

**INTERGOVERNMENTAL AGREEMENT
FOR THE DEVELOPMENT OF
THE SALEM REGIONAL EMPLOYMENT CENTER**

This AGREEMENT is among the STATE OF OREGON (the State), by and through the Oregon Department of Administrative Services, Facilities Division, the CITY OF SALEM (the City), an Oregon municipal corporation, and the URBAN RENEWAL AGENCY FOR THE CITY OF SALEM (the Agency), an Oregon municipal corporation. For the purposes of this Agreement the State, the City and the Agency shall be referred to collectively as "the Parties."

Recitals:

- (1) Pursuant to HB 2488 (2001) that instructed the Department of Corrections (DOC) to transfer certain property in the Mill Creek area in southeast Salem to Oregon Corrections Enterprise (OCE) and HB 2923 (2001) that instructed DOC to transfer an additional 349 acres in the Mill Creek area to the Department of Administrative Services (DAS) for the purpose of resale, the DOC and the OCE have executed an interagency agreement authorizing DAS to act on its behalf in the management, marketing and ultimate sale of the approximately 700 acres of property held in the name of the DOC and located in the Mill Creek area of southeast Salem (the Property). A map of the Property is attached hereto as "Exhibit A" and incorporated herein by reference.
- (2) The Property is located within the City's corporate limits and due to inadequate planning and infrastructure, is underutilized, has reduced economic value, is blighted and is in an unproductive condition.
- (3) Pursuant to HB 2932 (2001) the Oregon Legislature directed that the Property be sold at or above fair market value to provide funds for certain legislatively-designated purposes.
- (4) By Executive Order No. 03-02, Governor Ted Kulongoski declared that the Oregon economy is in distress and that a critical need exists to stimulate job-producing industrial development. The Governor formed the Industrial Lands Task Force to identify land in the State suitable for the conversion to job-producing industrial development. The Industrial Lands Task Force has identified the Property as uniquely suited to meet this need for job-producing industrial development.
- (5) The State and the City commissioned Leland Consulting Group to study the Property and produce the "Salem Regional Employment Center Development Program" (the Development Program) which makes recommendations and proposals for the sale and development of the Property.
- (6) According to the Development Program, the Property cannot effectively be sold and developed unless the Parties coordinate and collaborate in the planning, design, financing

and construction of necessary infrastructure improvements, and in the marketing and sale of the Property. The Development Program recommends that the Parties enter into an intergovernmental agreement containing mutually-agreed-upon principles and goals and a plan for the development, marketing and sale of the Property.

(7) Both the State and the City have overburdened general funds, thereby requiring a mix of alternative financing to fund the planning and infrastructure improvement needed to develop the Property, including the use of land sale proceeds, the obtaining of development grants and loans from the Oregon Economic and Community Development Department (OECDD), the use of urban renewal tax increment financing, and the collection of development fees.

(8) Pursuant to ORS Chapter 457, the Agency has the authority to establish urban renewal areas and use tax increment financing for the purposes of redeveloping blighted areas, thereby making the Agency a necessary participant to this endeavor.

(9) Using tax increment funds to finance the development of the Property will postpone increases in the City's general fund from tax revenue resulting from sale and development of the Property for a period of twenty to thirty years. Until tax revenue generated from the Property becomes a part of the City's general fund, the Property, as it develops, will require general fund support in increasing amounts for fire, police, and other essential services.

(10) The State, the City and the Agency concur with the recommendations in the Development Program, and agree that thoughtful, coordinated marketing, development and sale of the Property as an industrial and employment center can result in crucial and necessary economic stimulus for the City and the region, and provide a fair return to the State for the value of the Property.

NOW, THEREFORE, the Parties agree as follows:

Section 1: Purpose and Goals. The purpose of this Agreement is to coordinate the Parties' activities with regard to the development, marketing and sale of the Property as an industrial and employment center, commonly known as "the Salem Regional Employment Center." The Parties' goals in entering into this Agreement for the development, marketing and sale of the Property are:

(a) **Enhanced Livability.** Enhance the long-term quality of life in Salem and the region.

(b) **Economic Benefit.** Provide a range of long-term and short-term employment and business opportunities that contribute positively to the local and regional economy. Employment opportunities should include family wage jobs. Business opportunities should contribute to a sustainable and diversified economy in Salem and create local jobs for the Salem community.

(c) **Coordinated Implementation.** Develop plan implementation strategies, so that the development of the Property can be equitably financed, and readily marketed and permitted.

(d) **Community Involvement.** Involve the community during the planning process, and incorporate community input into plan recommendations in concert with the project goals.

(e) **Quality Development.** Assure a quality-built environment that is a positive addition to the community.

(f) **Compatibility.** Plan the location and nature of land uses to promote integration, transition, and compatibility with neighboring uses.

(g) **Preserve and Provide Open Space and Scenic Features.** Provide open space to address the needs of the Salem area and the local community and in balance with industrial uses of the Property.

(h) **Environmental Protection and Enhancement.** Protect and enhance key natural features and sensitive environments in balance with industrial uses of the Property.

(i) **Heritage.** Preserve important historical and cultural features and amenities.

(j) **Adequate and Concurrent Infrastructure and Services.** Provide local infrastructure and public services in concert with development needs, and integrate infrastructure planning with environmental planning.

(k) **Salem Futures.** Be consistent with applicable principles of Salem Futures.

Section 2: Guiding Principles. The State, the City and the Agency will work cooperatively, in good faith, in close coordination, and in a manner designed to insure the successful creation of the Salem Regional Employment Center, by the development, marketing and sale of the Property, consistent with the terms of this Agreement, and with the following guiding principles:

(a) **Public Benefit.** The Property shall be developed in a manner designed to provide the following public benefits:

(i) Creating well-located "shovel-ready" lots and parcels of industrial land;

(ii) Increasing the City's and the State's tax base;

(iii) Enabling the State to fund legislatively-designated programs through the sale of the Property; and

(iv) Responding to the region's need for employment opportunities and family wage jobs.

(b) Property Development. The development of the Property shall:

- (i) Provide for a combination of distribution centers, warehousing and manufacturing facilities, flex/office, and limited supporting retail and service uses;
- (ii) Be integrated into an attractive and efficient environment to meet the needs of companies serving markets throughout the Pacific Northwest and Northern California;
- (iii) Include phased development and phased construction of necessary infrastructure improvements, in order to distribute public cost over time;
- (iv) Provide for improved habitat and recreation activities, which are developed concurrently with employment development;
- (v) Include responsible mitigation of impacts to environmentally-sensitive areas in accordance with state and federal law; and
- (vi) Be consistent with the requirements of the Implementation Plans, which are attached to this Agreement as Exhibits B, C, and D, and, as provided in Section 6, incorporated herein.

