



# AGENDA

## CLACKAMAS COUNTY BOARD OF COMMISSIONERS SPECIAL PUBLIC MEETING

Wednesday, August 22, 2012 – 6:00 PM  
Public Services Building – Room 409  
2051 Kaen Road, Oregon City, OR 97045

**DISCUSSION ITEM** *(The following item will be presented by County staff or other appropriate individuals. Persons wishing to speak shall be allowed to do so after registering on the card provided on the table outside of the hearing room prior to the beginning of the meeting. The Chair will call individuals two at a time, each person will give their name and address for the record. Comments shall be respectful and courteous to all.)*

Board of County Commissioners,  
Development Agency,  
North Clackamas Parks and Recreation District

1. Special Meeting to Discuss Portland to Milwaukie Light Rail
  - a. Consideration of Settlement Terms with TriMet
  - b. Resolution No. \_\_\_\_\_ Authorizing the Potential Issuance of Bonds to Meet the County's Obligation to Fund Portland to Milwaukie Light Rail  
(Dan Chandler, County Administration, and Scot Sideras, County Counsel)

Note: Depending on time limitations this item may be continued at the Board's regular scheduled Business Meeting tomorrow, Aug. 23, 2012 at 10 AM.



**STAFF REPORT FOR SPECIAL MEETING**

**Potential Settlement Agreement for  
Portland to Milwaukie Light Rail Obligation**

**Potential Bond for Financing Portland Milwaukie Light Rail**

August 22, 2012

Board of County Commissioners  
Clackamas County

Members of the Board:

**I. Background.**

In an open public session on June 6, the Board of Commissioners requested that County staff continue to work for enhancements of the Portland Milwaukie Light Rail project in Clackamas County, as well as investigate ways to reduce the amount of borrowing the County might have to undertake to meet its obligation.

Absent a settlement agreement, it is very likely that there would be litigation between the County and TriMet, either by TriMet to enforce the obligation, and potentially by the County to clarify the terms of the existing IGA.

The attached proposed settlement agreement was negotiated by County and TriMet staff. The Board of County Commissioners was kept apprised of the status of the settlement discussions in several executive sessions.

To implement the proposed settlement agreement, we have also provided an authorizing resolution to issue bonds to finance the obligation. It is fortunate for the County that bond rates are at historic lows; and that the County has outstanding credit, saving the County millions of dollars compared to rates prevalent for the past several years.

**II. Remaining Public Process**

There are substantial public processes remaining for the project, including County design review approval for various elements of the project. However, it is important to know that there are legal limits on what the County can ask for as conditions of land use approval. Conditions of approval must be "reasonable and necessary" and

cannot include elements that were eliminated or deferred in the Full Funding Grant Agreement. There will also be an additional Intergovernmental Agreement between TriMet and the North Clackamas Park and Recreation District, as well as an IGA to provide more detail on how the County will be compensated for staff time.

### III. The Proposed Agreement.

A copy of the proposed settlement agreement is attached. We anticipate that by the date of the public meeting, some or all of the proposed terms will be placed into a document that will bind both TriMet and Clackamas County as we negotiate the final terms of an agreement. Any additional documents to be discussed will be provided to the Board of Commissioners and the public as soon as they are available.

#### A. Financial Terms:

##### Calculation of Balance Due for Payment by October 10, 2012

Agreement/Settlement Term	Amount
Funding Contribution Due under Existing Project Agreement	\$25,000,000
Minus Engineering Fees Paid by Interfund Transfer	(\$1,365,307)
Minus In-Kind Donation of ROW	(\$20,915)
Minus County Road/Signalization Improvement	(\$1,279,740)
Minus Reduction in Contribution	(\$2,400,000)
<b>Balance Due by October 10, 2012</b>	<b>\$19,934,038<sup>1</sup></b>

- The County would save approximately \$330k per year, and approximately \$6.6 million in debt service over the life of 20-year bonds.
- The County would also save the 5% annual interest payment which would result if the obligation is deferred until September 2013.
- Annual debt service would be well below the expected return to the general fund from the closure of the Town Center Urban Renewal District levy.

We anticipate that half of the road fund contribution would likely come from the Secure Rural Schools appropriation, which was not included in this year's budget, with a smaller amount from the each of the two following fiscal years. However, the specific sources and timing are a matter for the BCC to decide at a later date.

<sup>1</sup> The attached term sheet/settlement outline contains a slightly different figure. This is because we recently identified one of the parcels proposed to be dedicated is actually owned by Clackamas County Sewer District No. 1. It would be inappropriate for the County to get financial credit for a dedication of district property. Therefore the amount of borrowing is approximately \$14,000 higher than is shown in the attached term sheet.

There would definitely be permit fee revenue foregone now to reduce the amount of borrowing. However, the proposed terms resolve a number of disputed issues about the amount of fees owed, all in the County's favor.

#### B. Project Enhancements

The proposed settlement agreement memorializes an extensive list of project enhancement, which are set forth in Exhibit D.

- **Safety and security** upgrades around the Park Avenue Light Rail Station and Park & Ride, including closed security cameras, and expanded police presence coordinated with the Clackamas County Sheriff's Office;
- **Community connectivity** improvements to make it easier for people in the area to access light rail, including new sidewalks and intersection upgrades;
- **Livability** enhancements, including noise, light and vibration mitigation, and landscaping and hardscape treatments, and
- **Design and natural area** improvements including extensive planting of native species and storm-water treatment.

#### IV. The Authorizing Resolution

Should the BCC choose to go forward with the proposed settlement, the attached authorizing resolution has been reviewed in bond counsel, county counsel and outside financial advisors.

#### Recommendation:

1. That the Board of Commissioners approve the terms set forth in the proposed settlement agreement and authorize the Chair to sign a final agreement, not inconsistent with those terms, on behalf of the County, Development Agency and North Clackamas Park and Recreation District.
2. That the Board of Commissioners approve the attached Resolution authorizing the issuance of bonds.

Sincerely,



Dan Chandler  
Strategic Policy Administrator

For information on this issue or copies of attachments,  
please contact Dan Chandler at 503-742-5394

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of the Board of County )  
Commissioners, Clackamas ) Order No.  
County, Oregon, Authorizing the ) (Page 1 of 3)  
Financing of the Portland- )  
Milwaukie Light Rail Obligation.

WHEREAS, this matter coming before the Board of County Commissioners of Clackamas County, Oregon (the "Board") and it appearing to the Board that the County is authorized by ORS 271.390 to enter into loan agreements to finance or refinance real or personal property which the Board determines is needed, and to authorize certificates of participation in the right to receive the payments due from the County under those loan agreements; and,

WHEREAS, the County is permitted by ORS 287A.105 to have those loan agreements be "bonded indebtedness" within the meaning of Section 10, Article XI of the Oregon Constitution, which the County is unconditionally obligated to repay and for which the County may pledge its full faith and credit; and,

WHEREAS, the County has an obligation to fund a portion of the Portland-Milwaukie Light Rail project (the "Project"), and that the County has agreed to pay, and the Tri-County Metropolitan Transit District of Oregon has agreed to accept, \$19,934,038.00 as the balance of the County's funding obligation for the costs of that Project; it is, therefore,

NOW RESOLVED AND ORDERED that the County determines that the Project is needed and is eligible for financing under ORS 271.390, and that the County Administrator or the Finance Director are each hereby authorized, on behalf of the County and without further action by the Board, to:

