sole proprietorship or disregarded entity owned by an individual</td>
<td>The owner ³</td>
<td>The public entity</td>
</tr>
<tr>
<td>7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(B))**</td>
<td>The grantor</td>
<td>The trust</td>
</tr>
</tbody>
</table>

1 List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person’s number must be furnished.  
2 Circle the minor’s name and furnish the minor’s SSN. 
3 You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN. 
4 List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) 
5 Note: The grantor must also provide a Form W-9 to the trustee of the trust. 

**Secure Your Tax Records From Identity Theft**

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:
- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.
Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Go to www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.
COUNCIL BILL 2024-71
AN ORDINANCE approving and authorizing execution of a contract in an amount not to exceed $500,000 with Carollo Engineering for the purpose of providing Owner's Advisor (OA) services to the City in conjunction with the Medford Regional Water Reclamation Facility (RWRF) expansion project.

SUMMARY AND BACKGROUND
Council is requested to consider approval of a contract in an amount not to exceed $500,000 with Carollo Engineering for the purpose of providing Owner’s Advisor (OA) services to the City in conjunction with the Medford Regional Water Reclamation Facility (RWRF) expansion project.

PREVIOUS COUNCIL ACTIONS
On July 15, 2021, Council Bill 2021-76 was approved, adopting an ordinance approving and authorizing execution of a contract with West Yost Associates, in partnership with Black and Veatch Engineering, in the amount of $1,350,000 to complete a new Wastewater Treatment Facility Plan and Optimization Study for the Regional Water Reclamation Facility.

On June 1, 2023, Council Bill 2023-68 was approved adopting the 2023-2025 biennial budget for the City of Medford and making appropriations thereunder.

On August 3, 2023, Council Bill 2023-103 was approved, authorizing the issuance, sale, execution, and delivery of sewer revenue bonds from time to time, in one or more series, in an aggregate principal amount not to exceed $300,000,000 for the purposes of financing all or a portion of the cost of the water reclamation system improvements.

ANALYSIS
The City of Medford owns and operates the Regional Water Reclamation Facility (RWRF) which discharges treated wastewater into the Rogue River in strict compliance with the National Pollutant Discharge Elimination System (NPDES) Permit #100985. The Oregon Department of Environmental Quality (DEQ) renewed the City of Medford's RWRF NPDES permit on August 10, 2021. The renewed NPDES Permit includes new and more stringent discharge requirements which the current treatment plant is not able to meet; a significant upgrade to the facility is required.

Currently the consulting team of West Yost Associates and Black and Veatch Engineering is completing the Preliminary Design Report for the plant upgrade which is due to DEQ by September 1, 2024 and a final plant design is due by September 1, 2026. The City is on track to deliver the preliminary engineering design by the required due date. As this highly technical and complex
project moves into the final plant design phase, Public Works staff feels the City needs third-party objective engineering project advisors (OA services) to supplement internal management and administrative capabilities, particularly considering the significance and magnitude of the project.

A Request for Qualifications (RFQ) was advertised in March 2024. While several qualified firms were notified of the opportunity, only one firm submitted a proposal – Carollo Engineering. The City and Carollo negotiated a scope of work and fee which is included in this contract.

**COUNCIL GOALS**

Council Goal and Objective: Public Infrastructure
Strategy: 23.1 – Complete a new Wastewater Treatment Facilities Plan and comply with all other DEQ NPDES permit conditions.
Deliverable: 23.2 (2) – Start design work for a Phase 1 facility improvement.

**FINANCIAL AND/OR RESOURCE CONSIDERATIONS**

$500,000 will be budgeted in Fund 533, Sewer Treatment Bond Construction Fund as part of the first $20M sewer bond sale and delivery in late summer of 2024.

**TIMING ISSUES**

Timing of the RWRF upgrade, and thus OA services, is tied directly to the DEQ Compliance Schedule deadlines. The Preliminary design is due September 1, 2024. In order for the OA to review and provide comments on the design before the submission we would like the OA to be in place by August 2.

**COUNCIL OPTIONS**

- Approve the ordinance as presented.
- Modify the ordinance as presented.
- Deny the ordinance and provide direction to staff.

**STAFF RECOMMENDATION**

Staff recommends approval of the ordinance.

**SUGGESTED MOTION**

I move to approve the ordinance as presented.

**EXHIBITS**

Ordinance
Exhibit A – Request for Quotes (RFQ 2024-001-WRD)
Exhibit B – Contract for OA Services
ORDINANCE NO. 2024-71

AN ORDINANCE approving and authorizing execution of a contract in an amount not to exceed $500,000 with Carollo Engineering for the purpose of providing Owner’s Advisor (OA) services to the City in conjunction with the Medford Regional Water Reclamation Facility (RWRF) expansion project.

WHEREAS, the City owns and operates the Regional Water Reclamation Facility (RWRF) which discharges treated wastewater into the Rogue River in strict compliance with the National Pollutant Discharge Elimination System (NPDES) Permit #100985. The Oregon Department of Environmental Quality (DEQ) renewed the City of Medford’s RWRF NPDES permit on August 10, 2021. The renewed NPDES Permit includes new and more stringent discharge requirements which the current treatment plant is not able to meet; a significant upgrade to the facility is required;

WHEREAS, on July 15, 2021, Council Bill 2021-76 was approved, adopting an ordinance approving and authorizing execution of a contract with West Yost Associates, in partnership with Black and Veatch Engineering, in the amount of $1,350,000 to complete a new Wastewater Treatment Facility Plan and Optimization Study for the Regional Water Reclamation Facility. The consulting team of West Yost Associates and Black and Veatch Engineering is completing the Preliminary Design Report for the plant upgrade, which is due to DEQ by September 1, 2024 and a final plant design is due by September 1, 2026;

WHEREAS, on August 3, 2023, Council Bill 2023-103 was approved, authorizing the issuance, sale, execution, and delivery of sewer revenue bonds from time to time, in one or more series, in an aggregate principal amount not to exceed $300,000,000 for the purposes of financing all or a portion of the cost of the water reclamation system improvements;

WHEREAS, the City needs third-party objective engineering project advisors (OA services) to supplement internal management and administrative capabilities, and to address potential gaps in services rendered by the design engineers and construction contractors; and

WHEREAS, a Request for Qualifications (RFQ) was advertised in March 2024. Carollo Engineering was the sole firm to submit a proposal; now, therefore,

THE CITY OF MEDFORD ORDAINS AS FOLLOWS:

The City Council hereby approves and authorizes execution of a contract in an amount not to exceed $500,000 with Carollo Engineering for the purpose of providing Owner’s Advisor
(OA) services to the City in conjunction with the Medford Regional Water Reclamation Facility (RWRF) expansion project. The contract documents are on file in the City Recorder's Office.

PASSED by the Council and signed by me in authentication of its passage this 1st day of August, 2024.

ATTEST: ____________________________
City Recorder

__________________________
Mayor Randy Sparacino

APPROVED August 1, 2024

__________________________
Mayor Randy Sparacino
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**PRODUCER**
Lockton Companies  
444 W. 47th Street, Suite 900  
Kansas City MO 64112-1906  
(816) 960-9000  
kcasu@lockton.com

**INSURED**
CAROLLO ENGINEERS, INC.  
2795 MITCHELL DR.  
WALNUT CREEK CA 94598-1601

**CERTIFICATE NUMBER:** 20680137  
**REVISION NUMBER:** XXXXXXXX

**COVERAGES**

<table>
<thead>
<tr>
<th>INSURED LIMIT</th>
<th>TYPE OF INSURANCE</th>
<th>ADDL/SUBR. INS</th>
<th>POLICY NUMBER</th>
<th>POLICY EFF. (MM/DD/YYYY)</th>
<th>POLICY Exp. (MM/DD/YYYY)</th>
<th>LIMITS</th>
</tr>
</thead>
</table>
| X             | COMMERCIAL GENERAL LIABILITY | N/A | GLO 9730569 | 7/4/2023 | 7/4/2024 | EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) $1,000,000  
MED EXP (Any one person) $25,000  
PERSONAL & ADV INJURY  
GENERAL AGGREGATE $2,000,000  
PRODUCTS - COMB/OP AGG $2,000,000 |
| N             | AUTOMOBILE LIABILITY | N/A | BAP 9730571 | 7/4/2023 | 7/4/2024 | COMBINED SINGLE LIMIT (Ea accident) $2,000,000  
BODILY INJURY (Per person) $XXXXXXX  
BODILY INJURY (Per accident) $XXXXXXX  
PROPERTY DAMAGE (Per accident) $XXXXXXX  
DED: COM/P/COLL $1,000  
DED RETENTION $ |
| N             | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY | N/A | WC 9730570 | 7/4/2023 | 7/4/2024 | X PER STATUTE OTHER E.L. EACH ACCIDENT $1,000,000  
E.L. DISEASE - EA EMPLOYEE $1,000,000  
E.L. DISEASE - POLICY LIMIT $1,000,000 |

**CERTIFICATE HOLDER**

20680137  
City of Medford  
411 W. 8th Street  
Medford OR 97501

**CANCELLATION**  
See Attachments

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**
RWRF Facility Upgrade Owner's Advisor Consulting Services. City of Medford and its officers, employees and agents are additional insureds as respects general liability and this coverage is primary and non-contributory, as required by written contract. Contractual liability is included in the general liability subject to the policy terms, conditions and exclusions. (SEE ATTACHED.)

