

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 2/23/16 **Approx Start Time:** 2:30 PM **Approx Length:** 30 minutes

Presentation Title: New Library to serve Oak Lodge/Gladstone area residents

Department: Business & Community Services

Presenters: Gary Barth, Director BCS, Laura Zentner, Deputy Director BCS, Chris Storey, County Counsel

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

BCS staff is seeking Board direction on next steps in determining the long term provision of Library Services to the Library District residents in the City of Gladstone and a large portion of the unincorporated citizens currently served by the county's Oak Lodge Library.

EXECUTIVE SUMMARY:

In 2008 the Board of County Commissioners made the decision to close the three county run libraries and discontinue providing general fund subsidies to the city libraries throughout the county. To offset this decision, the county offered to lead the effort to form a new county-wide Library District that would provide stable, long term funding to city libraries to be the library service providers of the District and provide comparable levels of service to all residents of the newly formed District.

The Library District was approved by voters in November 2008 and that District is now providing funding to cities for library purposes that is more than three times greater than the amount provided by the county general fund before District formation.

Rather than closing the Hoodland Library, that facility was transferred to the City of Sandy to run as a satellite, with the City receiving a proportional amount of District funding for that service population. The county also built a new library in the Happy Valley area to serve the large District population east of I-205, closing the Clackamas Corner facility. Once that facility was up and running, it was transferred to the City of Happy Valley to own and operate as intended by the original Board action to transfer the management and operation of libraries throughout the Library District to cities.

The last remaining facility is the Oak Lodge Library. As anticipated at the time of the election to form the new Library District, the City of Gladstone would be constructing a new City Library with the capacity to serve 70% of the service population of the Oak Lodge Library and upon completion, the Oak Lodge Library would close and transfer operation to the City of Gladstone to operate out of their new facility. (The other 30% of the Oak Lodge service population would be served by an expanded City Library in Milwaukie.)

Through a series of voter approved ballot measures, the original library that the City of Gladstone planned to construct shortly after District formation did not receive voter approval from the residents of Gladstone. The county requested that the City of Gladstone present an alternative plan for a new library sufficient to meet the needs of an expanded service area by June 2014 and

allowing for a November 2014 ballot measure to seek voter approval to construct the proposed facility. The City convened a citizen advisory committee of 37 members (per the explanatory statement in the subsequent ballot measure) of which 33 were from the city and 4 from the unincorporated area to plan for a new library. The City completed that task force work and presented an alternative plan to the county by the June 30, 2014 deadline. That plan was discussed in a Board study session on July 1, 2014 discussing both the Gladstone and Happy Valley Library Transitions Plans. The Gladstone discussion was continued in a July 8, 2014 study session with a presentation by County Counsel to discuss legal issues related to the Gladstone Plan. At that July 8, 2014 meeting, several motions were made and withdrawn by members of the Board with no official action taken. Staff was directed to bring the issue back before the Board “when the time comes”. It is the assumption here that that direction assumed after the City of Gladstone had voter approval to proceed with constructing a new facility - on a site to be determined along Portland Avenue and not using any City funds in the financing plan. That measure passed in November 2014, after which the City began the work to find a site along Portland Avenue.

During the site search, the city underwent significant transformation through the election of a new Mayor and council members. The new City Council chose not to renew the contract of the City Manager prior to a site being determined for the new library. An interim City Manager was brought on board and a plan formulated during the summer and fall of 2015 around constructing a “combination City Hall and Library facility” at the location of the current City Hall, which would fulfill the voter requirement that the new Library would be located on or near Portland Avenue. However the City needed voter approval to construct a new City Hall. That measure, along with a request to build a new Police Station, was then placed on the November 2015 ballot where they were approved by voters. With citizen approval to build three new public buildings – the Library, City Hall and a Police Station - and the hiring of a new City Manager, the City of Gladstone presented a new library plan to staff in January 2016. Staff shared this new plan with the Board in multiple discussions over the last month.

The city is asking for county approval of the newly proposed City Hall/Library facility and financing plan that would prohibit use of city funds in construction of the library portion of that facility.

The library financing plan as proposed is dependent on the following:

- \$1 million in county general fund contribution that was earmarked for the City as a condition of serving the 70% of the service area of the Oak Lodge Library
- \$500,000 in Oak Lodge Library Operating Reserves as referenced in the IGA between the City and County in April 2011, as a condition of serving the 70% of the service area of the Oak Lodge Library
- \$875,000 in additional Oak Lodge Library operating reserves accumulated since the IGA was executed, as a condition of serving the 70% of the service area of the Oak Lodge Library
- \$2.7 million in debt to be repaid from the City’s post-consolidation Library District fund distribution
- \$1.3 million in estimated interest on the debt to be repaid from the City’s post-consolidation Library District fund distribution

In a study session held on February 9, 2016 the Board approved two motions:

1. Approve the use of \$1 million in county general fund and \$500,000 in Oak Lodge operating reserve funds towards the construction of the proposed Library portion of the combined Gladstone City Hall/Library facility
2. Recommended consideration of an additional \$875,000 in Oak Lodge operating reserves towards the construction of the proposed Library portion of the combined Gladstone City Hall/Library facility subject to the following directive – request that a citizens advisory group be convened, consisting of proportional representation of the service population proposed to be served, to consider the City’s proposed combination City Hall/Library facility and be given the opportunity to provide input to the planned design, location and financing plan of the library facility.

The Board did not provide input on the remainder of the financing plan to incur debt to be repaid from post-consolidation Library District fund distribution to Gladstone. That matter will be discussed in a separate study session with the BCC in your capacity as the Library District Board.

To summarize, the Board is acting in several capacities in the proposal to construct a new Gladstone Library sufficient to serve a large majority of the Oak Lodge Library service population and enable closure of the county operated Oak Lodge Library:

1. As the **Board of County Commissioners**, providing \$1 million in discretionary general fund set aside for Gladstone to assist in increasing their library facility capacity to accommodate the planned transition of the Oak Lodge service area
2. As the **Board of County Commissioners** with oversight over the current Oak Lodge Library budget. The Oak Lodge Library is funded by a distribution from the Library District and currently includes reserves that have been set aside pending a permanent facility solution and are being contemplated by the City of Gladstone as a funding source for their new Library.
3. As the **Library District Board**, with possible oversight over the use of District funding for capital projects (to be discussed in a separate study session as the Library District Board)

The City of Gladstone has proposed a new city library that they believe will support serving an expanded service area to include 70% of the population currently included in the Oak Lodge Library service area. This would facilitate the closure of Oak Lodge per the Board’s current directive and result in a corresponding increase in Library District funding to the City of Gladstone. This anticipated increase in funding is part of Gladstone’s financing plan for the new library facility.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? The proposed Gladstone Library would cost:

- \$1 million in county general fund contribution that was earmarked for the City as a condition of serving the 70% of the service area of the Oak Lodge Library
- \$500,000 in Oak Lodge Library Operating Reserves as referenced in the IGA between the City and County in April 2011
- \$875,000 in additional Oak Lodge Library operating reserves accumulated since the IGA was executed
- \$2.7 million in debt to be repaid from the City’s Library District fund distribution

- \$1.3 million in estimated interest on the debt to be repaid from the City's Library District fund distribution

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
 - Fulfilling the Board directive to close the Oak Lodge Library and transfer service area to the cities of Gladstone (70%) and Milwaukie (30%)
- How does this item align with the County's Performance Clackamas goals?
 - Building public trust through good government

LEGAL/POLICY REQUIREMENTS:

County Counsel has provided the Board with legal opinions regarding a number of issues related to the proposed Gladstone Library facility and financing plan.

PUBLIC/GOVERNMENTAL PARTICIPATION:

The City convened a 37 member citizen committee, comprised predominantly of city residents, to help develop the new library plan under the conditions set forth in a November 2014 ballot measure. Staff is not aware of any citizen engagement regarding the proposal to build a combination City Hall/Library facility, but that plan does comply with the November 2014 ballot conditions of being sited along Portland Avenue in downtown Gladstone and not using any city funds in constructing the library portion of the facility. There has been very limited public engagement with the Library District residents currently served by the Oak Lodge Library.

OPTIONS:

1. Approve the City of Gladstone's proposed City Hall/Library facility and financing plan, allowing for the transfer of \$1 million in county general fund and \$1,375,000 in Oak Lodge Library reserves to be used in the planning, design and construction of the library portion of the combined City Hall/Library facility. Acknowledge that the City of Gladstone will issue debt for the remainder of the proposed costs of the new library with the debt to be repaid from Library District funds provided to the City of Gladstone
2. Defer approval and any fund distribution from the county to the city until the proposed "proportional" citizen advisory committee can meet and provide input to both the City and the Board of County Commissioners regarding the proposed plan.
3. Change the Board's current policy direction which is to close the Oak Lodge Library and transfer the service population to the cities of Milwaukie and Gladstone. Direct staff to explore alternatives to enhancing library services for the District residents currently served by the Oak Lodge Library.

RECOMMENDATION:

Staff recommends Option 2 as the next step, with the results from Option 2 determining whether the Board considers Option 1 or Option 3 as their final direction.

ATTACHMENTS:

- Revised timeline and attachments that reflect Board actions between August 2013 and December 2013 not identified on the timeline provided at the February 9, 2016 study session
- Facility Option Matrix/Operating and Capital Funding scenarios

SUBMITTED BY:

Division Director/Head Approval _____ GB _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact _____ @ 503-_____
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New Library for Gladstone, Oak Grove, Jennings Lodge and Oatfield

Timeline Highlighting Change in
Facility Design and Funding Strategy

V2 Revised 02/17/16

Plans at Library District Formation

Jan 2000

- City acquires 10 acre site on Webster Road

Feb 2007

- City Council designates 10 acre site as Gladstone Nature Park to includes park, trails and new library

Nov 2008

- Citizens approve creation of the County Library District

New Library Design Process Underway

2009

- City appoints a New Library Planning Committee

Aug 2009

- City of Gladstone signs IGA with Library District as a Library City

Apr 2011

- City of Gladstone signs IGA with Clackamas County for \$2.5 million capital contribution to build new library on Webster Road

Library Plan Loses City Support

Apr 2011

- Final design for a \$10 million, 19,000 square foot library submitted to the City Planning Commission. Vote was 3-3, so design was not approved

May 2012

- City of Gladstone Measures 3-394 and 3-395 pass (55%/45% and 56%/44%) requiring a public vote to incur debt or spend \$1 million or more on public buildings, respectively.

Nov 2012

- City of Gladstone measure 3-413 fails 44% to 56% which would have authorized the \$10 million library on Webster Road

County Requests Return of Capital Funds Pending New Plan

Mar 2013

- County Administrator sends letter to City of Gladstone requesting the immediate return of the remaining \$1.5 million in capital noting that those funds were provided for a “specific project” that was rejected by City voters and that new alternatives needed to be explored.

May 2013

- City of Gladstone approves returning the \$1.5 million to the county

August 2013

- Study session with the Board proposing several alternatives for consideration due to the City of Gladstone vote not to proceed with the planned Webster Road Library facility
- BCC consensus to send a letter to Gladstone indicating Gladstone needs to commit to some action to serve Oak Lodge residents by July 2014

County Requests Return of Capital Funds Pending New Plan

Sept 2013

- Vice Chair Savas sends letter on behalf of the Board to Gladstone reaffirming the need to provide Oak Lodge residents with threshold level of library services and requesting that a mutually agreeable solution be reached by June 30, 2014

Oct 2013

- Mayor Byers of Gladstone acknowledges receipt of the letter from the county and commits to working with the county on a revised plan that would be subject to voter approval. The Mayor asks that the City be allowed to show significant progress by the June 30, 2014 deadline but requests allowing for a November 2014 ballot measure to obtain required city voter approval.

December 2013

- Chair Ludlow sends letter to Mayor Byers supporting the Mayor's request for a November 2014 election but requiring ***"written assurances from the City by June 30, 2014 that a Library Construction Measure will be on the November 2014 ballot. Further, all required elections material must be submitted to the Clackamas County Elections Clerk by the end of August 2014 to ensure a November 2014 election. City of Gladstone works on an alternative plan for a new library."***

Gladstone Proposes Alternative for Citizen Vote; Introduces concept of Combo Building

Jun 2014

- City of Gladstone meets the June 30, 2014 deadline for an alternative plan, proposing a scaled down library design to be located in downtown along Portland Avenue and not using any city funds, subject to voter approval on the Nov 2014 ballot.

July 1, 2014

- Board Study Session is held regarding both the Gladstone and Happy Valley Library Transition Plans.

July 8, 2014

- Board Study Session is held as a continuation of the July 1, 2014 Study Session to further discuss the Gladstone plan and upcoming ballot measure. Several motions were made and withdrawn. Final Board action was to **direct "staff to bring back recommendation when the time comes" per study session meeting minutes**

Gladstone Proposes Alternative for Citizen Vote; Introduces concept of Combo Building

Nov 2014

- City of Gladstone voters pass measure 3-446 approving construction of a new smaller library on Portland Avenue in downtown Gladstone while prohibiting use of city funds in the construction

Spring 2015

- Newly elected City Council chooses not to renew City Manager's contract. City hires interim city manager who inherits the Library plan approved by voters in November 2014.

Fall 2015

- Interim City Manager and Council consider building a combo City Hall/Library facility at site of current City Hall, subject to voter approval of a ballot measure to construct a new City Hall

Gladstone Voters Approve Construction of New City Hall and Police Station; Paves Way for Combo Building.