1. Negotiate, execute and deliver one or more loan agreements (the "Loan Agreements") in amounts sufficient to provide \$19,934,038.00 for the costs of the Project, plus amounts sufficient to pay estimated financing costs. The Loan Agreements shall constitute "bonded indebtedness" within the meaning of ORS 287A.105, and the obligation of the County to make loan payments under the Loan Agreements shall be unconditional. The County Administrator or the Finance Director may pledge the County's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, and any and all of the County's legally available funds, to make the payments due under the Loan Agreements. Subject to the limitations of this Order, the Loan Agreements may be in such form and contain such terms as the County Administrator or the Finance Director may approve.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of the Board of County )  
Commissioners, Clackamas ) Order No.  
County, Oregon, Authorizing the ) (Page 2 of 3)  
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2. Negotiate, execute and deliver one or more escrow agreements or similar documents (the "Escrow Agreements") that provide for the issuance of one or more series of "certificates of participation" or "full faith and credit obligations" (the "Obligations") that represent ownership interests in the loan payments due from the County under the Loan Agreements. Subject to the limitations of this Order, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the County Administrator or the Finance Director may approve.
3. Determine whether the interest payable on each Loan Agreement will be includable in gross income or excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code").
4. Covenant for the benefit of the owners of tax-exempt Obligations to comply with all provisions of the Code which are required for the interest component of loan payments payable under the related Loan Agreements to be excluded from gross income for federal income tax purposes.
5. Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations, and enter into agreements to provide continuing disclosure for owners of each series of Obligations.
6. Undertake to provide continuing disclosure for each series of Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
7. Apply for ratings for each series of Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Obligations, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
8. Enter into additional covenants for the benefit of the purchasers of the Loan Agreements and Obligations which the County Official determines are desirable to sell the Loan Agreements and Obligations on favorable terms.
9. Engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of the Board of County )  
Commissioners, Clackamas ) Order No.  
County, Oregon, Authorizing the ) (Page 3 of 3)  
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10. Determine the final principal amount of each Loan Agreement, subject to the limit in Section 1, above, the interest rate or rates which each series of loan payments shall bear, the County's prepayment rights and other terms of each Loan Agreement and each series of Obligations.

11. Sell all Series of Obligations for an aggregate price that is sufficient to provide \$19,934,038.00 for the costs of that Project, plus an amount sufficient to pay estimated financing costs. The Obligations may be sold by soliciting competitive bids for the purchase of each series of the Obligations and awarding their sale to the bidder offering the most favorable terms to the County, or by selecting one or more underwriters, negotiating the terms of the sale of each series of Obligations, and selling that series to those underwriters. If the County Administrator or Finance Director determines that it would be advantageous, the County may place one or more Loan Agreements with a commercial bank without issuing Obligations and may take any actions related to such Loan Agreements as are authorized in this Order to be taken in relation to Obligations.

12. Execute and deliver any other certificates or documents, apply the proceeds of the Obligations to pay costs of the Project and costs of issuing each series of Obligations, and take any other actions which the County Administrator or the Finance Director determines are desirable to finance the Project with the Loan Agreements and the Obligations in accordance with this Order.

DATED this 22<sup>nd</sup> day of August, 2012.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Approving a Settlement and Authorizing the Chair to Execute a Supplement to the Intergovernmental Agreement between Clackamas County and TriMet.



Resolution No. \_\_\_\_\_

**Whereas**, on February 4, 2010 Clackamas County, the North Clackamas Parks and Recreation District, and Clackamas County Development Agency entered an Intergovernmental Grant Agreement with TriMet in which the County granted TriMet \$25 million in local funding and in-kind match to help pay its share of the Portland-Milwaukie Light Rail Project; and

**Whereas**, under the terms of the agreement, the County is required to pay the full amount of its contribution to TriMet by September 3, 2012; however the County has the option to defer its payment up to September 3, 2013 provided it pays interest of up to \$1.25 million dollars; and

**Whereas**, County and TriMet staff have negotiated a potential settlement agreement; and

**Whereas**, the potential settlement will save the Citizens of Clackamas County over \$4 million dollars; and will save over \$330,000 per year for the next 20 years from the General Fund; and

**Whereas**, through the potential settlement, TriMet will provide enhanced security in the form of video surveillance, station design and participation in a multi-jurisdictional task force; and

**Whereas**, the potential settlement will provide the citizens of Clackamas County with enhancements to connectivity, livability and design related to the Orange Line;

Now therefore, be it resolved:

1. The Board of County Commissioners approves the attached Memorandum of Understanding between Clackamas County and TriMet and authorizes the Chair to sign on behalf of the County.
2. The Board of Commissioners delegates to the Chair the authority to execute a Supplement to the Intergovernmental Grant Agreement, provided that the Supplement is consistent with the terms of the Memorandum of Understanding.

ADOPTED this \_\_\_\_\_ day of August, 2012

**CLACKAMAS COUNTY BOARD OF COMMISSIONERS**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary



**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Authorizing the Chair to Execute a Supplement to the Intergovernmental Grant Agreement between Clackamas County, TriMet, the Clackamas County Development Agency, and the North Clackamas Parks & Recreation District



Resolution No. \_\_\_\_\_

**Whereas**, on February 4, 2010 Clackamas County, the North Clackamas Parks and Recreation District, and the Clackamas County Development Agency entered into an Intergovernmental Grant Agreement ("Agreement") with TriMet in which the County granted TriMet \$25 million in local funding and in-kind match to help pay for its share of the Portland-Milwaukie Light Rail Project; and

**Whereas**, the Board of County Commissioners has approved a Memorandum of Understanding and authorized the Chair to execute a Supplement to the Agreement; and

**Whereas**, neither the Memorandum of Understanding nor the proposed supplement to the Agreement effect the rights or duties of the Clackamas County Development Agency;

Now therefore, be it resolved:

1. The Board of Commissioners sitting as the governing body of the Clackamas County Development Agency delegates to the Chair the authority to execute a Supplement to the Agreement, provided that the Supplement is consistent with the terms of the Memorandum of Understanding approved by the Board of Commissioners this day.

ADOPTED this \_\_\_\_\_ day of August, 2012

**CLACKAMAS COUNTY BOARD OF COMMISSIONERS**

Acting as the Governing Body of the  
Clackamas County Development Agency

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

BEFORE THE BOARD OF  
**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT**  
OF CLACKAMAS COUNTY, STATE OF OREGON

A Resolution Authorizing the Chair to Execute a Supplement to the Intergovernmental Grant Agreement between Clackamas County, TriMet, the Clackamas County Development Agency, and the North Clackamas Parks and Recreation District.

Resolution No.

**Whereas**, on February 4, 2010 Clackamas County, the North Clackamas Parks and Recreation District, and the Clackamas County Development Agency entered into an Intergovernmental Grant Agreement ("Agreement") with TriMet in which the County granted TriMet \$25 million in local funding and in-kind match to help pay for its share of the Portland-Milwaukie Light Rail Project; and

**Whereas**, the Board of County Commissioners approved a Memorandum of Understanding and authorized the Chair to execute a supplement to the Agreement; and

**Whereas**, neither the Memorandum of Understanding nor the proposed supplement to the Agreement effect the rights or duties of North Clackamas Parks and Recreation District ;

Now therefore, be it resolved:

1. The Board of Commissioners sitting as the governing body of the North Clackamas Parks and Recreation District delegates to the Chair the authority to execute a Supplement to the Agreement, provided that the Supplement is consistent with the terms of the Memorandum of Understanding approved by the Board of Commissioners this day.

