



March 14, 2024

BCC Agenda Date/Item: _____

Board of County Commissioners
 Clackamas County

Approval of a Board Order delegating authority to sign an Irrevocable Letter of Credit with US Bank to meet the qualifications of the Oregon City Type II Land Use decision for the replacement County courthouse. Letter of Credit value is \$1,000,000 to expire on March 3, 2028. Funding is through budgeted County General Funds in the Courthouse Capital Fund.

Previous Board Action/Review	At the June 29, 2022, Policy Session the Board of County Commissioners authorized staff to proceed with a public-private partnership with Fengate to build a replacement courthouse. In August 2022, financial close for the project was achieved.		
Performance Clackamas	1. Building Public Trust through Good Government.		
Counsel Review	Yes	Procurement Review	N/A
Contact Person	Nancy Bush	Contact Phone	655-8893

EXECUTIVE SUMMARY: As part of Clackamas County’s courthouse replacement project, Clackamas County had to obtain a Type II land use permit from Oregon City.

On March 2, 2023, the city of Oregon City issued the Type II land use permit (the “Land Use Permit”). The Land Use Permit contains certain terms and conditions required before the city of Oregon City will issue a

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certificate of occupancy for the courthouse. One of those conditions relates to construction of capacity improvements at the OR 213/Redland Road intersection to increase intersection capacity. The condition further requires that Clackamas County will provide a financial guarantee that the improvement will be completed within five years of the date of the Land Use Permit.

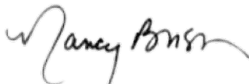
The Letter of Credit will serve as the financial guarantee that the improvements will be completed by March 3, 2028.

If a financial guarantee is not provided as required by the Land Use Permit, final inspections cannot be obtained allowing final permitting and certification for occupancy of the replacement courthouse. In addition, inspections may come to a halt shortly if the Letter of Credit is not obtained and causing construction to cease.

Staff is negotiating with US Bank to finalize some of the remaining documents associated with the Letter of Credit. In the interest of time, and to ensure the Letter of Credit is signed once those documents are complete, staff recommends the Board further issue an order delegating limited signing authority to the Chair and/or the County Administrator to execute the remaining documents necessary to execute the Letter of Credit.

RECOMMENDATION: Staff recommends the Board of County Commissioners sign the Letter of Credit for \$1,000,000 to comply with the Oregon City Land Use agreement.

Respectfully submitted,



Nancy Bush
Clackamas Operating Officer

Attachments: Board Order Delegation
Irrevocable Letter of Credit DRAFT

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

In the Matter of Approving Letter of
Credit for Courthouse
Replacement Project and
Delegation of Signing Authority



Board Order No.
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Whereas, On March 2, 2023, the city of Oregon City approved a Detailed Development Plan and Natural Resources Overlay District Review (the "Land Use Permit") for a new courthouse building (the "Courthouse"), new loop road, parking areas, utilities, landscaping and associated improvements on Red Soils campus for Clackamas County. The Land Use Permit contains the following condition:

"a) Construct capacity improvements at the OR 213 / Redland Road intersection to alleviate projected operations deficiencies. This improvement to increase intersection capacity shall consist of either:

(i) A third southbound through lane on OR 213 through the intersection of OR 213/Redland Road and the reconstruction of the exclusive southbound right-turn lane from the highway onto Redland Road at current storage length, with appropriate taper transition back to three southbound travel lanes prior to the existing sign bridge across OR 213. This reflects the same capacity improvement recommended in the applicant's Transportation Impact Analysis, or;

(ii) Alternative intersection capacity improvements at the intersection of OR 213/Beavercreek to alleviate the project operations deficiencies such that the intersection meets applicable v/c standards during the AM and PM peak hours (for both highest and second-highest hours) and that adequate queue storage is provided."

The condition of approval requires posting a financial guarantee in the amount of \$1 million to ensure that the necessary affected agency coordination, design and improvements are in place within 5 years from the date of final approval of the Land Use Permit, or March 2, 2028.