Oak Lodge Library Board Expresses Concern

Nov 2015

- City of Gladstone measure 3-446 passes approving construction of a new City Hall and Police Station using Urban Renewal funds, state revenue sharing and proceeds from property sale

Jan 2016

- Staff provides Board with an update on City of Gladstone's construction plan for a new combo City Hall/Library on location of existing City Hall.
- City requests remaining county capital contribution per IGA to begin work on planning and design as no city funds can be used on the library portion of the facility per measure 3-446 passed in November 2014

Jan 2016

- The Oak Lodge Library Board sends a letter to the Gladstone City Manager and County Administrator expressing concerns with the City's revised library financing plan and perceived lack of unincorporated citizen participation in the design and development of the new library being proposed by the City

New Library for Gladstone, Oak Grove, Jennings Lodge and Oatfield

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CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: August 6, 2013 Approx Time: 9:00 Approx Length: ⁶⁰~~30~~ minutes

Presentation Title: ~~Oak Lodge Library Options~~ *Library Measure Effects*

Department: Business and Community Services

Presenters: Gary Barth, Chris Storey, and Doris Grolbert

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Business and Community Services staff is seeking direction from the Board regarding the course of action going forward to ensure the long term provision of library services to the Oak Lodge Library community.

EXECUTIVE SUMMARY:

The Library District in Clackamas County was approved by voters in November 2008. After the District was established, two Intergovernmental Agreements were developed. The District IGA is between the District Board and 10 participating library cities. The District IGA addresses the distribution of District revenue, obligations of the District and library cities. The IGA states that the County libraries are treated the same as city libraries as a separate service center to be funded.

In section 1.6 Transition Payments in the IGA between the City of Gladstone and the District, the agreement outlines the steps to transition the county-run Oak Lodge Library to the City of Gladstone in order to provide the citizens of both areas quality library service into the future and to extract the county from the being the provider of retail library services per the direction of the Board of County Commissioners.

1.6 Transition Payments. The parties hereto acknowledge and agree that the District shall distribute funds to Clackamas County for the operation of the Clackamas Corner and Oak Lodge Libraries pursuant to the alternative Service Area Maps described on Attachment B until such time as the City of Happy Valley and the City of Gladstone construct facilities sufficient to serve such area. During the term of such distributions, the Parties anticipate that the County libraries will be operated in a manner consistent with the Service Standards. Upon completion of such facilities, distributions shall be made based on the indicated Service Area Maps. To the extent the annual distribution of funds to Clackamas County is greater than the annual need to operate such libraries; the District shall retain such funds in trust for the Cities of Gladstone and/or Happy Valley, respectively, for distribution at such time as such City is constructing new library facilities.

Recently, citizens in the City of Gladstone voted not to proceed on the construction of a new library facility sufficient to serve the joint populations of Gladstone and Oak Grove and therefore the City of Gladstone cannot provide library services to Oak Grove residents as anticipated in the IGA. The Board of County Commissioners have directed staff to transition out of providing library services and the one option planned for Oak Grove appears to no longer be an option. The citizens of Oak Grove were to receive comparable level of library services within relative proximity comparable to all other

citizens throughout the newly formed Library District. Staff will present for the Board's consideration several options and is seeking direction on alternative solutions.

FINANCIAL IMPLICATIONS (current year and ongoing):

There are potential financial implications to the county should the Board reverse prior Board decisions regarding the long term provision of library services. These cannot be quantified until more clarity is provided regarding the Board's direction moving forward.

LEGAL/POLICY REQUIREMENTS:

The District-Library Cities IGA sets goals for levels of library service within Clackamas County. These options are designed to meet the level of service goals and comply with the IGA language.

PUBLIC/GOVERNMENTAL PARTICIPATION:

During the Library District informational campaign the County stated the following in literature and presentations:

If the ballot measure passes, the City of Gladstone would work with the Oak Lodge Library community to build a new joint Gladstone/Oak Lodge Library. Oak Lodge Library would remain open until the facility is built. The Oak Lodge community would be represented on the new library board. If the measure does not pass, Oak Lodge Library would close by June 2009.

OPTIONS:

1. Does the Board still wish to transition out of providing direct library services to the public?
 - a. If yes, does the Board wish to continue working with the City of Gladstone to provide library services to the residents of Oak Grove as anticipated when the District was formed and as outlined in the IGA between the Library District and the City of Gladstone?
 - b. If the City of Gladstone elects not to provide services to this expanded unincorporated area outside their city service area, does the Board wish to engage the City of Milwaukie in discussions to replace the City of Gladstone as the provider of library services to the citizens of Oak Grove?
 - c. Does the Board want to consider developing a "branch" library facility in Oak Grove sufficient to meet the threshold level of service standards for the citizens of Oak Grove and then transition management of that facility to either Gladstone or Milwaukie, similar to the arrangement with the City of Sandy who assumed management of the county-run Hoodland Library after the District was formed.
 - d. Does the Board wish to reverse the prior Board's decision and remain a direct service provider of library services to the citizens of Oak Grove?
 - e. If yes, does the Board want staff to begin the analysis for a new or improved library facility in the Oak Grove area sufficient to meet threshold level of services as outlined in the city IGA's?

RECOMMENDATION:

Staff does not have a recommendation as to whether the county should remain a direct library service provider. Staff continues to operate under the Board directive to transition out of the role as a direct library service provider. Once the Board reaffirms or reverses that decision, then staff will present to the Board and is prepared to offer recommendations under either scenario outlined above.

ATTACHMENTS: N/A

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Gary Barth @ 503-742-4299

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

- YES
- NO

START-UP EXPENSES AND STAFFING (if applicable):

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

ANTICIPATED RESULTS:

COSTS & BENEFITS:

Costs:						
Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
Total Start-up Costs						
Ongoing Annual Costs						

Notes – Board of Clackamas County Commissioners Staff Meeting – 8/6/13

Attending: JL, TS, PS, MS, JB, NN, CH

Staff Presentations:

Complete audio recordings and worksheet copies of these presentations (with the exception of Executive Sessions) can be heard/viewed at – <http://www.clackamas.us/bcc/presentation>

Library Measure Effects – Gary Barth, Chris Storey

GB intro'd topic. Backgrounded how library district was formed. BCC discussed options. **BCC consensus to get out of the library service business.**

JL made a motion: I move to notify the City of Gladstone that they have until January 2, 2014 to procure funding necessary to expand/build library facilities.

JB 2nd

BCC discussion re: timeline, interest of City of Gladstone and potentially City of Milwaukie to provide library services. BCC to send letter to Gladstone to find out intent and then if no resolution, county to explore branch option.

JL recinded motion.

BCC consensus to send a letter to City of Gladstone, to be drafted by Chris Storey, indicate that they need to commit to some action to serve Oak Lodge residents, deadline to respond is July 31, 2014.

PS requested to be liaison on this issue. BCC no need for designated liaison, all BCC are interested in issue and will help to resolve.

MERC Update – Judie Hammerstad (special request from BCC)

BCC requested this update. JH backgrounded the commission. MERC is a function of METRO. JH is chair and her term expires 12/31/13, seeking reappointment. **BCC asked JH to work with PGA to forward agendas and for JH to give regular (annual?) updates.**

Amendment to Section 6.06 Park Rules – S. Madkour, M. Ellington, G. Barth

SM intro'd. Two pronged effort 1) look at gathering of people, public health issue, garbage, traffic, etc and 2) searches to enforce alcohol ban in the park (with exception of permit holders). Staff drafted ordinance changes for BCC review. BCC encouraged staff to promote this change any/all ways possible (ie signs in the park, back of parking permits, verbal reminders at entrance).

BCC asked to remove b, c in section 6.06.04.12. Revisions still allow for CCSO/law enforcement discretion. Hearing of ordinance scheduled for 8/15/13.

JL suggests notifying not only interested parties but also anyone who responded to issue via email of upcoming hearing.

Patient Protection & Affordable Care Act – N. Drury, C. Williams, J. Long, W. Symons

ND intro'd staff and issue. DES needs BCC direction on health ins benefits for tem/seasonal/retiree employees. **BCC OK with all staff recommendations.**

H3S Suported Housing RFP – C. Becker, R. Swift, D. Potter

CB intro'd. Informational only. Will present official report at HACC business meeting 8/15/13. H3S creatively used \$ from property sales (scattered sites), \$ behavioral health and community development \$ to leverage better services. Tentatively awarded four different projects in recent RFP. **No BCC action**

Leisure Woods Local Improvement District – D. Johnson

DJ backgrounded. **BCC choose option 2 Reject the proposed LID and direct the chief petitioner to work with the petitioner to alter the scope of work to regain a min 60% support for the community before the BCC will consider initiation of the LID.** BCC thanked staff for doing due diligence on the issue.

Issues:

- WES contract (M. Kuenzi) – **BCC approved 1 year contract for Mr. Richwine, requested MK aggressively develop job classification and recruit ASAP.**
- PS asked MK follow up on WES capacity issue from budget meetings. **MK has ss scheduled first/second wk in Sept, will address questions then.**
- Regional Flex Fund update – PS updated, C4 Metro Subcommittee decided 1) trolley bridge project be fully funded 2) 122/129 project be fully funded and 3) remainder \$ distrib to CC for Jennings Lodge project. Possible collaboration with HV to use surface water mgmt fees to reduce cost of proj and allow CC more funding. **Staff to work together and come back to BCC prior to 9/5/13 to discuss Jennings lodge project changes.**
- **BCC OK to send thank you letter to legislators. Staff to apply electronic signatures and send.**
- QR code. JB wants this feature on his business card. **BCC OK to do trial of QR code, will direct anyone to county website.** Approx \$40/box increase to add this.
- **BCC requested study session to discuss Fuller Road project. Update on progress, elements of project to be included, etc.**



BOARD OF COUNTY COMMISSIONERS

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

September 10, 2013

The City of Gladstone
Attn: Mayor Wade Byers
525 Portland Ave.
Gladstone, OR 97027

Dear Mayor Byers,

I am writing to you on behalf of the Board of County Commissioners as the governing body of the Library District of Clackamas County ("District") regarding the provision of library services in and around Gladstone. As you know, our mutual plan was to assist Gladstone in the construction and operation of an enhanced facility that could provide the required level of library services to Gladstone residents and citizens in the unincorporated areas, and facilitate the closure of the Oak Grove branch library. After the reset regarding library facilities arising from your city's vote, we are ready to work together on this issue. We would like to be involved as you engage your community in further conversations about the best way to achieve the improved level of library service for all residents as promised through the original passage of the District.

I understand that your city council and staff are considering options regarding the provision of library services and would like the District and the County to be involved in the conversation. We are keenly aware of the interest and need in making sure the unincorporated residents in the Oak Lodge area receive threshold level library services and believe our earlier mutual plan remains the first option to achieve those higher levels of service. To that end, the Board and our staff are open and available to engage in finding a solution that meets the needs of all the parties in a timely fashion. The Board will commit to you to hold the \$1.5 million that was returned by the City in reserve to be available to support a mutually agreed resolution through June 30, 2014. Please have your staff contact BCS Director Gary Barth about how we can support your City's efforts in addressing this important concern.

Sincerely,

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Paul Savas, Vice-Chair
On Behalf of the Clackamas County Board of Commissioners

cc: Nancy Newton, Interim County Administrator
Laurel Butman, Deputy County Administrator
Gary Barth, Director, Business & Community Services
Doris Grolbert, Library Director
Stephen Madkour, County Counsel

City of **GLADSTONE**



October 22, 2013

Clackamas County Board of Commissioners
Attn: Vice-Chair Paul Savas
2051 Kaen Road,
Oregon City, OR 97045

Dear Vice-Chair Savas,

Thank you for your correspondence of September 10, 2013. The City of Gladstone is encouraged that the Clackamas County Board of Commissioners is still interested in a partnership to enhance library services for both Gladstone and unincorporated Clackamas County citizens. It is clear following the previous library project vote that in order to partner on a new facility the overall size of the project and capital contributions of both entities will need to be considered. The City will be contacting County staff to discuss these and other project details.

As you may know a construction project of this type will require voter approval from Gladstone citizens. This will make the June 30, 2014 date very ambitious. City Council requests the County consider allowing the City until November 2014 to obtain voter approval provided that substantial progress has been demonstrated by June 30, 2014.

The City of Gladstone remains committed to working with the County and the Library District in order to bring quality library services to the entire proposed Gladstone/Oak Lodge service area. Thank you again for your continued commitment.

Sincerely,

Wade Byers
Wade Byers, Mayor

On Behalf of the Gladstone City Council

City Hall
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5223
FAX: (503) 650-8938
E-Mail: (last name)@
ci.gladstone.or.us

Municipal Court
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5224 ext. 1
E-Mail: municourt@
ci.gladstone.or.us

Police Department
535 Portland Avenue
Gladstone, OR 97027
(503) 656-4253
E-Mail: (last name)@
ci.gladstone.or.us

Fire Department
555 Portland Avenue
Gladstone, OR 97027
(503) 557-2776
E-Mail: (last name)@
ci.gladstone.or.us

Public Library
135 E. Dartmouth
Gladstone, OR 97027
(503) 656-2411
FAX: (503) 655-2438

Senior Center
1050 Portland Avenue
Gladstone, OR 97027
(503) 655-7701
FAX: (503) 650-4840

City Shop
18595 Portland Avenue
Gladstone, OR 97027
(503) 656-7957
FAX: (503) 722-9078

DK:
- Recommendation
to BCC
- measurable
progress
- extend
timeline



BOARD OF COUNTY COMMISSIONERS

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

December 19, 2013

Mayor Wade Byers
City of Gladstone
525 Portland Avenue
Gladstone, OR 97027

Dear Mayor Byers,

I am writing to you on behalf of the Board of County Commissioners, as the governing body of the Library District of Clackamas County, in response to your letter dated October 22, 2013 regarding the Gladstone Library project.

In that letter, you state that the June 30, 2014 deadline to reach a mutually agreed solution was very ambitious and requested ***that the County consider allowing the City until November, 2014 to obtain voter approval provided that substantial progress has been demonstrated by June 30, 2014.***

We understand that a November vote may be the more realistic alternative in seeking voter approval. The County would be supportive of that election date. However, the County will need written assurances from the City by June 30, 2014 that a Library Construction measure will be on the November 2014 ballot. Further, all required elections material must be submitted to the Clackamas County Elections Clerk by the end of August 2014 to ensure a November 2014 election.

We remain committed to working with the City of Gladstone if they construct a new city library facility that will provide threshold levels of services to the citizens in the Gladstone service area defined in the Intergovernmental Agreement (IGA) between the City of Gladstone, the County and the County Library Service District.