ADOPTED this \_\_\_\_\_ day of August, 2012

**CLACKAMAS COUNTY BOARD OF COMMISSIONERS**

Acting as the Governing Body of the  
North Clackamas Parks & Recreation District

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

## MEMORANDUM OF UNDERSTANDING

**BETWEEN:** Clackamas County, a political subdivision of the State of Oregon (“County”)

**AND:** TriMet, a mass transit district organized under the laws of the State of Oregon (“TriMet”)

**CONCERNING:** Amounts payable as to funding share, permit fees, development charges, and other obligations associated with the Portland-Milwaukie Light Rail Transit Project, and project elements (“Settlement Agreement”)

**DATED:** August \_\_\_\_\_, 2012

### RECITALS

**WHEREAS** on February 4, 2010, TriMet and the County (the “Parties”) entered into an Intergovernmental Grant Agreement (IGA) obligating the County to pay Twenty-Five Million and No/100 (\$25,000,000.00) dollars (“Funding Share”) for its share of TriMet’s installation of the Portland-Milwaukie Light Rail Transit Project (the “Project”);

**WHEREAS**, under Article IV of the IGA entitled “Commitments and Administration of Local Matching Funds” County is required to pay its Funding Share to TriMet in full before September 3, 2012 (“Due Date”) or defer payment for up to one year and incur interest on the unpaid amount at the rate of five (5) percent per annum;

**WHEREAS**, the County seeks to meet its legal obligations in the IGA at an appropriate cost by reducing its Funding Share with cost offsets and avoiding interest payments;

**WHEREAS**, the County also seeks to ensure that certain local enhancements for the benefit of County residents and businesses are incorporated into the project scope;

**WHEREAS** the County Code requires payment for engineering fees and system development charges to install the Project within the County (Fees and Charges); and

**WHEREAS**, the Parties desire to reach an agreement that permits the County to timely pay TriMet its Funding Share in a manner that is financially prudent and provides from the Project additional benefits to the residents and businesses of the County, while providing TriMet with certainty with regard to payment timing, Fees and Charges, and further streamlines the process for payment of obligations between the Parties.

### UNDERSTANDING

1. The Parties have negotiated terms satisfactory to resolve any disputes concerning timing

and the amount of payment of the Funding Share and performance of the obligations under the IGA. Those terms are detailed in the Outline for Settlement Agreement attached as Exhibit 1.

2. The Parties agree that, through their respective representatives, they shall make good faith efforts to reduce to writing and execute a Supplemental Agreement to the IGA with substantially the same terms as outlined in Exhibit 1 no later than September 2, 2012.

DATED this \_\_\_\_\_ day of August, 2012

**COUNTY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
County Attorney for County

**TRIMET**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
Attorney for TriMet

**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
OUTLINE FOR SETTLEMENT AGREEMENT**

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**OUTLINE FOR SETTLEMENT AGREEMENT**

**1. Background**

On February 4, 2010 Clackamas County, the North Clackamas Parks and Recreation District, and Clackamas County Development Agency entered an intergovernmental agreement ("Project Agreement") with TriMet in which the County granted TriMet \$25 million in local funding and in-kind match ("Funding Contribution") to help pay for the construction of the Portland-Milwaukie Light Rail Project (PMLRT). Under the terms of the agreement, the County is required to pay the full amount of its contribution to TriMet by September 3, 2012; however the County has the option to defer its payment up to September 3, 2013 provided it pays interest for the deferral period at an interest rate of five percent per annum.

County Counsel has advised that the County is legally obligated to pay its Funding Share; even if Measure 3-401 becomes effective. Accordingly, the County seeks to meet its legal obligations at minimum cost to the County by reducing its Funding Contribution with cost offsets and avoiding interest payments. The County further seeks to ensure that certain local enhancements for the benefit of County residents and businesses are incorporated in the project scope. TriMet seeks to facilitate payment of the County's Funding Contribution and to finalize certain other project agreements with the County.

To accomplish these objectives, and in anticipation of potential litigation should the County not make its Funding Contribution as required under the Project Agreement, a Settlement Agreement is proposed between the County and TriMet that would amend the Project Agreement. The basic terms of the proposed Settlement Agreement are outlined in the proposed term sheet below. This outline is not legally binding. The Settlement Agreement would only become legally binding upon its proper approval by the County and TriMet, which is proposed to occur by September 2, 2012.

**2. Proposed Terms of Settlement**

**2.1 Reduction in County Contribution**

TriMet agrees to reduce the principal amount of the County's Funding Contribution by Two Million Four Hundred Thousand dollars (\$2,400,000.00); the County accepts and approves the design exceptions and cost offsets set forth in Exhibit D.

**2.2 Elimination of County's Obligation for Interest Payments**

TriMet agrees to forgo any interest payments owed under the Project Agreement by the County for payment of its Funding Contribution after September 3, 2012.

**2.3 Incorporation of Local Enhancements in Project Scope**

TriMet agrees to include the local enhancements enumerated in Exhibit A and depicted in Exhibits B and C in the scope of the PMLRT project, and the parties mutually agree to continued public outreach and coordination as project elements go through local approval process.

**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
OUTLINE FOR SETTLEMENT AGREEMENT**

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**2.4 Right-of-Way Transactions**

County agrees to convey to TriMet at no cost the parcel described in Exhibit E for the PMLRT project. TriMet and County acknowledge that the real market value of this parcel is Twenty Thousand Nine Hundred and Fifteen dollars (\$20,915.00). County and TriMet agree to complete this conveyance by October 30, 2012, and to document the conveyance in such manner as TriMet may reasonably request to qualify as a local match under Federal Transit Administration ("FTA") regulations.

**2.5 County Road Program**

As part of its on-going road program, the County agrees to fund or undertake One Million Two Hundred and Seventy Nine Thousand Seven Hundred and Forty dollars (\$1,279,740) in road/signalization improvements that are within the scope of PMLRT; such improvements shall be performed in accordance with FTA requirements and the schedule for PMLRT. County and TriMet agree to mutually determine the scope and schedule for such improvements, which will be incorporated in the final Settlement Agreement.

**2.6 Payment of Engineering Fees and System Development Charges.**

The County agrees that under its code the amount of Engineering Fees for the PMLRT project will be exactly One Million Three Hundred and Sixty Five Thousand Three Hundred and Seven dollars (\$1,365,307). This amount represents the full amount of County Engineering Fees owed by the project and no additional County Engineering Fees shall be required for the project. The County agrees to pay this amount of Engineering Fees through inter-fund transfers and TriMet agrees that such payment by the County shall be part of the County's payment of its Funding Share. The County shall document its payment of these fees in such a manner that TriMet may reasonably request to qualify as a local match under FTA regulations and comply with FTA and audit requirements, as will be set forth in the final Settlement Agreement. In addition to the Engineering Fee described above, TriMet and the County shall enter an Intergovernmental Agreement for Design and Construction Services to reimburse the County for staff time in support of the PMLRT project. The Parties agree that under Clackamas County Code the amount of System Development Charges (SDC) for the PMLRT project will be exactly Two Hundred and Seventy Nine Thousand Seven Hundred and Forty dollars (\$279,740); no additional County SDCs shall be required for the project as currently proposed. TriMet agrees to pay this amount as required by the code.

**2.7 Balance of Payments by County to TriMet.**

The balance of the County's funding obligation for PMLRT, after application of the payments and reductions in Sections 2.1, 2.2, 2.4, 2.5, and 2.6 above will result in the County owing TriMet Nineteen Million Nine Hundred and Thirty Four Thousand and Thirty Eight dollars (\$19,934,038) (see Exhibit F). County agrees to pay in full this amount to TriMet by October 10, 2012.