(c) Marketing and Sale. The marketing and sale of the Property shall:

- (i) Be fair and impartial so that builders or business owners may purchase parcels at a fair price, without unreasonable premium or a price that penalizes them for choosing to independently construct improvements;
- (ii) Include phased land sales, to coincide with the phased development and phased construction of necessary infrastructure improvements, and thereby avoid a premature oversupply in excess of market demand;
- (iii) Be in the form of sales designed to maximize the Property's potential value to avoid the generation of inadequate tax increment revenue to cover the costs of, and debt incurred for, the urban renewal plan for the area;
- (iv) Be sold at a price, as required by state law, at or above the Property's appraised value in order to provide funds for legislatively-designated purposes; and
- (v) Be consistent with the requirements of the Implementation Plans.

(d) Flexible Decision Making. All decisions by the Parties concerning the development, marketing, and sale of the Property shall be made in a manner that protects and furthers the legitimate and respective interests of the State, the City and the Agency as set forth

herein, that preserves the long-term development and land value of the entire approximately 700 acre tract that comprises the Property, and that will provide revenue sufficient to support the repayment of debt and payment of costs of providing necessary infrastructure improvements. If new and unanticipated events and/or opportunities arise, each party will adapt in order to accomplish the mutual goals set forth herein, and will work in good faith to accommodate such events and/or opportunities for the mutual benefit of all the Parties.

(e) **Proportionate Benefits.** The Parties recognize that this Agreement will not result in an equal financial benefit to each Party. As a guiding principle for all decisions, no Party shall be required, as a result of this Agreement, to assume risks that are disproportionate to that Party's relative benefit.

Section 3: Joint Enterprise Established. By entering into this Agreement, the Parties intend to jointly undertake the development, marketing, and sale of the Property for the purpose of creating the Salem Regional Employment Center. The Parties recognize that successful development, marketing, and sale of the Property for this purpose depends upon the mutual coordination and contribution of the Parties. The Parties further recognize that each party brings to the endeavor strengths, and based on those strengths, will assume the duties set out below, and more fully described within this Agreement:

(a) Duties of the City and the Agency.

(i) The City and the Agency will undertake marketing activities to the mutual benefit of all the Parties.

(ii) The City and the Agency will work to facilitate the provision of necessary infrastructure improvements for the Property by:

(A) Undertaking the creation of a new urban renewal area for the Property, which will allow the use of tax increment financing for necessary infrastructure improvements;

(B) Undertaking an expansion of the City's Urban Services Area to include the Property;

(C) Undertaking the creation of an ordinance to provide for the collection of development fees to finance infrastructure improvements.

(iii) The City and the Agency will prepare, in collaboration with the State, Implementation Plans that will coordinate the development, marketing, and sale of the Property.

(b) Duties of the State.

(i) The State will undertake marketing activities to the mutual benefit of the Parties.

(ii) The State will work to facilitate the development and guarantee the financing of necessary infrastructure improvements for the Property by:

(A) Providing ongoing security to insure that the City and Agency are not placed in an undue position of risk, by creating a reserve account, from which the Agency can be guaranteed the repayment of debt incurred through tax increment financing if tax increment revenues fall short of the Agency's debt service obligation;

(B) Reimbursing, from land sale proceeds, the City and Agency's planning expenses;

(C) Obtaining necessary approvals for impacted wetlands, assume responsibility for the design, construction, monitoring, and maintenance of wetland impact mitigation measures, and ensure compliance with applicable state and federal wetland laws.

(iii) Providing aid to the City to offset the impacts the development of the Property would have on the City's general fund, in the form of additional police, fire, and other essential services.

(c) Duties of All Parties, Collectively. Collectively, through the Implementation Committee established by Section 4 of this Agreement, the State, the City, and the Agency will:

(i) Conduct the mutual business of the Parties;

(ii) Select a Master Developer;

(iii) Approve amendments to the Implementation Plans; and

(iv) Approve the Master Documents.

Section 4: Implementation Committee. Each party to this Agreement has a critical interest in all actions taken by every other Party related to the Property, including (1) the development, marketing and sale of the Property; (2) the financing and construction of necessary infrastructure improvements; (3) the delivery of essential City services to the Property; and (4) the processing of necessary subdivision and partition plans, building permits, and other local government licenses and permits. In order to insure the ability of each party to realize its respective legitimate goals, the Parties do hereby establish an Implementation Committee to oversee the implementation plans, activities, and agreements of the Parties related to the Property and the

creation of the Salem Regional Employment Center. However, even where formal approval of the Implementation Committee is not required, each Party agrees that it will undertake its obligations hereunder only after close and meaningful collaboration and input from the other Parties to this Agreement.

(a) Structure. The Implementation Committee shall consist of four members. Two members shall be appointed by the State, one member shall be appointed by the City, and one member shall be appointed by the Agency. In every action that requires the "approval" or formal vote of the Implementation Committee, the State shall have two votes, the City shall have a single vote, and the Agency shall have a single vote.

(b) Membership. The Parties shall be able to change its members on the Implementation Committee at any time without the consent of the other parties or members of the Implementation Committee. As of the Effective Date of this Agreement, the members of Implementation Committee shall be:

State:	Administrator, DAS Facilities Division Manager, Real Property Services Manager, DAS Facilities Division
City:	City Manager, City of Salem
Agency:	Administrator, Salem Urban Renewal Agency

(c) Powers and Authority. The Implementation Committee shall have such powers and authority as is set forth in this Agreement and Implementation Plans, including, but not limited to:

(i) Serving as the formal body for the review and comment of any plan or agreement which requires the formal action of a single party, or the joint action between or among Parties;

(ii) Approval of new plans, or revisions or amendments to any Implementation Plan or of this Intergovernmental Agreement;

(iii) Approval of the Request for Qualifications that the State will use to solicit and select the Master Developer(s); and

(iv) Approval of the Master Developer(s).

(d) Rules. Except as otherwise set out in this Agreement, the Implementation Committee shall determine its rules of procedure. Such rules of procedure shall not conflict with any part of this Agreement. If such conflict exists, the terms of this Agreement shall govern.

improvements will be financed and constructed, and (2) establish how certain planning and service-providing costs of the City shall be paid or reimbursed. The Parties agree that the initial Financing and Infrastructure Plan shall be as set forth as Exhibit B.

(ii) Marketing and Sales Plan. The Parties agree that the Property shall be marketed and sold in accordance with the provisions of a Marketing and Sales Plan. The Parties agree that the initial Marketing and Sales Plan shall be as set forth as Exhibit C.