We would recommend that the City of Gladstone closely involve the local community to guide your library planning effort. This should include citizens from throughout the proposed Gladstone Library Service Area who both supported and opposed previous library facility proposals. We believe this will provide Gladstone the best opportunity for creating a plan that enjoys broad community support.

If the City of Gladstone is unable to fulfill its obligations in the IGA through the successful passage of a library funding measure in November 2014 then the County will need to pursue alternatives to providing library services to the unincorporated citizens within the planned Gladstone service area.

Sincerely,

John Ludlow, Chair
On Behalf of the Clackamas County Board of Commissioners

JL/gb

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: 7/1/2014 **Approx Start Time:** 10:30 a.m. **Approx Length:** 30 Min

Presentation Title: Gladstone and Happy Valley Library Transition Plan

Department: Business and Community Services

Presenters: Staff: Gary Barth - Director Business and Community Services, Laura Zentner, Deputy Director, Business and Community Services, Doris Grolbert – County Library Manager

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Direction from the Board regarding the transition of the Oak Lodge Library to the City of Gladstone and the Sunnyside Village Library to the City of Happy Valley

EXECUTIVE SUMMARY:

Libraries were determined to be a core function for cities rather than the county, so as part of the Library District formation the county Board directed staff to transition county library facilities to appropriate cities in proximity to each county facility. The Hoodland Library was transitioned to the City of Sandy. The remaining two county library facilities, Oak Grove and Sunnyside Village, are intended to be transitioned to the cities of Gladstone and Happy Valley respectively per IGA's entered into with those two cities.

What distinguishes these two cities is that Gladstone had an existing library at the time of Library District formation and was therefore deemed to be a "Library City" provider for the purposes of providing library services to District residents and is part of the Master IGA between the Library District and all Library Cities. The City had plans in place to construct a larger library facility when they entered into the master IGA with the District to remain a Library City provider and serve an expanded population currently served by the Oak Grove facility, allowing the county to close the Oak Grove facility. The county provided the City of Gladstone their \$1 million in capital contribution per a separate IGA provided to all Library City providers in the District and an additional \$1 million contribution for serving an expanded population base. In addition the Oak Grove library began setting aside a capital reserve and earmarking that for the expanded Gladstone Library as well.

The City of Happy Valley did not have a city library at the time of District formation so they were not considered a Library City provider at that time and is not a party to the master IGA between the District and Library Cities. However, the city did enter into a Memo of Understanding with the city where the city agrees to "discuss future management and operations of the Sunnyside Village Library with the county" after construction of the library was complete. The opportunity to build this new library in Happy Valley arose when it was determined the county could re-purpose a vacant county owned facility adjacent to a North Clackamas Parks & Recreation District park into a new library facility. This remodel was funded by a county general fund

contribution of \$2 million earmarked as a one-time capital contribution for the Damascus and Happy Valley areas with the balance coming from capital reserves that were being set aside from the annual Library District distribution for this service area. This facility replaced the Clackamas Corner library operating out of leased space at Clackamas Town Center, saving on annual lease expense and located in better proximity to the population served. This facility is self-sufficient and requires no county general fund support for on-going operations. The county could continue operating this facility indefinitely until such time as the City of Happy Valley agrees to assume operations.

The plans for the City for Gladstone to construct a larger facility and assume the unincorporated service area currently served by the county run Oak Grove facility were halted due to a voter approved measure that requires voter approval for any large capital projects in the City of Gladstone. Further, community support for the planned location of the new Gladstone library off of Webster Road declined. The city has subsequently been trying to identify alternative solutions that would allow them to fulfill the obligation in the IGA with the Library District to be a Library City provider for an expanded territory that would allow the county to close the Oak Grove facility.

Their proposed solution is to fund and construct a new 13,000 – 16,000 square foot City Library on Portland Avenue in Gladstone using only the funding resources provided by the county and the Library District capital reserve in the Oak Grove branch, with the balance funded by debt to be serviced from annual Library District distributions to the city based on the expanded service population served by this new facility.

Currently the City is lacking a site, a facility plan, or a final funding package but there are preparing for a November 2014 ballot measure where they will ask their citizens for approval to construct a new public facility within the City. If passed, there is no known timeline for when a new facility would be constructed and ready to assume responsibility for the residents currently served by the Oak Lodge library. Until such time, the county will continue to serve residents from the leased Oak Lodge library facility.

FINANCIAL IMPLICATIONS (current year and ongoing):

The Oak Lodge and Sunnyside Library facilities are funded by the Library District and self sufficient requiring no support from the general fund. The county continues to retain the capital reserves set aside for a permanent library solution for the citizens of unincorporated Oak Grove and Jennings Lodge.

LEGAL/POLICY REQUIREMENTS:

Decisions may require renegotiations of existing IGA's or creation of new IGA's between the Library District and the Cities of Happy Valley and Gladstone.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Community engagement has been an integral part of the City of Gladstone's effort in developing alternative solutions to fulfilling the IGA. However representatives of the unincorporated area currently served by the Oak Lodge facility have been disproportionately underrepresented in the public engagement with Gladstone

OPTIONS:

1. Let the City of Gladstone proceed with a ballot measure in November 2014 requesting voter approval to construct a new library facility in Gladstone using non-city resources to serve an expanded service population as prescribed in the current IGA. The county would continue to run the Oak Grove facility in leased space until such time as the new Gladstone facility is planned, developed and ready to assume the Oak Grove library service area into their service area.
2. Allow Gladstone to remain a City Library provider for their existing service population providing service out of their existing city library facility. No additional capital funding from the County general fund or the Oak Grove Library capital reserves would be provided. Direct county staff to re-direct the available capital funds to plan and construct a new, appropriately-sized library facility within the unincorporated Jennings Lodge/Oak Grove area to serve the population currently served by the Oak Grove facility. This option would have the county continuing to run a library facility. Should this area incorporate, the county could transfer operations to the new city. Alternatively, the county could partner with either the cities of Gladstone or Milwaukie to operate the Oak Grove/Jennings Lodge facility as a satellite operation, similar to the arrangement with the City for Sandy for the Hoodland facility.
3. Explore with the City of Gladstone the prospect of Gladstone closing their city library and combining their service population with the larger service population of the Oak Grove Library and building a new facility in the unincorporated area along McLoughlin central to the population served. Explore opportunities with the North Clackamas Parks and Recreation District to develop a combination park and library facility similar to the solution created in Happy Valley.

RECOMMENDATION:

Option 1 stays the course and is consistent with current Board direction to transfer library operations to cities and support the City of Gladstone as they work towards a plan to serve the population currently served by the Oak Lodge Library. Staff does have concerns that this solution is currently absent a building plan, location or funding package and is totally dependent on county and library district funding with no contribution from the city. These factors discount the value of the county partnering with existing Library City providers to provide enhanced library services to all District residents. Further the unincorporated area provides the majority of the annual District funding that would be provided to the City of Gladstone under this option, while the facility would reside within Gladstone but that was a fact when the county entered into the IGA with the City of Gladstone.

Option 2 deviates from Board direction to transition out of the direct provision of library services, but would place control over the solutions to enhance the library services to the unincorporated area back to the county, where creative solutions could be explored similar to the approach in Happy Valley. The City of Gladstone would retain their existing city library and continue to serve their existing service population. The primary concern with this option would center on the level of service Gladstone could provide out of their existing, unimproved facility for those unincorporated District residents assigned to the Gladstone service area.

Option 3 also deviates from the current board direction to transition out of the direct provision of library services and in fact expands the population served by the a county run facility. However this solution has merit as an alternative for future consideration should the current course of action not pan out:

- a. Should the unincorporated area of Oak Grove/Jennings Lodge/Oatfield area incorporate in the future, they would likely be the larger, more appropriate city to provide services as most of the service population would be residents of this new city.
- b. A single, larger facility centrally located for the populations served would be a more efficient facility.
- c. The county has experience developing large capital projects
- d. Locating a facility within the boundaries of the North Clackamas Parks & Recreation District provides partnership opportunities similar to those employed in Happy Valley that don't exist within the City of Gladstone.
- e. The City of Gladstone would not need to seek voter approval for a capital project that largely serves an unincorporated area
- f. The City of Gladstone could re-purpose any city general fund currently going into City library operations.

Based on the good faith efforts to-date by the City of Gladstone to meet the county's requested deadline of June 30, 2014 for a long-term solution **staff recommends Option 1**. Knowing that the Board may need to consider alternatives to the current plan based on further discussions with the City of Gladstone or based on the outcome of a November Gladstone election staff provided options 2 and 3 for discussion purposes and contingency planning only.

ATTACHMENTS:

- City of Gladstone Staff Report and Draft Explanatory Statement for 2014 Gladstone Library Referral
- Letter to Gladstone Mayor and City Council from the Save Gladstone organization
- MOU between Clackamas County and the City of Happy Valley to provide Library Services East of I-205
- IGA between Clackamas County and the City of Gladstone for capital contribution
- Master IGA between the Library District and "Library Cities" for the provision of library services throughout the District

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

 Director BCS

Administrator BCS

For information on this issue or copies of attachments, please contact Lisa Meurs @ 503-742-4344

City of Gladstone

Staff Report

Meeting Date: June 24, 2014
To: City Council
From: Pete Boyce, City Administrator

AGENDA ITEM

New Library Discussion

RECOMMENDED STAFF ACTION

Staff recommends City Council take public comment on the proposed new library and consider amendments to the draft resolution.

BACKGROUND

The City Council appointed Library Advisory Committee (LAC) held six meetings, the first on February 10, 2014 and the last on May 5, 2014. The ambitious timeline was challenging but the LAC members provided valuable input to help form a considerably different project from the last library plan. City Council held a work session on May 27, 2014 to discuss the LAC and staff recommendations regarding the proposed library project. Staff committed to drafting a ballot measure for discussion at the June 10, 2014 City Council meeting. The ballot measure contemplates the following:

- A total minimum project budget of \$6.4 million – this could be increased if other non-city funds are identified
- The facility would be between 13,000 to 16,000 square feet dependent on final construction estimates
- Construction of the facility in the Portland Avenue area between the high school and the Clackamas River.
- No City cash contribution
- Future library operations would be funded by Library District funds and any other non-city funds that may come available

Staff have made revisions to the ballot title and explanatory statement as requested by city council.

COST IMPACT

There would be no tax increase to residents of Gladstone as no city funds will be used that could be committed to a competing City project. The City's general fund contribution to library operations would be discontinued. The staff expectation is that the library department would be moved from the City's general fund to a special revenue fund and that no City or Urban Renewal funds could be used for construction or operation of the facility. There will need to be some discussion centered around the initial cash flow for this fund. The Library District funds come in twice a year. 95% of the annual

payment is received near the end of January and about 5% in late June or early July. Depending on the timing of the opening of a new library a cash reserve may need to be considered.

4-2

Explanatory Statement

2014 Gladstone Library Referral

If approved by the City of Gladstone voters, this referral would authorize the Gladstone City Council to construct and incur debt to finance a new library. The new library will be located on Portland Avenue between Gladstone High School and the Clackamas River and will be between 13-16,000 square feet depending on final project costs.

The Gladstone City Charter requires voter approval for public projects costing more than \$1,000,000 and/or which require the City to incur debt to finance.

A City Council appointed Library Advisory Committee, comprised of HOW MAN PEOPLE held six meetings February-May, 2014

The estimated budget for the project is \$6.365 million. This includes \$5.075 to design, construct, finance and acquire property for the new library plus \$1.29 million in interest. The \$6.365 million budget may increase only if additional non-city/urban renewal agency funds are acquired for the project. No City or urban renewal funds can be used for this project or operation of the library in the future.

Funding sources:

- Clackamas County Capital Contribution – one time contribution of \$1,000,000
- Clackamas County Library District Funds - one time contribution of \$1,375,000
- Clackamas County Library District Funds - continuing library support of \$1.2 million per year increased from \$631,000 the City currently receives. These annual Library District Funds will be used for library operating costs and to pay down library project debt estimated to total \$3.99 million (\$2.7 million principal and \$1.29 million interest)

No City or Gladstone Urban Renewal Agency funds will be used for the new library project. The City's general fund contribution to library operations would be discontinued and instead a special revenue fund will be created. The special revenue fund will be comprised of Clackamas County Library District Funds in the amount of \$1.2 million per year that are received twice yearly by the City. The amount in excess of the operating expenses will be used to pay down the debt (principal and interest) acquired to build the new library. Given the timing of when the City receives the County Library Funds, a cash reserve on behalf of the City may need to be considered. There will be no tax increase for the residents of Gladstone.

The above-mentioned Clackamas County Capital Contribution and part of the Library District funds are conditioned on the City's agreement to build a new library and provide library services to Gladstone and Oak Lodge library patrons. The City will work with the County to amend the current Intergovernmental Agreement between the City and the County governing County Library Funds and Capital Contributions

to (1) reflect new library parameters if this referral passes and (2) ensure that the City receives the estimated Library District operating funds until any debt incurred for the new library is paid off.

More detailed plans on financing and constructing the library will be finalized if the referral is approved by voters.

4-4

{00390332; 3 }

SECOND VERSION

RESOLUTION NO. ____

CITY OF GLADSTONE, OREGON

A Resolution Submitting to the Registered Voters of the City A Referral Approving the Gladstone City Council's Authority to Incur Debt to Finance and Construct a New Library that is Projected to Cost more than \$1,000,000

WHEREAS, two citizen-initiated Gladstone Charter amendments, Measure 3-394 and Measure 3-395, were approved by City voters during the May 15, 2012 primary election; and

WHEREAS, Measure 3-394 states the City shall incur no debt in financing any public project except through the issuance of municipal bonds by bond measure duly approved by a majority of voters in a regularly scheduled election set forth in ORS 221.230 or special election; and

WHEREAS, Measure 3-395 states unless approved by a majority of the voters in a regularly scheduled election set forth in ORS 221.230, or special election, no public building shall be constructed by or for the City if such construction will require the actual or reasonably projected expenditure of \$1,000,000, or more, from existing City funds or current or future City revenues, including those of any of its departments, service districts or agencies. In calculating whether the project will involve the actual or reasonably projected expenditure of \$1,000,000 or more, the calculation shall include the fair market value of any real estate to be utilized or committed to the project, based on current market appraisal performed by a certified real estate appraiser; and

WHEREAS, The City Council appointed Library Advisory Committee (LAC) held six meetings, the first on February 10, 2014 and the last on May 5, 2014. Through these meetings, LAC coalesced around a new library project that is reflected in the accompanying ballot title language; and

WHEREAS, the City Council desires voter approval for the City Council to authorize the incurrence of debt to finance a new library through the issuance of municipal bonds and to construct a new library that is projected to cost more than \$1,000,000.