Whereas, Clackamas County intends to obtain a letter of credit (the "Letter of Credit"), to be issued by U.S. Bank National Association ("U.S. Bank") in the amount of \$1 million as a financial guarantee to satisfy the Land Use Permit condition;

Whereas, completion of the Letter of Credit application process will require additional steps, and execution of additional documentation, which is currently not fully completed;

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Whereas, the Board has determined it is in the best interest of the County to delegate limited signing authority to the Clackamas County Chair of the Board of Commissioners (the “Chair”) and/or the County Administrator to execute all documents reasonably necessary to obtain the Letter of Credit;

NOW, THEREFOR, the Clackamas County Board of County Commissioners orders as follows:

1. The Board hereby approves obtaining a Letter of Credit from US Bank to satisfy the financial guarantee requirements of the Land Use Permit described herein; and
2. The Chair and/or the County Administrator are hereby delegated signing authority to execute all documents reasonably necessary to complete obtaining and issuing the Letter of Credit.

DATED this ___ day of _____, 2024.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

This is a draft for discussion purposes only. It does not represent a liability of the bank at this time.

Any letter of credit issued will be printed on bank letterhead.

U.S. BANK NATIONAL ASSOCIATION
GLOBAL TRADE & STANDBY SERVICES, BC-MN-H20G
800 NICOLLET MALL
MINNEAPOLIS, MN 55402

SWIFT: USBKUS44
TELEPHONE: 612-303-7395
612-303-7374
FACSIMILE: 612-303-5226

**IRREVOCABLE LETTER OF CREDIT
NUMBER SLCMMSP11979**

[ISSUANCE DATE]

BENEFICIARY:

CITY OF OREGON CITY
625 CENTER STREET
OREGON CITY, 97045
ATTN: MATT ZOOK, FINANCE DIRECTOR

APPLICANT:

CLACKAMAS COUNTY
2051 KAEN ROAD, SUITE 460
OREGON CITY, OR 97045
ATTENTION: BRIAN NAVA,
CLACKAMAS COUNTY TREASURER

AMOUNT:

USD 1,000,000.00

EXPIRATION DATE:

MARCH 3, 2028

FOR INFORMATIONAL PURPOSES ONLY:

THIS LETTER OF CREDIT RELATES TO THE SITE AGREEMENT FOR A NEW 2,507,000 SQUARE FEET, SIX-STORY COURTHOUSE BUILDING (THE "COURTHOUSE"), NEW LOOP ROAD, PARKING AREAS, UTILITIES, LANDSCAPING AND ASSOCIATED IMPROVEMENTS BETWEEN THE BENEFICIARY AND APPLICANT.

AT THE REQUEST AND FOR THE ACCOUNT OF CLACKAMAS COUNTY ("APPLICANT"), WE U.S. BANK NATIONAL ASSOCIATION 800 NICOLLET MALL, MINNEAPOLIS, MN 55402, ATTN: GLOBAL TRADE & STANDBY SERVICES, BC-MN-H20G ("ISSUER") ISSUE THIS IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER SLCMMSP11979 ("STANDBY") IN FAVOR OF CITY OF OREGON CITY ("BENEFICIARY") IN THE AMOUNT OF USD 1,000,000.00 (ONE MILLION AND NO/100 U.S. DOLLARS).

ISSUER UNDERTAKES TO BENEFICIARY TO PAY BENEFICIARY'S DEMAND FOR PAYMENT IN THE CURRENCY AND FOR AN AMOUNT AVAILABLE UNDER THIS STANDBY, AND IN THE FORM AND UNDER THE CONDITIONS OF THE ANNEXED PAYMENT DEMAND, ATTACHED HERETO, COMPLETED AS INDICATED AND PRESENTED TO ISSUER AT THE FOLLOWING PLACE FOR PRESENTATION ON OR BEFORE MARCH 3, 2028: U.S. BANK NATIONAL ASSOCIATION, 800 NICOLLET MALL, MINNEAPOLIS, MN 55402, ATTN: GLOBAL TRADE & STANDBY SERVICES, BC-MN-H20G, ON OR BEFORE THE EXPIRATION DATE.

PAYMENT AGAINST A COMPLYING PRESENTATION SHALL BE MADE WITHIN 3 BUSINESS DAYS AFTER PRESENTATION BY WIRE TRANSFER TO A DULY REQUESTED ACCOUNT OF BENEFICIARY. AN ADVICE OF SUCH PAYMENT SHALL BE SENT TO BENEFICIARY'S ABOVE- STATED ADDRESS.

