



*Home of the Tualatin River National Wildlife Refuge*

# **URBAN RENEWAL AGENCY MEETING PACKET**

**FOR**

**Tuesday, December 18, 2012**

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

**6-7pm URA Board Work Session**

**URA Board of Directors Regular Meeting**

*(Following the City Council Meeting)*

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

**Tuesday, December 18, 2012**

**6-7:00PM Board Work Session  
Regular Board meeting (following the City Council meeting)**

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

**6-7pm WORK SESSION**

**REGULAR URA MEETING**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. CONSENT**

**A. Approval of December 4, 2012 URA Board Meeting Minutes**

**4. NEW BUSINESS**

**A. URA Resolution 2012-025 Authorizing the City Manager to award a construction contract for the Downtown Streetscapes Phase 2 Improvements Project (Jason Waters, Civil Engineer)**

**B. URA Resolution 2012-026 Approving City Manager recommendation to demolish the structure known as the Machine Works Building and terminate the CMGC process and construction agreements or contracts related to the renovation of the existing building (Joe Gall, City Manager)**

**5. PUBLIC HEARING**

**A. URA Resolution 2012-027 Adopting a Supplemental Budget and making appropriations (Craig Gibbons, Finance Director)**

**6. STAFF REPORTS**

**7. ADJOURN**

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS  
MEETING MINUTES  
Tuesday, December 4, 2012  
22560 SW Pine Street, Sherwood, Oregon 97140**

**REGULAR MEETING**

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 8:10 pm.
2. **BOARD PRESENT:** Chair Keith Mays, Dave Grant, Bill Butterfield, Matt Langer, Robyn Folsom, Linda Henderson and Krisanna Clark.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, Police Chief Jeff Groth, Community Services Director Kristen Switzer and Agency Recorder Sylvia Murphy.

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

4. **CONSENT AGENDA:**

**A. Approval of November 14, 2012 URA Board Meeting Minutes**

**MOTION: FROM DAVE GRANT TO APPROVE THE CONSENT AGENDA, SECONDED BY MATT LANGER. MOTION PASSED 7:0, ALL BOARD MEMBERS VOTED IN FAVOR.**

Chair Mays addressed the next agenda item.

5. **NEW BUSINESS:**

**A. URA RESOLUTION 2012-024 Approving a Façade Grant for the building at 22495 SW Ash Street in Sherwood**

Chair Mays stated that the resolution would approve a façade grant for the building at 22495 SW Ash Street and asked for questions from the Board, with no questions he asked for a motion:

**MOTION: FROM MATT LANGER TO ADOPT URA RESOLUTION 2012-024, SECONDED BY BILL BUTTERFIELD.**

Prior to receiving the vote, Ms. Folsom noted that the resolution contains two proposals and asked which proposal they are approving. Tom Pessemier confirmed that the Proposal #2 (#1820), which contains HardiPlank material, is being considered. Ms. Folsom asked if the grant is to improve the back side of the building to match to the street side. Tom confirmed.

Ms. Henderson asked if other Façade Grants have been granted at this location and or the location of the Railroad Antique Mall. Tom replied that this location has not received a Façade Grant, but the Railroad Antique Mall received a fairly small grant at one time to improve the backside of the building.

Mr. Langer followed up on Ms. Folsom's question by stating that SURPAC discussed the issue and concluded that although the improvement would be made to the back side of the building, from the street, that side is very visible.

Ms. Henderson asked whether the resolution specifies the approval of Proposal #2 (#1820). Tom responded that under a **Whereas** the resolution approves the HardiPlank option.

With no other comments, the following vote was received.

**VOTE: MOTION PASSED 7:0, ALL BOARD MEMBERS VOTED IN FAVOR.**

Chair Mays addressed the next agenda item.

**6. STAFF REPORTS:** None

**7. ADJOURN:**

Chair Mays adjourned the meeting at 8:15pm and convened to a work session.

**WORK SESSION:**

**1. CALL TO ORDER:** Chair Keith Mays called the work session to order at 8:20 pm.

**2. BOARD PRESENT:** Chair Keith Mays, Dave Grant, Bill Butterfield, Matt Langer, Robyn Folsom, and Linda Henderson. Krisanna Clark was not in attendance for the work session.