(iii) Stormwater and Wetlands Plan. The Parties agree that wetlands shall be established, and stormwater managed, in accordance with a Stormwater and Wetlands Plan. The Parties agree that the initial Stormwater and Wetlands Plan shall be as set forth in Exhibit D.

(b) Urban Renewal Plan. The Agency shall undertake the preparation of an urban renewal plan in collaboration with the City and the State, to facilitate the development of the Property. The urban renewal plan shall provide for the creation of a new urban renewal area to include the Property, and include a provision for tax increment financing to fund necessary infrastructure improvements located within the urban renewal area.

(c) Other Plans. The State, the City and the Agency shall prepare such other plans deemed necessary or desirable by the Parties for the marketing, development and sale of the Property. Any such plan shall be consistent with the "Goals" and "Guiding Principles" set forth in Sections 1 and 2 of this Agreement.

(d) Approval. The plans described in subsections (b) and (c) of this section shall first be approved, in writing, by the Implementation Committee prior to their referral to the appropriate governing body for adoption, and, unless otherwise provided by law, each plan shall become effective upon the date such adoption occurs.

(e) Amendment of Plans. The Parties recognize that (1) new and unanticipated events and/or opportunities will likely arise and/or (2) legitimate requirements of the future Master Developer will arise, that will require the plans described in this section to be revised or amended, and/or additional plans to be adopted, in order to accomplish the mutual goals outlined above. The Implementation Plans, and any additional plans created pursuant to subsection (c) of this section, shall be adopted, revised or amended by the Implementation Committee in accordance with the rules and procedures approved by the Implementation Committee, except that nothing in this Agreement shall be construed to prevent any member of the Implementation Committee from taking an additional plan or a revision or amendment to its respective governing body when the member determines such action is appropriate and the new plan, revision or amendment is material.

(f) Master Documents. The following Master Documents shall be developed under the authority of, and approved by, the Implementation Committee, after input from the Master Developer:

(i) Covenants, Conditions, and Restrictions (CC & Rs);

(ii) Development and Disposition Agreement; and

(iii) Subdivision and partition plats.

Section 7: Comprehensive Plan and Zoning Regulations. The City shall undertake the creation of amendments to the Salem Area Comprehensive Plan and the Salem Revised Code to provide land use regulations for the Property. Such amendments shall be developed in collaboration with the Project Coordinators.

Section 8: Counterparts and Facsimile. This Agreement may be executed in one or more counterparts all of which shall be considered one and the same agreement. This Agreement shall be effective only when one or more counterparts have been signed by and delivered to each of the Parties. An agreement executed and transferred by facsimile shall be deemed a duly executed, and fully enforceable, agreement.

Section 9: No Third Party Beneficiaries. The State, the City, and the Agency are the sole Parties to this Agreement and the only Parties entitled to enforce its terms. Nothing in this Agreement gives, or is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons, unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

Section 10: Agreement Subject to Legislative Action. This Intergovernmental Agreement is at all times subject to the subsequent actions by the State Legislative Assembly, the Salem City Council and the Board of the Urban Renewal Agency for the City of Salem.

Section 11: No Business Partnership. Nothing in this Agreement shall be construed to create any of the attributes or incidents of a partnership or joint venture under common law or ORS Chapters 67 and 70. No officer or employee of any party hereto has authority to act as an agent for any other party, nor make representations on its behalf, and no party shall be liable for the negligence or acts of any other party.

Section 12: Severability. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid, provided, however, if the term or provision goes to the essence of this Agreement, or unduly increases the financial risk of any party beyond that specifically set forth in this Agreement, the Parties shall immediately meet and enter into negotiations for new provisions that, to the extent provided by law, will result in amended or new provisions that will effectuate the intent of the invalid provision.

Section 13: Waiver. The terms of this Agreement shall not be waived, altered, modified, supplemented, or amended, in any manner whatsoever, except by written instrument. Such waiver, alteration, modification, supplementation, or amendment, if made, shall be effective only in the specific instance and for the specific purpose given, and shall be valid and binding only if it is signed by all parties to this Agreement. The failure of any Party to enforce any provision of this Agreement shall not constitute a waiver by the Party of that or any other provision.

Section 14: Termination.

(a) 30-Day Termination Notice. Any party may terminate this Agreement with the consent of the other parties on 30 days prior notice, provided however that any obligations due or undertaken pursuant to this Agreement, or any Implementation Plan, before the end of the 30-day notice period shall survive termination of this Agreement.

(b) 120-Day Termination Notice. The realization of the goals of this Agreement are dependent upon the following events coming to successful fruition:

- (i)** The successful establishment of an urban renewal area;
- (ii)** The successful culmination of a loan with the Oregon Economic and Community Development Department;
- (iii)** The City obtaining necessary approvals for financing;
- (iv)** The State's approval of the City's financial pro forma;
- (v)** The adoption of an amendment to the Salem Area Comprehensive Plan and new zoning district for the Property;
- (vi)** The successful establishment of a development district, as contemplated by the Finance and Infrastructure Implementation Plan;
- (vii)** The final selection of a mutually acceptable Master Developer;
- (viii)** The approval and adoption of CC&Rs; and
- (ix)** The issuance of an acceptable Wetlands Mitigation Permit.

In the event that any of these necessary preconditions fail to be timely satisfied, the Parties intend to continue to work cooperatively to cause the satisfaction of the necessary precondition to occur by alternative means, or to be satisfied at a later date. Notwithstanding subsection (a) of this section, if any Party believes that the necessary preconditions can not reasonably be satisfied, that Party may give notice of its intent to terminate this Agreement within 120 days, and may terminate this Agreement if the precondition can not be satisfied by such date. Nonetheless, all Parties shall strive within such 120-day period to either satisfy the condition or find an alternative solution. In the event this Agreement is terminated due to the failure of such

precondition to be satisfied, each party shall be responsible for the costs incurred by that party up to the date of termination, and no Party shall be obligated to reimburse any other for any costs incurred by the others.

Section 15: Merger. This Agreement, which includes all Exhibits and Attachments thereto, constitutes the entire agreement among the Parties. There are no understandings, agreements, or representations, oral or written, regarding this Agreement, except as specified or referenced herein. Each Party, by the signature below of its authorized representative, hereby acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms and conditions.

WHEREFORE, the Parties have executed this Agreement as of the dates set forth below.