**2.8 Termination of Funding Obligation under Current Project Agreement**

The County's Funding Contribution under the existing Project Agreement, including its obligation to pay interest for payments after September 3, 2012, will be terminated upon fulfillment of the County's obligations under the Settlement Agreement. If the County does not fulfill its obligations by the dates due in

**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
OUTLINE FOR SETTLEMENT AGREEMENT**

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the Settlement Agreement, the full amount of the original Funding Contribution, including interest accruing beginning September 3, 2012, shall remain effective and the provisions set forth in Sections 2.1 through 2.7 shall be null and void; provided however that the due dates in the Settlement Agreement may be amended by mutual written agreement of the County and the TriMet General Manager.

**2.9 North Clackamas Parks and Recreation District**

TriMet agrees to cooperatively work with the North Clackamas Parks and Recreation District ("District") on those design and construction issues that may impact the District.

**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
OUTLINE FOR SETTLEMENT AGREEMENT**

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**Exhibit A  
Local Enhancements**

*The following local enhancements will be included in the unincorporated Clackamas County portion of the Portland-Milwaukie Light Rail project:*

**Safety and Security Enhancements** -- TriMet shall take the following steps to enhance the safety and security of people who ride the light-rail line into and out of Clackamas County:

- Incorporate Crime Prevention Through Environmental Design (CPTED) measures in the design the Park Avenue station and parking garage.
- Design the Park Avenue station to facilitate retrofitting into a controlled access station.
- Provide closed circuit cameras at the station and parking garage.
- Provide a signalized crosswalk at SE Park at SE 27<sup>th</sup> Avenue.
- Coordinate safety and security efforts with the Clackamas County Sheriff's Office and a multi-jurisdictional planning team.
- Provide for security and safety by assigning transit police to patrol the Park Avenue parking garage, station, and trains that travel to and from Park Avenue

**Community Connectivity Enhancements** -- TriMet shall take the following steps to enhance mobility opportunities for people in the area surrounding the Park Avenue station:

- Improve connectivity and accessibility for area residents and businesses to light rail through design features
- Facilitate use of light rail by senior adults by providing a drop-off area for shuttle buses at the Park Avenue station
- The infrastructure improvements depicted in Exhibit B and listed below will be designed to accommodate a 20-year projected growth in the use of the station:
  - Reconstruct SE Park Avenue from SE 26<sup>th</sup> to SE Oatfield Road.
  - Improve the following intersections to meet 20-year projected growth:
    - SE Park Avenue at McLoughlin Boulevard
    - SE Park Avenue at 27<sup>th</sup> Avenue
    - SE Park Avenue at 26<sup>th</sup> Avenue
    - SE Park Avenue at Oatfield Road



**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
OUTLINE FOR SETTLEMENT AGREEMENT**

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- Provide the pedestrian connections and access improvements listed below and shown in Exhibit B:
  - Sidewalks along SE Park Avenue between SE Oatfield Road and SE 26<sup>th</sup> Avenue.
  - Sidewalks along SE McLoughlin to include new sidewalks filling existing gaps from approximately 200 feet north of SE Park Avenue to approximately ¼ mile south of SE Park Avenue.
- Construct the Trolley Trail between SE Park Avenue and SE River Road in areas affected by light-rail construction to create a safe, high quality pedestrian environment in coordination with the North Clackamas Parks and Recreation District and local stakeholders.
- Improve connections to the Trolley Trail by constructing a pedestrian bridge across Kellogg Lake subject to the expected receipt of funding from ODOT and City of Milwaukie.
- Design the Park Avenue station plaza to provide a high level of connectivity and accessibility for pedestrians and bicyclists between light rail and the Trolley Trail

**Livability Enhancements** -- TriMet shall take the following steps to ensure that the components of light rail in Clackamas County are a positive addition to the community:

- High level urban design in the station and parking garage design, including lighting, rail treatments, shelter and retaining wall treatments, landscaping, the use of pavers and appropriate screening consistent with the Nature in Neighborhoods (“NIN”) description shown in Exhibit C.
- Develop and implement coordinated maintenance plans with Clackamas County Staff to ensure the quality and operations of the light rail line.
- Building a parking garage that can be retrofitted to add up to two more parking levels, and agreeing that additional spaces might be included as an add-back to the project at a later date.
- Provide noise, light, and vibration mitigation measures incorporated in the Record of Decision and assess the need for additional mitigation during light rail operations to minimize these impacts on adjoining residential and commercial areas.
- Provide artwork and aesthetic treatments to help the station area feel welcome and attractive to the traveling public and area residents
- Minimize the impacts of utilities on surrounding residents by undergrounding the power distribution lines along the Trolley trail between SE 22<sup>nd</sup> Avenue and SE Park Avenue and on SE Park Avenue between SE McLoughlin Boulevard and SE 27<sup>th</sup> Avenue.

**Design and Natural Area Enhancements**-- TriMet shall enhance the environment at the Park Avenue station, parking garage, and surrounding areas, by incorporating the following features of the Nature in Neighborhoods (NIN) program shown in Exhibit C:

**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
OUTLINE FOR SETTLEMENT AGREEMENT**

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- Irrigated intensive planting in raised concrete planters with 36" depth soil, native shrubs, groundcovers, and small trees. The planters will occur primarily at stepped back NE and NW corners of the structure, easing the scale of the building while creating pockets of habitat and reducing the impermeable surface of the structure.
- A series of trellis structures will be incorporated into the building architecture to support climbing vines. These vines will compliment native shrub and small tree plantings at the ground level and provide habitat connectivity to the upper level plantings.
- Stormwater from the station platform, systems buildings and plaza north of Park Avenue will be treated in a swale along the east side of the Trolley Trail. The riparian forest habitat will be expanded to the maximum available area between the trail, buildings, and plaza.
- A new retaining wall of up to 14' tall is required along the west edge of the Trolley Trail. The wall will be terraced with landscaping to minimize its scale and to provide additional habitat through the trail corridor.
- A stormwater feature comprised of a series of visible vertical pipes attached to the north and east faces of the parking garage will convey and store rainwater collected from the top parking deck to create a vertical garden. Built-in reservoirs in the sculpture will detain the stormwater and provide water to sustain integrated native plant material. This feature both demonstrates and celebrates the movement of water.
- An 11,000 square-foot expansion of existing Courtney Creek riparian forest along the western edge of the Elks Lodge will also include 4,000 SF of stormwater treatment for McLoughlin Blvd.
- Runoff from approximately 60,000 SF of roadway and another 60,000 road frontage property will be collected in a water quality manhole at the SE corner of the parking garage for preliminary treatment and removal of silts and oils. The stormwater then travels via an underground pipe along the south edge of the parking garage to the stormwater swale for further treatment. The overflow for the facility then joins the existing Courtney Creek at an overflow inlet just to the south. (Currently, the stormwater is untreated and drains directly to Courtney Creek, and eventually Kellogg Lake.)
- A portion of the parking garage stormwater and other impervious site improvements will be treated in a swale along the west side of the garage. The riparian forest habitat will be expanded to the maximum available area to extend the existing forest to the north.
- Stormwater from an additional 10,000 SF of McLoughlin Blvd (between Park Avenue and the southern access drive of the parking garage) will be collected via catch basins and piped to a 1,500 SF treatment swale near the NE corner of garage.
- Remove invasive plant species within the construction limits.