**3. STAFF PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, Police Chief Jeff Groth, Community Services Director Kristen Switzer and Agency Recorder Sylvia Murphy.

**4. TOPICS DISCUSSED:**

**A. Sherwood Main Street Program funding:** The Board discussed current remaining funds that support the program and funds running out in March 2013. Discussion occurred regarding future funding of the Program, amount of funding and the program coordinators seeking SURPAC support for funding. Discussion occurred regarding the program benefits, Chamber partnership and Chamber coordination with the program coordinator.

**B. Community Center Project Status:** The Board discussed the condition of the Machine Works building and future staff recommendations to come before the URA Board on December 18<sup>th</sup>. Brief discussion occurred regarding the desires of the Board and seeking their direction for the Center in 2013. Discussion occurred regarding a future work session and possibly including the Steering Committee members.

**5. ADJOURN:** Chair Mays adjourned at 9:05 pm.

Submitted by:

---

Sylvia Murphy, CMC, Agency Recorder

---

Keith S. Mays, Chair

**TO:** Urban Renewal Board of Directors

**FROM:** Jason Waters, Civil Engineer

**THROUGH:** Bob Galati, City Engineer & Julia Hajduk, Community Development Director

**SUBJECT:** URA RESOLUTION 2012-025 AUTHORIZING THE URA MANAGER TO AWARD A CONSTRUCTION CONTRACT FOR THE DOWNTOWN STREETSCAPES PHASE 2 IMPROVEMENTS PROJECT

**ISSUE:** The infrastructure along SW Railroad St, SW Washington St and the alleys between SW Main St & SW Pine St in Old Town are in poor condition and in need of improvements.

**BACKGROUND:** In 2006 the City completed the first phase of the Downtown Streetscapes Improvements. That phase reconstructed the underground utilities and installed curbless style concrete streets, streetlights and fixtures along SW 1<sup>st</sup> St, SW Main St, and SW Pine St. The current Phase 2 project will complete the utility and roadway improvements, plus resurface the alleyways bounded by the aforementioned streets and railroad tracks.

The Phase 2 project will be identical to the 2006 project with the exception of small mountable curbs being added and the sidewalk along the building side of SW Railroad St being widened by 4 feet. Curbs are being introduced to improve drainage, reduce the amount of leaves & debris accumulating on the sidewalks and against buildings, and to better delineated parking. The smaller mountable curbs were introduced along SW Pine Street (south of the railroad tracks) during the Cannery Improvements Project in 2011. Since there are no buildings along the railroad track side of SW Railroad St, the sidewalk along that side will be 8 feet wide and the building side increased to 16 feet wide. This will provide more space for businesses to function with through traffic on the sidewalks. On-street parking and traffic patterns will remain the same.

The alleyway is the utility backbone through Old Town, containing storm, sanitary, water, all franchise utilities, and utility connections to the buildings. Much of the utility infrastructure is shallow, but after a substantial amount of subsurface exploration, the City's design consultant is confident the alleys can be resurfaced without major utility relocation and reconstruction. Once the aboveground pedestals and bollards are placed underground and/or removed, and City utilities rehabilitated, the alleys will be resurfaced with 4 inches of asphalt over 4 inches of aggregate base.

This summer and fall, staff worked with the City's design consultant to complete final construction plans and recently prepared bid documents to solicit contractors using a competitive bidding process following the provisions of ORS 279C and OAR 137-049. The project was advertised for bid on November 27<sup>th</sup> and 29<sup>th</sup>, 2012 with a mandatory pre-bid meeting occurring on December 4<sup>th</sup>, 2012. Bid proposals were opened on Tuesday, December

18<sup>th</sup>, 2012 at 2pm, after which staff and the consultant worked diligently to identify the lowest responsive bidder and recommend a contract be awarded following the 7-day bid protest period.

Since the City desires to have the project substantially complete by the Cruisin Sherwood event, staff recommends URA Board grant the URA Manager authority to award a construction contract following completion of the protest period. This will expedite contract execution and bonding so that work can begin in January 2013. Since at publication of the staff report and legislation the apparent low bidder was not known, the name of the company submitting the lowest responsive bid and the base-bid amount will be read aloud and entered into the record during the December 18<sup>th</sup>, 2012 URA Board meeting.

