



**COPY**

**DAN JOHNSON**  
MANAGER

**DEVELOPMENT AGENCY**

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

November 5, 2015

Board of County Commissioners  
Clackamas County

Members of the Board:

**APPROVAL OF A FUNDING AGREEMENT BETWEEN CLACKAMAS COUNTY AND THE CLACKAMAS COUNTY DEVELOPMENT AGENCY**

<b>Purpose/Outcomes</b>	This Agreement will allow the Agency to cover additional debt service on the Brooks Building location of the Clackamas County Sheriff's Office (CCSO) administrative facilities.
<b>Dollar Amount and Fiscal Impact</b>	Up to \$2,500,000
<b>Funding Source</b>	Clackamas County Development Agency: Clackamas Town Center Urban Renewal District - no County General Funds are involved.
<b>Safety Impact</b>	Coverage of additional debt service costs will allow the reallocation of funds for needed improvements to a number of CCSO facilities within the Clackamas Town Center Urban Renewal District. These improvements will allow CCSO to provide more effective and efficient services to the citizens of Clackamas County.
<b>Duration</b>	The Agreement will be in effect for 5 years from the date the County receives Agency funds.
<b>Previous Board Action</b>	The Board of County Commissioners directed staff to begin discussion with the overlapping taxing districts at a study session in April 2013. At a February 4, 2014 study session, the Board directed staff to proceed with a funding agreement with CCSO
<b>Contact Person</b>	Dan Johnson, Manager, Clackamas County Development Agency – (503) 742-4325

**BACKGROUND**

In April 2013, the Board directed staff to initiate discussions with the Clackamas County Sheriff's Office (CCSO) to investigate partnership opportunities on mutually beneficial projects located within the Clackamas Town Center Urban Renewal District. During those discussions, the District identified various improvements that are needed, but lacked funding to complete.

At a study session on February 4, 2014, staff presented partnership opportunities with CCSO where the Agency would provide funding for needed improvements. At the time, the Board approved a total allocation of up to \$2,500,000 to CCSO to be used for debt service and/or costs associated with improvements to public safety facilities within the Clackamas Town Center urban renewal area.

Agency has previously provided approximately \$1.31 million in debt service coverage. With approval of the attached Intergovernmental Agreement, an additional \$1.19 million of debt service coverage will

be provided. Those funds set aside to cover these costs will be reallocated to complete needed improvements to the Brooks Building, Public Service Training Center, and North Station. The Funding Agreement memorializes the previous debt service commitment and current debt service commitment resulting in a total financial package of \$2,500,000 to the County to benefit the CCSO.

**RECOMMENDATION:**

Staff recommends the Board approve and execute the Funding Agreement with Clackamas County in order to provide the funding necessary for improvements to the Clackamas County Sheriff's Office public safety facilities.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Dan Johnson', is written over a horizontal line.

Dan Johnson  
Development Agency Manager

**CLACKAMAS COUNTY SHERIFF'S OFFICE  
FUNDING AGREEMENT**

This Agreement is entered into and is effective as of this \_\_\_\_\_ day of \_\_\_\_\_, 2015 by and between Clackamas County Development Agency, the Urban Renewal Agency of Clackamas County, Oregon (the "Agency"), and Clackamas County (the "County"). The Agency and the County hereby agree as follows:

RECITALS:

- A. The Agency is undertaking to carry out the Clackamas Town Center Urban Renewal Plan (the "Plan") pursuant to ORS Chapter 457. The Plan was duly adopted and approved by the Board of County Commissioners on December 30, 1980, and most recently amended on June 16, 2005.
- B. The Clackamas County Sheriff's Office (the "Sheriff") is a department of the County that is organized for the purpose of public safety and protection and serves the urban area in North Clackamas County and the surrounding area.
- C. The Sheriff's main office is located at 9101 SE Sunnybrook Blvd, Clackamas, OR 97015 (the "Brooks Building"). This facility is located within the Plan area boundary and is owned by the County.
- D. A goal of the Plan is to provide an adequate facility and site to improve public safety and protection capabilities to the area.
- E. In April, 2013, the Clackamas County Board of Commissioners (the "Board") directed staff to identify partnership opportunities with the overlapping taxing districts affecting properties within the boundaries designated by the Plan.
- F. On February 4, 2014, the Board approved the allocation of up to \$2.5 million on behalf of the Sheriff to use for certain projects, including funding to be directed to the Sheriff to improve public safety and protection facility capabilities.
- G. The Sheriff has requested that the Agency provide funding to assist with debt associated with the construction and capital facilities of the Brooks Building. In exchange for such funding, the Sheriff will be able to operate the facilities associated with the Project in accordance with the terms and conditions of this Agreement and to use the Project in conformity with the Plan and applicable law.
- H. On September 29, 2015 the Board approved the proposal by the Sheriff for the Agency to provide funding to assist with the debt associated with the construction and capital facilities identified as the Project.
- I. The Agency is willing to allocate funds to the County to assist with the debt associated with the construction and capital facilities identified as the Project on behalf of the Sheriff. The funding for such purposes by the Agency to County is subject to the conditions provided in this Agreement.
- J. In exchange for such funding, the County is willing to direct the Sheriff to maintain and operate the Brooks Building, the PSTC and the North Station in accordance with

the terms and conditions of this Agreement and to use in conformity with the Plan and applicable law.