STATE OF OREGON:

BY: Laurie A. Warner Date: 3/14/05
Laurie Warner
Director
Oregon Department of Administrative Services

CITY OF SALEM

BY: Robert G. Wells Date: 02/02/05
Robert G. Wells
City Manager

URBAN RENEWAL AGENCY OF THE CITY OF SALEM

BY: Robert G. Wells Date: 02/02/05
Robert G. Wells
Executive Director

EXHIBIT B
FINANCE AND INFRASTRUCTURE
IMPLEMENTATION PLAN

This Exhibit to the Intergovernmental Agreement for the Development of the Salem Regional Employment Center (the IGA) among the State, the City and the Agency constitutes an Implementation Plan under the IGA, and is subject to the terms and conditions of, and shall be construed according to and consistent with, the IGA.

Section 1: Off-site Infrastructure Development. Subject to the conditions set forth in Section 2 below, the City and the Agency will pay all costs associated with providing the following off-site infrastructure improvements:

(a) **Water.** The City will install water mains along public right-of-way to the edge of the Property. The specific off-site infrastructure improvements to be constructed by the City and the Agency are set forth in Attachment 1, which is attached hereto and incorporated herein by reference.

(b) **Sewer.** The City will install sewer mains along public right-of-way to the edge of the Property. The specific off-site infrastructure improvements to be constructed by the City and the Agency are set forth in Attachment 2, which is attached hereto, and incorporated herein reference.

(c) **Transportation.** The City will construct certain off-site transportation improvements, required as a result of increased development within the Property. The specific off-site infrastructure improvements to be constructed by the City and the Agency are set forth in Attachment 3, which is attached hereto, and incorporated herein by reference.

(d) **Stormwater.** The City will provide regional detention facilities to serve the Property, as identified in the Master Development Plan. The specific off-site infrastructure improvements to be constructed by the City and the Agency are set forth in Attachment 4, which is attached hereto, and incorporated herein by reference.

Although unique infrastructure impacts of a particular developer or land purchaser may require additional off-site infrastructure improvements under the Salem Revised Code, the Parties otherwise intend the above listed off-site infrastructure improvements to be the only off-site infrastructure improvements that will be required for the normal development of the Property, as contemplated by the Master Plan.

Section 2: Off-site Infrastructure Funding.

(a) **Tax Increment Financing.** The Agency will undertake the establishment of an urban renewal area for the Property, which shall include a provision for the collection of tax increment revenue. Tax increment revenue shall be used to fund the payment of designated off-site infrastructure improvement costs, as set forth in Attachments 1, 2, 3 and 4. The Agency shall not be obligated to issue urban renewal bonds or other forms of indebtedness, unless the State provides adequate security or reserves for the bonds or

other forms of indebtedness acceptable to the Agency. If the issuance of the bonds or other forms of indebtedness has been pre-approved by the Implementation Committee, the State agrees that if there are any shortfalls in tax increment revenue necessary to pay the Agency's debt service, the State shall cover the shortfall from reserves or Property assets. If the State makes any debt service payments on any tax increment obligation, the Agency shall be obligated to reimburse the State, including accrued interest at the same rate as the bond, from future tax increment revenues. In the event the Agency does not issue bonds or other forms of indebtedness, and the IGA is terminated:

(i) The urban renewal area shall be maintained for a sufficient number of years to retire any outstanding Agency debt, including any amounts paid by the State pursuant to any State assurance, provided that nothing shall prevent the Agency, upon receiving prior approval from the Implementation Committee, from reducing the boundary of the urban renewal area to cover only those parcels necessary to guarantee sufficient tax increment revenue to make the annual debt service payment.

(ii) Notwithstanding Section 1 of this Implementation Plan or the terms of any Urban Growth Area Permit issued by the City prior to the termination date, the State, or its Master Developer, shall be responsible for fulfilling the requirements of SRC Chapter 66.

(iii) The State shall remain obligated to apply the CC&Rs adopted under the IGA to the Property.

(b) Development District. The City will undertake the establishment of a mechanism, using revenues collected from development occurring within the Property, for the payment of costs incurred in the construction of infrastructure improvements ineligible to be paid for by system development charges.

(c) OECDD Loan. The State is assisting the City in obtaining a \$10 million line of credit from OECDD to be used to fund off-site infrastructure improvements required for the development of the Property. The funds so received shall be used to fund the costs of the designated off-site infrastructure improvements set forth in Attachments 1, 2, 3 and 4, and shall be repaid from tax increment revenues. The terms shall be mutually agreed upon by OECDD, the City and the State. Unless otherwise agreed by the City and the State, the OECDD loan shall:

(i) Have a twenty-year term beginning at the date of the first draw, with an option to extend to twenty-five years;

(ii) Include a minimum of a five-year deferral of payment of principal and interest;

(iii) Provide for the forgiveness of not less than \$5,000 per job created for the first 100 jobs created within the first ten years, and an additional \$1,000 per job created for the next 500 jobs created within the first ten years, up to a one time

maximum of \$1 million in aggregate forgiveness, as a result of the Property's development;

(iv) Provide for a simple interest rate not greater than 5%;

(v) Provide that the right to repayment from tax increment revenues shall be subordinate to the rights of tax increment bondholders holding bonds issued by the Agency; and

(vi) Provide that OECDD may extend the term of the loan(s) for five years in order to collect any deferred payments, but that OECDD shall not declare a default against the City or the Agency in the event that the loan has not been paid in full by maturity. In the event that the City is unable to satisfy the loan by maturity, the State will negotiate with OECDD to provide it with sufficient security or assurances.

(d) **OECDD Loan Credit.** The State shall assist the City in accounting to OECDD the number of jobs created, by requiring the purchasers of the Property to report the number of jobs created and to allow OECDD to access records from the Oregon Employment Department and/or to provide documentation to OECDD for verification of jobs.

(e) **Conditions.** The City has developed a pro forma of estimated off-site infrastructure improvement costs, anticipated assessed values, and phased financing sources and amounts, a copy of which has been delivered to the Agency and the State. The State shall conduct and complete a review of the pro forma within sixty days. If there is any provision of the pro forma that the State believes materially and adversely impacts the viability of the successful establishment of the Salem Regional Employment Center, the Parties shall cooperatively endeavor to revise the pro forma to a product that is acceptable to the Implementation Committee. The Parties agree that the approval of a final pro forma by the Implementation Committee is a precondition necessary for the successful establishment of the Salem Regional Employment Center.

In addition, neither the OECDD Loan, urban renewal bonds, or other forms of tax increment indebtedness, shall be obtained unless the Implementation Committee determines that projected tax increment revenues at the time of such loans, bond or other form of debt is sufficient to satisfy future debt service.

Section 3: On-Site Infrastructure.