Staff is recommending a 10% construction contingency to mitigate construction issues during the project, specifically underground utility infrastructure in the alleys and potential for underground storage tanks; plus, an 8% owner contingency for additional work discovered and deemed necessary during the project, including, but not limited to the potential for additional work performed by the City that might otherwise be performed by franchise utility providers and billed to the City after the project.

In addition, during the solicitation of design consultant services in early 2012, City staff included construction management and inspection services in the scope of work requested, with the intent that City Council would award a contract to the same consultant to manage construction and inspect the project on behalf of the City. Therefore staff recommends granting the URA Manager authority to award a contract to Murray Smith & Associates for a fee not-to-exceed 12% of the base-bid amount for construction management and inspection services.

Therefore, staff requests that the Sherwood URA Board grant the URA Manager authority to award a construction contract to the apparent low bid contractor in an amount equal to the base-bid submitted. In addition, staff recommends the URA Manager be granted authority to increase the low bidder's contract by up to 10% of the base-bid amount to mitigate construction issues and the authority to execute additional construction contracts with the low bid contractor or other contractors as needed for a total amount not-to-exceed 8% of the base-bid for services related to the construction of the Downtown Streetscapes Phase 2 Improvements Project, plus the authority to award a construction management and inspection services contract to Murray Smith & Associates in an amount not-to-exceed 12% of the original base-bid amount.

**FINDINGS:** By passing this resolution the URA Manager can execute the contracts necessary to complete the streetscape improvements in a timely manner.

**RECOMMENDATION:** MOTION TO ADOPT URA RESOLUTION 2012-025 AUTHORIZING THE URA MANAGER TO AWARD A CONSTRUCTION CONTRACT FOR THE DOWNTOWN STREETSAPES PHASE 2 IMPROVEMENTS PROJECT.



**URA RESOLUTION 2012-025**

**A RESOLUTION AUTHORIZING THE URA MANAGER TO AWARD A CONSTRUCTION CONTRACT FOR THE DOWNTOWN STREETSCAPES PHASE 2 IMPROVEMENTS PROJECT**

**WHEREAS**, the City wishes to complete streetscape improvements and improve the alleys in Old Town; and

**WHEREAS**, the City has budgeted funds to complete the design and construction of SW Railroad St. between SW Main & SW Pine St, SW Washington St. between SW Railroad St. & SW 1<sup>st</sup> St, and the alleys south of SW 1<sup>st</sup> St. between SW Main St & SW Pine St.; and

**WHEREAS**, the City completed the design and produced bid documents to solicit contractors using a competitive bidding process meeting the requirements of local and state contracting statutes and rules (ORS 279C, OAR 137-049); and

**WHEREAS**, in March 2012 the City solicited a design consultant and included construction management and inspection services in their scope-of-work; and

**WHEREAS**, the City opened bids on December 18, 2012, reviewed all bid proposals and identify the lowest responsive bidder; and

**WHEREAS**, City staff recommends Urban Renewal Board grant the URA Manager the authority to award a construction contract to **the lowest responsive bidder** in an amount equal to their base-bid of **\$2,000,000.00**; and

**WHEREAS**, City staff recommends a 10% contractor contingency to mitigate unforeseen issues during the project associated with, but not limited to underground utilities and the possibility of encountering underground storage tanks, plus, a separate 8% owner contingency for additional work discovered and deemed necessary during the project.

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

**Section 1:** Upon completion of the mandatory seven (7) day bid protest period, the URA Manager is hereby authorized to award a contract to **the lowest responsive bidder** in an amount equal to **\$2,000,000.00** for the completion of the Downtown Streetscape Improvements Phase 2 Project.

**Section 2:** Subject to the limitations of local and state contracting rules, the URA Manager is hereby authorized to execute contract change orders for a total amount not-to-exceed 10% of the original award.

**Section 3:** Subject to the limitations of local and state contracting rules, the URA Manager is hereby authorized to execute additional construction contracts with the low bid contractor or other contractors as needed for a total amount not-to-exceed 8% of the original award.

**Section 4:** The URA Manager is hereby authorized to execute a contract with Murray Smith & Associates for construction management and inspection services for a total amount not-to-exceed 12% of the original amount awarded to the general contractor.

