

**RESOLUTION NO. 1628
SEPTEMBER 2016
EUGENE WATER & ELECTRIC BOARD**

**AUTHORIZING GENERAL MANAGER TO
RESCIND RESOLUTION No. 1602 AND NEGOTIATE
PURCHASE AND SALE AGREEMENT**

WHEREAS, the Eugene Water & Electric Board (“EWEB”) Board of Commissioners has declared surplus approximately 20 acres of riverfront property by Resolution #1324, dated November 5, 2013,

WHEREAS, EWEB authorized General Manager to refine and finalize terms and conditions, and thereafter execute a Two Party Memorandum of Understanding and Three Party Exclusive Negotiating Agreement pursuant to Deal Points by Resolution 1602, dated January 5, 2016,

WHEREAS, the nature of the agreement between the City of Eugene and EWEB has evolved in a manner where a Purchase and Sale Agreement between EWEB and the City of Eugene is now the preferred instrument of conveyance, and

WHEREAS, the EWEB Commissioners have been apprised of proposed terms and conditions for a Purchase and Sale Agreement between EWEB and City of Eugene.

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

- (i) Board Resolution No. 1602 is hereby rescinded, and
- (ii) The General Manager is directed to refine and finalize the terms and conditions of a Purchase and Sale Agreement with the City of Eugene.

Dated this 6th day of September, 2016.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is true and exact copy of the Resolution adopted by the Board in its September 6th, 2016 Regular Board Meeting.

Assistant Secretary

**RESOLUTION NO. 1602
JANUARY 2016**

**EUGENE WATER & ELECTRIC BOARD
AUTHORIZING GENERAL MANAGER TO
EXECUTE TWO PARTY MEMORANDUM OF UNDERSTANDING AND
THREE PARTY EXCLUSIVE NEGOTIATION AGREEMENT**

WHEREAS, the Eugene Water & Electric Board (“EWEB”) Board of Commissioners has declared surplus approximately 17 acres of riverfront property by Resolution #1324, dated November 5, 2013,

WHEREAS, EWEB issued RFQ/I 007-2014 Eugene Downtown Riverfront Redevelopment Opportunity and is now in position to proceed with the proposal of Williams & Dame,

WHEREAS, the EWEB Commissioners have been apprised of Deal Points designed to guide the terms and conditions of a two party Memorandum of Understanding between the City of Eugene and EWEB, and

WHEREAS, the EWEB Commissioners have been apprised of proposed terms and conditions for a three party Exclusive Negotiation Agreement with the City of Eugene, Williams & Dame Development and EWEB.

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

- (i) The General Manager is directed to refine and finalize the terms and conditions, and thereafter execute the two party Memorandum of Understanding with the City of Eugene in accord with the Deal Points, and
- (ii) The General Manager is directed to refine and finalize the terms and conditions, and thereafter execute, the three party Exclusive Negotiation Agreement with the City of Eugene, Williams & Dame Development and EWEB.

DATED this 5 day of January, 2016.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is true and exact copy of the Resolution adopted by the Board in its January 5th, 2016 Regular Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Simpson, Helgeson, Manning and Brown
FROM: Roger Gray, General Manager
DATE: December 29, 2015
SUBJECT: Riverfront Property Agreement
OBJECTIVE: Board Action

Issue

EWEB holds title to approximately 17 acres of surplus riverfront property. It is in the best interest of EWEB and its customer owners to sell the property at a fair price and within a known timeline under terms which protect EWEB's operational needs and customer access.

Background

EWEB has made significant progress toward preparation for the eventual sale of surplus riverfront property. At this phase, the City of Eugene is best positioned to negotiate the majority of the outstanding variables that will influence the sale of the property. At the August board meeting Management provided commissioners with an update on the development of the riverfront property. The board expressed support for the concept of the City of Eugene taking the lead role in marketing the property.

Discussion

EWEB Management and the City of Eugene have prepared draft deal points which would serve as guidance toward a final two party Memorandum of Understanding (MOU) between EWEB and the City of Eugene as well as a three party Exclusive Negotiation Agreement (ENA) with EWEB, City of Eugene and Williams & Dame Development. The terms are provided in the EWEB Riverfront Deal Points document which follows. The land referenced in the deal points includes the following parcels: Surplus Property, City Park, Headquarters (retained land) and Parking (to be held at this time, but potentially surplus). The Parking area was added subsequent to the December 1 executive session, when the map was last presented to the board, please note the map included herein has not yet been updated to reflect this change.

Recommendation

Management recommends that the Board direct the General Manager to refine and finalize the terms and conditions, and thereafter execute the two party Memorandum of Understanding with the City of Eugene as well as the three party Exclusive Negotiation Agreement (ENA) with the City of Eugene, Williams & Dame Development and EWEB that is in accord with the deal points.

Requested Board Action

Approval of Resolution No. 1602 at the January 5, 2016 board meeting.