(a) **Internal Road Systems.** The Master Developer or purchaser of any lot or parcel shall pay any and all costs associated with the design and construction of all internal streets and roads within the Property, including, but not limited to, those streets identified in the Master Development Plan, as well as any other streets, as may be necessary to provide access to the lots or parcels. The Master Developer or purchaser shall also be responsible for boundary street improvements, as defined in the Salem Revised Code.

(b) **Electric/Data.** The Master Developer or purchaser of any lot or parcel shall pay all costs associated with the provision of all required electric or data service to the Master Developer's or purchaser's lots or parcels.

(c) **Water.** The Master Developer or purchaser of any lot or parcel shall pay all costs associated with the provision of water distribution services from the point of connection to the City's water main at the boundary of the Property to the various lots or parcels. Installation of water mains shall be consistent with the provisions of the Salem Revised Code.

(d) **Sewer.** The Master Developer or purchaser of a lot or parcel shall pay any and all costs associated with the provision of sewer service from the point of connection to the City's sewer main at the boundary of the Property to the Master Developer's or purchaser's lots or parcels. Installation of sewer mains shall be consistent with the provisions of the Salem Revised Code.

(e) **Stormwater.** The Master Developer or purchaser of any lot or parcel shall pay any and all costs associated with the provision of private conveyance, detention and treatment systems for stormwater from the Master Developer's or purchaser's lots and parcels to a point of discharge approved by the City. Installation of stormwater mains and other private stormwater management facilities shall be consistent with the provisions of the Salem Revised Code.

(f) **Shared Costs.** The Implementation Committee may develop a system of allocating certain on-site infrastructure cost among purchasers of property in different phases, including purchasers of property that does not abut the on-site improvement, where the Implementation Committee determines that such costs should be equitably shared among the purchasers. For example, the Implementation Committee may allocate the costs of roads that abut the open space/wetlands area among purchasers of property, including purchasers of property in phases outside the boundaries of the open space/wetlands area.

Section 4. Wetland Financing. The funding for the planning, design, permitting, construction, and monitoring of the wetlands is provided for in the Stormwater and Wetlands Implementation Plan.

Section 5. Services Provided to Property, State Reimbursement. During the existence of the urban renewal district, the City will not receive any ad valorem real property taxes from the Property to support the city services that will be provided to the Property. In recognition of this fact, the State shall reimburse the City up to \$3 million over a twenty-year period for the anticipated costs the City will incur in providing services to the Property, according to a schedule agreed upon by the Implementation Committee. The parties agree that the amount of reimbursement is approximately equivalent to the total amount of taxes that would have been collected from within the Property, based on the expected net sales value of the Property. Reimbursement shall be paid in the form of payments to the City at time of sale, based on a pro rata, per acre fee charged against the number of acres sold. This obligation shall terminate in the event the urban renewal area is closed before the expiration of the twenty-year period.

Section 6. Planning Costs, State Reimbursement. The State shall reimburse the City and the Agency for costs directly related to the planning activities undertaken by the City and the Agency related to the Property provided:

(a) Such costs are incurred pursuant to (i) the budget for the planning activities attached hereto as Attachment E, or (ii) a supplemental or amended budget approved by the State;

(b) The City and the Agency present the State with invoices evidencing that such expenses have been incurred and paid; and

(c) The State's obligation to reimburse the City and the Agency for the planning costs shall in no event exceed a maximum aggregate amount of \$1 million, and shall be paid from proceeds of property sales at the time of sale, and in the amount of \$2,000 per acre sold.

Section 7. No Enterprise Zone. The Parties agree that all financial decisions shall be based upon the assumption that there will not be any enterprise zone, or other form of tax forgiveness, established on or for the Property. No enterprise zone, or other form of tax forgiveness, shall be established for the Property without the prior approval of the Implementation Committee.

Section 8. Other Costs, Exactions. Nothing in the IGA or this Implementation Plan shall be construed to deprive or limit the City's authority to impose exactions as a condition of development approval, or to impose other fees and charges authorized by law. This section should not be interpreted to authorize the imposition of exactions to build any infrastructure improvement that the City has already committed to build according to this Agreement, unless the IGA is terminated, in which case the City's obligation to build infrastructure improvements will terminate, and the obligations to construct the infrastructure improvements shall be governed by SRC Chapter 66.

Section 9. Amendments. This Implementation Plan may be amended in writing, from time to time, only upon the approval of the Implementation Committee and pursuant to the terms of the IGA.

WHEREFORE, the Parties have adopted this Implementation Plan as of the dates set forth below.

STATE OF OREGON:

BY: Laurie A. Warner
Laurie Warner
Director
Oregon Department of Administrative Services

Date: 3/14/05

CITY OF SALEM

BY: Robert G. Wells
Robert G. Wells
City Manager

Date: 02/02/05

URBAN RENEWAL AGENCY OF THE CITY OF SALEM

BY:

Robert G. Wells

Robert G. Wells
Executive Director

Date:

02/02/05

Attachment 1
WATER PROJECTS

Project (Financial pro forma project designations)			Estimated Construction	
No.	Name	Description	Cost	Date
1	Phase 1B/1C Water Line Loop (CIP Proj. No. 60400)	Construct 16-inch water line from Marion County Jail property to Saddle Club Drive NE	\$570,000	2007
2	Phase 1A Water (Project B) (CIP Proj. No. 60382)	Tap 48-inch water main near Kuebler Boulevard/Turner Road and provide water main to the intersection of Kuebler Boulevard/(new) SREC east-west street	\$144,000	2008
3	College T Reservoir (Project L)	Construct new 2.3 million gallon reservoir and pipelines	\$3,000,000	2009

Total Water Projects:

\$3,714,000

Notes:

1. Project A (Phase 1B & 1C Water: Install water line from 24-inch water main near Cordon Road/Gaffin Road to Aumsville Highway) is funded by the City's Water/Sewer Utility Fund for \$2,300,000. The Utility Fund will be reimbursed through connection fees from end users at the following rate:
 - a. SREC Phase 1B Parcel (136 acres)—45.3% (\$1,041,900)
 - b. SREC Phase 1C Parcel (51 acres)—17.0% (\$391,000)
 - c. City-owned Gaffin Road Parcel (CEDD: 80 acres)—26.7% (\$614,100)
 - d. Gaffin Road Site (33 acres)—11.0% (\$253,000)

(Reference: City of Salem *Capital Improvements Program* Project No. 704081; City of Salem City Council Staff Report, Agenda Item No. 4.(1), January 3, 2005)