© 1986-2015 ACORD CORPORATION. All rights reserved.
Contractual liability is included in the general liability subject to the policy terms, conditions and exclusions. Thirty (30) days’ notice of cancellation by the insurer will be provided to the Certificate Holder, ten (10) days’ notice in the event of non-payment of premium.
ENDORSEMENT

NOTICE OF CANCELLATION TO DESIGNATED ENTITY(IES)

Policy No. 0313-9010
Issued to Carollo Engineers, Inc.
Issued by Allied World Surplus Lines Insurance Company

In consideration of the premium charged, it is hereby agreed that Section VIII. CONDITIONS, Subsection H. is amended to include the following:

In the event of cancellation or non-renewal of this Policy, the Company will provide a thirty-day notice to the entity with whom the Named Insured has agreed, pursuant to a prior written contract, to provide to such entity with a notice of cancellation or non-renewal. Provided, however, that in the event of cancellation for non-payment of premium, the Company shall provide to such entity a ten-day notice of cancellation before the effective date of cancellation.

In addition, in the event of a reduction in the Limits of Liability of this Policy not resulting from payment of Damages or Defense Expenses, the Company will provide a sixty-day notice to the entity with whom the Named Insured has agreed with, pursuant to a prior written contract, to provide such entity with a notice of such reduction in limits.

As a condition precedent to providing the notices specified above, the Named Insured will provide the Company, within ten (10) business days of the Company's request, the names and addresses of the entities with whom the Named Insured agreed to provide the notices specified above. In the event the Named Insured omits or fails to provide the foregoing information, the Company shall not provide such notices.

The Company's failure to provide such notices will not extend the Policy cancellation date, negate cancellation, non-renewal or reduction in limits, of this Policy. Nor shall such failure be cause for legal action against the Company.

All other terms, conditions and limitations of this Policy shall remain unchanged.

CEI Manu (06/23)
Notification to Others of Cancellation, Nonrenewal or Reduction of Insurance

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Commercial Automobile Coverage Part

A. If we cancel or non-renew this Coverage Part by written notice to the first Named Insured for any reason other than nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation or non-renewal:
   1. To the name and address corresponding to each person or organization shown in the Schedule below; and
   2. At least 10 days prior to the effective date of the cancellation or non-renewal, as advised in our notice to the first Named Insured, or the longer number of days notice if indicated in the Schedule below.

B. If we cancel this Coverage Part by written notice to the first Named Insured for nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation to the name and address corresponding to each person or organization shown in the Schedule below at least 10 days prior to the effective date of such cancellation.

C. If coverage afforded by this Coverage Part is reduced or restricted, except for any reduction of Limits of Insurance due to payment of claims, we will mail or deliver notice of such reduction or restriction:
   1. To the name and address corresponding to each person or organization shown in the Schedule below; and
   2. At least 10 days prior to the effective date of the reduction or restriction, or the longer number of days notice if indicated in the Schedule below.

D. If notice as described in Paragraphs A., B. or C. of this endorsement is mailed, proof of mailing will be sufficient proof of such notice.

<table>
<thead>
<tr>
<th>Name and Address of Other Person(s) / Organization(s):</th>
<th>Number of Days Notice:</th>
</tr>
</thead>
<tbody>
<tr>
<td>All certificate holders where notice of cancellation is required by written contract with the Named Insured</td>
<td>30</td>
</tr>
</tbody>
</table>

All other terms and conditions of this policy remain unchanged.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Notification to Others of Cancellation, Nonrenewal or Reduction of Insurance

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part
Liquor Liability Coverage Part
Products/Completed Operations Liability Coverage Part

A. If we cancel or non-renew this Coverage Part(s) by written notice to the first Named Insured for any reason other than nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation or non-renewal:

1. To the name and address corresponding to each person or organization shown in the Schedule below; and
2. At least 10 days prior to the effective date of the cancellation or non-renewal, as advised in our notice to the first Named Insured, or the longer number of days notice if indicated in the Schedule below.

B. If we cancel this Coverage Part(s) by written notice to the first Named Insured for nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation to the name and address corresponding to each person or organization shown in the Schedule below at least 10 days prior to the effective date of such cancellation.

C. If coverage afforded by this Coverage Part(s) is reduced or restricted, except for any reduction of Limits of Insurance due to payment of claims, we will mail or deliver notice of such reduction or restriction:

1. To the name and address corresponding to each person or organization shown in the Schedule below; and
2. At least 10 days prior to the effective date of the reduction or restriction, or the longer number of days notice if indicated in the Schedule below.

D. If notice as described in Paragraphs A., B. or C. of this endorsement is mailed, proof of mailing will be sufficient proof of such notice.

<table>
<thead>
<tr>
<th>SCHEDULE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name and Address of Other Person(s) / Organization(s):</td>
</tr>
<tr>
<td>All certificate holders where notice of cancellation is required by written contract with the Named Insured</td>
</tr>
</tbody>
</table>

All other terms and conditions of this policy remain unchanged.
NOTIFICATION TO OTHERS OF CANCELLATION, NONRENEWAL OR REDUCTION OF INSURANCE ENDORSEMENT

This endorsement is used to add the following to Part Six of the policy.

PART SIX
CONDITIONS

A. If we cancel or non-renew this policy by written notice to you for any reason other than nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation or non-renewal to the name and address corresponding to each person or organization shown in the Schedule below. Notification to such person or organization will be provided at least 10 days prior to the effective date of the cancellation or non-renewal, as advised in our notice to you, or the longer number of days notice if indicated in the Schedule below.

B. If we cancel this policy by written notice to you for nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation to the name and address corresponding to each person or organization shown in the Schedule below at least 10 days prior to the effective date of such cancellation.

C. If coverage afforded by this policy is reduced or restricted, except for any reduction of Limits of Liability due to payment of claims, we will mail or deliver notice of such reduction or restriction to the name and address corresponding to each person or organization shown in the Schedule below. Notification to such person or organization will be provided at least 10 days prior to the effective date of the reduction or restriction, or the longer number of days notice if indicated in the Schedule below.

D. If notice as described in Paragraphs A, B, or C. of this endorsement is mailed, proof of mailing will be sufficient proof of such notice.

SCHEDULE

<table>
<thead>
<tr>
<th>Name and Address of Other Person(s)/Organizations:</th>
<th>All Certificate holders where notice of cancellation is required by written contract with the Named</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Days Notice:</td>
<td>30</td>
</tr>
</tbody>
</table>

All other terms and conditions of this policy remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location And Description Of Completed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any person or organization, other than an architect, engineer or surveyor, whom you are required to add as an additional insured under this policy under a written contract mark or written agreement executed prior to loss.</td>
<td>Any Location or project, other than a wrap-up or other consolidated insurance program location or project for which insurance is otherwise separately provided to you by a wrap-up or other consolidated insurance program</td>
</tr>
</tbody>
</table>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location(s) Of Covered Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any person or organization, other than an architect, engineer or surveyor, whom you are required to add as an additional insured under this policy under a written contract or written agreement executed prior to loss.</td>
<td>Any Location or project, other than a wrap-up or other consolidated insurance program location or project for which insurance is otherwise separately provided to you by a wrap-up or other consolidated insurance program</td>
</tr>
</tbody>
</table>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
POLICY NUMBER: GLO 9730569

C. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance;

   whichever is less.

This endorsement shall not increase the applicable Limits of Insurance.
POLICY NUMBER: GLO 9730569

Other Insurance Amendment - Primary and Non-Contributory

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

1. The following paragraph is added to the Other Insurance Condition of Section IV – Commercial General Liability Conditions:

This insurance is primary insurance to and will not seek contribution from any other insurance available to an additional insured under this policy provided that:

a. The additional insured is a Named Insured under such other insurance; and

b. You are required by a written contract or written agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

2. The following paragraph is added to Paragraph 4.b. of the Other Insurance Condition of Section IV – Commercial General Liability Conditions:

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

All other terms and conditions of this policy remain unchanged.
CONSULTING SERVICES/PERSONAL SERVICES CONTRACT
for
RWRF Facility Upgrade Owner’s Advisor Consulting Services

THIS AGREEMENT, by and between Carollo Engineering, Inc., a Corporation, in the State of Oregon, hereinafter referred to as "CONTRACTOR", and the CITY OF MEDFORD, a municipal corporation in the State of Oregon, hereinafter referred to as "CLIENT". This Contract shall be effective on the last date set forth on the signature page.

Article 1. The Work

The CLIENT hereby agrees to engage the CONTRACTOR to perform the technical and/or professional services as hereinafter set forth. CONTRACTOR is not an employee of the CLIENT.

Article 2. Scope of Services

The CONTRACTOR shall perform the services set forth in Exhibit “A”, entitled Scope of Services, attached hereto and by reference incorporated herein and made a part hereof. CONTRACTOR is employed to render a professional service only, and any payments made to the CONTRACTOR are compensation solely for such services rendered and recommendations made in carrying out the work. Except as otherwise agreed by the parties, CONTRACTOR shall follow the usual and customary practice of the consulting profession to make findings, provide opinions, make factual presentations, and provide professional advice and recommendations.

RWRF Pre-design Owner’s Advisor Consulting Services
See Exhibit “A” Scope of Services

Article 3. Time of Performance

The services of the CONTRACTOR are to commence immediately after the date of this Agreement. The work shall be completed in accordance with the schedule developed by the parties hereto and contained in the schedule of performance and all work covered by this Agreement shall be completed December 31, 2026.

Article 4. Personnel

A. The CONTRACTOR represents that it employs, or will employ at its own expense, all personnel required in performing the services under this Agreement.

B. All of the services required hereunder will be performed by the CONTRACTOR or under his direct supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such services.

C. CONTRACTOR shall be responsible to ensure that it and any subcontractors comply with all applicable Federal, State and local laws regarding employee wages, hours,
benefits, health care, and workers compensation, and shall ensure that all expenses and claims related thereto are paid promptly. The applicable provisions of ORS 279B and 279C are attached hereto as Exhibit “C” and incorporated herein by reference.

D. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the CLIENT except: N/A.

E. CONTRACTOR shall complete the services hereunder in accordance with the prevailing engineering standard of care by exercising the skill and ability ordinarily required of engineers performing the same or similar services, under the same or similar circumstances, in the State of Oregon.

Article 5. Compliance with Laws and Regulations

CONTRACTOR shall at all times observe and comply with all federal and state laws and local ordinances and regulations, including but not limited to possession of a valid City of Medford business license, in any manner affecting the conduct of the work, and all such orders or decrees as exist at the present and those which may be made or enacted later by bodies or tribunals having any jurisdiction or authority over the work.


Notwithstanding any other provision hereof, any applicable federal laws, rules or regulations are to govern in any case where federal funds are involved and the federal laws conflict with any provision hereof.

Article 7. Compensation

The CLIENT shall compensate the CONTRACTOR in accordance with the Schedule of Charges and Payment Schedule set forth in Exhibit “B”, which shall include the basis for rates and charges. Compensation shall be billed monthly in summary form giving employees names, hours, and expense data. Payment to CONTRACTOR is due upon presentation and verification of invoice to CLIENT and is to be made within thirty (30) days. Contract amount not to exceed $500,000.00 (Five hundred thousand dollars) for the contract term.

Article 8. Payment to Contractor and Extras

Subject to ORS 279C.570 (Progress Payments) and subject to ORS 279C.550 (Retainage), and in consideration of the faithful performance of the work herein embraced and provided for, as set forth in this contract, solicitation, general specifications and special provisions, notice to contractors, and plans which are a part thereof, in accordance with the directions of the CLIENT and to its satisfaction, CLIENT agrees to pay to CONTRACTOR the amount earned by CONTRACTOR under said contract, as provided in the general specifications and special provisions attached. All payments will be made at the times and in the manner provided in the general and special provisions.
incorporated herein and in accordance with the regulations of CLIENT in regard to the payment of claims, which regulations provide, among other things, that all claims against CLIENT shall be submitted to CLIENT upon vouchers.

Except as otherwise provided herein, no payment for extras shall be made unless and until such extras and the price therefore have been authorized in writing in advance.

Article 9. Data to be Furnished

All information, data, reports and records and maps as are existing, available and necessary for the carrying out of the work as outlined in Exhibit A hereof shall be made available to the CONTRACTOR without charge by the CLIENT, and the CLIENT shall cooperate in the carrying out of the work without undue delay. The CONTRACTOR shall be entitled to use and rely upon all such information provided by the CLIENT or others in performing the CONTRACTOR’s service under this Agreement.

Article 10. Changes

The CLIENT may from time to time request changes in the scope of the services and the time of performance as set forth herein. Such changes, including any increase or decrease in the amount of compensation to the CONTRACTOR, shall be mutually agreed upon by and between the parties hereto and shall be incorporated as written amendments to this Agreement.

Article 11. Suspension of Work

CLIENT may suspend, in writing, all or a portion of the work under this Agreement if unforeseen circumstances beyond CLIENT’s control make normal progress of the work impossible. CONTRACTOR may request that the work be suspended by notifying CLIENT, in writing, of circumstances that are interfering with the normal progress of work. CONTRACTOR may suspend work on Project in the event CLIENT does not pay invoices when due. The time for completion of the work shall be extended by the number of days work is suspended. If the period of suspension exceeds ninety (90) days, the terms of this Agreement are subject to renegotiation, and both parties are granted option to terminate work on the suspended portion of Project in accordance with Article 12.

Article 12. Termination of Work

CLIENT may terminate all or a portion of the work covered by this Agreement for its convenience. CLIENT or CONTRACTOR may terminate work if the other party fails to perform in accordance with the provisions of this Agreement by providing fifteen (15) days prior, written notice to the other by certified mail with receipt for delivery returned to the sender.

In that event, all finished or unfinished documents and other materials shall, at the option of CLIENT, become its property. If requested by CLIENT, CONTRACTOR shall perform such additional work as is necessary for the orderly filing of documents and closing of Project. The time spent on such additional work shall not exceed ten (10%) percent of the time expended on the
Project prior to the effective date of termination. CONTRACTOR shall be compensated for work on the Project, plus work required for filing and closing as described in this Article, either of which is performed up to the effective date of termination; provided, however, that CLIENT shall not be required to pay for work that is not done in substantial compliance with requirements of this contract and CONTRACTOR shall be liable to CLIENT for any damages resulting from CONTRACTOR’S breach of its obligations under this contract.

Article 13. Default

If CONTRACTOR fails to begin the work under the contract within the time specified, or fails to perform the work with sufficient workmen or equipment or with sufficient materials to insure the prompt completion of the work, or shall neglect or refuse to remove and replace materials or work that have been rejected as defective or unsuitable, or shall discontinue the prosecution of the work or if CONTRACTOR shall become insolvent or declared bankrupt, or commit any act of bankruptcy or insolvency, or allow any final judgment to stand against CONTRACTOR unsatisfied for a period of forty-eight hours, or shall make an assignment for the benefit of creditors, or from any other cause whatsoever, shall not carry on the work in an acceptable manner, CLIENT shall give notice in writing to CONTRACTOR and CONTRACTOR’S surety of such delay, neglect or default, and if CONTRACTOR, within a period of ten days after such notice shall not proceed in accordance therewith, then CLIENT in addition to the rights and remedies to which CLIENT may be entitled by law for the enforcement of its rights hereunder or upon breach of covenant shall have full power and authority, without violating this contract, to take the prosecution of the work out of the hands of CONTRACTOR, to appropriate or use any or all of the materials and equipment on the ground that may be suitable and acceptable and may award a contract for the completion of this contract according to the terms and provisions hereof, or use such methods as in its opinion shall be required for the completion of this contract, in an acceptable manner. All costs and charges incurred by CLIENT together with the costs of completing the work under the contract, shall be deducted from any money due or which shall become due said CONTRACTOR. In case the expense so incurred by CLIENT shall be less than the sum which would have been payable under the contract, if it had been completed by CONTRACTOR hereunder, then CONTRACTOR shall be entitled to receive the difference less any damages for delay to which CLIENT may be entitled, and in case such expense shall exceed the sum which would have been payable under the contract, CONTRACTOR and the surety shall be liable and agree to and shall pay CLIENT the amount of said excess with damages for delay of performance, if any. CONTRACTOR shall not make any disposition of the plant, machinery, tools, appliances, supplies or materials used on or in connection with the work, whether by sale, covenants, or encumbrance, inconsistent with the provisions of this contract.

The contract may be canceled at the election of CLIENT for any failure or refusal on the part of CONTRACTOR to faithfully perform this contract according to its terms and conditions.

Article 14. Non-Appropriation

Notwithstanding the termination provisions and the Default section above, termination may occur for non-appropriation. Specifically, all CLIENT obligations to spend money under this contract are contingent upon future appropriations as part of the CLIENT budget process and local
budget law, and the failure of the Council and Budget Committee to make the appropriation shall necessarily result in termination of this contract. As such, in the event insufficient funds are appropriated for the payments under this contract, then the CLIENT may terminate this contract at the end of its current fiscal year, with no further liability or penalty to the CLIENT. The CLIENT shall deliver written notice to CONTRACTOR of such termination no later than thirty (30) days from the determination by the CLIENT of the event of non-appropriation.

Article 15. Interest of the Contractor

The CONTRACTOR hereby covenants that it has, at the time of the execution of this Agreement, no interest and that it shall not acquire any interest in the future, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed pursuant to this Agreement. The CONTRACTOR further covenants that in the performance of this work no person having any such interest shall be employed.

Article 16. Findings Confidential

No report, information, or other data given to or prepared or assembled by the CONTRACTOR pursuant to this Agreement which the CLIENT has requested be kept confidential, shall be made available to any individual or organization by the CONTRACTOR without the prior written approval of the CLIENT.

Article 17. Subletting or Assignment

Neither of the parties hereto shall assign, sublet or transfer his interest in this Agreement or any portion thereof without the prior written consent of the other.

Article 18. Rights to and Disposition of Data

The term "subject data" as used herein includes all data, written materials, photographs, drawings or other information collected or created under this Agreement whether delivered under this Agreement or not. The term does not include financial records, accounting records or other information incidental to the administration of this Agreement. All subject data shall be retained by the CONTRACTOR, in accordance with the terms of this Agreement, until disposition of such subject data shall have been determined in a manner mutually agreeable to the parties hereto. Subject data shall be available for study and utilization by the CLIENT so long as such subject data is in the possession of the CONTRACTOR. Following termination or completion of the work pursuant to this Agreement, upon request, CONTRACTOR will deliver copies of all subject data to CLIENT and the CLIENT may duplicate, use and disclose in any manner and for any purpose whatsoever all subject data. Upon request, all final reports and other materials prepared by CONTRACTOR under this agreement shall be the property of CLIENT.

Article 19. Publications

It is agreed that either or both of the parties hereto may publish at any time, subject to the terms of this Agreement, the results of the work conducted hereunder, provided credit is given to the
individuals and organizations who conducted and sponsored the work. A copy of each manuscript to be submitted for publication by either or the parties hereto shall be furnished to the other party prior to such submission for publication, and five (5) copies or reprints shall be furnished to the other party subsequent to publication. Articles or works reporting on the subject work hereunder or on portions thereof which are published by the CONTRACTOR shall contain the forward, preface or footnote a statement to the effect that publication of the article or work does not necessarily indicate acceptance by the CLIENT of the findings, conclusions or recommendations either inferred or specifically expressed therein.

Article 20. Intellectual Property, Including but Not Limited to Copyrights

Neither party shall claim any copyright protection for any reports, maps or other documents produced in whole or in part under this Agreement.