**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
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- Ensure that trees removed for the project in Clackamas County are re-used to benefit the community, especially in Clackamas County.

# Project improvements in unincorporated Clackamas County



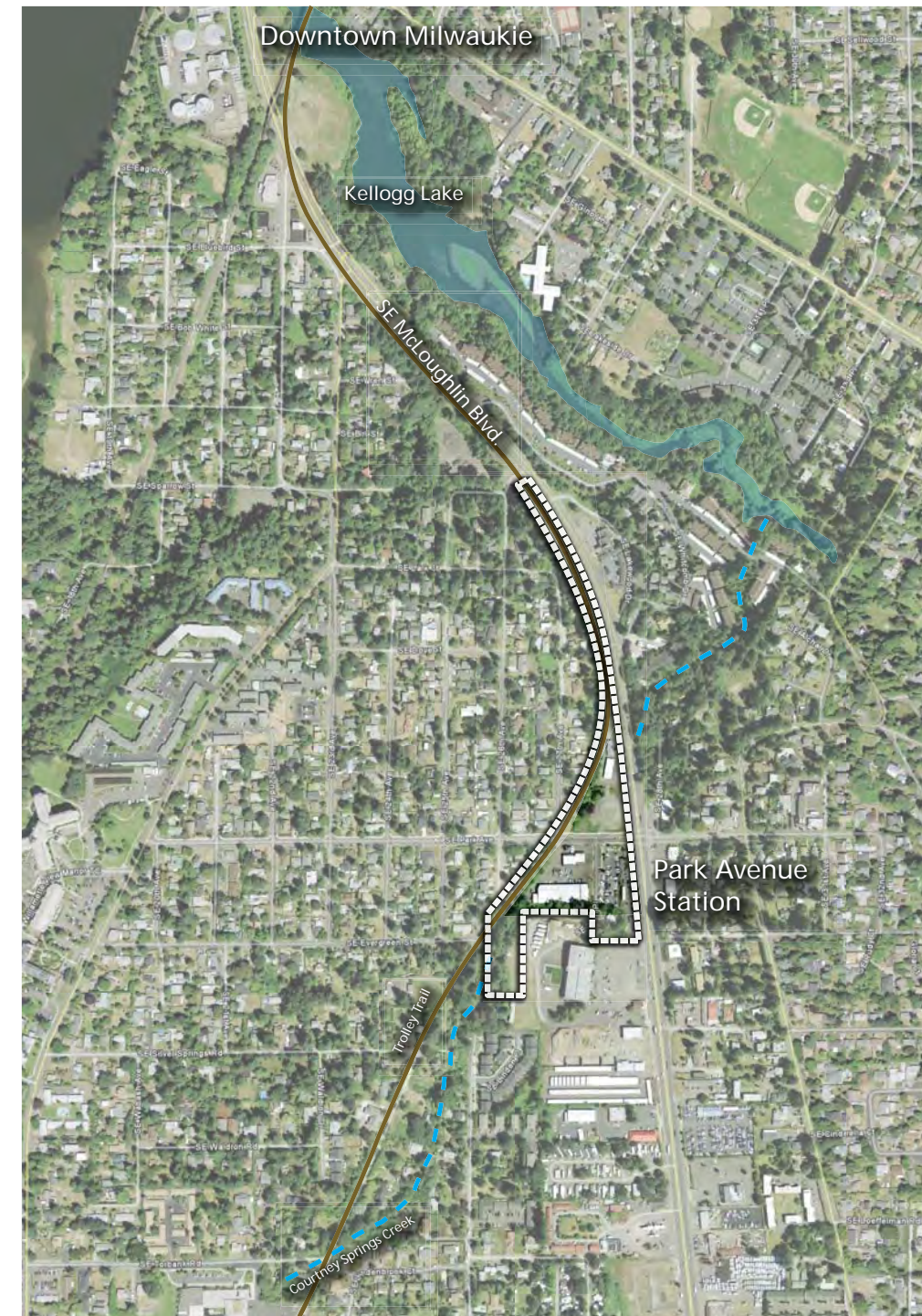
# Vicinity Maps

Park Avenue Park and Ride - Nature In Neighborhoods - 11.02.09

# Exhibit A



Regional Vicinity Map



Local Vicinity Map



# Existing Site Photos

Park Avenue Park and Ride - Nature In Neighborhoods - 11.02.09

# Exhibit B



Aerial - North Oblique



Elks Property at Sanitary Easement



Trolley Trail Looking South from Park Avenue



Trolley Trail Near Courtney Creek



Looking West to Park and Ride



Trolley Trail Looking North from Park Avenue.