Attachment 2
SEWER PROJECTS

Project (Financial pro forma project designations)			Estimated Construction	
No.	Name	Description	Cost	Date
1	Phase 1A Sewer (Project D) (CIP Proj. No. 60393)	Improve connection under Mill Creek to existing State sewer and provide main from new connection to intersection of Kuebler Boulevard/(new)SREC east-west Street	\$272,000	2008
2	Aumsville Highway Sewer Loop (CIP Proj. No. 60397)	Construct 10- and 12-inch sewer line on Aumsville Highway along Phase 1C frontage as part of Aumsville Highway construction	\$911,000	2007
3	Phase 2 Sewer Reorganization (Project M)	Reorganize private sewer system in Phase 2 properties to create public system, align with new street system, and provide metering for separate users	\$1,000,000	2011

Total Sewer Projects:

\$2,183,000

Notes:

1. Project C (Phase 1B & 1C Sewer: Install sewer line from MacCleay Pump Station near Cordon Road/MacCleay Road to Aumsville Highway) is funded by the City's Water/Sewer Utility Fund for \$1,200,000. The Utility Fund will be reimbursed through connection fees from end users at the following rate:
 - a. SREC Phase 1B Parcel—27.7% (\$332,400)
 - b. SREC Phase 1C Parcel—10.4% (\$124,800)
 - c. Marion County Jail—5.8% (\$69,600)
 - d. State of Oregon Department of Corrections (OSCI)—20.6% (\$243,600)
 - e. Department of Professional Safety Standards and Training—3.7% (\$44,400)
 - f. City-owned Gaffin Road Parcel (CEDD)—16.3% (\$195,600)
 - g. Gaffin Road Site (33-acre parcel)—6.7% (\$80,400)

(References: City of Salem *Capital Improvements Program* Project No. 704200; City of Salem City Council Staff Report, Agenda Item No. 4.(1), January 3, 2005; Westech Engineering, Inc., Mill Creek North Trunk Sewer, Sanitary Sewer Flow Exhibit)

Attachment 3
TRANSPORTATION PROJECTS

Project (All projects designated as "Project O" in financial pro forma except as noted)			Estimated Construction Cost	Daily Trip Trigger (% Devel.)
No.	Name	Description		
1	Aumsville Highway (Project I) (CIP Proj. No. 705503)	Widen Aumsville Highway to 3 lanes from DPSST to Kuebler Boulevard and eastbound right-turn lane at the Kuebler Boulevard intersection	\$2,500,000	0 (0%) 2007
2	Kuebler Boulevard at (new) SREC East-West Street (Project J) (CIP Proj. No. 60394)	Signalize intersection, add southbound left-turn lane on Kuebler Boulevard	\$1,000,000	0 (0%) 2007
3	Cordon Road at Pennsylvania Avenue	Signalize intersection and add left-turn lanes on Cordon Road	\$400,000	10,000 (25%) 2010
4	Cordon Road at MacCley Road	Add left-turn lanes on MacCley (Signal and Cordon Road left-turn lanes to be installed by others)	\$365,000	10,000 (25%) 2010
5	Cordon Road at Gaffin Road	Signalize intersection and add southbound left-turn lane on Cordon Road and westbound right-turn lane on Gaffin Road	\$500,000	10,000 (25%) 2010
6	Cordon Road at State Street	Add northbound right-turn lane on Cordon Road and eastbound left-turn lane on State Streets	\$270,000	10,000 (25%) 2010
7	Kuebler Boulevard at I-5 Northbound Ramp	Project specifics to be defined based on ODOT interchange improvement.	\$1,000,000	17,000 (45%) 2015
8	Kuebler Boulevard at I-5 southbound Ramp	Project specifics to be defined based on ODOT interchange improvement.	\$1,000,000	17,000 (45%) 2015
9	Kuebler Boulevard Signal	Install signal interconnect on Kuebler Boulevard from Aumsville Highway	\$100,000	23,500 (60%)

	Interconnect	to I-5 interchange		2018
10	Kuebler Boulevard (Project K)	Widen west side of Kuebler Boulevard from north of Aumsville Highway to Turner Road, including adding northbound and southbound right-turn lanes at Aumsville Highway, northbound right-turn lane at (new) SREC East-West street, and northbound and southbound right-turn lanes at Turner Road (Assumes east side has been widened by SREC property developers)	\$2,650,000	23,500 (60%) 2018
11	Kuebler Boulevard at 36 th Street (Project K)	Add southbound left-turn lane and eastbound and westbound right-turn lanes	\$650,000	23,500 (60%) 2018
12	Lancaster Drive (CIP Proj. No. 1286)	Widen Lancaster Drive to three-lanes from Kuebler Boulevard to Carson Drive	\$3,600,000	30,500 (80%) 2021
13	Turner Road	Realign Turner Road at Gath Road/Deer Park Road and add southbound and westbound left-turn lanes	750,000	35,000 (90%) 2021

Total Transportation Projects:

\$14,785,000 38,590

Attachment 4
STORMWATER PROJECTS

Project (Financial pro forma project designations)			Estimated Construction	
No.	Name	Description	Cost	Date
1	Phase 1B & 1C Storm (Projects E & F) (CIP Proj. No. 704114)	Connect stormwater discharge from Phase 1B and Phase 1C parcels to DPSST system	\$100,000	2005
2	Central Open Space (Project G) (CIP Proj. No. 60381)	Develop Central Wetlands and Stormwater Detention site	\$1,433,000	2008
3	South Wetlands and Stormwater Detention (Project H)	Develop South Wetlands and Stormwater Detention site	\$4,875,000	2012

Total Stormwater Projects:

\$6,408,000

**EXHIBIT C
MARKETING AND SALES
IMPLEMENTATION PLAN**

This Exhibit to the Intergovernmental Agreement for the Development of the Salem Regional Employment Center (the IGA) among the State, the City and the Agency constitutes an Implementation Plan under the IGA, and is subject to the terms and conditions of, and shall be construed according to and consistent with, the IGA.

Section 1. Purpose. The Parties agree that the Property shall be marketed and sold by the State consistent with the provisions of this Marketing and Sales Implementation Plan, which represents a mutually-agreed-upon strategy for the marketing and sale of the Property in order to create the Salem Regional Employment Center; provided, however, that once a Master Developer is selected, as described below, the Parties agree in good faith to consider revising or amending this Marketing and Sales Implementation Plan based on the input from the Master Developer, in light of legitimate needs of the Master Developer as identified by the Implementation Committee.

Section 2: Master Plan and Development Strategy. The Master Plan and Development Strategy, dated October 11, 2004, which is attached to this Exhibit as "Attachment 1," and incorporated herein by reference, describes an initial plan for the development of the Property that proposes development in phases; identifies proposed lots or parcels along with their anticipated uses; and identifies a large, integrated wetlands, park and trail system that will preserve and protect existing wetlands and create new wetlands to mitigate wetlands that will be lost as a result of development on other lots or parcels.