Article 21. Indemnity

CONTRACTOR hereby agrees to defend, indemnify, and hold harmless CLIENT, its officers, agents, and employees, from and against any and all liability, including but not limited to claims, damages, demands, expenses, fees, fines, penalties, suits, proceedings, actions, and costs of actions including, but not limited to, attorneys' fees for trial and on appeal, and for the preparation of same arising out of the CONTRACTOR’s, its officers', agents', and employees' negligent acts or omissions while performing services or actions associated with this Agreement. Provided, however, that CONTRACTOR shall not be required to indemnify CLIENT against liability for damages arising out of death or bodily injury to persons or damage to property caused solely by the negligence of CLIENT. Notwithstanding the foregoing, for any claim alleging CONTRACTOR’s negligent performance of professional services, CONTRACTOR’s obligations regarding CLIENT’s defense under this paragraph include only the reimbursement of CLIENT’s reasonable defense costs incurred to the extent of CONTRACTOR’s negligence as expressly determined by a final judgement, arbitration, award, order, settlement, or other final resolution. CONTRACTOR shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, or loss of anticipated profits. Additionally, the CONTRACTOR shall not be responsible for acts and decisions of third parties, including governmental agencies, other than the CONTRACTOR’s subconsultant, that impact project completion and/or success.

Article 22. Insurance

CONTRACTOR shall obtain at its own expense and maintain continuously in effect during the term of this Agreement the following minimum insurance:

1. Commercial General Liability Insurance on an “occurrence” policy form covering Bodily Injury and Property Damage, Products/Completed Operations, Personal & Advertising Injury, and blanket Contractual Liability. Such insurance shall be primary and non-contributory and provide limits of at least $1,000,000 per Occurrence and a General Aggregate of at least $2,000,000. “The City of Medford
and its officers, employees and agents while acting within the scope of their duties as such” shall be named an Additional Insured by endorsement.

(2) Commercial Automobile Liability Insurance for Bodily Injury and Property Damage covering owned, non-owned, rented, and hired autos. Such insurance shall provide a combined single limit per accident of at least $1,000,000.

(3) Workers Compensation Insurance meeting statutory requirements of Oregon Workers Compensation Law must be provided by CONTRACTOR (and any subcontractor CONTRACTOR may use) for any subject workers, as well as Employers Liability Insurance with limit of at least $500,000.

If CONTRACTOR is statutorily exempt from the requirement to provide Workers Compensation Insurance, CONTRACTOR shall complete, sign, and submit the City’s form for Declaration of Exemption from Oregon Statutory Workers Compensation in lieu of Workers Compensation Insurance.

(4) If the services provided in this agreement are architectural, engineering, design, medical, counseling, accounting, financial, audit, insurance, legal, information technology, software services, environmental consulting or remediation, or hazardous materials handling, then Professional Liability Insurance (also known as “Errors and Omissions” or “malpractice liability” insurance for professionally trained, licensed, or certified professionals) with a limit of at least $2,000,000 shall be required. Such coverage may be on a “claims made” policy. Should the Professional Liability Insurance policy be terminated for any reason, satisfactory “tail” coverage of an extended claims reporting period of at least two (2) years shall be required and provided at the sole expense of CONTRACTOR. If services provided in this agreement are not among the type of professional services listed in this paragraph and Professional Liability Insurance does not apply, it is so indicated here: N/A

CONTRACTOR shall submit to CLIENT certificates of insurance for all policies listed above at time of this Agreement, and at each subsequent insurance renewal for the life of this Agreement. Certificate must include Additional Insured Endorsement for General Liability Insurance. Certificates of insurance for current coverage or activated tail coverage for Professional Liability Insurance, because it is a claims-made coverage, shall continue to be submitted to CLIENT for two (2) years following the effective term of this Agreement. Certificate Holder (and additional insured for General Liability) shall be shown as: City of Medford, 411 West 8th Street, Medford, OR 97501. Any request for exemption from this requirement must be in writing and approved by the CLIENT’S Risk Manager.

CONTRACTOR is responsible to assure that CLIENT receives a required thirty (30) days written notice prior to cancellation of, material change to, exhaustion of aggregate limits of, or intent not to renew any insurance policy for coverage required in this Agreement. Ten (10) days will be accepted for cancellation due to non-payment of premium. CONTRACTOR shall itself provide the written notice in the event that its insurance companies will not or do not provide such notice. Failure to maintain proper insurance and/or provide timely notification of a change in coverage is grounds for potential immediate termination of this contract.
Notwithstanding insurance requirements stated or any modifications made thereto, in no case shall the presence or absence of any insurance coverage, or any insurance policy limit, provision, term, or condition reduce the obligations of the CONTRACTOR for liability granted generally by law or specifically in the terms of this Agreement. In no case shall CLIENT be responsible for any amount of CONTRACTOR self-insurance, or any retention, deductible, or coinsurance amount required by CONTRACTOR’s insurance policies.

Article 23. Partial Invalidity

If any term, covenant, condition, or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

Article 24. Integration

This Agreement represents the entire understanding of CLIENT and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties.

Article 25. Jurisdiction

This Agreement shall be administered and interpreted under the laws of the State of Oregon. Jurisdiction of litigation arising from this Agreement shall be in that state. Any litigation arising from this Agreement shall commence in Jackson County, Oregon.

Article 26. Estimates and Projections

In providing opinion of cost, financial analyses, economic feasibility projections, and schedules for potential projects, the CONTRACTOR has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; or quality, type, management, or direction of operating personnel. Therefore, the CONTRACTOR makes no warranty that the CLIENT’s actual project costs, financial aspects, economic feasibility, or schedules will not vary from the CONTRACTOR’s opinions, analyses, projections, or estimates.
Article 27. Third Parties

The services to be performed by the CONTRACTOR are intended solely for the benefit of the CLIENT. No person or entity not a signatory to this Agreement shall be entitled to rely on the CONTRACTOR’s performance of its services hereunder, and no right to assert a claim against the CONTRACTOR by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of the CONTRACTOR’s services hereunder.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their proper officers the day and year last below written.

CITY OF MEDFORD

By: __________________________
Title: __________________________
Date _________________________

CONTRACTOR

By: ____________________________

Brian Matson, PE
Title: Senior Vice President
Date 06/20/2024

By: ____________________________

Tadd Giesbrecht, PE
Title: Senior Vice President
Date 06/20/2024
EXHIBIT A
SCOPE OF SERVICES

The selected Consultant should provide a highly qualified and experienced team which has a record of productive client relationships in consulting and advising on complex wastewater treatment projects and will have a proven record in assisting clients to meet tight project schedules and milestones.

Consultant will serve as an Owner’s Advisor for Pre-design and must be able to provide engineering and technical services applicable to wastewater facility design and construction including, but not limited to the following:

1. Assisting the City to keep the Facility Pre-Design progressing to meet NPDES Permit required deadlines and deliverables. Includes limited review of completed work to date.
2. Attending Facility Pre-Design workshops and virtual meetings, asking questions and advising staff on methods, technologies, facility layout and plant design.
3. Reviewing and providing comments to the City on Pre-Design technical memorandums, project plans, and cost estimates as requested.
4. Providing suggestions and advice, when appropriate, on project delivery options such as Design-Bid-Build, Design Build, CMGC, and Progressive Design Build.
5. Provide peer review and comments on draft Pre-design report.
6. Other technical and engineering review services as requested.

It is expected that the requested services will extend from the contract award to at least December 2024 and depending on the design and construction delivery option selected, services may be requested through June 30, 2030.

ADDITIONAL SERVICES

Depending on the construction project delivery option selected, the Consultant may serve as the project construction manager overseeing construction and completion of the project. If this service is requested, a separate scope of work and fee will be negotiated between the Consultant and the City.
### CAROLLO ENGINEERS, INC. PM/OA FEE SCHEDULE

As of January 1, 2024

<table>
<thead>
<tr>
<th>Type</th>
<th>Hourly Rate</th>
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</thead>
<tbody>
<tr>
<td><strong>Engineers/Scientists</strong></td>
<td></td>
</tr>
<tr>
<td>Assistant Professional</td>
<td>$185.00</td>
</tr>
<tr>
<td>Professional</td>
<td>230.00</td>
</tr>
<tr>
<td>Project Professional / Technical Expert</td>
<td>290.00</td>
</tr>
<tr>
<td>Senior Professional / OA</td>
<td>305.00</td>
</tr>
<tr>
<td>Principal / Program Manager</td>
<td>330.00</td>
</tr>
<tr>
<td><strong>Technicians</strong></td>
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</tr>
<tr>
<td>Technicians</td>
<td>150.00</td>
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<tr>
<td>Senior Technicians</td>
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<tr>
<td><strong>Support Staff</strong></td>
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<tr>
<td>Document Processing / Clerical</td>
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<tr>
<td><strong>Project Equipment Communication Expense (PECE) Per DL Hour</strong></td>
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**Other Direct Expenses**

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<th>Expense</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Travel and Subsistence</td>
<td>At Cost</td>
</tr>
<tr>
<td>Mileage at IRS Reimbursement Rate</td>
<td>$0.67 per mile</td>
</tr>
<tr>
<td>Effective January 1, 2024</td>
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</tr>
<tr>
<td>Subconsultant</td>
<td>Cost + 5%</td>
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<tr>
<td>Other Direct Cost</td>
<td>At Cost</td>
</tr>
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</table>

This fee schedule is subject to annual revisions due to labor adjustments.
EXHIBIT C
OREGON STATUTORY PUBLIC CONTRACT PROVISIONS

THE FOLLOWING PROVISIONS PERTAIN TO
PUBLIC PROCUREMENTS
(OTHER THAN PUBLIC IMPROVEMENTS)

ORS 279B.220
CONDITIONS CONCERNING PAYMENT, CONTRIBUTIONS, LIENS, WITHHOLDING

CONTRACTOR shall:

(1) Make payment promptly, as due, to all persons supplying to CONTRACTOR labor or material for the performance of the work provided for in this contract.