**Section 5:** This Resolution shall be in effect upon its approval and adoption.

**Duly passed by the Sherwood Urban Renewal Board this 18<sup>th</sup> day of December 2012.**

\_\_\_\_\_  
Keith S. Mays, Chair

Attest:

\_\_\_\_\_  
Sylvia Murphy, CMC, Agency Recorder

**TO:** Sherwood Urban Renewal Agency Board

**FROM:** Tom Pessemier, Assistant City Manager

**SUBJECT: A RESOLUTION APPROVING CITY MANAGER RECOMMENDATION TO DEMOLISH THE STRUCTURE KNOWN AS THE MACHINE WORKS BUILDING, TERMINATE THE CMGC PROCESS AND CONSTRUCTION AGREEMENTS OR CONTRACTS RELATED TO THE RENOVATION OF THE EXISTING BUILDING**

**Issue**

Should the URA Board approve the recommendation from the City Manager to demolish the machine works building? Should the URA Board terminate the CMGC process and construction agreements/contracts related to the renovation of the existing building? Should Staff begin work to bring new design-bid-build Contracts to the URA Board for the construction of a new building to serve as the Community Center?

**Background**

The Urban Renewal Agency (URA) approved a community center project through a number of resolutions over the past three years and set limits on the amount to be spent on renovating the existing Machine Works building for that purpose. Over time it became apparent that renovating the Machine Work Building was going to be more expensive than anticipated and would rival the cost of a new building. The costs also exceeded the amount set by the URA Board. At that point URA Staff began an analysis on what the costs of retrofitting the Machine Works Building would be relative to a new building. While a design of a new building has not been completed at this point the best estimate of the difference in price is \$600,000.

Sometime in the past few months a damaged truss in the building failed. This failure was noticed during a visit to the building and the truss was supported with towers from below. Subsequent detailed inspections noted that the failure put additional loads on the adjacent trusses and they are showing signs of damage. Additional shoring of these trusses and the walls will be necessary. Costs for reconstructing the existing trusses that are near the end of their design life will be costly and an analysis has not been completed since if this resolution is passed they will be demolished.

The City Building Inspector has determined that this building is dangerous and has ordered that efforts be taken to repair, vacate or demolish the building. The building is currently vacant and additional efforts to shore the structure are necessary.

The overall project cost is in excess of \$6 million and therefore the anticipated difference between a retrofitted building and a new building is less than 10% of the project.

Given the relatively small difference in costs, the unknown issues and liability with the dangerous building the City Manager is recommending demolition of the building.

Demolition of the building would change the execution of the project so this resolution also puts into place a way to terminate the existing agreements and contracts regarding retrofitting of the Machine Works building and set up a new process to begin design efforts for a new building to be a community center.

**Financials**

Estimated difference between a retrofitted building and a new building is approximately \$600,000 or less than 10% of the project costs. With the list of committed projects recommended by SURPAC a new building would reduce the remaining Maximum Indebtedness to about \$400,000.

**Recommendation**

The City Attorney's office has reviewed the legislation and has no issues with it. City Manager and URA Staff recommend approval of URA Resolution 2012-026.



**URA RESOLUTION 2012-026**

**A RESOLUTION APPROVING CITY MANAGER RECOMMENDATION TO DEMOLISH THE STRUCTURE KNOWN AS THE MACHINE WORKS BUILDING, TERMINATE THE CMGC PROCESS AND CONSTRUCTION AGREEMENTS OR CONTRACTS RELATED TO THE RENOVATION OF THE EXISTING BUILDING**

**WHEREAS**, the vacant building known as the Machine Works Building is located at the intersection of Columbia and Pine Streets in Old Town Sherwood, Oregon; and

**WHEREAS**, the building is currently owned by the Sherwood Urban Renewal Agency; and

**WHEREAS**, the building was being planned to be renovated into a new Community Center as part of the Sherwood Urban Renewal Plan; and

**WHEREAS**, structural damage to a number of the wooden roof trusses over the past month has occurred and the building has been declared Dangerous by the City's Building Official; and

**WHEREAS**, since July 2012, City staff and the Urban Renewal Agency Board have been studying whether to re-invest in renovating this existing building or invest in a new building; and

**WHEREAS**, after considerable analysis and financial projections, the City Manager is recommending that the URA Board approve the demolition of the existing building due to its continuing deterioration and the additional costs associated with renovation.