Existing Business North of Park Avenue



Elks Lodge Entrance



Existing Nearby Residence



Station Area Looking North



Station Area Looking North



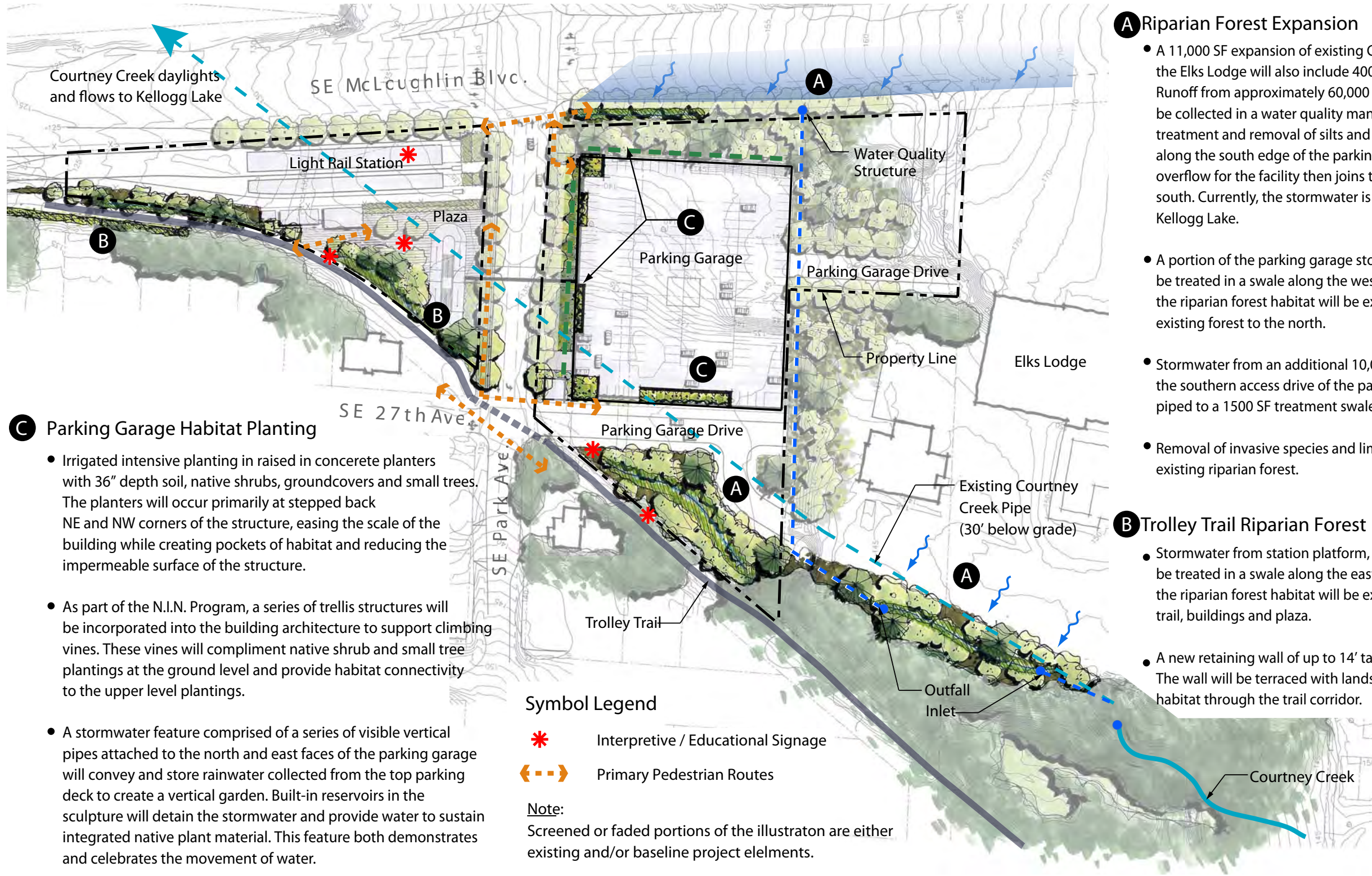
Looking South to Park and Ride



# Overall Concept Diagram - Site Elements

Park Avenue Park and Ride - Nature In Neighborhoods - 11.02.09

Exhibit C



## C Parking Garage Habitat Planting

- Irrigated intensive planting in raised concrete planters with 36" depth soil, native shrubs, groundcovers and small trees. The planters will occur primarily at stepped back NE and NW corners of the structure, easing the scale of the building while creating pockets of habitat and reducing the impermeable surface of the structure.
- As part of the N.I.N. Program, a series of trellis structures will be incorporated into the building architecture to support climbing vines. These vines will complement native shrub and small tree plantings at the ground level and provide habitat connectivity to the upper level plantings.
- A stormwater feature comprised of a series of visible vertical pipes attached to the north and east faces of the parking garage will convey and store rainwater collected from the top parking deck to create a vertical garden. Built-in reservoirs in the sculpture will detain the stormwater and provide water to sustain integrated native plant material. This feature both demonstrates and celebrates the movement of water.

## A Riparian Forest Expansion

- A 11,000 SF expansion of existing Courtney Creek riparian forest along the western edge of the Elks Lodge will also include 4000 SF of stormwater treatment for McLoughlin Blvd. Runoff from approximately 60,000 SF of roadway and another 60,000 road frontage property will be collected in a water quality manhole at the SE corner of the parking garage for preliminary treatment and removal of silts and oils. The stormwater then travels via an underground pipe along the south edge of the parking garage to the stormwater swale for further treatment. The overflow for the facility then joins the existing Courtney Creek at an overflow inlet just to the south. Currently, the stormwater is untreated drains directly to Courtney Creek, and eventually Kellogg Lake.
- A portion of the parking garage stormwater and other impervious site improvements will be treated in a swale along the west side of the garage. As part of the N.I.N. program, the riparian forest habitat will be expanded to the maximum available area to extend the existing forest to the north.
- Stormwater from an additional 10,000 SF of McLoughlin Blvd (between Park Avenue and the southern access drive of the parking garage) will be collected via catch basins and piped to a 1500 SF treatment swale near the NE corner of garage.
- Removal of invasive species and limited replanting will be performed to help restore existing riparian forest.

## B Trolley Trail Riparian Forest

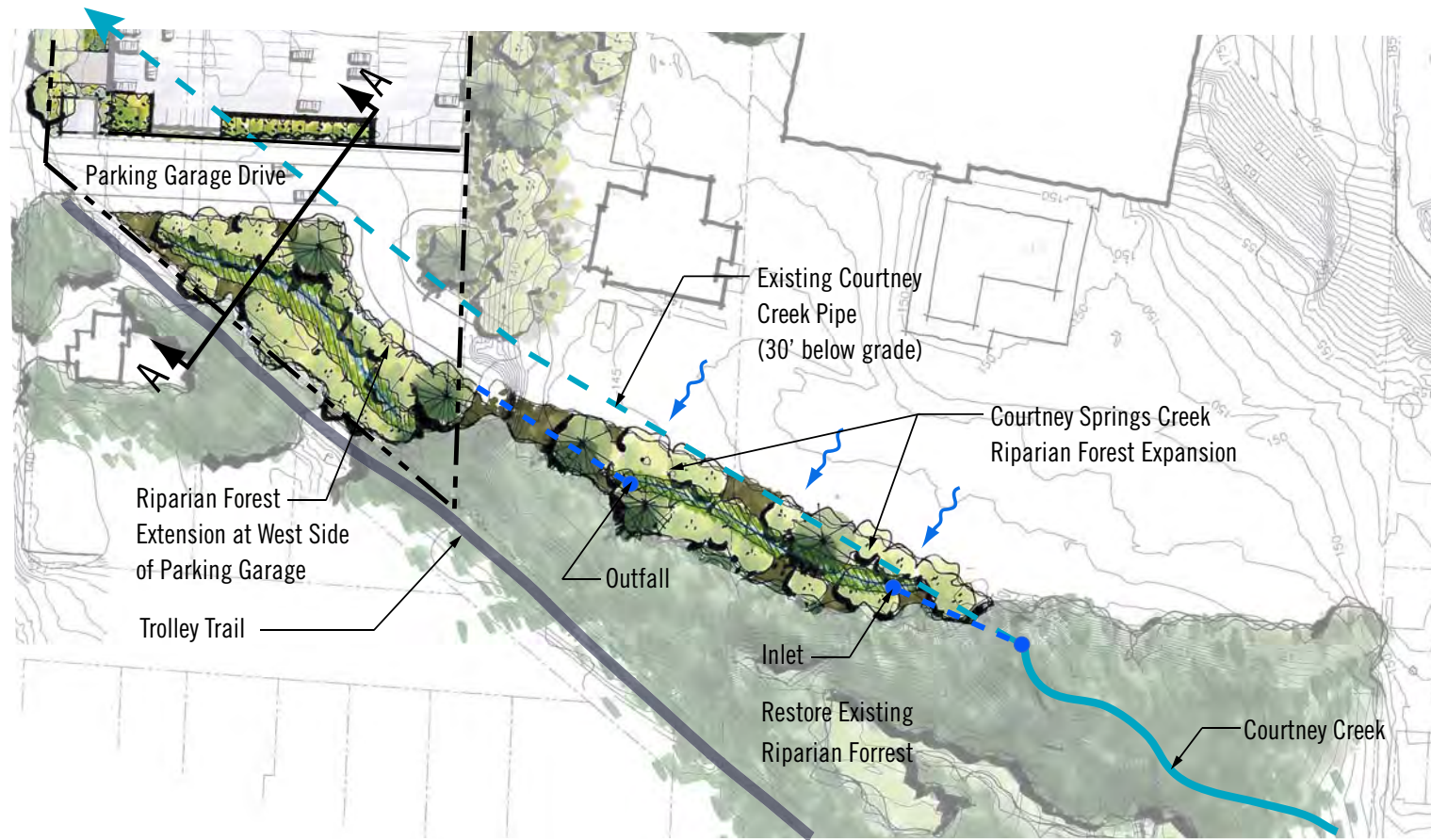
- Stormwater from station platform, systems buildings and plaza north of Park Avenue will be treated in a swale along the east side of the Trolley Trail. As part of the N.I.N. program, the riparian forest habitat will be expanded to the maximum available area between the trail, buildings and plaza.
- A new retaining wall of up to 14' tall is required along the west edge of the Trolley Trail. The wall will be terraced with landscaping to minimize its scale and to provide additional habitat through the trail corridor.