## **AGREEMENT:**

### **Section 1: Operation of the Brooks Building, the PSTC and the North Station: Uses of Proceeds**

Within 60 days of receipt of the Agency Funds, defined below, the County agrees to apply the Agency Funds to the debt obligation associated with the Project. For the purposes of clarity, the parties agree that placing the Agency Funds into a debt retirement account, sinking fund or other restricted designation meets the application requirement.

The County, through the Sheriff, or its successors agrees to operate the Brooks Building, the PSTC and the North Station or cause these facilities to be operated to provide or support year-round public safety and protection services to the Plan area. The County, through the Sheriff, shall maintain and operate the Brooks Building, the PSTC and the North Station for the purpose stated herein for at least fifteen (15) years from the date of receipt of the Agency Funds.

At the time of execution hereof, the County or its successors shall own, and have all ownership responsibility and duties regarding the Brooks Building. Such ownership is subject to the terms of this agreement.

### **Section 2: Funding**

In consideration of the obligations undertaken by the County pursuant to this Agreement, the Agency agrees to allocate the Agency Funds for the purposes discussed above and subject to the terms and conditions provided herein.

In the event the Agency Funds are not used for the purpose expressly provided in Section 1 of this Agreement, or where the County has defaulted under this Agreement, the Agency may require the County to reimburse all or part of such, as provided below in Section 3C.

### **Section 3: Disbursement of Funds; Security for Performance**

A. The Plan specifically authorizes the Agency to make funds available to fund the development of needed public safety and protection services. Pursuant to specific direction from the Board, the Agency shall make the Agency Funds available to the County for the Project from the allocated funds as more specifically described in Section 2 of this Agreement, and as authorized by ORS Chapter 457.

B. Within 60 days of the Effective Date of this Agreement, the Agency shall transfer the Agency Funds to the County.

C. In the event the County is in default of its obligations under Section 1 of this Agreement, then the Agency shall be entitled to recover from the County or its successors or assigns up to the full amount of the funds directed to the County in connection with the Project. Amounts recoverable under this subsection shall be determined by evaluating the scope of the default and the default's effect on the Plan's goal. If the Agency intends to recover funds under this subsection, the Agency shall provide the County with reasonable written notice of the default as well as a reasonable opportunity for the County to cure and/or explain such default.

**Section 5: Termination**

So long as there is no outstanding event of default, this Agreement shall terminate five (5) years from the date the County receives the Agency Funds. Operations requirements survive.

**Section 6: Indemnification**

- A. Subject to the tort limitations in the Oregon Tort Claims Act and Oregon Constitution, Agency agrees to indemnify, save harmless and defend the County, its officers, Board of Directors, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof (including legal and other professional fees) arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts, of Agency or Agency's officers, owners, employees, agents, or its subcontractors or anyone over which Agency has a right to control related to this Agreement.
- B. Subject to the tort limitations in the Oregon Tort Claims Act and the Oregon Constitution, County agrees to indemnify, save harmless and defend Agency, its officers, commissioners, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof (including legal and other professional fees) arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts, of the County or the County's officers, owners, employees, agents, or its subcontractors or anyone over which the County has a right to control related to this Agreement.

**Section 7: Nonliability of Officials and Employees**

No official or employee of the Agency shall be personally liable to the County for any obligation under the terms of this Agreement.

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**Section 8: Nonwaiver of Government Rights**

This Agreement is no way intended to limit, restrict or modify the rights of Clackamas County or any other governmental agency to exercise ordinary police powers over the Project.

**Section 9: General Provisions**

A. **Prior Agreements.** This instrument is the entire, final and complete Agreement of the parties pertaining to the rights and obligations of the parties with respect to the Project and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives in connection therewith. Neither party shall be bound by any promises, representations or agreements except as are herein expressly set forth.

B. **Notices.** Any notice required or permitted under this Agreement shall be in writing and shall be given and actually delivered in person or deemed delivered 48 hours after having been deposited in the United States Mail as certified mail addressed to the addresses set forth below:

to: Clackamas County  
Department of Finance  
Attn: Finance Director  
2051 Kaen Road  
Oregon City, OR 97045

to: Clackamas County Development Agency  
Attn: Agency Manager  
150 Beaver Creek Road  
Oregon City, Oregon 97045

or as addressed in such other way in respect to either party, as that party may from time to time designate in writing dispatched as provided in this Section.

C: **Amendments.** This Agreement may be amended, modified or extended only by written instrument executed by both parties.

D: **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.

E: **Binding Effect.** Covenants, conditions and terms of this Agreement shall extend to and be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

F: **Execution and Counterparts.** This Agreement may be executed in any number of counterparts each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

H: **Non-Assignment.** This Agreement may not be assigned in whole or in part without the prior written consent of Agency, which may withhold its consent in its sole discretion.

I: **Subleasing.** The Project may not be subleased without prior written consent of Agency, which may withhold its consent in its sole discretion.

I: **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the parties.

J: **Waiver.** The Agency and County shall not be deemed to have waived any breach of this Agreement by the other party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach be of the same nature as that waived.

IN WITNESS WHEREOF, the Agency and the County have executed this Agreement as of the date first above written.

"AGENCY"

BOARD OF COUNTY COMMISSIONERS acting as  
the governing body of the Clackamas County  
Development Agency

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

Chair

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

Recording Secretary

"COUNTY"

BOARD OF COUNTY COMMISSIONERS

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

Chair

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

Recording Secretary

CLACKAMAS COUNTY SHERIFF'S OFFICE

By: Craig Roberts

Craig Roberts  
Sheriff