(2) Pay all contributions or amounts due the Industrial Accident Fund from CONTRACTOR or SUBCONTRACTOR incurred in the performance of the contract.

(3) Not permit any lien or claim to be filed or prosecuted against CITY on account of any labor or material furnished.

(4) Pay to the Department of Revenue all sums withheld from employees under ORS 316.167.

ORS 279B.225
CONDITION CONCERNING SALVAGING, RECYCLING, COMPOSTING OR MULCHING YARD WASTE MATERIAL

CONTRACTOR shall salvage, recycle, compost or mulch yard waste material at an approved site, if feasible and cost-effective.

ORS 279B.230
CONDITION CONCERNING PAYMENT FOR MEDICAL CARE AND PROVIDING WORKERS’ COMPENSATION

(1) CONTRACTOR shall promptly as due, make payment to any person, co-partnership, 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 CONTRACTOR, of all sums which CONTRACTOR agrees to pay for the services and all monies and sums which 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.

(2) All subject employers working under this contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126.
ORS 279B.235
CONDITION CONCERNING HOURS OF LABOR

(1) 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)(A) For all overtime in excess of eight hours in any one day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday; 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

(b) For all work performed on Saturday and on any legal holiday specified in ORS 279B.020.

(2) 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.

(3) In the case of contracts for personal services as described in ORS 279A.055, the employee shall be paid at least time and a half for all overtime work 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 to 209 from receiving overtime.

(4) Does not apply.

(5)(a) Persons employed under contracts for services shall receive at least time and a half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279B.020(1)(b)(B) to (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.

(b) 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.
THE FOLLOWING PROVISIONS PERTAIN TO PUBLIC IMPROVEMENTS:

ORS 279C.505
CONDITIONS CONCERNING PAYMENT, CONTRIBUTIONS, LIENS, WITHHOLDING AND DRUG TESTING

(1) CONTRACTOR shall:
   (a) Make payment promptly, as due, to all persons supplying to CONTRACTOR labor or material for the performance of the work provided for in this contract.

   (b) Pay all contributions or amounts due the Industrial Accident Fund from CONTRACTOR or SUBCONTRACTOR incurred in the performance of this contract.

   (c) Not permit any lien or claim to be filed or prosecuted against CITY on account of any labor or material furnished.

   (d) Pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

(2) CONTRACTOR shall demonstrate that an employee drug-testing program is in place.

ORS 279C.510
DEMOLITION CONTRACTS TO REQUIRE MATERIAL SALVAGE; LAWN AND LANDSCAPE MAINTENANCE CONTRACTS TO REQUIRE COMPOSTING OR MULCHING

(1) If a contract for demolition, CONTRACTOR shall salvage or recycle construction and demolition debris, if feasible and cost effective.

(2) If a contract for lawn and landscape maintenance, CONTRACTOR shall compost or mulch yard waste material at an approved site, if feasible and cost effective.

ORS 279C.515
CONDITIONS CONCERNING PAYMENT OF CLAIMS BY PUBLIC OFFICERS, PAYMENT TO PERSONS FURNISHING LABOR OR MATERIALS AND COMPLAINTS

(1) If CONTRACTOR fails, neglects or refuses to pay promptly a person’s claim for labor or services that the person provides to CONTRACTOR or a SUBCONTRACTOR in connection with the public improvement contract as such claim becomes due, the proper officer that represents CITY may pay the amount of the claim to the person that provides the labor or services and charge the amount of the payment against funds due or to become due CONTRACTOR by reason of such contract.

(2) If the CONTRACTOR or a first-tier SUBCONTRACTOR fails, neglects or refuses to pay a person that provides labor or materials in connection with the public improvement contract within 30 days after receiving payment from the contracting agency or a contractor, the CONTRACTOR or first-tier SUBCONTRACTOR owes the person the amount due plus interest charges that begin at the end of the 10-day period within which payment is due under ORS 279C.580 (4) and that end upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest on the amount due is nine percent per annum. The amount of interest may not be waived.

(3) If CONTRACTOR or a SUBCONTRACTOR fails, neglects or refuses to pay a person that provides 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.

(4) Paying a claim in the manner authorized in this section shall not relieve CONTRACTOR or CONTRACTOR’s surety from obligation with respect to any unpaid claims.

ORS 279C.520
CONDITION CONCERNING HOURS OF LABOR

(1)(a) No person shall 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 where the public policy absolutely requires it, and in such cases, except in cases of contracts for personal services defined in 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, Monday through Friday; 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

(b) For all work performed on Saturday and on any legal holiday specified in ORS 279C.540.

(2) CONTRACTOR 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.

(3) CONTRACTOR shall comply with the prohibition set forth in ORS 652.220, that compliance is a material element of the contract and that a failure to comply is a breach that entitles the contracting agency to terminate the contract for cause.

(4) CONTRACTOR may not prohibit any of their employees from discussing employees’ rate of wage, salary, benefits, or other compensation with another employee or another person and may not retaliate against an employee who discusses the employee’s rate of wage, salary, benefits or other compensation with another employee or another person.

(5) Persons employed under contracts for personal services as described in ORS 279A.055 shall be paid at least time and a half for all overtime work in excess of 40 hours in any one week, except for employees under a personal services public contract who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime.

(6) Does not apply.

(7)(a) Persons employed under public contracts for services shall receive at least time and a half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279C.540(1)(b)(B) to (G) and for all time worked in excess of 10 hours a day or in excess of 40 hours in any one week, whichever is greater.
(b) CONTRACTOR shall give notice in writing to employees who work on a public contract for services, either at the time of hire or before commencement of work on the public 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.530
CONDITION CONCERNING PAYMENT FOR MEDICAL CARE AND PROVIDING WORKERS’ COMPENSATION

(1) CONTRACTOR shall 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 CONTRACTOR, of all sums which CONTRACTOR agrees to pay for such services and all moneys and sums which CONTRACTOR collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.

(2) All subject employers working under this contract are either employers that will comply with ORS 656.017 or are employers that are exempt under ORS 656.126.

ORS 279C.580
CONTRACTOR’S RELATIONS WITH SUBCONTRACTORS

(1) The CONTRACTOR is required to provide a first-tier SUBCONTRACTOR with a standard form that the first-tier SUBCONTRACTOR may use as an application for payment or as another method by which the SUBCONTRACTOR may claim a payment due from the contractor.

(2) The CONTRACTOR, except as other provided in this paragraph, is required to use the same form and regular administrative procedures for processing payments during the entire term of the subcontract. A CONTRACTOR may change the form or the regular administrative procedures the CONTRACTOR uses for processing payments if the CONTRACTOR:

(a) Notifies the SUBCONTRACTOR in writing at least 45 days before the date on which the CONTRACTOR makes the change; and

(b) Includes with the written notice a copy of the new or changed form or a description of the new or changed procedures.

ORS 279C.825
FEES, RULES

At the time of execution of a contract subject to ORS 279C.800 to 279C.870, the CITY shall pay to the Commissioner of the Bureau of Labor and Industries a fee of 0.1 percent of the contract price. However, in no event may a fee be less than $250 or more than $7,500. The fee shall be payable to the Bureau of Labor and Industries and shall be mailed or otherwise delivered to the Bureau at the following address: Bureau of Labor and Industries, Wage and Hour Division, Prevailing Wage Unit, 800 N.E. Oregon Street, #32, Portland, OR 97232.
ORS 279C.830
PROVISIONS CONCERNING PREVAILING RATE OF WAGE IN SPECIFICATIONS, CONTRACTS
AND SUBCONTRACTS; APPLICABILITY OF PREVAILING WAGE; FEE; BOND

(1) If the contract is a “Public Works” and the contract price exceeds $50,000:

(1)(a) Except as provided in paragraph (e) of this subsection, contracts for public works shall state the
existing state prevailing rate of wage and, if applicable, the federal prevailing rate of wage required
under the Davis-Bacon Act (40 U.S.C. 3141 et seq) that must be paid to workers in each trade or
occupation that the CONTRACTOR or SUBCONTRACTOR or other person who is a party to the
contract uses in performing all or part of the contract.

State rates may be found at www.oregon.gov/boli/WHD/PWR/Pages/index.aspx.
Federal rates may be obtained at https://sam.gov/content/wage-determinations.

(b) When state and federal prevailing rates of wage are contained in the specifications, the
CONTRACTOR is required to pay the higher of the applicable state or federal prevailing rate of
wage to all workers on the public works.

(c) Workers must be paid not less than the specified minimum hourly rate of wage in accordance
with ORS 279C.838 and ORS 279C.840.

(d) If a public works project is subject both to ORS 279C.800 to 279C.870 and to the Davis-Bacon
Act, workers on the public works must be paid not less than the higher of the applicable state or
federal prevailing rate of wage.

(e) A public works project described in ORS 279C.800(6)(a)(B) or (C) is subject to the existing state
prevailing rate of wage or, if applicable, the federal prevailing rate of wage required under the Davis-
Bacon Act that is in effect at the time CITY enters into an agreement with CONTRACTOR for the
project. After that time, the specifications for a contract for the public works must include the
applicable prevailing rate of wage.

(2) CONTRACTOR and every SUBCONTRACTOR must have a public works bond filed with the
Construction Contractors Board before starting work on the project, unless exempt under ORS
279C.836(4), (7), (8) or (9).