The City of Gladstone Resolves as follows:

SECTION 1. An election is hereby called for the City of Gladstone, Clackamas County, Oregon, for the purpose of submitting to the legal voters of the City the following:

QUESTION: Shall Gladstone authorize the construction and incurrence of debt to finance a new library projected to cost over \$1,000,000?

SECTION 2. Tuesday, November 4, 2014, is hereby designated the date for holding the election for the purpose of voting on the measure as stated in Section 1, which election will be by mail-in ballot in the City of Gladstone, Clackamas County, Oregon.

SECTION 3. The precincts for said election shall be and constitute all of the territory included within the corporate limits of the City of Gladstone.

SECTION 4. The ballot title certified by the City Council shall be:

CAPTION: *Authorization to construct and incur debt to finance new library*

QUESTION: Shall Gladstone authorize the construction and incurrence of debt to finance a new library projected to cost over \$1,000,000?

SUMMARY: This measure authorizes the Gladstone City Council to incur debt through the issuance of municipal bonds to finance and construct a new Gladstone library.

Funding sources:

- Clackamas County Capital Contribution – One time contribution \$1 million
- Library District Funds – One time contribution \$1.375 million
- Library District Funds - Continuing library support of approximately \$1.2 million annually, increased from \$631,000 the City currently receives. Annual Library District Funds will be used for library operating costs and to pay down library project debt estimated to total \$3.99 million (\$2.7 million principal and \$1.29 million interest)

Estimated budget for the project would be \$6.365 million. This includes \$5.075 million to design, construct, finance, and acquire property for the new library plus \$1.29 million in interest. The \$6.365 million budget may increase if additional non-city/urban renewal funds are acquired. The approximately 13,000 to 16,000 square foot library would be constructed on Portland Avenue between Gladstone High School and Clackamas River.

There are no new taxes associated with this proposal. No City/urban renewal funds may be used to construct/operate the library.

SECTION 5: In compliance with the Gladstone Municipal Code and state law, the City Recorder is authorized to submit an impartial explanatory statement for the Clackamas County Voters' Pamphlet on behalf of the City.

SECTION 6: The City Recorder shall take all steps on behalf of the City as necessary to carry out the intent and purposes of this resolution in compliance with state and local law including but not limited to publishing the ballot title as provided by state law, publishing notice of the

FIRST VERSION

RESOLUTION NO. ____

CITY OF GLADSTONE, OREGON

A Resolution Submitting to the Registered Voters of the City A Referral Approving the Gladstone City Council's Authority to Incur Debt to Finance and Construct a New Library that is Projected to Cost more than \$1,000,000

WHEREAS, two citizen-initiated Gladstone Charter amendments, Measure 3-394 and Measure 3-395, were approved by City voters during the May 15, 2012 primary election; and

WHEREAS, Measure 3-394 states the City shall incur no debt in financing any public project except through the issuance of municipal bonds by bond measure duly approved by a majority of voters in a regularly scheduled election set forth in ORS 221.230 or special election; and

WHEREAS, Measure 3-395 states unless approved by a majority of the voters in a regularly scheduled election set forth in ORS 221.230, or special election, no public building shall be constructed by or for the City if such construction will require the actual or reasonably projected expenditure of \$1,000,000, or more, from existing City funds or current or future City revenues, including those of any of its departments, service districts or agencies. In calculating whether the project will involve the actual or reasonably projected expenditure of \$1,000,000 or more, the calculation shall include the fair market value of any real estate to be utilized or committed to the project, based on current market appraisal performed by a certified real estate appraiser; and

WHEREAS, the City Council desires voter approval for the City Council to authorize the incurrence of debt to finance a new library through the issuance of municipal bonds and to construct the new library that is projected to cost more than \$1,000,000.

The City of Gladstone Resolves as follows:

SECTION 1. An election is hereby called for the City of Gladstone, Clackamas County, Oregon, for the purpose of submitting to the legal voters of the City the following:

QUESTION: Shall Gladstone authorize the construction and incurrence of debt to finance a new library projected to cost over \$1,000,000?

SECTION 2. Tuesday, November 4, 2014, is hereby designated the date for holding the election for the purpose of voting on the measure as stated in Section 1, which election will be by mail-in ballot in the City of Gladstone, Clackamas County, Oregon.

SECTION 3. The precincts for said election shall be and constitute all of the territory included within the corporate limits of the City of Gladstone.

SECTION 4. The ballot title certified by the City Council shall be:

CAPTION: Authorization to construct and incur debt to finance a new library

QUESTION: Shall Gladstone authorize the construction and incurrence of debt to finance a new library projected to cost over \$1,000,000?

SUMMARY: This measure authorizes the Gladstone City Council to incur debt through the issuance of municipal bonds to finance and construct a new Gladstone library.

Funding sources to finance, construct, and operate the new library:

- Clackamas County Capital Contribution – One time contribution of \$1 million.
- Library District Funds - \$1.3 million
- Clackamas County Library Fund - Continuing library support of approximately \$1.2 million per year, increased from \$631,000 the City currently receives.

The estimated budget for the project would be \$6.4 million. The \$6.4 million budget may be increased if additional non-city funds are acquired. The 13,000 to 16,000 square foot library would be constructed in the Portland Avenue area somewhere between the Gladstone High School and the Clackamas River. New library operations would be funded by Library District proceeds and/or any non-city funds that may come available.

There are no new taxes associated with this proposal.

SECTION 5: In compliance with the Gladstone Municipal Code and state law, the City Recorder is authorized to submit an impartial explanatory statement for the Clackamas County Voters' Pamphlet on behalf of the City.

SECTION 6: The City Recorder shall take all steps on behalf of the City as necessary to carry out the intent and purposes of this resolution in compliance with state and local law including but not limited to publishing the ballot title as provided by state law, publishing notice of the measure as required by Chapter 4.04 of the City of Gladstone Municipal Code and filing this measure with Clackamas County Elections.

SECTION 7: This resolution is effective immediately upon adoption by the City Council.

Gladstone/Oak Grove Library
 Cost Estimate
 May 5, 2014

Project Expense	4,374,638		
Land Expense	<u>700,000</u>		
Total Expense		100%	5,074,638
Clackamas County Contribution/Lib Dist	<u>2,374,638</u>		
Total Clackamas County/Lib. Dist. Contribution		47%	2,374,638
Proceeds from Sale of Webster Property	-		
Gladstone Urban Renewal	<u>-</u>		
Total Gladstone Contribution		0%	-
Total Project Expense to Finance		53%	2,700,000
Total Project Expense	5,074,638		
Interest	1,213,339		
Debt Issuance Expense	<u>75,574</u>		
Total Project Expense Plus Interest/Debt Exp			6,363,551
Average Annual Payment - 20 Year	200,532		

7-5

May 21, 2014

To the Honorable Mayor Wade Byers and the Gladstone City Council:

The members of Save Gladstone believe that a new library project will have the best chance of receiving voter approval if the following conditions are met:

1. No funds from the Gladstone General Fund, Urban Renewal Fund or the sale of any city owned property will be used for a new library project.
2. Clackamas County Library District funds are the only funds that will be used for the construction and operation of a new library unless additional funding is available from Clackamas County, The State of Oregon, The United States Government and/or from private donors
3. As long as the first two conditions are met, funding may be leveraged in any way that the Gladstone City Council decides for any size of library including the servicing of debt.
4. A new intergovernmental agreement with Clackamas County will be negotiated prior to the project start that better represents the interests of Gladstone.
5. The new library will be constructed on Portland Ave. at a location of the Gladstone City Council's choosing that is between the Gladstone High School and the Clackamas River.
6. All of the above will be clearly written into any ballot measure.

The new intergovernmental agreement with Clackamas County in regard to combining the two libraries must include the following: Operating funds from the closing of the Oak Lodge Library will remain with Gladstone and will only transfer back to the currently unincorporated areas if they are incorporated or annexed and they commit to building a new library of their own and if all of the debt from the construction of the new Gladstone library has been paid. All funds that Clackamas County currently holds for the new, combined library must be transferred to Gladstone prior to the project start. The continued savings from Oak Lodge will be transferred to Gladstone on a quarterly basis as the project continues. The Oak Lodge Library will be permanently closed within five days of the public opening of the new combined library; all operating funds will transfer to Gladstone at that time.

The Save Gladstone members look forward to continuing to work with our city government and staff on the responsible planning of a new library project that we can all support.

Sincerely,

Save Gladstone

RECORDING MEMO

New Agreement/Contract
Amendment/Change Order Original Number
Policy, Reports,

ORIGINATING COUNTY
DEPARTMENT: Business and Community Services, Library

PURCHASING FOR: N/A

OTHER PARTY TO
CONTRACT/AGREEMENT: The City of Happy Valley

BOARD AGENDA DATE:
AGENDA ITEM NUMBER: G.3. 3-25-10

PURPOSE:
Memorandum of Understanding between Clackamas County and the City of Happy Valley to provide library services east of I-205.

Please return to County Library, Debbie Smith after recording.
Thank you.

Clackamas County Official Records
Sherry Hall, County Clerk
Commissioners' Journals
Agreements & Contracts

2010-3308

04/02/2010 10:00:24 AM



Dan Zinzer
Director

BUSINESS AND COMMUNITY SERVICES

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

March 25, 2010

Board of County Commissioners
Clackamas County

Members of the Board:

**Memorandum of Understanding between Clackamas County and the City of Happy Valley
to provide library services east of I-205**

Business and Community Services is interested in working with the City of Happy Valley to provide much needed library service to the Sunnyside, Happy Valley, and Clackamas residents.

In this Memorandum of Understanding the County agrees to investigate remodeling and expanding of the Sunnyside Village Community Center, located at 13793 SE Sieben Parkway in Clackamas, Oregon, for use as a Library. This would allow the Clackamas Corner Library to move to this facility. The County also agrees to apply to the City for annexation of the two properties involved in the library project.

Happy Valley agrees to relinquish any requests for \$2,000,000 from the library capital fund, which the County will set aside for the purpose of remodeling and expanding the Sunnyside Village Community Center. The City agrees to rezone the properties for library use and library parking.

RECOMMENDATION

Business and Community Services recommends the signing of the Memorandum of Understanding with the City of Happy Valley.

Sincerely,

Dan Zinzer, Director
Business and Community Services

For more information or copies of attachments, please contact Doris Grolbert at 503-650-3112

**MEMORANDUM OF UNDERSTANDING
BETWEEN CLACKAMAS COUNTY AND THE CITY OF HAPPY VALLEY**

1. Purpose.

A. This memorandum of understanding ("MOU") is entered into between Clackamas County ("County") and the City of Happy Valley ("City").

B. This MOU provides for the continuation of library services by the County and establishment of a library building east of Interstate 205 in the Happy Valley/Sunnyside area.

2. Scope of Agreement.

A. County Agrees to:

1. Investigate, and if feasible, remodel and expand the Sunnyside Village Center on 13793 SE Sieben Parkway to adapt the building to use as a library. The County is responsible for the planning and remodeling of the building.

2. Develop and implement a plan for additional parking for any library services at the Sunnyside Village Center.

3. Move the Clackamas Corner Library into the facility at 13793 SE Sieben Parkway and establish, develop, manage and operate library services for the Clackamas, Sunnyside, and Happy Valley service population.

4. Enter discussions with the City for future management, operations and naming of the library.

5. The Library Board of Trustees are selected and appointed by the Board of County Commissioners, the governing body. The County will consider all applications received from the City. The intent is to have the Library Board of Trustees represent the current service population which includes Oak Lodge. When the service population changes the representation on the Library Board of Trustees will also change. Our current goal is to have one member that resides in the City, two members from unincorporated Clackamas/Sunnyside area and two members from unincorporated Oak Lodge area. After the Gladstone/Oak Lodge merger, the City of Happy Valley representation will increase to two trustees.

6. Use \$2,000,000 from the library capital fund to remodel and expand the Sunnyside Village Center. Annual operating funds will be budgeted in a fixed asset account for maintenance and capital improvements or expansion of the facility.

7. Annex the facility into the City. Comply with City land use requirements, obtain necessary permits from the City and pay all associated fees for land use and permit review.

B. City Agrees to:

1. Relinquish any requests for the \$2,000,000 of County General Funds allocated for library capital improvements that the County will use to remodel and expand the Sunnyside Village Center into a library facility.

2. Discuss future management and operations of the library with the County.

3. Nominate Happy Valley representative(s) to be appointed to the library advisory board as described in 2.A.5 of this document.

4. Expedite County applications for land use approvals (annexation, zone change, design review) and permits.

C. The County and the City Agree:

This MOU constitutes the entire agreement between the parties, and may be modified only in writing signed by both parties. This agreement may be amended at any time with the written agreement of both parties.

3. Term of Agreement:

This agreement becomes effective when it is signed by both parties. This agreement will automatically be renewed for successive one-year periods unless either party gives notice of intent not to renew.

4. Termination:

A. This agreement may be terminated by either party upon 30 days written notice.

B. This agreement may be terminated at any time for nonperformance of any material term of this agreement.

CLACKAMAS COUNTY

By: *Lynn Peterson*
Lynn Peterson
Chair,
Board of County Commissioners

Date: 3-25-10
G.3

Recording Secretary:

Mary Raethke
Mary Raethke

CITY OF HAPPY VALLEY

By: *Rob Wheeler*
Rob Wheeler
Mayor of Happy Valley

Date: 3/16/10

RECORDING MEMO

<input checked="" type="checkbox"/> New Agreement/Contract
<input type="checkbox"/> Amendment/Change Order Original Number
<input type="checkbox"/> Policy, Reports,

ORIGINATING COUNTY
DEPARTMENT: Business and Community Services, Library

PURCHASING FOR: N/A

OTHER PARTY TO
CONTRACT/AGREEMENT: The City of Gladstone

BOARD AGENDA DATE: April 7, 2011

AGENDA ITEM NUMBER: D.1.