Section 3: Selection of Master Developer. The Parties agree that the State will, consistent with the provisions of this Section, market that portion of the Property identified as Phase I(A), as identified on the map in Exhibit A, for sale to a qualified Master Developer.

(a) Purpose: The sale to a qualified Master Developer is intended to:

- (i) Reduce the marketing and economic risks of the State, the City and the Agency;
- (ii) Provide necessary financial resources to aggressively market and develop portions of the Property in a manner consistent with the principles and requirements of this Agreement; and
- (iii) Provide crucial professional expertise for the Development of the Property as the Salem Regional Employment Center.

(b) Issuance of Request for Qualifications. The State shall develop, in consultation with the City and the Agency, an RFQ for the selection of a qualified Master Developer to purchase that portion of the Property identified as Phase I(A). The RFQ shall be submitted to the Implementation Committee for approval prior to its issuance. The

obligations of the City and the Agency under the IGA are conditioned upon the approval of the RFQ by the Implementation Committee. The RFQ shall, among other things:

(i) Establish a selection committee composed of representatives of the State, the City and the Agency;

(ii) Establish selection criteria; and

(iii) Provide that the final Master Developer must be approved by the Implementation Committee.

(c) Purchase and Sale Agreement. Once a Master Developer has been selected and approved by the Implementation Committee, the State shall negotiate a Purchase and Sale Agreement with the Master Developer. The Implementation Committee may require that the Purchase and Sale Agreement include conditions or provisions that the Implementation Committee deems necessary to protect the interest of the Parties. The Purchase and Sale Agreement shall also condition the sale upon CC&Rs which shall also provide (i) that neither the Master Developer nor the State shall change the CC&Rs without the City's and the Agency's approval, and (ii) that the CC&Rs name the City and the Agency as a third-party beneficiary with respect to land use and development obligations of owners.

(d) Responsibilities of Master Developer. The Master Developer shall develop and market Phase I(A) in close consultation with the Parties, and consistent the goals, principles and requirements of the IGA, and with guidelines established by the Implementation Committee. As a condition of Closing, the Master Developer, must have successfully negotiated a Development and Disposition Agreement (DDA) with the Parties. The final DDA shall include enforceable commitments by the Master Developer for:

(i) Timing and funding of on-site improvements;

(ii) Timing and funding of phased development;

(iii) Performance measures and remedies for non-performance, including, but not limited, the right to seek specific performance, and the reversion of property to State ownership upon non-performance;

(iv) The development of a Refinement Plan for Phase I(A), acceptable to all Parties, that includes, but is not limited to, a site plan, identification of developable areas and open spaces, wetlands areas, and water retention;

(v) The development of a land division plat, acceptable to the State, the City and the Agency; and

(vi) A requirement to insure local builders or business owners may purchase lots and parcels at a fair price, without having to pay an unreasonable premium or a

price that penalizes them for choosing to construct any of the improvements themselves.

(e) **Future Phases.** The Parties agree that they shall consider the potential for Master Developer to obtain options to purchase and develop other phases of the Project.

Section 4. Marketing and Sale of Phases I (B) and I (C)

(a) Phases I(B) and I(C), as identified on the map in Exhibit A, are the sites most readily served by off-site water, wastewater and transportation infrastructure improvements, and sufficient capacity exists on an adjacent State-owned site for stormwater detention; therefore, it is the Parties' goal that Phases I(B) and I(C) will be "shovel-ready" for development in 2005.

(b) The Parties acknowledge that potential large industrial lot purchasers have already expressed serious interest in quickly negotiating purchases for Phase I(B) or Phase I(C) or both. The Parties agree that the State should expeditiously pursue negotiations with, and if necessary, execute a Purchase and Sale Agreement with large industrial lot purchasers for Phases I(B) and I(C), even if a Master Developer has not yet been selected; provided, however, that such sales shall not compromise the Agency's ability to maximize the tax increment that will be generated from the Property.

(c) Unless the Implementation Committee permits otherwise:

(i) Any purchase and sale agreement for Phase I(B) shall contain a condition that Parcel I(B) be maintained as a single parcel, unless concurrent development can be guaranteed on any parcels that are partitioned from that parcel.

(ii) The sale of Phase I(C) shall contain a condition that Phase I(C) may be subdivided, but only into lots of not less than 10 acres.

(iii) All parcels in Phase I(B) and I(C) will have direct access to Aumsville Highway.

Section 5: Lots and Parcels not be Acquired for Speculation; Generation of Tax Revenue; CC&Rs.

(a) It is the intent of the Parties that the sale of lots and parcels within the Property are intended to create immediate economic benefits to the Parties, and no purchase shall be closed unless the sale contains a condition that the lot or parcel is not being acquired for speculation and will be developed in an expeditious manner, and includes provisions that ensure these conditions are met, and preserves the ability of the State to sell and develop the balance of the Property.

(b) It is likewise the intent of the Parties that the sale of lot and parcels within the Property are intended to generate tax increment revenue to ensure repayment of any debt incurred or issued by the Agency; therefore, all sales of lots and parcels shall contain a

condition that the Property shall not be used in a manner that would result in an exemption in ad valorem taxation under Oregon law.

(c) All sales in each phase shall require, as a condition of closing, that CC&Rs approved by the Implementation Committee are included in any deeds transferring title.

Section 6: Third Party Marketing Support.

(a) The City may enter into an agreement with a third party to assist in providing marketing support, provided that the agreement states that it may be terminated by either the City in its discretion, or by the City after a unanimous vote of the Implementation Committee. The City's third-party contractor shall:

(i) Develop an annual budget and work scope plan for marketing the phases and submit it to the Implementation Committee for approval;

(ii) Collaborate with the Project Managers and the Implementation Committee to formulate a marketing message for all phases of the development of Property;

(iii) Market the phases in accordance with any instructions given by the Implementation Committee;

(iv) Send written reports monthly to the Implementation Committee and the Project Managers, on the status of marketing efforts for the phases;

(v) Upon request by the Implementation Committee, attend Implementation Committee meetings to provide feedback on the level of interest from potential purchasers and answer questions from the Implementation Committee.

(b) Notwithstanding the above, neither the City, nor its third party contractor, shall be deemed agents or brokers of the State, nor are they authorized to make any representations or offers on its behalf. The City and its third party contractor will refer all inquiries regarding price, terms and conditions of sale to DAS. All negotiations concerning the purchase and sale of the Property shall be between the potential large industrial lot purchaser and DAS.