PARTIAL AND MULTIPLE DRAWINGS ARE NOT PERMITTED.

THIS STANDBY IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998 (ISP98) (INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590) AND, U.S. BANK NATIONAL ASSOCIATION'S OBLIGATIONS UNDER THIS STANDBY ARE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE COURTS LOCATED IN THE STATE OF NEW YORK SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY ACTION TO ENFORCE U.S. BANK NATIONAL ASSOCIATION'S OBLIGATIONS UNDER THIS STANDBY.

ALL DOCUMENTS MUST BE ISSUED IN THE ENGLISH LANGUAGE EXCEPT THAT ANY STAMPS, LEGALIZATION, OR ENDORSEMENTS, SHOWN ON A DOCUMENT MAY BE IN A LANGUAGE OTHER THAN ENGLISH. DOCUMENTS WHICH SHOW PRE-PRINTED FIELD HEADINGS IN BOTH ENGLISH AND A SECOND LANGUAGE ARE ALSO ACCEPTABLE. ANY PROPER NAMES (INCLUDING NAMES OF PERSONS, ENTITIES, VESSELS) THAT USE NON-LATIN CHARACTERS MUST BE TRANSLITERATED USING LATIN-ALPHABET CHARACTERS.

ISSUER SHALL NOT BE LIABLE FOR ANY DELAY, NON-RETURN OF DOCUMENTS, NON-PAYMENT, OR OTHER ACTION OR INACTION COMPELLED BY A JUDICIAL ORDER OR BY ANY LAW OR REGULATION APPLICABLE TO ISSUER.

U.S. BANK NATIONAL ASSOCIATION

DRAFT

AUTHORIZED SIGNATURE

ANNEXED PAYMENT DEMAND

[INSERT DATE]

TO: U.S. BANK NATIONAL ASSOCIATION
800 NICOLLET MALL
MINNEAPOLIS, MN 55402
ATTN: GLOBAL TRADE & STANDBY SERVICES, BC-MN-H20G

RE: STANDBY LETTER OF CREDIT NO. SLCMMSP11979, DATED [DATE], ISSUED BY U.S. BANK NATIONAL ASSOCIATION ("STANDBY")

THE UNDERSIGNED BENEFICIARY DEMANDS PAYMENT OF [INSERT CURRENCY/AMOUNT] UNDER THE STANDBY.

BENEFICIARY STATES THAT:

CLACKAMAS COUNTY IS OBLIGATED TO PAY THE BENEFICIARY THE AMOUNT DEMANDED UNDER (OR IN CONNECTION WITH) THE AGREEMENT BETWEEN BENEFICIARY AND CLACKAMAS COUNTY BECAUSE CLACKAMAS COUNTY HAS FAILED TO COMPLETE THE IMPROVEMENTS DESCRIBED IN CONDITION 47 OF THE LAND USE PERMIT ISSUED ON MARCH 2, 2023, PERMIT NUMBER GLUA-22-00033, AND NO OTHER FINANCIAL GUARANTEE ACCEPTABLE TO BENEFICIARY HAS BEEN PROVIDED BY CLACKAMAS COUNTY PRIOR TO ISSUANCE OF THE TEMPORARY OR PERMANENT OCCUPANCY PERMIT.

BENEFICIARY REQUESTS THAT PAYMENT BE MADE BY WIRE TRANSFER TO AN ACCOUNT OF BENEFICIARY AS FOLLOWS: [INSERT NAME, ADDRESS, AND ROUTING NUMBER OF BENEFICIARY'S BANK, AND NAME AND NUMBER OF BENEFICIARY'S ACCOUNT].

[BENEFICIARY'S NAME AND ADDRESS]

BY ITS AUTHORIZED OFFICER:

[INSERT ORIGINAL SIGNATURE]
[INSERT TYPED/PRINTED NAME AND TITLE]

X

AUTHORIZED SIGNATURE, APPLICANT
AS AUTHORIZATION TO ISSUE IN THIS
FORM