PURPOSE: Intergovernmental Agreement (IGA) between
Clackamas County and the City of Gladstone for
Capital Contribution.

Clackamas County Official Records
Sherry Hall, County Clerk
Commissioners' Journals
Agreements & Contracts

2011-3400

04/12/2011 03:52:28 PM

Please return to County Library, Debbie Smith after recording.
Thank you.

March 2011

COOPERATIVE INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY
AND
THE CITY OF GLADSTONE

THIS COOPERATIVE INTERGOVERNMENTAL AGREEMENT (this "Agreement"), is entered into this 7 day of April, 2011, by and between the Clackamas County (the "County") a political subdivision of the State of Oregon, and the City of Gladstone, a municipal corporation (the "City").

WHEREAS, the County has formed the Library District of Clackamas County (the "District"), a county service district dedicated to supporting the provision of library services within its boundaries; and

WHEREAS, as part of the preparatory process for the formation of the District, the Board of County Commissioners proposed a one-time contribution from the County general fund to each city providing library services in the District for the sole purpose of capital improvements to the libraries therein (the "Capital Contribution"); and

WHEREAS, the City and other cities within the District have entered into a separate intergovernmental agreement dated August 26, 2009 with the District for the distribution of District funds for the purposes of operating, maintaining and enhancing services at the libraries within the District (the "District IGA"); and

WHEREAS, the County is entering into similar intergovernmental agreements with city library service providers ("Library Cities") for their respective Capital Contributions; and

WHEREAS, the parties desire to enter into this Agreement to reflect the terms of the Capital Contribution by the County;

NOW, THEREFORE, the County and City each covenant and agree to the following:

Section 1 Obligations of the County

- 1.1 County Capital Contribution. The County shall provide a one-time capital contribution of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) to the City for the purposes set forth in Section 2.2 (the "Capital Contribution"), which will be distributed in one or more distributions pursuant to Section 1.3 hereof. The goal of distributing such capital funds is to assist libraries in meeting the Service Standards as defined in the District IGA. The Capital Contribution shall consist of \$1 million from the County general fund as with all other Library Cities as defined in the District IGA, \$1 million

from the County Library Capital Fund originally intended for capital improvements to County-operated libraries, and \$500,000 from anticipated savings in County Library operations.

- 1.2 Library Capital Trust Fund. The County shall allocate a guaranteed amount per fiscal year to a County-managed dedicated library capital trust fund (the "Capital Fund") as scheduled and set forth in Exhibit A (the "Disbursement Schedule").
- 1.3 Capital Fund Distribution. The County shall disburse the Capital Contribution from the Capital Fund to the City and other Library Cities based on the Disbursement Schedule. The County shall make distributions up to the maximum available amount for that fiscal year. Such distribution will be made by the County no earlier than January of such fiscal year and no later than 60 days after the City submits to the County a capital plan identifying how the City will use the Capital Contribution. If requests for distributions in a given fiscal year are for a total amount less than the total amount in the Capital Fund, the County shall carry forward such balance to the next fiscal year for distribution as requested. The Parties intend that City shall receive its disbursement in February 2011.
- 1.4 Changes In Capital Fund Disbursement Schedule. To the extent the City desires a change in the schedule of disbursement, the City shall meet with representatives of the other Library Cities as constituted by the Library District Advisory Committee or otherwise and arrive at a mutually agreeable reordering of the Disbursement Schedule, which shall then be presented to the County Board for its approval. The City hereby consents to an alteration of the Disbursement Schedule without requiring the adoption of a specific amendment upon presentation of a resolution agreed to by a majority of the representatives of the Library Cities consenting to such change and upon approval of the requested change by the Board of County Commissioners.
- 1.5 Library Network. The County currently funds and operates the Library Network of Clackamas County (the "Network") to support the provision of services by the libraries in Clackamas County. The County shall fund the Network to provide the following services at an overall service level at least equal to that being provided by Network in fiscal year 2008/2009:
 - 1.5.1 Automated library system and related telecommunications and technical support;
 - 1.5.2 Courier services;
 - 1.5.3 Administration;
 - 1.5.4 Database management services including creating/acquiring MARC format bibliographic records;
 - 1.5.5 Inter-library loan services;
 - 1.5.6 Inter and intra-regional cooperative library planning;

March 2011

- 1.5.7 Shared online databases for public use; and
- 1.5.8 Internet Service Provider for member libraries.

The County shall not be financially or otherwise responsible for the provision of new services requested or added to Network at the request of the City. To the extent the City or Library Cities generally request new or additional services, such requesting provider(s) will be billed back on separate contracts initiated as services are added. Such agreements shall not modify or restrict the covenants and agreements of the parties hereto.

Section 2 Obligations of the City

- 2.1 **Capital Fund Disbursement.** The City shall receive its Capital Contribution pursuant to Sections 1.3 and 1.4 hereof.
- 2.2 **Use of Funds.** The City shall expend the Capital Contribution solely for library purposes such as library construction, remodel, expansion, building and site improvements, library construction bonded debt service, and/or collection development.
- 2.3 **Proof of Use.** After distribution, the County may monitor the use of the Capital Contribution to ensure that these County general funds are used for purposes permitted by Section 2.2. Upon request of the County the City shall provide a certification that the Capital Contribution has been so used to the head of the Business and Community Services Department of Clackamas County or his or her designee.
- 2.4 **Library Board Representation.** The City shall provide for fair representation of served library patrons on the City's Library Board, including patrons from unincorporated Clackamas County.

Section 3 Term and Termination

- 3.1 **Term.** This Agreement shall commence on July 1, 2010 and automatically renew annually thereafter, unless otherwise terminated as set forth herein.
- 3.2 **Termination.** This Agreement shall terminate upon the agreement of both parties, or upon one hundred eighty (180) days prior written notice from one party to the other.
- 3.3 **Amendment.** This Agreement may be amended at any time upon the agreement of both parties.

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- 3.4 Failure of the City to use Capital Contribution for Library Purpose. If the City at any time uses the Capital Contribution other than for purposes permitted in Section 2.2., the City will be in material breach of this Agreement and shall promptly repay to the County that portion of the Capital Contribution not so used plus accrued interest on such sum calculated from the date of disbursement to the date of repayment at a rate of 6% per annum.

Section 4 General Provisions

- 4.1 Indemnification. Each party shall release, defend, indemnify and/or hold harmless the other, its officers, commissioners, councilors, elected officials, employees, and agents, from and against all damages, claims, injuries, costs, or judgments that may in any manner arise as a result of the party's performance under this contract, subject to Oregon Tort claims limitations.
- 4.2 Governing Law. This Agreement shall be construed and governed in all respects in accordance with laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.
- 4.3 Savings. Should any portion of this Agreement or amendment thereto be adjudged by a Court of appropriate final jurisdiction to be in violation of any local, state or federal law, then such portion or portions shall become null and void, and the balance of the Agreement shall remain in effect. Both parties shall immediately renegotiate any part of this Agreement found to be in such violation by the Court and to bring it into compliance with said laws.
- 4.4 Reasonable Attorney's Fees. In the event any action is brought to enforce, modify or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees and costs incurred in connection with such action or on appeal or review; said amount to be set by the court before which the matter is heard.
- 4.5 Notices. Formal notices, demands and communications between the Parties shall be deemed given three (3) business days after being sent by registered or certified mail, postage prepaid, return receipt requested to the principal offices of the Agency and the City as designated herein. Such written notices, demands and communication may be sent in the same manner to such other addresses and to such other persons and entities as either party may from time to time designate by mail as provided in this section. Notices shall be sent to the addresses shown below and to the attention of the person indicated.

The principal offices and mailing address of the Parties are:

Clackamas County
Attn: Board of County Commissioners

March 2011

2051 Kaen Road
Oregon City, Oregon 97045

With a copy to:
Clackamas County Libraries
Attn: Doris Grolbert, Library Director
150 Beaver Creek Road, 4th Floor
Oregon City, OR 97045

City of Gladstone
Attn: Pete Boyce, City Administrator
525 Portland Avenue
Gladstone, Oregon 97027

- 4.6 No Personal Liability. No member, official, agent, or employee of the County or any City shall be personally liable to the other or any successor-in-interest thereto in the event of any default or breach by such entity.
- 4.7 No Agency. Neither anything in this Agreement nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement. No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.
- 4.8 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the party granting such waiver.
- 4.9 Further Action. The parties hereto shall, without additional consideration, acknowledge, execute, and deliver from time to time such further instruments as a requesting party may reasonably require to accomplish the purposes of this Agreement.
- 4.10 Non-Waiver of Rights. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision of this Agreement shall not constitute a waiver of any provision of this Agreement or limit the party's right thereafter to enforce any provision or exercise any right.
- 4.11 Time is of the Essence. A material consideration of the parties entering into this Agreement is that the parties will perform all obligations under this Agreement

March 2011

in a timely manner. Time is of the essence as to each and every provision of this Agreement.

- 4.12 Restricted Assignment. No party hereto may assign its rights, responsibilities or obligations hereunder to another party, by operation of law or otherwise, without (i) seeking and receiving an amendment of this Agreement and (ii) having said party join this Agreement on the terms, conditions and covenants herewith.
- 4.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and such counterparts shall constitute one and the same instrument.
- 4.14 Library Authority. Clackamas County operates public libraries pursuant to a board order creating public libraries for all Clackamas County residents dated July 9, 1938, as amended and updated pursuant to Board Order 85-1221 dated October 31, 1985. The Library Cities operate or in future plan to operate public libraries under state law within their boundaries. Under the District IGA, the Library Cities have agreed to provide public library services in unincorporated areas of the County as well as within City boundaries. Clackamas County nonexclusively delegates the authority to operate public libraries for the benefit of incorporated and unincorporated residents of Clackamas County to the City.

Section 5 **Transition of Oak Lodge Library**

- 5.1 Transfer of Operations. The County currently operates the Oak Lodge Public Library for the benefit of unincorporated residents in the Oak Lodge Service Area as defined in the District IGA. The City operates the Gladstone Public Library for the benefit of its citizens and a number of unincorporated residents in the surrounding area. Upon completion of a new Public Library located at 18235 Webster Road, the Oak Lodge Library will close and the City's service population will change as specified in the District IGA to include areas of the Oak Lodge service population. The City shall provide for fair representation of served library patrons on the City's library board, including patrons from unincorporated Clackamas County to comply with Section 2. .4.
- 5.2 Transfer of Employees. County employees of the Oak Lodge Public Library may be transferred to the employ of the City pursuant to ORS 236.605-640. No later than ninety (90) days before the opening of the new public library both parties agree to enter into a separate agreement regarding the transition of materials, resources and labor from the Oak Lodge Public Library to the new Public Library.
- 5.3 Transfer of Assets. The County will transfer or assign, as appropriate, to the City all assets of the Oak Lodge Public Library desired by the City as agreed by

March 2011

the parties. No later than ninety (90) days before the opening of the new public library both parties agree to enter into a separate agreement regarding the transition of materials, resources and labor from the Oak Lodge Public Library to the new Public Library.

[Signature Page Follows]

Exhibit A**Disbursement Schedule**

	Year 1 2009/10	Year 2 2010/11	Year 3 2011/12	Year 4 2012/13	Year 5 2013/14	TOTAL
Annual Distribution	3,500,000	3,000,000	2,500,000	2,000,000	1,250,000	12,250,000
Prior Year Carryover	--	1,350,000	350,000	850,000	--	
Total Funds Available	3,500,000	4,350,000	2,850,000	2,850,000	1,250,000	
Library Cities:						
<i>Canby</i>				1,000,000		1,000,000
<i>Estacada</i>	1,000,000					1,000,000
<i>Gladstone</i>		2,500,000				2,500,000
<i>Happy Valley</i>		2,000,000				2,000,000
<i>Lake Oswego</i>			1,000,000			1,000,000
<i>Milwaukie</i>				1,000,000		1,000,000
<i>Molalla</i>	150,000			850,000		1,000,000
<i>Oregon City</i>		1,000,000				1,000,000
<i>Sandy</i>			1,000,000		250,000	1,250,000
<i>West Linn</i>	1,000,000					1,000,000
<i>Wilsonville</i>					1,000,000	1,000,000
Total						13,750,000
Carryover:	1,350,000	350,000	850,000	--	--	

March 2011

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

THE CITY OF GLADSTONE	CLACKAMAS COUNTY
By: <u>Wade Byers</u>	By: <u>Charlotta Jela</u>
Title: Mayor	Title: Chair
ATTEST: <u>[Signature]</u>	ATTEST: <u>Mary Raethke</u> 4-7-11 D.I.

RECORDING MEMO

<input checked="" type="checkbox"/> New Agreement/Contract
Amendment/Change Order Original Number _____
Policy, Reports, _____

ORIGINATING COUNTY

DEPARTMENT: Business and Community Services, Library

PURCHASING FOR: N/A

OTHER PARTY TO

CONTRACT/AGREEMENT: The City of Gladstone

BOARD AGENDA DATE: August 20, 2009

AGENDA ITEM NUMBER: VI.1.

PURPOSE: Intergovernmental Agreement (IGA) between
Library District and the City of Gladstone for
District revenue.

Clackamas County Official Records
Sherry Hall, County Clerk
Commissioners' Journals
Agreements & Contracts

2009-4169

08/24/2009 09:20:03 AM

Please return to County Library, Debbie Smith after recording.
Thank you.