(3) In the event the initial contract is less than $50,000, and through the course of the project the total
contract amount is extended above $50,000, CONTRACTOR is responsible for paying and
certifying payment of prevailing wages. CONTRACTOR is required to file amended wage
statements if prevailing wages were not originally paid.
COUNCIL BILL 2024-72
AN ORDINANCE approving and authorizing payment of Street System Development Charge (SDC) credit in the amount of $600,479.02 to Crystal Springs Development Group Joint Venture.

SUMMARY AND BACKGROUND
Council is requested to consider approving an ordinance authorizing payment of Street System Development Charge (SDC) credit in the amount of $600,479.02 to Crystal Springs Development Group Joint Venture.

PREVIOUS COUNCIL ACTIONS
On June 1, 2023, Council Bill 2023-68 was approved, adopting the 2023-2025 Biennial Budget for the City of Medford and making appropriations thereunder.

ANALYSIS
Summerfield at South East Park, Phases 23-29 is a large development in east Medford. As a condition of development approval, Crystal Springs Development Group Joint Venture is required to construct a southerly extension of Lone Oak Drive connecting to East Barnett Road through their development. This requires the dedication of land and street construction for these collector and arterial streets to meet this condition.

This credit payment request is to only pay Crystal Springs Development Group Joint Venture for the right-of-way dedications for these higher order streets. Following actual construction of the streets, additional credit payments for that work will follow.

SDC credit payments that exceed $150,000 must be approved by Council prior to disbursement per Medford Municipal Code (MMC) Section 3.815(5)(c)(i)(a).

COUNCIL GOALS
Council Goal and Objective: Public Infrastructure
Strategy: 20.3 Initiate or complete Transportation Capital Improvement Projects to meet existing and future transportation system needs.
Deliverable: None

FINANCIAL AND/OR RESOURCE CONSIDERATIONS
$600,479.02 is budgeted in Fund 520, Street SDC Fund.
TIMING ISSUES
All dedications for the Lone Oak Drive & East Barnett Road Improvements project for Summerfield at Southeast Park have been completed, accepted by the City Engineer and have been recorded with Jackson County.

COUNCIL OPTIONS
Approve the resolution as presented.
Modify the resolution as presented.
Deny the resolution as presented and provide direction to staff.

STAFF RECOMMENDATION
Staff recommends approval of the ordinance.

SUGGESTED MOTION
I move to approve the ordinance as presented.

EXHIBITS
Ordinance
Exhibit A – Map for SSDC Credits
Exhibit B – Street SDC Credit Calculation Form
AN ORDINANCE approving and authorizing payment of Street System Development Charge (SDC) credit in the amount of $600,479.02 to Crystal Springs Development Group Joint Venture.

WHEREAS, Summerfield at South East Park, Phases 23-29 is a large development in east Medford. As a condition of development approval, Crystal Springs Development Group Joint Venture is required to construct a southerly extension of Lone Oak Drive connecting to East Barnett Road through their development. This requires the dedication of land and street construction for these collector and arterial streets to meet this condition;

WHEREAS, this credit payment request is to only pay Crystal Springs Development Group Joint Venture for the right-of-way dedications for these higher order streets. Following construction of the streets, additional credit payments for that work will follow; and

WHEREAS, per Medford Municipal Code (MMC) Section 3.815(5)(c)(i)(a) SDC credit payments that exceed $150,000 must be approved by Council prior to disbursement; now, therefore,

THE CITY OF MEDFORD ORDAINS AS FOLLOWS:

The City Council hereby approves and authorizes payment of Street System Development Charge (SDC) credit in the amount of $600,479.02 to Crystal Springs Development Group Joint Venture.

PASSED by the Council and signed by me in authentication of its passage this 1st day of August, 2024.

ATTEST: ____________________________  ____________________________
          City Recorder                 Mayor Randy Sparacino

APPROVED August 1, 2024

__________________________  ____________________________
Mayor Randy Sparacino
A. PROJECT INFORMATION

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIP Proj. No.</td>
<td>P22-00028</td>
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<tr>
<td>Project Name:</td>
<td>Lone Oak Dr &amp; E Barnett Rd Improvements</td>
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<tr>
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<tr>
<td>ROW Recording #:</td>
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<td>Jackson County Records #:</td>
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<td>Date of R/W Dedication</td>
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<tr>
<td>Developer Name:</td>
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<tr>
<td>Mailing Address:</td>
<td>815 Alder Creek Dr</td>
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<tr>
<td>City/State/Zip:</td>
<td>Medford, OR 97504</td>
</tr>
</tbody>
</table>

B. STREET SDC CREDIT CALCULATIONS

1. Right-of-Way Dedication Credits
   a. Street Name: Lone Oak & E Barnett
      1) Parent parcel: 371W27 1001
         - Parent parcel size: 64.05 Ac x 43,560 = 2,790,018 sf
         - Parent parcel valuation: $10,250,000 (Per Appraisal)
         - Unit valuation ($/sf): $3.67 per sf
         - Area dedicated: 45,406 sf
         - Reduction for direct driveway access (if any): 0 sf
         - Net right-of-way area to credit: 45,406 sf
         - Subtotal Credit for Right-of-way: $166,640.02

   2) Total Credit for Right-of-way = $166,640.02

2. Right-of-Way Dedication Credits
   a. Street Name: Lone Oak & E Barnett
      1) Parent parcel: 371W27 1201
         - Parent parcel size: 14.46 Ac x 43,560 = 629,878 sf
         - Parent parcel valuation: $3,220,000 (Per Appraisal)
         - Unit valuation ($/sf): $5.11 per sf
         - Area dedicated: 84,900 sf
         - Reduction for direct driveway access (if any): 0 sf
         - Net right-of-way area to credit: 84,900 sf
         - Subtotal Credit for Right-of-way: $433,839.00

   2) Total Credit for Right-of-way = $433,839.00

3. TOTAL STREET SDC CREDITS (R/W + CONST) = $600,479.02

C. FORM ROUTING INFORMATION

Credit Calc's Prepared by: Lyndee Stidham Date: 4/30/2024
Credit Calc's Checked by: Doug Burroughs Date: 5/31/2024
STREET SDC CREDIT CALCULATION FORM

AIC Needed?:
Yes (Y or N)

Date of Council Action:

https://cityofmedfordor.sharepoint.com/sites/PWEng/DEV SERVICES/DEVELOPER SDC CREDITS/Street SDC Credits/Developer Projects/Summerfield Lone Oak Extension/Lone Oak & E Barnett Rd - Str SDC Cr Calc Frm - ROW Only.xlsx
COUNCIL BILL 2024-73
AN ORDINANCE amending sections 3.817, 3.838, 3.873, and 3.892 of the Medford Municipal Code (MMC), pertaining to the reduction of City Systems Development Charges assessed for construction of Accessory Dwelling Units.

SUMMARY AND BACKGROUND
Council is requested to consider approval of an ordinance to extend the duration of the Accessory Dwelling Unit (ADU) System Development Charge (SDC) Reduction Program for an additional year. This extension will continue the reduction of city-assessed SDC fees charged for ADUs by 50% through June 30, 2025.

SDC fees that are eligible for reduction include City sanitary sewer collection, transportation, stormwater, and parks. SDCs collected for the Medford Water Commission, Rogue Valley Sewer Systems and the Regional Wastewater Treatment are not eligible for reduction.

PREVIOUS COUNCIL ACTIONS
On November 19, 2020, Council approved Council Bill 2020-139 amending the municipal code pertaining to the reduction of City-assessed SDCs assessed for construction of ADUs. The ADU SDC Reduction Program began on December 1, 2020, and continued through June 1, 2022.

On May 19, 2022, Council approved Council Bill 2022-44, amending the municipal code pertaining to the reduction of SDCs assessed for construction of ADUs. The ADU SDC Reduction Program was extended to June 30, 2023.

On June 1, 2023, Council Bill 2023-68 was approved, adopting the 2023-2025 Biennial Budget for the City of Medford and making appropriations thereunder.

On June 15, 2023, Council approved Council Bill 2023-72 amending the municipal code pertaining to the reduction of SDCs assessed for construction of ADUs. The ADU SDC Reduction Program was extended to June 30, 2024.

ANALYSIS
ADUs are considered to be an effective affordable housing strategy that also supports homeowner household financial stability and resilience. ADU production in Medford has been significant for a city of its size, but fluctuated significantly year-to-year prior to this program. The goal of the proposed SDC reduction program is to achieve a production rate of roughly ten percent (10%) of
total annual single family home production. In typical years, this would equate to 30-40 ADUs. Since its inception, the program has performed as hoped as demonstrated by the following data:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests Received</td>
<td>69</td>
<td>51</td>
<td>54</td>
<td>174</td>
</tr>
<tr>
<td>Requests Accepted</td>
<td>50</td>
<td>36</td>
<td>44</td>
<td>130</td>
</tr>
<tr>
<td>Permits Approved</td>
<td>50</td>
<td>36</td>
<td>44</td>
<td>130</td>
</tr>
<tr>
<td>Certificates of Occupancy</td>
<td>18</td>
<td>26</td>
<td>46</td>
<td>90</td>
</tr>
</tbody>
</table>

SDCs represent five to ten percent or more of the expense of constructing an ADU. A 2018 ECONorthwest study commissioned by the Planning Department found that reduction in the cost of SDCs and other incentives proposed in the accompanying proposal to further defray development costs would make construction of an ADU much more financially feasible for homeowners by reducing debt service. This has become all the more important as interest rates have climbed steadily and construction costs continue to rise.

Through the just concluded program cycle that ended June 30, 2024, the average program savings was meaningful to homeowners with an average value of $7,500. In addition to the 50% reduction of city-assessed SDC fees, the Housing Opportunity Fund (HOF) paid the remaining 50% plus the regional Sewer Treatment fee. HOF funding is not available for this renewal cycle and the average value of the program will be $3,900.