(c) The State will reimburse the City for certain marketing costs in accordance with Section 6 of the Finance and Infrastructure Implementation Plan. In addition, the State shall pay all brokers' fees to Buyers' agents in accordance with the State's brokers schedule.

(d) The marketing efforts of the City and its third party contractor are non-exclusive. The State retains ultimate responsibility for the sale of the Property, and may entertain offers from other parties, including offers from the Master Developer.

Section 7: Amendments. This Agreement may be amended, in writing, from time to time, only upon the approval of the Implementation Committee and pursuant to the terms of the IGA.

WHEREFORE, the Parties have adopted this Implementation Plan as of the dates set forth below.

STATE OF OREGON:

BY: Laurie A. Warner
Laurie Warner
Director
Oregon Department of Administrative Services

Date: 3/14/05

CITY OF SALEM

BY: Robert G. Wells
Robert G. Wells
City Manager

Date: 02/02/05

URBAN RENEWAL AGENCY OF THE CITY OF SALEM

BY: Robert G. Wells
Robert G. Wells
Executive Director

Date: 02/02/05

EXHIBIT C
SREC Master Plan and Development Strategy

Go to:

<http://egov.oregon.gov/DAS/FAC/MILLCREEK/docs/srec.pdf>

**EXHIBIT D
STORMWATER AND WETLANDS
IMPLEMENTATION PLAN**

This Exhibit to the Intergovernmental Agreement for the Development of the Salem Regional Employment Center (the IGA) among the State, the City and the Agency constitutes an Implementation Plan under the IGA, and is subject to the terms and conditions of, and shall be construed according to and consistent with, the IGA.

Section 1. Preservation and Provision of Wetlands and Open Space. The Property has many natural features that the Parties wish to maintain, enhance, and make available to the public as public assets. The Parties contemplate that those wetlands impacted by development on individual lots or parcels within the Property will be mitigated within the Property, in conjunction with the area's stormwater detention facilities, with the result of the creation and preservation of approximately 120 acres of open space, within the Property. The wetlands, stormwater retention facilities and open spaces shall be consistent with the Master Plan and Development Strategy, as set forth in Attachment 1 to Exhibit C.

Section 2. Permit and Design. The State will be responsible for hiring a consultant to design a wetlands mitigation plan and for obtaining all required permits associated with the wetlands on the Property. The City and the Agency will participate in the design of mitigation measures, to ensure integration with the City's stormwater system and compliance with the City's stormwater management plan. It is the intent of the Parties that the mitigation measure should address the Property's wetland and stormwater systems in a comprehensive manner, thereby relieving individual developers from the need to pursue separate permit applications

Section 3. Construction. The City and the Agency will construct, on behalf of the State, projects that are contained in the wetland mitigation design plan and required by any governmental permits. Construction is anticipated to be completed in phases, and will include the expansion of existing wetlands within the Property, as well as the creation of new wetland areas within the Property. The trigger for each phase shall be based upon the impacts of development on existing wetlands and the requirements of any governmental permits.

Section 4. Funding.

(a) **Permit and Design.** The State shall pay all costs associated with obtaining the required State and Federal permits and all costs associated with the creation of the approved wetlands mitigation plan, including costs associated with modifications to the plan required as a result of regulatory review and approval.

(b) **Construction.** The City and the Agency will pay all construction costs for each phase of construction. The phasing, timing and costs of such construction activities are estimated in the Finance and Infrastructure Plan. The details of construction of each future phase will be consistent with the approved mitigation plan and will be finalized by mutual agreement. DAS shall use its best efforts to obtain agreement from the Oregon Department of Corrections to make available to the City, after title to the wetlands vests in the City, inmate labor crews requested by the City to assist in its ongoing monitoring

and maintenance responsibilities, at the lowest daily crew rate charged for inmate labor crews to any person or entity by the Oregon Department of Corrections.

(c) Monitoring and Maintenance. The State shall be responsible for all costs and assume all regulatory liabilities for the wetlands during the establishment period. Once the permitting agencies have certified the mitigation areas, the City shall be responsible for the costs of monitoring and maintaining the mitigation areas.

Section 5. Transfer of Title. In consideration of the City's payment of the construction costs associated with the wetlands, the State shall:

(a) Transfer title to the wetlands to the City after the wetlands are certified by the permitting agencies. The deed shall be in the form of a bargain and sale deed, and shall contain a restrictive covenant requiring the property be used solely for wetlands, stormwater retention, open space and public park purposes. Transfers may take place sequentially, by lots or parcels, by the State to the City upon mutual agreement. The wetlands area will be used and maintained by the City for open space and/or park purposes.

(b) Convey to the City a fee simple interest in a parcel of land not less than three (3) acres in extent, at a location to be determined after collaboration among the Parties and the Master Developer. The consideration of the conveyance shall be the obligation of the City undertaken in Section 3 above. The conveyance of title shall be no later than 30 days after the date of the certification of the entire wetlands area.

(c) Convey to the City a conservation easement i) protecting the trees on the "oak knoll" portion of the property and ii) permitting a trail to be built from the wetlands area to the "oak knoll" trees.

(d) The City's obligations undertaken under the IGA, including the obligations undertaken under this Wetlands and Open Space Plan herein, shall be the consideration for the transfers of real property and any interest therein, and there shall be no monetary payment by the City to the State for any real property or interest therein transferred pursuant to this section.

Section 6. Amendments. This Implementation Plan may be amended, in writing, from time to time, only upon the approval of the Implementation Committee and pursuant to the terms of the IGA.

WHEREFORE, the Parties have approved this Implementation Plan as of the dates set forth below.

STATE OF OREGON:

BY: Laurie A. Warner
Laurie Warner
Director
Oregon Department of Administrative Services

Date: 3/14/05

CITY OF SALEM

BY: Robert G. Wells
Robert G. Wells
City Manager

Date: 02/02/05

URBAN RENEWAL AGENCY OF THE CITY OF SALEM

BY: Robert G. Wells
Robert G. Wells
Executive Director

Date: 02/02/05

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EXHIBIT E

List of City Planning and Administrative Cost Reimbursements (Estimates) Not to Exceed \$1M

Predevelopment Tasks	Estimated Costs
Otak Pre Planning Consulting Contract	\$10,000
Otak Consulting, less \$100,000 Strategic Reserve Grant	\$225,000
Otak Change Order for Land Analysis	\$21,720
DKS Associates for TIA	\$43,900
URA Report & Plan	\$50,000
CC& Rs - legal	\$5,000
Planning & UD Costs	\$62,929
Parks (>04-5)	\$3,700
Legal URA Review fees	\$5,000
Staff implementation	\$103,309
Subtotal	\$530,558

Total Predevelopment & Estimated Planning Costs \$1,030,558