**PROPOSED FINAL MASTER IGA v.5
LIBRARY DISTRICT
2 March 2009**

**COOPERATIVE INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE LIBRARY DISTRICT OF CLACKAMAS COUNTY
AND
MEMBER CITIES**

THIS COOPERATIVE INTERGOVERNMENTAL AGREEMENT (this "Agreement"), is entered into this ____ day of _____, 2009, by and between the Library District of Clackamas County (the "District") a county service district formed under ORS Chapter 451, and each of the Cities of Barlow, Canby, Estacada, Gladstone, Happy Valley, Lake Oswego, Milwaukie, Molalla, Oregon City, Rivergrove, Sandy, West Linn, and Wilsonville (each, a "City" and collectively, the "Cities").

WHEREAS, voters approved formation of the District to provide financial support to the library service providers of Clackamas County (the "Library Cities"); and

WHEREAS, the Parties desire to work in a cooperative manner to support and provide library services to their residents; and

WHEREAS, many of the Cities participate in the Clackamas County-supported Library Network of Clackamas County, which is discussed in an intergovernmental agreement by and between the participating Cities and Clackamas County; and

WHEREAS, the Cities desire funding by the District and to provide the levels of service described herein;

NOW, THEREFORE, the District and Cities each covenant and agree to the following:

Section 1 Obligations of the District

- 1.1 District Board. The Board of County Commissioners acting under the provisions of ORS 451 is the governing body of the District and shall be known as the District Board.
- 1.2 District Advisory Committee. The District Board shall organize and appoint a District Advisory Committee consisting of one nominee from each Library City consistent with the policies and procedures of Clackamas County and/or the District for advisory committees. The District Board shall appoint the individual nominated by the Library City governing body to fill the service area's representative seat. The District Advisory Committee shall be responsible for meeting at least annually to consider: (i) the evaluation reports of participating libraries as submitted pursuant to Section 2.3, (ii) any proposed changes to this Agreement pursuant to the amendment process described in Section 3.3, and (iii) any impact of the annexation or withdrawal of territory from the District pursuant to Sections 3.4 and 3.5 hereof.

- 1.3 District Budget Committee. State law also requires that the District constitute a Budget Committee consisting of the members of the District Board and an equal number of citizens, who may be nominated pursuant to existing County budget committee procedures. The role and responsibilities of the Budget Committee shall be as set forth in the applicable statutes.
- 1.4 District Revenue. The District has a permanent tax rate of \$0.3974 per \$1,000 of assessed value, collected from all parcels of real property in the District.
- 1.5 Distribution of Revenue. Revenues generated by the District permanent rate, including delinquent taxes, are allocated, appropriated and expended pursuant to the budget adopted by the District Board. The District Board agrees to allocate, appropriate, and distribute the funds of the District pursuant to the formula as defined on Attachment A (the "Formula") for the service areas as shown on the maps included as Attachment B ("Service Area Maps"). The Formula may be reevaluated as necessary by the Parties to this Agreement. Any change to the Formula shall occur as an amendment to this Agreement.
- 1.6 Transition Payments. The parties hereto acknowledge and agree that the District shall distribute funds to Clackamas County for the operation of the Clackamas Corner and Oak Lodge Libraries pursuant to the alternative Service Area Maps described on Attachment B until such time as the City of Happy Valley and the City of Gladstone construct facilities sufficient to serve such area. During the term of such distributions, the Parties anticipate that the County libraries will be operated in a manner consistent with the Service Standards. Upon completion of such facilities, distributions shall be made based on the indicated Service Area Maps. To the extent the annual distribution of funds to Clackamas County is greater than the annual need to operate such libraries, the District shall retain such funds in trust for the Cities of Gladstone and/or Happy Valley, respectively, for distribution at such time as such City is constructing new library facilities.
- 1.7 Library Authority. Clackamas County operates public libraries pursuant to a board order creating public libraries for all Clackamas County residents dated July 9, 1938, as amended and updated pursuant to Board Order 85-1221 dated October 31, 1985. The District has received a delegation of such authority from Clackamas County to operate as a public library for the benefit of incorporated and unincorporated residents of Clackamas County pursuant to an Intergovernmental Agreement. To the extent necessary to insure the legal and effective functioning of the public libraries of Clackamas County but in no way intended to limit or otherwise restrict the powers or abilities of the City service providers to operate public libraries, the District hereby delegates such authority to operate public libraries for the benefit of incorporated and unincorporated residents of Clackamas County to each City service provider a party hereto or as may join this Agreement from time to time.

Section 2 Obligations of the Cities

- 2.1 Use of Funds. The Library Cities will use District revenue to provide public library service, and shall expend the entire library revenue paid under this Agreement in accordance with the purpose for which it was provided by implementing a plan to achieve the Service Standards. For the purposes of this Agreement, "Service Standards" shall mean (i) the standards described on Attachment C, (ii) the provision of services to all District residents on the same terms, and (iii) the proper expenditure of funds as described in this Section 2.1. District funds may not be used to support general overhead or administrative costs of Cities except to the extent such overhead or administrative costs are directly related to the provision of library services and/or the operation of a public library. It is the intention of the parties to work cooperatively in helping each city make progress in meeting the Service Standards.
- 2.2 Library Management. Library Cities retain administrative control over the library and library services in its service population. Each such City is responsible for developing library services based on the needs of its service population and the available revenue. The Library Cities will cooperate with the District Advisory Committee to assist in the review of library services to District residents.
- 2.3 Cooperation and Reporting. Each Library City will cooperate to the maximum extent practicable with other participating Cities to form standardized rules, procedures, and programs that affect the District and the provision of library services in Clackamas County as a whole. Each Library City will provide the District with (i) copies of its annual report to the State of Oregon regarding the provision of library services, (ii) a report on its efforts to meet OLA Threshold Standards as defined on Attachment C, and (iii) any supplemental reports that the District through both the District Advisory Committee and the District Board may require.

Section 3 Term and Amendment

- 3.1 Term. This Agreement shall commence on July 1, 2009 and continue until terminated as set forth herein.
- 3.2 Termination. This Agreement shall terminate upon the dissolution of the District.
- 3.3 Amendment. Except as specifically provided in Section 4.14, this Agreement may be amended at any time upon the agreement of the District and two-thirds of the Library Cities; *provided, however*, that any amendment that would amend that portion of the Formula providing for the return of one hundred percent (100%) of revenue collected within a City service provider's boundaries to such City service provider shall require the unanimous consent of all Cities serving on the District Advisory Committee.

- 3.4 Changes in District Territory. The parties hereto recognize that during the term of this Agreement changes in the District territory may occur, such as (i) territory outside the District may annex into the District, (ii) territory currently in the District may withdraw by annexation into a non-participating City, or (iii) unincorporated territory currently in the District may annex into a participating City. The District shall inform the District Advisory Committee of any such changes, and the District Advisory Committee shall review the Service Area Maps and the Formula and recommend any amendments to this Agreement necessary to adjust for such changes.
- 3.5 Incorporation of a City within District Boundaries. Should an unincorporated area within the District choose to incorporate during the life of the District, the District Advisory Committee shall make a recommendation to the District Board of whether the newly-incorporated city qualifies as a service provider as such term is generally used in this Agreement, and if so to what extent the Formula should be adjusted to allow for a distribution to such new service provider. If the newly-incorporated city does not qualify as a service provider, the District Advisory Committee shall make a recommendation to the District Board regarding the impact, if any, of the new city on the provision of library services. Any proposed changes shall be addressed as an amendment to this Agreement.

Section 4 General Provisions

- 4.1 Indemnification. Each party shall release, defend, indemnify and/or hold harmless the other, its officers, commissioners, councilors, elected officials, employees, and agents, from and against all damages, claims, injuries, costs, or judgments that may in any manner arise as a result of the party's performance under this contract, subject to Oregon Tort claims limitations.
- 4.2 Governing Law. This Agreement shall be construed and governed in all respects in accordance with laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.
- 4.3 Savings. Should any portion of this Agreement or amendment there to be adjudged by a Court of appropriate final jurisdiction to be in violation of any local, state or federal law, then such portion or portions shall become null and void, and the balance of the Agreement shall remain in effect. All Parties shall immediately renegotiate any part of this Agreement found to be in such violation by the Court and to bring it into compliance with said laws.
- 4.4 Reasonable Attorney's Fees. In the event any action is brought to enforce, modify or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees and costs incurred in connection with such action or on appeal or review; said amount to be set by the court before which the matter is heard.

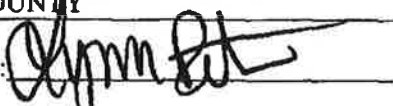
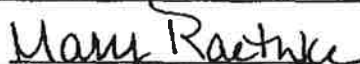
- 4.5 Notices. Formal notices, demands and communications between the Parties shall be deemed given three (3) business days after being sent by registered or certified mail, postage prepaid, return receipt requested to the principal offices of the party hereto, or upon confirmation of receipt via facsimile, electronic transmission, or hand delivery. Such written notices, demands and communication may be sent in the same manner to such other addresses and to such other persons and entities as either party may from time to time designate by mail as provided in this section.
- 4.6 No Personal Liability. No member, official, agent, or employee of the County, the District, or any City shall be personally liable to the other or any successor-in-interest thereto in the event of any default or breach by such entity.
- 4.7 No Agency. Neither anything in this Agreement nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement. No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.
- 4.8 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the party granting such waiver.
- 4.9 Further Action. The parties hereto shall, without additional consideration, acknowledge, execute, and deliver from time to time such further instruments as a requesting party may reasonably require to accomplish the purposes of this Agreement.
- 4.10 Non-Waiver of Rights. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision of this Agreement shall not constitute a waiver of any provision of this Agreement or limit the party's right thereafter to enforce any provision or exercise any right.
- 4.11 Time is of the Essence. A material consideration of the parties entering into this Agreement is that the parties will perform all obligations under this Agreement in a timely manner. Time is of the essence as to each and every provision of this Agreement.
- 4.12 Restricted Assignment. No party hereto may assign its rights, responsibilities or obligations hereunder to another party, by operation of law or otherwise, without (i) seeking and receiving an amendment of this Agreement, (ii) having said party join this Agreement on the terms, conditions and covenants herewith, and (iii) with a demonstration that such new party has the capability and

durability to meet or exceed the levels of library service currently being provided by the party seeking to assign. The District Advisory Committee shall evaluate any request for assignment and make a recommendation to the District Board regarding the granting or denial of the same based on the above criteria, including the District Advisory Committee's determination of criteria (iii) above.

4.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and such counterparts shall constitute one and the same instrument.

4.14 Enforcement of Terms. The Parties hereto recognize that the District is relying on the good faith and commitments of the Library Cities to utilize the funding provided by the District in the promised manner. The Parties expect that to the extent there is any noncompliance or breach of this Agreement, the Parties will discuss such noncompliance or breach in the District Advisory Committee and encourage an effort towards compliance. If discussions and encouragement do not remedy the continued failure of a party to meet the Service Standards or other term of this Agreement, then the District Advisory Committee shall meet to consider an amendment to this Agreement to create incentives for compliance, including but not limited to withholding of District funds, reallocation of unincorporated residents to neighboring service areas, or other such actions as may be deemed appropriate. The Parties hereto agree that in an event of a material breach of this Agreement by one of the Parties, an amendment proposed to specifically address such breach shall require a two-thirds vote of the Library Cities, including but not limited to any amendment which would reduce the breaching City's 100% return on assessments within such City's boundaries, either via a Formula amendment or otherwise.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS, AS THE GOVERNING BODY OF THE
LIBRARY DISTRICT OF CLACKAMAS COUNTY
By: 
Title: Chair
ATTEST: 

8-20-09 III.1

THE CITY OF BARLOW	THE CITY OF CANBY
By: _____	By: _____
Title: _____	Title: _____
ATTEST: _____	ATTEST: _____

THE CITY OF ESTACADA	THE CITY OF GLADSTONE
By: _____	By: <u>Wade Byers</u>
Title: _____	Title: <u>Mayor</u>
ATTEST: _____	ATTEST: <u>[Signature]</u>

THE CITY OF HAPPY VALLEY	THE CITY OF LAKE OSWEGO
By: _____	By: _____
Title: _____	Title: _____
ATTEST: _____	ATTEST: _____

THE CITY OF MILWAUKIE	THE CITY OF MOLALLA
By: _____	By: _____
Title: _____	Title: _____
ATTEST: _____	ATTEST: _____

THE CITY OF OREGON CITY	THE CITY OF RIVERGROVE
By: _____	By: _____
Title: _____	Title: _____
ATTEST: _____	ATTEST: _____

THE CITY OF SANDY	THE CITY OF WEST LINN
By: _____	By: _____
Title: _____	Title: _____
ATTEST: _____	ATTEST: _____

THE CITY OF WILSONVILLE	
By: _____	
Title: _____	
ATTEST: _____	

Attachment A

1. For the purposes of this Agreement, the "Formula" shall be calculated consistent with the following concepts:

a. The District rate is \$0.3974 per \$1000 of assessed value.

b. Each year the District will receive the amount collected for the year plus delinquent taxes recovered from the previous year. The District will distribute funds when received using the formula described below and shown in the example.

2. The Formula has two components:

a. City Assessed Value Component: The annual distribution to a Library City for properties within its boundaries shall equal the assessed value of such Library City's properties, as established annually by the Clackamas County Assessor, divided by the total assessed value of all properties in the District. This determines the Assessed Value Percentage Rate for each Library City. Each Library City will receive funds equal to the Assessed Value fund amount multiplied by its individual Assessed Value Percentage Rate.

b. Unincorporated Population Served Component: After calculation of each Library City's Assessed Value fund amount, the District shall calculate the remaining funds to be distributed (the "Remainder Amount") and distribute those funds based on the Unincorporated Population Served Percentage Rate based on the Service Area Maps attached to this Agreement as Attachment B. The term "Unincorporated Population" will also include residents of those cities that do not provide library services.

The Unincorporated Population Served Percentage Rate is determined by the number of unincorporated residents served by each City as allocated on the Service Area Maps divided by the total number of unincorporated residents within the District. Each Library City will receive funds equal to the Remainder Amount multiplied by its individual Unincorporated Service Area Percentage Rate.

3. Prior year recovered delinquencies and interest earned: Recovered delinquent taxes combined with any interest earned will be distributed to Library Cities based on the distribution percentage allocations calculated in the previous tax year.