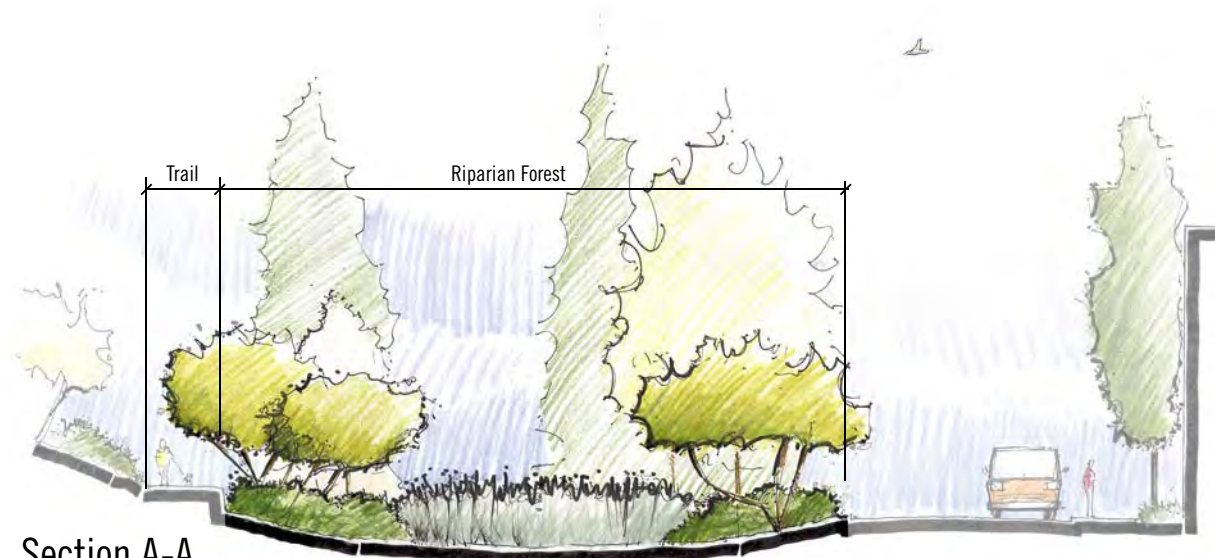
# Courtney Springs Creek Riparian Forest Expansion

Park Avenue Park and Ride - Nature In Neighborhoods - 11.02.09

## Exhibit D



Partial Plan



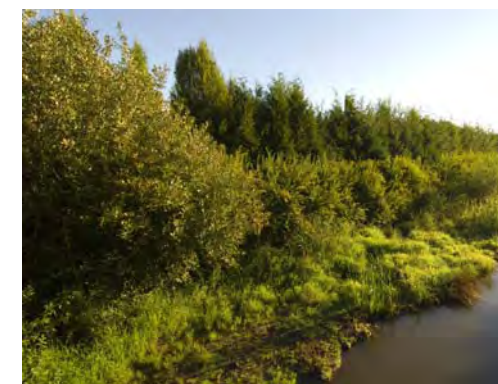
Section A-A

**Note:**  
Screened or faded portions of the illustration are either existing and/or baseline project elements.



### Riparian Forest Species

- Raccoon
- Spotted towhee
- Norway rat
- Skunk
- Bats
- Pacific Tree Frog



Habitat Imagery

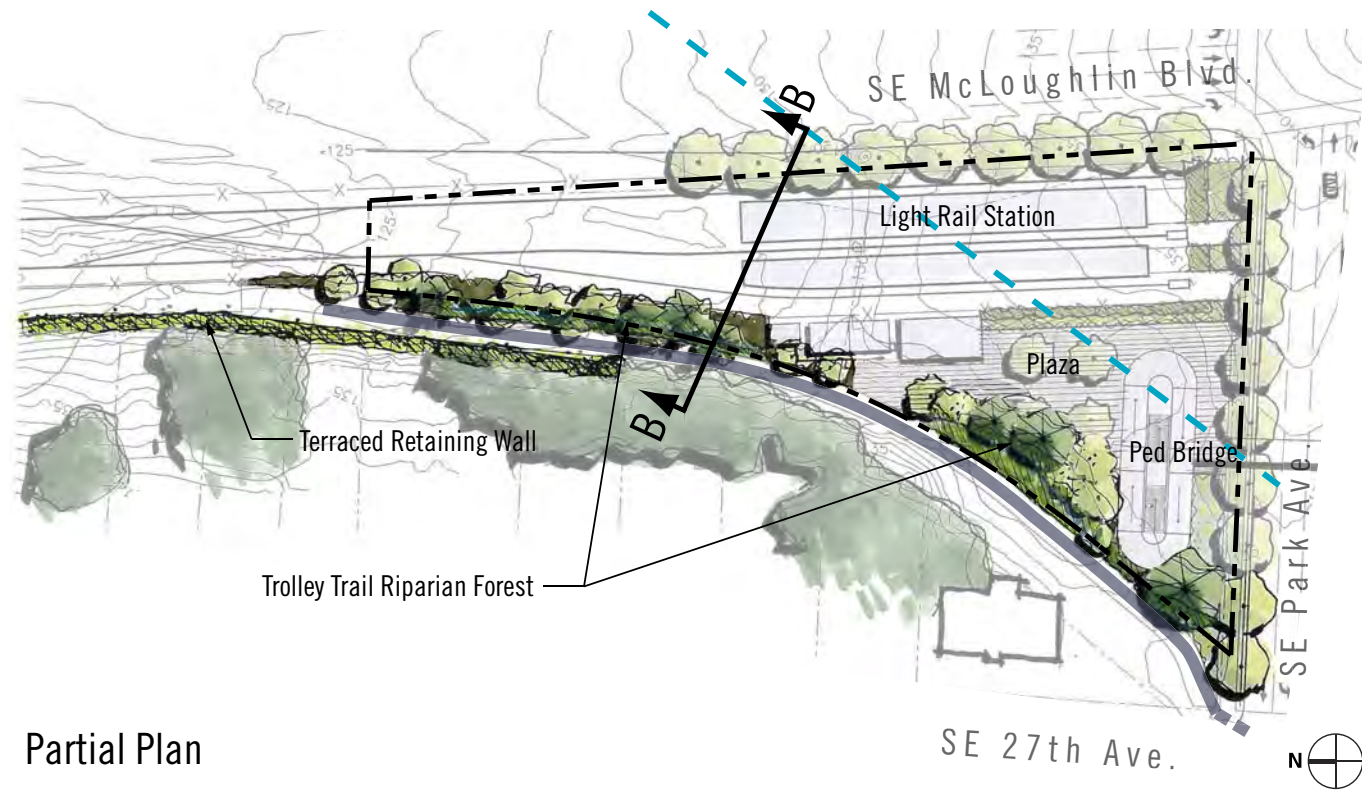




# Trolley Trail Riparian Forest

Park Avenue Park and Ride - Nature In Neighborhoods - 11.02.09

## Exhibit E



Partial Plan



Section B-B

Note:  
Screened or faded portions of the illustration are either existing and/or baseline project elements.