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

**Section 1.** That the Sherwood Urban Renewal Agency Board approves the City Manager recommendation to demolish the existing Machine Works Building with the stipulation that the property remains in the ownership of the Urban Renewal District and shall continue to be designated as the future site of the Community Center project.

**Section 2.** The Sherwood Urban Renewal Agency Board authorizes the Urban Renewal Manager to enter into contracts to demolish the existing Machine Works Building as soon as possible.

**Section 3.** Urban Renewal Agency staff shall work in earnest to terminate the CMGC process and all construction related agreements and contracts related to the renovation of the existing building. This shall include all agreements or contracts related to R&H Construction.

**Section 4.** Staff shall prepare design-bid-build contracts, for the consideration of the Urban Renewal Board, for a new Community Center building on this site.

**Section 5.** This Resolution shall be effective upon its approval and adoption.

**Duly passed by the Sherwood Urban Renewal Board this 18<sup>th</sup> day of December 2012.**

\_\_\_\_\_  
Keith S. Mays, Chair

Attest:

\_\_\_\_\_  
Sylvia Murphy, CMC, Agency Recorder

**TO:** Sherwood Urban Renewal Agency Board

**FROM:** Craig L. Gibons, Finance Director  
Through Joe Gall, City Manager

**SUBJECT:** FY12-13 URA Supplemental Budget Resolution

---

## **ISSUE**

Adoption of URA Resolution 2012- 027, A Resolution Adopting a Supplemental Budget and Making Appropriations.

## **BACKGROUND**

The Agency has five situations which require additional appropriations.

1. The URA refinanced two loans at a lower interest rate, saving the agency approximately \$700,000 in interest charges. This supplemental is to recognize the payoff of the old loans offset by the proceeds from the new bonds issued.
2. Personal Services expenditures are exceeding budget due to the involvement of more City staff in Agency projects and Cannery development contract changes (\$70,000).
3. Legal costs are also higher due to the Cannery development contract changes and carryover work from the storm water facility project (\$70,000).
4. In FY11-12 the Agency took an opportunity to purchase real property when it came on the market unexpectedly. The property had been earlier identified as the location of a future storm water treatment facility. The portion of the property that is not being used for a storm water facility will be sold following subdivision and the proceeds accrued to the Agency. The subdividing of the property was scheduled to be complete by June 30, 2012 but carried over into FY12-13 (\$40,000).
5. Loan funds cannot be used for personal services costs for the URA capital projects, therefore a transfer from the URA operations fund is needed to cover the personal services costs related to the cannery and community center projects (\$60,000).

The attached resolution transfers contingency appropriation and loan proceeds to the appropriate expenditure category for these purchases.

## **RECOMMENDATION**

Staff recommends the Board adoption of URA Resolution 2012-027, A Resolution Adopting a Supplemental Budget and Making Appropriations.



**URA RESOLUTION 2012-027**

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET AND MAKING APPROPRIATIONS**

**WHEREAS**, supplemental budgets are required:

- when a government receives revenue it did not plan for in its budget and wishes to spend the extra revenue, or
- occurrences or conditions which were not known at the time the budget was prepared require changes in financial planning

**WHEREAS**, the following events have occurred:

- Additional staff time and legal costs were needed for the URA operations than was originally budgeted.
- Recognition of the refinancing of debt.
- Loan funds cannot be used for staff time related to capital projects, therefore the operations fund needs to fund the staff time.

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

**Section 1.** Appropriations for the 2011-12 fiscal year are increased (decreased) in the following amounts:

<b>Urban Renewal Operations Fund</b>	
<b>Resource</b>	<b>Amount</b>
Bond Proceeds	\$5,172,447
<b>Revised Total Resources</b>	<b>\$10,721,151</b>
<b>Expenditure</b>	
Personal Services	\$70,000
Materials & Services	70,000
Transfers Out	100,000
Debt Service	5,172,447
Contingency	(240,000)
<b>Revised Total Requirements</b>	<b>\$10,721,151</b>

**Section 2.** This Resolution shall be effective upon its approval and adoption.

**Duly passed by the Sherwood Urban Renewal Board this 18th day of  
December 2012.**

\_\_\_\_\_  
Keith S. Mays, Chair

Attest:

\_\_\_\_\_  
Sylvia Murphy, CMC, Agency Recorder