Below are examples of the distribution of funds based on 2008 assessed values and population figures. The spreadsheet assumes the new Gladstone/Oak Lodge and Happy Valley libraries have not yet been constructed.

Library District Distribution Formula

Assessed Value 2008		
Total County Assessed Value (AV)	\$32,936,836,893	100%
Less: Non-Participating City AV	\$(1,239,770,249)	-4%
Equals: Total Library District AV	\$31,697,066,644	96%

Participating Cities:	Assessed Value	
Canby	\$999,941,295	6%
Estacada	\$179,662,976	1%
Gladstone	\$635,886,719	4%
Happy Valley	\$1,508,430,197	9%
Lake Oswego	\$4,756,391,295	28%
Milwaukie	\$1,467,817,328	9%
Molalla	\$409,821,923	2%
Oregon City	\$2,002,572,357	12%
Sandy	\$551,473,814	3%
West Linn	\$2,655,549,376	16%
Wilsonville	\$1,652,437,025	10%
Total Participating Cities AV	\$16,819,984,305	100%
Total Library District AV	\$31,697,066,644	100%
Less: Participating Cities AV	\$(16,819,984,305)	-53%
Equals: Unincorporated AV in District	\$14,877,082,339	47%

Unincorporated Areas	Assessed Value	
Canby	10,221	6%
Estacada	16,802	9%
Gladstone	8,506	5%
Happy Valley (Town Center)	32,373	18%
Lake Oswego	3,305	2%
Milwaukie	10,756	6%
Molalla	15,001	8%
Oregon City	28,015	15%
Sandy	22,236	12%
West Linn	5,691	3%
Wilsonville	3,421	2%
Oak Lodge	28,036	15%
	184,363	100%

Total District Tax Receipts		
Total Tax Collected	\$12,000,000	100%
City Assessed Value	\$8,387,776	69%
Unincorporated Population Served	\$5,632,224	47%

	Assessed Value	Pop Served	Total \$	%
Canby	\$378,562	\$312,248	\$690,810	6%
Estacada	\$88,018	\$513,295	\$601,313	5%
Gladstone	\$240,736	\$258,855	\$500,592	4%
Happy Valley (Town Center)	\$571,067	\$988,984	\$1,560,051	13%
Lake Oswego	\$1,800,693	\$100,967	\$1,901,660	16%
Milwaukie	\$555,692	\$328,592	\$884,284	7%
Molalla	\$155,152	\$468,275	\$613,427	5%
Oregon City	\$758,142	\$855,848	\$1,613,990	13%
Sandy	\$208,779	\$679,302	\$888,081	7%
West Linn	\$1,005,348	\$173,858	\$1,179,206	10%
Wilsonville	\$825,586	\$104,510	\$930,096	8%
Oak Lodge	\$-	\$858,490	\$858,490	7%
	\$8,387,776	\$5,632,224	\$12,000,000	100%

Attachment B

Service population maps are included as Attachment B.

1. The maps divide Clackamas County into library service areas. These areas are based on distance, roads, rivers, travel patterns, etc. and are intended to define where people are most likely to receive library service, and to give a Library City the ability to meet the library threshold standards in Attachment C. Each Library City's service area has been constructed by assigning Census tracts into library service areas. Based on census data compiled every 10 years, the population in each census tract will be verified and then the total unincorporated population within each service area will be used to calculate the Formula.
2. For the continuation of library service to the citizens in the Oak Lodge and Clackamas Corner areas, the service area boundaries and population served totals will not change until the new Happy Valley Library is open and the new Gladstone/Oak Lodge Library is open. As each new facility is opened to the public, the service population will be adjusted to the new agreed-upon boundaries found in this Attachment. The population service area changes and resulting increase in payments for unincorporated population served will take place in the fiscal year following the library opening.

[See attached maps]

Attachment C
Service Standards

The Parties agree that all library service providers shall strive to meet OLA Threshold Standards, with a particular emphasis on:

STAFFING: Provide qualified staff employed by the library as outlined in the table below:

Population Served	Threshold Staffing Level
0 - 2,499	0.5 FTE, with high school diploma
2,500 - 4,999	0.35 FTE/1,000 served. Director has B.A.
5,000 - 9,999	0.35 FTE/1,000 served. Director has B.A.
10,000 - 24,999	0.35 FTE/1,000 served. Director has MLS.
25,000 - 49,999	0.35 FTE/1,000 served. Director has MLS. 1/5 of staff has MLS.
50,000 - 499,999	0.33 FTE/1,000 served. Director has MLS. 1/5 of staff has MLS.

MATERIALS: Provide the number of volumes in the library's total collection as spelled out in the table below:

Population served	Threshold Materials
0 - 49,999	Material collection of 5,000 items or two items per capita, whichever is greater.
50,000+	Material collection of two items per capita.

ACCESS: Provide and post open hours which fit the community's need, including evening and weekend hours, and provide the minimum standards listed in the table below:

Population served	Threshold
0 - 4,999	20 hours
5,000 - 9,999	30 hours
10,000 - 24,999	40 hours
25,000 +	50 hours

NOTE: Total staffing levels and material volumes may be constrained by current facility size limitations. The Parties understand and agree that a strategic plan that recognizes such size limitations and adjusts staff and material goals accordingly is an acceptable implementation of this standard.

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: July 8, 2014 **Approx Start Time:** 8:30 a.m. **Approx Length:** 60 Min

Presentation Title: Gladstone Library Proposal – Additional Discussion

Department: BCS, County Counsel

Presenters: Gary Barth, Chris Storey, Doris Grolbert

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Direction from the Board regarding the transition of the Oak Lodge Library to the City of Gladstone.

EXECUTIVE SUMMARY:

This discussion is a continuation of the discussion held July 1, 2014 at 10:30am. Please see prior staff report for background details.

FINANCIAL IMPLICATIONS (current year and ongoing):

Gladstone is requesting \$1,000,000 from the general fund and \$1,375,000 from the Oak Lodge Library reserve account.

LEGAL/POLICY REQUIREMENTS:

Please see attached memorandum regarding legal issues.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Please see prior staff report.

OPTIONS:

Please see prior staff report.

RECOMMENDATION:

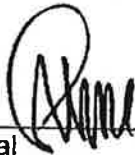
Please see prior staff report.

ATTACHMENTS:

Legal Memorandum

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval _____ Director
County Administrator Approval _____ Administrator



For information on this issue or copies of attachments, please contact Chris Storey @ 503-742-4623



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING
205 I KAEN ROAD I OREGON CITY, OR 97045

MEMORANDUM

Stephen L. Madkour
County Counsel

DATE: July 2, 2014
TO: Board of County Commissioners
Donald Krupp, County Administrator
FROM: Chris Storey, Assistant County Counsel
RE: Legal Implications of Gladstone Library Funding Plan

Kimberley Ybarra
Kathleen Rastetter
Chris Storey
Scott C. Ciecko
Alexander Gordon
Amanda Keller
Nathan K. Boderman
Christina Thacker
Assistants

The Board of County Commissioners requested a legal review of Gladstone's proposed financing plan to construct a new library. Staff materials have already provided background on the efforts to date, so I will focus on the current proposal.

As stated in the Gladstone staff report to the Gladstone City Council, the key elements of the proposed project are a \$6.4 million estimated project cost resulting in a 13-16,000 square feet facility on Portland Avenue, with no City cash contribution to the project.

Per that staff report, emphasis is placed on the fact that no city funds will be used for the project, and in fact the City of Gladstone would cease contributing any money towards its library support. Rather, distributions from the Library District of Clackamas County (the "Library District") would be the exclusive funding mechanism for the operation of the Gladstone Library. The sources of funding for the project are:

- \$1,000,000 from the County general fund (currently subject to an IGA);
- \$1,375,000 in one-time Library District funds (of which \$500,000 is subject to an IGA); and
- \$4,000,000 in debt to be paid from Library District distributions (plus interest).

This plan raises several legal issues that the Board must consider. They include (i) the Board's legal right to object to the plan with respect to the \$1,000,000 in general fund and \$500,000 in Library District contributions, (ii) reliance on a contribution of \$1,375,000 in Library District funds when only \$500,000 has been pledged towards the

project, (iii) restrictions on capital uses of Library District funds, and (iv) cessation of city support for library services.

I. \$1,500,000 contribution per Capital Contribution IGA

The Intergovernmental Agreement between Gladstone and Clackamas County allows for a \$2,500,000 contribution towards the construction of a new Gladstone Library (specified to be located at 18235 Webster Road in Section 5.1). Clackamas County provided all such funds and ~\$1,000,000 was spent on planning before the project ended due to citizen demands. Subsequently Gladstone returned the remaining \$1.5 million which is being held in reserve. Clackamas County has a reasonable claim that the nature of the agreement has changed given the changed elements (new, smaller location) of the proposed project given the language in Section 5.1. However, Gladstone also has a reasonable claim that the County must provide the remaining \$1.5 million to support construction of a library under the narrow language of the distribution paragraph. It would require an amendment of the intergovernmental agreement with Gladstone to clarify the expectations of the parties.

Therefore it is in the Board's discretion on whether to provide the \$1.5 million in funding for the project.

II. Request for \$875,000 in additional contributions from Oak Lodge Library Fund

Gladstone's financial projections include receiving an estimated \$1,375,000 from accrued but unexpended Library District funds distributed to the Oak Lodge library. Of those funds, \$500,000 has been committed to support work towards completing the new library. Per Section III below, those funds should be used on non-capitol items such as purchase of furniture, expanding the library's collection to fit the available space, upgrade of computers, etc. Gladstone has no legal claim on the remaining \$875,000 requested, although I understand it has been reserved by county library management.

Therefore it is in the Board's discretion on whether to provide the requested additional \$875,000 in funding for the project.

III. Use of Library District Funds for Capital Purposes

In forming the Library District, the County faced a boundary issue because a county service district providing library services already existed, covering the area of the Estacada school district. The Estacada District issued bonds to support construction of library improvements for the City of Estacada's Library. Applicable state statute requires that two districts not exist over the same territory providing the same service. To avoid the necessity of removing the Estacada area from the county-wide Library District, during the formation process the Board determined that the Estacada District was used

for capital-only purposes and the Library District of Clackamas County would be used for operating-only purposes.

This was reflected in the election materials provided to voters. The explanatory statement noted that "The Library District would implement a permanent rate of \$0.3974 per \$1,000 assessed value to exclusively fund library services....This dedicated funding would allow the libraries in Clackamas County to stay open and continue their programs." The formation board order adopted November 18, 2008, established similar reasons for formation of the District, which state:

1. To provide a dedicated, stable funding source for the support of library services.
2. To raise revenue to be distributed to the existing city and county-operated libraries in the system. Formation of the District should provide sufficient funding to raise the service levels at all facilities to the most basic ("Threshold") level recommended by the Oregon Library Association.

The reasons excluded capital expenditures consistent with formation proceedings and the election materials. The funding is intended to expand the level of library services available to residents to meet those standards.

Further, the Intergovernmental Agreement ("District IGA") between the Library District and the cities that provide library services ("Library Cities"), including Gladstone, places restrictions on the use of funds in Section 2.1 be only to "...provide public library service, and shall expend the entire library revenue paid under this Agreement in accordance with the purpose for which it was provided by implementing a plan to achieve the Service Standards." The service standards are generally defined around the provision of Threshold standards which are attached to the District IGA.

Overall there is clear intent by the District formation process, the Library Cities and the voters that the monies generated by the Library District be used to raise the level of library services provided operationally, not via capital expenditures. The County followed that approach in constructing Sunnyside Library.¹

However, the Library District is a pass-through financing entity that does not make direct expenditures. It is not a direct violation by the Library District for Gladstone to expend funds inconsistent with the District's charter. Rather, it is a breach of the District IGA's restrictions on the use of funds. The District IGA addresses the enforcement mechanism for such a breach in Section 4.14, which states in relevant part:

¹ I note that Oregon City appears to be violating both the letter and spirit of the District IGA through their current library reconstruction funding plans. Oregon City staff did not consult with County staff regarding their plans.

The Parties hereto recognize that the District is relying on the good faith and commitments of the Library Cities to utilize the funding provided by the District in the promised manner. The Parties expect that to the extent there is any noncompliance or breach of this Agreement, the Parties will discuss such noncompliance or breach in the District Advisory Committee and encourage an effort towards compliance. If discussions and encouragement do not remedy the continued failure of a party to meet the Service Standards or other term of this Agreement, then the District Advisory Committee shall meet to consider an amendment to this Agreement to create incentives for compliance, including but not limited to withholding of District funds, reallocation of unincorporated residents to neighboring service areas, or other such actions as may be deemed appropriate. The Parties hereto agree that in an event of a material breach of this Agreement by one of the Parties, an amendment proposed to specifically address such breach shall require a two-thirds vote of the Library Cities, including but not limited to any amendment which would reduce the breaching City's 100% return on assessments within such City's boundaries, either via a Formula amendment or otherwise.

Any effort to address non-compliance, by either Gladstone or Oregon City, must go through a peer effort and have the consent of two-thirds of the Library Cities. There is little question, however, that at the time of formation and agreement the various Library Cities were not to expend Library District funds on capital purposes. This was by design at the formation of the District, as the Library Cities were not willing to sign on to an agreement that allowed for a degree of County control over city libraries and the then-Board had expressed a desire to exit the retail library service management area.

For legal compliance reasons, I do not recommend the Board endorse by vote Gladstone's approach. However, the Board cannot stop Gladstone from putting whatever item it wishes on the November ballot and the only enforcement mechanism available requires the consent of the other cities to have any impact.

IV. Cessation of City Support for Library Services

A related issue is that the current financing plan for Gladstone has a complete cessation of city support for library services from their general fund. As noted above, the Library District is intended to be additive, not replacing, of city support for library services in their city and for unincorporated residents. Specifically, Section 2.1 of the District IGA states that "District funds may not be used to support general overhead or administrative costs of Cities except to the extent such overhead or administrative costs are directly related to the provision of library services and/or the operation of a public library." This was intended to prevent overloading of charges on District funds. Since money is fungible, the wholesale withdrawal of general fund support for library services can be seen as using Library District funds for the support of overhead and/or administrative costs that were previously born by the City.