### Riparian Forest Species

- Raccoon
- Spotted towhee
- Norway rat
- Skunk
- Bats
- Pacific Tree Frog



Habitat Imagery



# Overall Concept Diagram - Site Elements

Park Avenue Park and Ride - Nature In Neighborhoods - 11.02.09



Partial Plan



Section C-C



### Developed Habitat Species

- Mourning dove
- Rufous hummingbird
- Western scrub-jay
- American robin
- Douglas' squirrel



Habitat Imagery

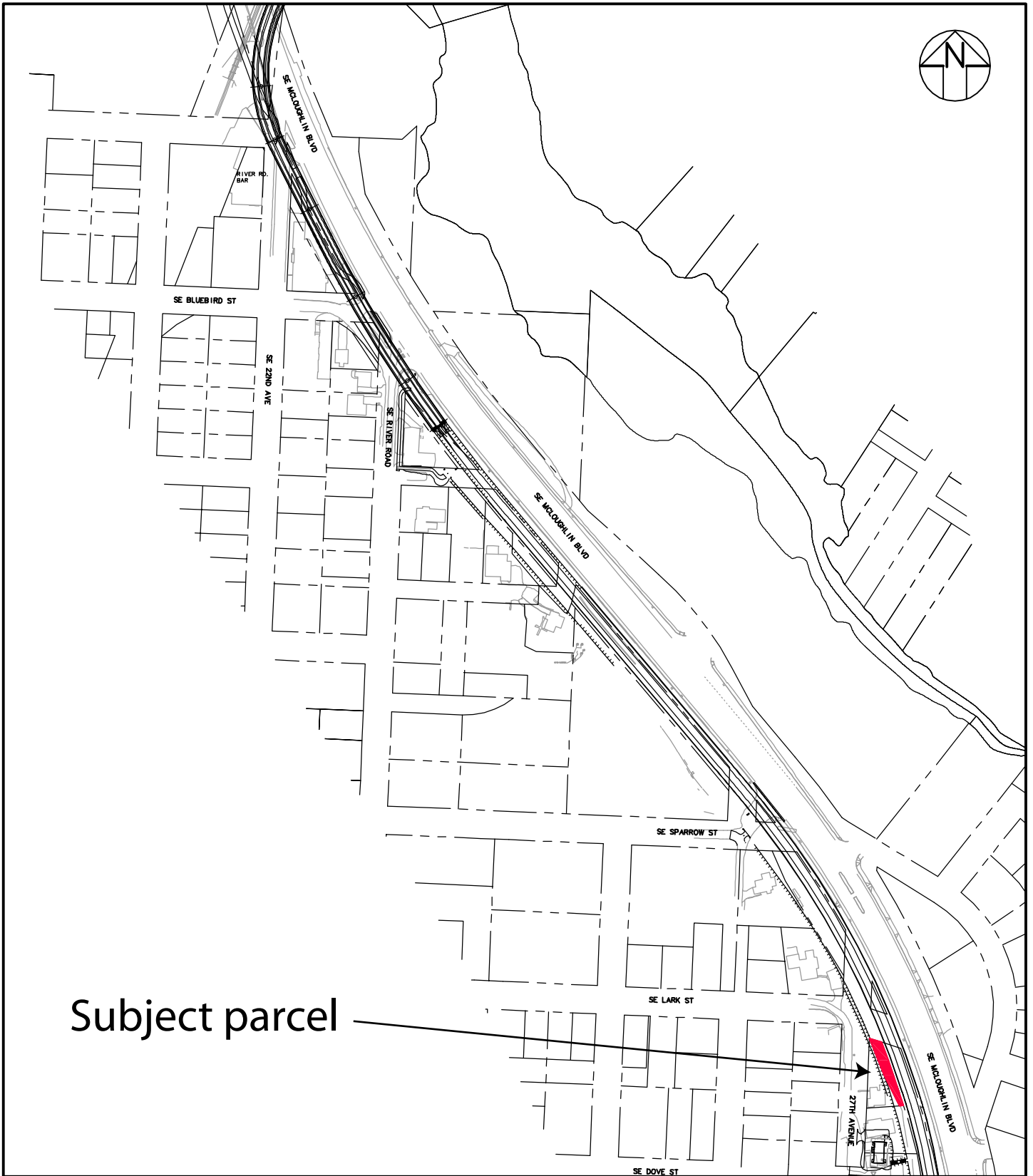
**Note:**  
Screened or faded portions of the illustration are either existing and/or baseline project elements.



**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
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**Exhibit D  
Approved and Accepted Design Exceptions and Cost Off-Sets**

<b>Project Component</b>	<b>Clackamas County Actions</b>
SE Park Avenue Retaining Walls (Design Exception)	Approve design exceptions for SE Park Avenue to reduce the design speed from 30 mph to 15 mph and modify sight distances that result in lower retaining walls and less property impacts
SE Oatfield south of Park - Retaining Walls (Design Exception)	Approve design exception for a partial shed section in lieu of a cross slope to reduce property impacts.
SE Oatfield - Shed Section versus Cross-slope (Design Exception)	Approve design exception for partial shed section that reduces property impacts at SE Oatfield Road.
SE Oatfield, north of SE Park Ave. Retaining Walls & Sidewalk (Design Exception)	Approve design exception to not require the construction of sidewalk along the East Side of SE Oatfield North of Park Avenue.
SE Park Avenue - Easement Width (Reduction from standard 10' to reflect wall height & maintenance needs)	Approve alternative maintenance easement width. The width would be reduced from 10 feet to the greater of five feet from back of wall or one foot from the wall footing.
SE Oatfield, south of SE Park Ave Easements (Reduction from standard 10' to reflect wall height & maintenance needs)	Approve alternative maintenance easement width. The width would be reduced from 10 feet to the greater of five feet from back of wall or one foot from the wall footing.
SE Oatfield, north of SE Park Ave Easements (Reduction from standard 10' to reflect wall height & maintenance needs)	Approve alternative maintenance easement width. The width would be reduced from 10 feet to the greater of five feet from back of wall or one foot from the wall footing.
Right-of-Way- Public Utility Easement (To provide unobstructed utility path along property frontage)	Require an eight foot Public Utility Easement ("PUE") along property frontages only for critical utilities paths to minimize impacts to private property along roadway improvements.
Parking Garage (Number of Spaces)	Accept a parking structure with an initial size of 355 spaces, engineered to accommodate two additional levels.
PGE Underground (Does not include Station & Parking Garage Frontage Remainder of CIP improvement alignment)	Requirement to underground utilities limited to SE Park between SE 27 <sup>th</sup> Avenue and just east of SE McLoughlin Boulevard and PGE distribution line along the Trolley trail between SE 22 <sup>nd</sup> to SE Park Avenue.
SE 27th Avenue roadway improvement to access Substation (Roadway frontage )	Do not require any roadway or utility improvements to SE 27 <sup>th</sup> Avenue.



Subject parcel

# Agreement Exhibit E

**EXHIBIT 1 TO MEMORANDUM OF UNDERSTANDING  
OUTLINE FOR SETTLEMENT AGREEMENT**

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**Exhibit F  
Calculation of Balance Due for Payment by October 10, 2012**

<b>Agreement/Settlement Term</b>	<b>Amount</b>
Funding Contribution Due under Existing Project Agreement	\$25,000,000
Minus Engineering Fees Paid by Interfund Transfer	(\$1,365,307)
Minus In-Kind Donation of ROW	(\$20,915)
Minus County Road/Signalization Improvement	(\$1,279,740)
Minus Reduction in Contribution	(\$2,400,000)
<b>Balance Due by October 10, 2012</b>	<b>\$19,934,038</b>