Features of the ADU SDC Reduction Program reauthorization include:

1. Extend the program duration by 12 months, after which the program will be assessed for performance and could be renewed;
2. ADUs constructed using the SDC reduction program would be restricted from use as short term rentals for a period of 10 years from the acceptance of the application. The restriction will be enforced through a restrictive covenant recorded with Jackson County prior to issuance of a Certificate of Occupancy, and filed with the City; and
3. Participants will be required to report rents and certify that benefitting ADUs are not used as short-term rentals annually.

Due to its unique “regional” nature, the sanitary sewer treatment SDC cannot be unilaterally reduced or waived without compensating that particular enterprise fund. Therefore, this SDC is not subject to the proposed 50% reduction.

**COUNCIL GOALS**

Council Goal and Objective: Housing
Strategy: Increase housing opportunities throughout Medford with an emphasis on providing housing options for households earning 80-120 percent of area median income.
Deliverable: Implement incentive programs, regulatory reforms, and outreach programs to support housing production.

FINANCIAL AND/OR RESOURCE CONSIDERATIONS
Reauthorization of the 50% reduction in SDCs for ADUs will reduce SDCs collected for transportation, sanitary sewer collection (but not treatment), stormwater, and parks and recreation facilities. Foregone SDCs, however, are offset by the larger number of ADUs than would have otherwise been permitted. In other words, SDC funds will likely experience an overall increase in fees collected. Property values will increase, providing more property tax revenue supporting the General Fund.

Depending on the number of ADUs constructed, the 50% reduction in SDCs would reduce SDC collections in the following manner over the proposed one-year program period:

<table>
<thead>
<tr>
<th></th>
<th>30 ADUs produced</th>
<th>40 ADUs produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street</td>
<td>$49,824</td>
<td>$66,433</td>
</tr>
<tr>
<td>SS--treatment</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>SS--collection</td>
<td>$18,402</td>
<td>$24,536</td>
</tr>
<tr>
<td>Storm</td>
<td>$4,500</td>
<td>$6,000</td>
</tr>
<tr>
<td>Parks</td>
<td>$50,670</td>
<td>$67,560</td>
</tr>
</tbody>
</table>

TIMING ISSUES
The 50% reduction of SDCs assessed for newly constructed ADUs expired on June 30, 2024. Approval of this reauthorization would be retroactive to July 1, 2024, to ensure no gap in program availability. At the end of this one-year reauthorization, the program will be evaluated for effectiveness and desirability to extend it at that time.

COUNCIL OPTIONS
Approve the ordinance as presented.
Modify the ordinance as presented.
Decline to approve the ordinance as presented and provide direction to staff.

STAFF RECOMMENDATION
Staff recommends approval of the ordinance.

SUGGESTED MOTION
I move to approve the ordinance as presented.

EXHIBITS
Ordinance
Break Even Analysis
ORDINANCE NO. 2024-73

AN ORDINANCE amending sections 3.817, 3.838, 3.873, and 3.892 of the Medford Municipal Code (MMC), pertaining to the reduction of City Systems Development Charges assessed for construction of Accessory Dwelling Units.

WHEREAS, at its regular meeting on February 15, 2018, City Council directed staff to pursue regulatory reforms and economic incentives supporting the accelerated development of housing affordable to a broad range of Medford residents, including incentives supporting additional development of Accessory Dwelling Units (ADUs);

WHEREAS, on August 15, 2018, Council Bill 2018-132 was approved, which resulted in reducing various City regulatory barriers to development of ADUs;

WHEREAS, on November 19, 2020, Council Bill 2020-139 was approved, which resulted in the reduction of certain city System Development Charges assessed for the construction of ADUs;

WHEREAS, City Council desires to encourage the construction of ADUs in pursuit of a larger comprehensive strategy to provide a range of housing choices affordable to households earning up to 120% of Area Median Income;

WHEREAS, most ADUs are developed by individual homeowners who often finance the cost to develop those units;

WHEREAS, the reduction of City-assessed System Development Charges (SDCs) for Transportation, Sanitary Sewer Collection, Stormwater, and Parks will mitigate a potential financial obstacle and improve the economic feasibility of developing ADUs;

WHEREAS, the ADU SDC reduction program commenced on December 1, 2020, and expired on June 1, 2022, the program was assessed for programmatic performance and determined to be worthy of reauthorization upon action of City Council;

WHEREAS, on May 19, 2022, Council Bill 2022-44 was approved, which reauthorized the ADU SDC Reduction program and changed the expiration date to June 30, 2023;

WHEREAS, on June 15, 2023, Council Bill 2023-72 was approved, which reauthorized the ADU SDC Reduction program and changed the expiration date to June 30, 2024; and

WHEREAS, the proposed reauthorization of the ADU SDC Reduction program would commence on July 1, 2024, and expire on June 30, 2025; now, therefore:

THE CITY OF MEDFORD ORDAINS AS FOLLOWS:
Section 1. Section 3.817 of the Medford Municipal Code, relating to Systems Development Charges for Arterial and Collector Streets, is hereby amended to read as follows (language in **bold font** is new, strikethrough font is existing language to be changed, and three asterisks (***) indicate existing language which remains unchanged by this ordinance but was omitted for the sake of brevity):

3.817 Exemptions.

***

(3) At the option of the property owner, Accessory Dwelling Units (ADU) of 900 square feet and smaller, as defined in section 10.012, are exempt from fifty percent (50%) of the SSDC for exemption applications filed during the period of time beginning December 1, 2020, and ending on June 30, 2024. The exemption authorized by this section is subject to the following:

(a) Persons seeking the exemption shall submit an application on a form provided by the City prior to or concurrently with submittal of applications for building permits.
(b) An ADU receiving an exemption may not be used as a short-term rental for a period of 10 years following approval of the application for exemption of SSDCs permitted under this section. A restrictive covenant and compliance agreement documenting this restriction, in a form approved by the City, shall be recorded with Jackson County, at applicant's expense, and submitted to the City prior to issuance of Certificate of Occupancy of the ADU for which the exemption was approved.
(c) The owner of an ADU receiving the exemption shall complete and submit to the City an annual compliance questionnaire during the 10-year exemption period. The questionnaire will seek information documenting the monthly rental amount charged for the ADU, and confirming that the ADU is not being used as a short-term rental. If the owner of an ADU fails to submit a completed annual compliance questionnaire with accurate information within 60 days from the date of mailing, the City may, at its option, seek to terminate the compliance agreement and recover the exempted SSDCs pursuant to the terms of the restrictive covenant and compliance agreement referenced in subsection (b) of this section.
(d) For purposes of this section, “short-term rental” means rental of a residential dwelling unit, or any portion thereof, to overnight guests for fewer than 30 consecutive days.
(e) Appeals of any administrative decisions made by the City pursuant to this section are subject to the appeal procedures set forth in section 1.025, Uniform Appeal and Hearing Procedure.

Section 2. Section 3.837 of the Medford Municipal Code, relating to Systems Development Charges for the Sewer Collection System, is hereby amended to read as follows:

3.837 Exemptions.
At the option of the property owner, Accessory Dwelling Units (ADU) of 900 square feet and smaller, as defined in section 10.012, are exempt from fifty percent (50%) of the SCSDC for exemption applications filed during the period of time beginning December 1, 2020 and ending on June 30, 2024. The exemption authorized by this section is subject to the following:

(a) Persons seeking the exemption shall submit an application on a form provided by the City prior to or concurrently with submittal of applications for building permits.
(b) An ADU receiving an exemption may not be used as a short-term rental for a period of 10 years following approval of the application for exemption of SCSDCs permitted under this section. A restrictive covenant and compliance agreement documenting this restriction, in a form approved by the City, shall be recorded with Jackson County, at applicant’s expense, and submitted to the City prior to issuance of Certificate of Occupancy of the ADU for which the exemption was approved.
(c) The owner of an ADU receiving the exemption shall complete and submit to the City an annual compliance questionnaire during the 10-year exemption period. The questionnaire will seek information documenting the monthly rental amount charged for the ADU, and confirming that the ADU is not being used as a short-term rental. If the owner of an ADU fails to submit a completed annual compliance questionnaire with accurate information within 60 days from the date of mailing, the City may, at its option, seek to terminate the compliance agreement and recover the exempted SCSDCs pursuant to the terms of the restrictive covenant and compliance agreement referenced in subsection (b) of this section.
(d) For purposes of this section, “short-term rental” means rental of a residential dwelling unit, or any portion thereof, to overnight guests for fewer than 30 consecutive days.
(e) This exemption shall not apply to the Medford Regional Water Reclamation Facility SDC imposed in section 3.845.
(f) Appeals of any administrative decisions made by the City pursuant to this section are subject to the appeal procedures set forth in section 1.025, Uniform Appeal and Hearing Procedure.

Section 3. Section 3.873 of the Medford Municipal Code, relating to Systems Development Charges for Parks, is hereby amended to read as follows:

3.873 Partial and Full Exemptions.

(5) At the option of the property owner, Accessory Dwelling Units (ADU) of 900 square feet and smaller, as defined in section 10.012, are exempt from fifty percent (50%) of the Parks SDC for
exemption applications filed during the period of time beginning December 1, 2020 and ending on June 30, 2024. The exemption authorized by this section is subject to the following:

(a) Persons seeking the exemption shall submit an application on a form provided by the City prior to or concurrently with submittal of applications for building permits.
(b) An ADU receiving an exemption may not be used as a short-term rental for a period of 10 years following approval of the application for exemption of Parks SDCs permitted under this section. A restrictive covenant and compliance agreement documenting this restriction, in a form approved by the City, shall be recorded with Jackson County, at applicant’s expense, and submitted to the City prior to issuance of Certificate of Occupancy of the ADU for which the exemption was approved.
(c) The owner of an ADU receiving the exemption shall complete and submit to the City an annual compliance questionnaire during the 10-year exemption period. The questionnaire will seek information documenting the monthly rental amount charged for the ADU, and confirming that the ADU is not being used as a short-term rental. If the owner of an ADU fails to submit a completed annual compliance questionnaire with accurate information within 60 days from the date of mailing, the City may, at its option, seek to terminate the compliance agreement and recover the exempted Parks SDCs pursuant to the terms of the restrictive covenant and compliance agreement referenced in subsection (b) of this section.
(d) For purposes of this section, “short-term rental” means rental of a residential dwelling unit, or any portion thereof, to overnight guests for fewer than 30 consecutive days.
(e) Appeals of any administrative decisions made by the City pursuant to this section are subject to the appeal procedures set forth in section 1.025, Uniform Appeal and Hearing Procedure.