The structure of the Library District is such that the County is not the enforcer of the terms of the District IGA. Rather, it is structured that each Library City will be incentivized to challenge each other to "pull their weight" in the provision of an integrated library service system for the residents of Clackamas County. The same enforcement provision discussed above would apply to this situation as well.

Conclusion.

Each of the four legal issues identified above represent open issues that are more policy questions than pure legal issues. The Board has the flexibility to:

- continue on the current path and provide the agreed \$1.5 million in funds but no others;
- provide the agreed \$1.5 million in funds and the requested additional \$875,000;
- Agree to provide all requested funds but not allocate the additional Library District funds relating to the unincorporated area but continue to direct them to the Oak Lodge Library; or
- Refuse to provide the funds and look for alternative solutions.

I would like to address one final issue that is not purely legal but is raised by the above discussion. The combination of reliance on County and Library District funds for the capital construction and cessation of city contributions to the operations of the library means that there is no compelling reason for the proposed project to be controlled by the City of Gladstone. It becomes a solution funded exclusively through county and Library District resources and could be implemented without Gladstone participation at all in any location. This challenges the philosophy behind the Library Cities model where each city is intended to be an active partner in supporting a high level of library services to all residents throughout the County. This issue may have an impact on weighing the policy questions and choices outlined above.

CS

cc: Stephen Madkour
Gary Barth
Doris Grolbert

Notes – Board of Clackamas County Commissioners Staff Meeting – 7/8/14

Attending: JB, PS, JL, TS, MS, DK, NN, CH

Also attending: Molly Harbarger (*The Oregonian*)

Gladstone Library Proposal – Additional Discussion – Gary Barth, Chris Storey, Doris Grolbert

Attending: JL, JB, TS, PS, MS, NN, CH

Also attending: Molly Harbarger (*The Oregonian*)

Staff requested direction from the BCC regarding the transition of the Oak Lodge Library to the city of Gladstone.

There is a clause that says that district money will not be used for capital projects. Currently it seems that Oregon City is doing that. CS does not recommend going against what Gladstone wants to do. DG explained that Gladstone is not going for a bond to raise taxes, it will be more of a revenue bond. Gladstone has done what was asked of them. JB said they should give the money to Gladstone, his concern is that they are not contributing any of their general funds to this project. JL said they need to change the rules that say they can do this. CS said that that would be the next step, this would happen once Estacada Library district is dissolved. JL said he is ok with them getting the money. He added that the money could be conditioned on the passing of the bond and finding a location. PS asked what would happen if Gladstone can't build it. CS said it would be up to them, the county is not the watchdog. JB said they need to make it contingent on passing of measure and securing site. JL requested that Pete Boys (Gladstone) come up. PB said that ballot said they will not use city funds. If they find site, they need to have options. JL suggested making funds conditioned on successful agreement to buy property and transfer the funds then.

JL moved to convey all available funds to Gladstone through escrow when they purchase the property. TS 2nd. – Motion withdrawn

JB said he would like to limit the amount to 1.5 million. PS agreed and said it should be brought to consent agenda.

JL withdrew motion

JB moved to establish escrow account and distribute 1.5 million and make it available when property is to be purchased. PS 2nd.

CS explained that they don't need to put money in escrow, the agreement is already there and can transfer the funds as long as it is signed. JL said that signed does not mean it will close. The money should be deposited in escrow account if not used the money can be returned to county.

PS withdrew 2nd. JB ok

Staff to bring back recommendation when time comes. CS added that they will treat all cities the same. PS asked if there is a traffic study. PB said that the design review does have one

NCPRD Capital Projects for November 2014 Ballot Measure – Gary Barth, Jeroen Kok

Attending: JL, JB, TS, MS, PS, NN, CH

Also attending: Molly Harbarger (*The Oregonian*)

Continued discussion on NCPRD ballot measure.

PS asked who staff talked in each area. JK said that they went to various meetings but this project has not been addressed yet but could work it into an outreach effort. PS said he supports this as long as imbalance is rectified. JK said that funding for projects depend on what they want to do. They could do a different mix of projects rather than one community park. PS said that the projects from the master plan did not carry over onto this list. JK clarified that 25 million will not solve needs. JB said that the goal is to have a baseline to have community input. TS said she does not believe it is the BCC's job to identify where parks will be. She would like to move forward and let citizens decide. JK added that they are doing one more polling to see what people want. GB said that zone 1 has 30% of population, zone 2 35% and zone 3 35%. JL asked if the list was decided on assessed value given that each all zones have very even populations. GB said the numbers came from elementary school studies. MS said that if this move forward and doesn't pass they will be back to square 1, she said this is not ready. She would like to step back and work issues up. JB agreed, he said it gets worse every time they talk about it. GB said they will have the polling for the public hearing on 7/17. CS added that materials for ballot will be decided in August. JL said that if they don't move forward they will have to lay off people. JL added that it is important for BCC to decide on ratios. PS questions the population numbers. He added that the underserved areas are identified based on population, he asked about matching Milwaukie with 5 parks. JL asked about evening things out on each zone.

TS move to change NCPRD allocation to 1/3 per zone. JL 2nd.

PS said that 1/3 is better but it is not doing anything to demonstrate the willingness to fix the problem. JB said they need to reach out to the community and find out what they want to do.

TS – Aye

JB – Aye

MS – Abstain – this is not ready for primetime

PS – No

JL – Aye

Motion passes 3-1-1

CS said the BCC can modify or advance proposal at July 17 meeting. He added that current SDCs have current zones. To modify this they would have to amend SDC ordinance, which can be done at any time. PS said they need a transition plan and a proforma. GB said they are looking into all the details. JK suggested replacing the community park on the list with 3

neighborhood parks. PS said the community park is important and the Willamette River access is aspirational. **JL directed staff to return with a refined list that will give the BCC options.**

Willamette Falls Legacy Project – Gary Barth, Catherine Comer

Attending: JL, JB, MS, PS, TS, NN, CH

Also attending: Molly Harbarger (*The Oregonian*)

Staff requested direction moving forward with a MOU to secure a “significant” match through lottery-backed bonds.

PS said he is having a hard time with the 30 million to develop. MS asked if the 30 million was a metro figure, she added that the county needs to insert themselves in this and be clear about the conditions of the expectations. JL said they need to clarify with metro. MS added that the easement needs to be in place. GB clarified that metro is taking the lead on the easement, Oregon City is doing planning and the county is meeting with the property owner. JB said we should work in DC to get more money and that the county will contribute when we see a project. MS said she is willing to contribute to open space. TS said that Bobby Lee keeps changing things. BCC wants to focus on economic development of private sector. **BCC ok to invest another 100k and enter in MOU in design for 1 year.** GS added that Ball Janik has been doing preliminary lobbying work but we could fund additional to work on behalf of the partnership – this could be considered the county’s contribution. **BCC ok to work with Ball Janik.** GB said #3 is subject to easement, they can just monitor the process. MS said the county can drive the process.

Proposed Amendments to County Code Chapter 6.04 Smoking Regulations in and Around County Facilities – Stephen Madkour, Cindy Becker

Attending: JL, JB, MS, PS, TS, DK, CH

Also attending: Molly Harbarger (*The Oregonian*)

Staff requested authorization to proceed to public hearing on proposed changes to county code.

JL asked if they could add something that says they cannot consume marijuana in all derivatives. SM said they can. PS said he does not want people smoking pot passed the 26 ft. SM clarified that the current ordinance does not prohibit open air locations. There are impairment guidelines. It is tough to prohibit marijuana and derivatives because medical marijuana users can use on campus. He added that the code can always be revised later. CB added that the reason they bring this is because they’ve had issues with vaping so they need to move forward on this and revisit later. Staff would also like to come back to address sales of ecigarettes. **BCC ok with staff recommendations.**

Deferred Compensation Plan – Nancy Drury, Carolyn Williams

Attending: JL, JB, MS, PS, TS, DK, CH

Also attending: Molly Harbarger (*The Oregonian*)

Staff requested the BCC approve the changes effective January 1, 2014.

BCC in consensus to approve.

Issues:

- Staffing Capacity – PS expressed concern at not having one go to person for Urban and Rural reserves. He also wanted to know if the BCC want him to approve the RTP. JL said that the RTP is aspirational therefore it will not happen. TS agreed on staffing issues, she would like to focus on bringing on new talent. JB added that the focus of transportation is changing because population is getting older and young people don't drive until later in life.
- Museum/Fair Funding – PS asked if the county should consider a small levy to help fund the fair and domestic violence. JL said he is not sure about this. MS said that tourism is looking for ways to get people to visit more museums. Once it is clear what the plan is they can look for funding package. JL suggested waiting until DK finishes doing analysis and then can bring back during issues.
- WICCO Recruitment – N. Drury explained that the liability would fall on WICCO and the cost would be about 8k not counting advertisement. MS said she is concerned they do not have an executive director. JB said he does not have a problem doing this. ND added that her staff could not start recruitment until August. JB added that any extra costs should come out of their budget. BCC in consensus to allow recruitment with limitations.
- TDC appointments – DK explained the process for appointment and the BCC role in this. PS asked if there is any level of oversight. JL said that hotels and motels should be regularly audited. J. Austin reported that they have done a RFP to find a firm to look at these places. TS added that it is interesting that there is no yearend reconciliation. JA added that the finance department is the tax administrator.
- EMT Core Values – E. Wheatfall updated the BCC on his progress. He said EMT identified 3 core values: integrity, dignity, trust, integrity, respect, accessibility. He added that these might be modified then they will establish them to give the county an identity. Employees will be polled too. JB suggested EW check in with the BCC individually.
- Business Meeting Agenda review
- County Toastmaster
- Scheduling

Library Options to Address Current Oak Lodge Library Facility

<i>Proposed Gladstone Plan for Combo City Hall/Library</i>	<i>Hybrid Plan – Gladstone Library (current or new) and new Oak Lodge Library</i>	<i>New Oak Lodge Facility to include Gladstone Service Area. Gladstone closes existing city library</i>
<i>Total Capital Costs - \$6.374 million with interest</i>	<i>Total Capital Costs – TBD</i>	<i>Total Capital Costs – TBD</i>
<i>Capital Funding Sources:</i> <ul style="list-style-type: none"> • <i>\$1 million in county general fund</i> • <i>Remainder from Library District funds in the form of cash (Oak Lodge operating reserves) and debt</i> • <i>No city funds or Gladstone Library operating reserves</i> 	<i>Capital Funding Sources:</i> <i>Gladstone:</i> <ul style="list-style-type: none"> • <i>Library District funds from current service area</i> <i>Oak Lodge:</i> <ul style="list-style-type: none"> • <i>\$1 million in county general fund</i> • <i>Oak Lodge operating reserves of \$1.6 million</i> • <i>On-going Library District funds from current service area</i> 	<i>Capital Funding Sources:</i> <ul style="list-style-type: none"> • <i>\$1 million in county general fund</i> • <i>Oak Lodge operating reserves of \$1.6 million</i> • <i>On-going Library District funds from expanded service area</i>

ALL NUMBERS ARE ESTIMATES ONLY

**Library Service District of Clackamas County/Clackamas County
Various funding options - Gladstone/Oak Lodge Library
Study Session - February 23, 2016**

LIBRARY DISTRICT FUNDS	Scenario #1		Scenario #2		Scenario #3		Scenario #4		Scenario #5	
	Population	Dollars	Population	Dollars	Population	Dollars	Population	Dollars	Population	Dollars
City of Gladstone	20223	\$ 682,436	40897	\$ 1,566,960		\$ -		\$ -	20223	\$ 682,436
Oak Lodge	29118	\$ 1,245,808		\$ -	49341	\$ 1,928,244	40897	\$ 1,566,960		\$ -
City of Milwaukie	39851	\$ 1,570,686	48295	\$ 1,931,970	39851	\$ 1,570,686	48295	\$ 1,931,970	68969	\$ 2,816,494
	89192	\$ 3,498,930	89192	\$ 3,498,930	89192	\$ 3,498,930	89192	\$ 3,498,930	89192	\$ 3,498,930
Capital - County General Fund		\$ 1,000,000		\$ 1,000,000		\$ 1,000,000		\$ 1,000,000		\$ 1,000,000
Excess Funds in Trust per IGA		\$ 1,628,460		\$ 1,628,460		\$ 1,628,460		\$ 1,628,460		\$ 1,628,460
		\$ 2,628,460.00		\$ 2,628,460.00		\$ 2,628,460.00		\$ 2,628,460.00		\$ 2,628,460.00

POPULATION: CITY/UNINCORP.	Scenario #1		Scenario #2		Scenario #3		Scenario #4		Scenario #5	
	Population	Percentage	Population	Percentage	Population	Percentage	Population	Percentage	Population	Percentage
City of Gladstone										
City	11495	57%	11495	28%					11495	57%
Unincorporated	8728	43%	29402	72%					8728	43%
Oak Lodge										
City					11495	23%	11495	28%		
Unincorporated	29118	100%			37846	77%	29402	72%		
City of Milwaukie										
City	20500	51%	20500	42%	20500	51%	20500	42%	20500	30%
Unincorporated	19351	49%	27795	58%	19351	49%	27795	58%	48469	70%
	89192		89192		89192		89192		89192	

SCENARIO DESCRIPTION	
	Scenario #1 - Status Quo
	Scenario #2 - Per current IGA (Gladstone incorporates 71% of Oak Lodge service area and Milwaukie incorporates 29% of Oak Lodge service area).
	Scenario #3 - City of Gladstone exits Library retail business - all services provided by Oak Lodge.
	Scenario #4 - City of Gladstone exits Library retail business - Oak Lodge incorporates Gladstone service area and City of Milwaukie receives 29% of Oak Lodge service area.
	Scenario #5 - Oak Lodge service area transferred to City of Milwaukie.

Notes: Revenue estimates are based on actual FY 14/15 dollars plus 3% escalation factor; Scenarios do not make any assumptions about the existence and/or location of satellite facilities.