* * *

Section 4. Section 3.892 of the Medford Municipal Code, relating to Systems Development Charges for Storm Drainage, is hereby added to read as follows:

3.892 Exemptions.
(1) At the option of the property owner, Accessory Dwelling Units (ADU) of 900 square feet and smaller, as defined in section 10.012, are exempt from fifty percent (50%) of the Storm Drain SDC for exemption applications filed during the period of time beginning December 1, 2020 and ending on June 30, 2024. The exemption authorized by this section is subject to the following:
(a) Persons seeking the exemption shall submit an application on a form provided by the City prior to or concurrently with submittal of any applications for building permits.
(b) An ADU receiving an exemption may not be used as a short-term rental for a period of 10 years following approval of the application for exemption of Storm Drain SDCs permitted under this section. A restrictive covenant and compliance agreement documenting this restriction, in a form approved by the City, shall be recorded with
Jackson County, at applicant’s expense, and submitted to the City prior to issuance of Certificate of Occupancy of the ADU for which the exemption was approved.

(c) The owner of an ADU receiving the exemption shall complete and submit to the City an annual compliance questionnaire during the 10-year exemption period. The questionnaire will seek information documenting the monthly rental amount charged for the ADU, and confirming that the ADU is not being used as a short-term rental. If the owner of an ADU fails to submit a completed annual compliance questionnaire with accurate information within 60 days from the date of mailing, the City may, at its option, seek to terminate the compliance agreement and recover the exempted Storm Drain SDCs pursuant to the terms of the restrictive covenant and compliance agreement referenced in subsection (b) of this section.

(d) “Short-term rental” means rental of a residential dwelling unit, or any portion thereof, to overnight guests for fewer than 30 consecutive days.

(e) Appeals of any administrative decisions made by the City pursuant to this section are subject to the appeal procedures set forth in section 1.025, Uniform Appeal and Hearing Procedure.

***

Section 5. This Ordinance shall become effective retroactively to July 1, 2024, upon its passage by the Council and approval by the Mayor.

PASSED by the Council and signed by me in authentication of its passage this 1st day of August 2024.

ATTEST: ________________________________ ________________________________
        City Recorder                      Mayor Randy Sparacino

APPROVED: August 1, 2024 ________________________________
                      Mayor Randy Sparacino
The breakeven analysis presented below assumes that ADU production follows the historic trend, reaching roughly 12 units produced in the 2023-2024 time period. Twenty-four ADUs would need to pay the reduced SDC in order to generate the total amount that would be collected if the projected number of ADUs were constructed and paid 100% of SDCs.

<table>
<thead>
<tr>
<th>SDC</th>
<th>SDC collected</th>
<th>Total ADUs produced--linear historic trend for 2024</th>
<th>Total SDCs collected by category</th>
<th># ADUs needed to break even</th>
<th>ADU target</th>
<th>Total SDCs collection based on target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street</td>
<td>$3,321.63</td>
<td>12</td>
<td>$39,860</td>
<td>24</td>
<td>30</td>
<td>$49,824</td>
</tr>
<tr>
<td>SS Collection</td>
<td>$1,226.80</td>
<td>12</td>
<td>$14,722</td>
<td>24</td>
<td>30</td>
<td>$18,402</td>
</tr>
<tr>
<td>Storm</td>
<td>$300.00</td>
<td>12</td>
<td>$3,600</td>
<td>24</td>
<td>30</td>
<td>$4,500</td>
</tr>
<tr>
<td>Parks</td>
<td>$3,292.00</td>
<td>12</td>
<td>$39,504</td>
<td>24</td>
<td>30</td>
<td>$49,380</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$97,685</td>
<td></td>
<td></td>
<td>$122,106</td>
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</tbody>
</table>
COUNCIL BILL 2024-74
AN ORDINANCE approving and authorizing selection of the City of Medford’s next City Manager, Robert Field, and adopting an Employment Agreement with Mr. Field, commencing September 16, 2024.

SUMMARY AND BACKGROUND
Council is requested to consider an ordinance selecting Robert Field as the City of Medford’s next City Manager and adopting an Employment Agreement with Mr. Field that would commence on September 16, 2024.

PREVIOUS COUNCIL ACTIONS
On September 1, 2016, Council Bill 2016-109 was approved, authorizing execution of an Employment Agreement with Brian Sjothun as City Manager.

On January 4, 2018, Council Bill 2018-05 was approved, amending the City Manager’s Employment Agreement.

On June 17, 2021, Council Bill 2021-61 was approved, amending the City Manager’s Employment Agreement.

On June 1, 2023, Council Bill 2023-68 was approved, adopting the 2023-2025 Biennial Budget for the City of Medford and making appropriations thereunder.

One June 15, 2023, Council Bill 2023-77 was approved, amending the City Manager’s Employment Agreement.

ANALYSIS
Brian Sjothun has served as City Manager since 2016. The 2023 amendment to his employment agreement anticipated a retirement in 2024. As such, the City contracted with recruiting firm SGR. From an initial field of approximately 35 candidates, the City conducted a series of evaluations and interviews to reduce the applicant field to three finalists. After another battery of interviews with Council, community members, and staff, the City commenced negotiations with Robert Field. This agreement resulted.

As to the selection of the next City Manager, Council has been deliberate and thoughtful throughout a several-month-long process. As per the City Charter, selection of a City Manager is a Council decision and Council is best suited to speak to their decision and will do so on the dais at this meeting before voting on the selection.
As to the terms of the agreement, this agreement is in many ways similar to Brian Sjothun's employment agreements, with certain specific modifications related to Mr. Field being a new hire from outside the organization instead of an internal promotion. For example, the agreement adds a provision about reimbursing reasonable relocation costs, a standard provision for a chief executive, especially when the City Charter requires that an incoming City Manager relocate their residence to the City after being hired. Staff analyzed City Manager compensation in eight cities in Oregon (the four cities larger than Medford and the four cities smaller than Medford) after cities applied their July 1st cost-of-living adjustments. The proposed salary in this agreement, $233,100, is 4% below the current market average of $242,016.

**COUNCIL GOALS**
- Council Goal and Objective: None
- Strategy: None
- Deliverable: None

**FINANCIAL AND/OR RESOURCE CONSIDERATIONS**
The proposed salary for the new City Manager is $233,100 per year, starting September 16, 2024. The current City Manager will be paid through December 31, 2024. The contract overlap will add approximately $88,600 in additional costs. The new contract exceeds the 2023-25 budget estimates, resulting in a total over-budget cost of about $108,100 for fiscal year 2025. Any budget overages will be addressed through a future supplemental budget or other cost-saving measures. All costs are paid from Fund 100, General Fund.

**TIMING ISSUES**
None.

**COUNCIL OPTIONS**
- Approve the ordinance as presented.
- Modify the ordinance as presented.
- Deny the ordinance as presented and provide direction to staff.

**STAFF RECOMMENDATION**
Staff recommends approval of the ordinance.

**SUGGESTED MOTION**
I move to approve the ordinance as presented.

**EXHIBITS**
- Ordinance
- Agreement is on file in the City Recorder's Office
ORDINANCE NO. 2024-74

AN ORDINANCE approving and authorizing selection of the City of Medford's next City Manager, Robert Field, and adopting an Employment Agreement with Mr. Field, commencing September 16, 2024.

WHEREAS, Brian Sjothun has served as City Manager since 2016, and the 2023 amendment to his employment agreement anticipated retirement in 2024;

WHEREAS, The City contracted with recruiting firm SGR to find Mr. Sjothun’s replacement, as a result of a series of evaluations and interviews, the City commenced negotiations with Robert Field and reached the Agreement that is the subject of this ordinance;

WHEREAS, the Agreement is similar in many ways to Mr. Sjothun’s employment agreements, with certain specific modifications related to Mr. Field being a new hire from outside the organization instead of an internal promotion, such as adding a provision for reimbursement of reasonable relocation costs;

WHEREAS, staff analyzed City Manager compensation in eight cities in Oregon (the four cities larger than Medford and the four cities smaller than Medford) after cities applied their July 1<sup>st</sup> cost-of-living adjustments. The proposed salary in this agreement, $233,100, is 4% below the current market average of $242,016; and

WHEREAS, if executed, the Employment Agreement with Mr. Field will commence September 16, 2024; now, therefore,

THE CITY OF MEDFORD ORDAINS AS FOLLOWS:

The City Council hereby approves and authorizes selection of the City of Medford's next City Manager, Robert Field, and adopting an Employment Agreement with Mr. Field, commencing September 16, 2024. The Agreement is on file in the City Recorder’s office.

PASSED by the Council and signed by me in authentication of its passage this 1<sup>st</sup> day of August, 2024.

ATTEST: __________________________   __________________________
City Recorder               Mayor Randy Sparacino

APPROVED August 1, 2024

__________________________               __________________________
Mayor Randy Sparacino