EWEB RIVERFRONT DEAL POINTS –

The following deal points would serve as final guidance toward the final 2 party EWEB-City of Eugene MOU and 3 party (EWEB, City and Williams and Dame) Exclusive Negotiation Agreement (ENA)

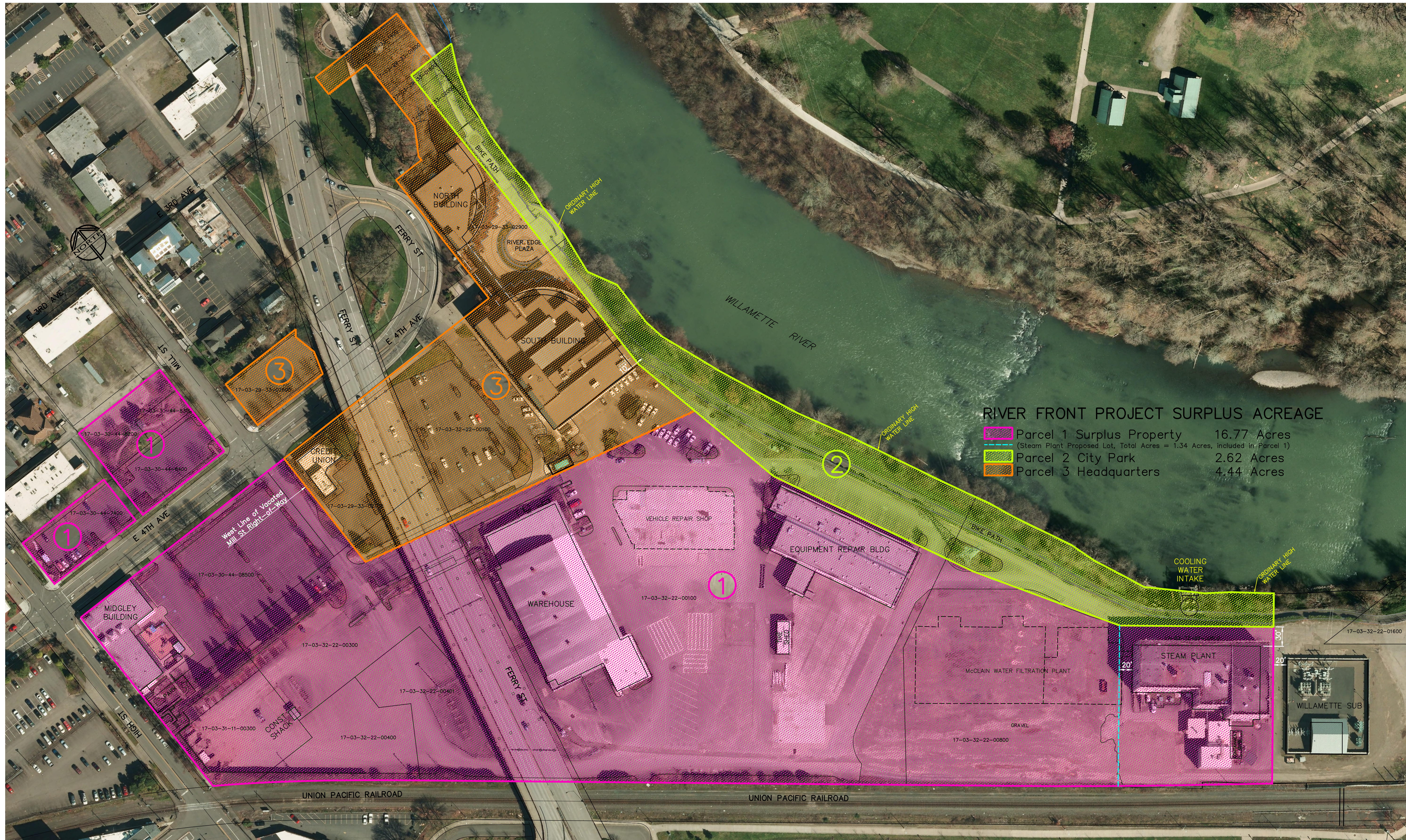
- Section 1: City and/or Urban Renewal Agency (“City”) will act as EWEB’s agent for purposes of selling and moving to market EWEB riverfront site (as shown on attached map).
- Section 2: City, at its sole discretion, may negotiate for the sale and development of the land, whether with Williams & Dame or other parties of City’s choosing, so long as City ensures that all development proposals will be consistent with EWEB Riverfront Master Plan and terms of all MOUs between EWEB and City.
- Section 3: City guarantees that EWEB will receive a minimum of *\$(final range is probably 6.5 to 6.9)* million (“guaranteed amount”) within 5 years, regardless of the price that City agrees to for the sale of the land to a 3rd party. This guaranteed amount will be adjusted to reflect any land that is removed or added to the land shown on the attached map. For example, if part of the land shown on the attached map is reduced due to an environmental issue and the land is retained by EWEB, the guaranteed amount will be reduced. The amount that the guaranteed amount will be adjusted (whether up or down) will be \$10/sq. foot except the Mill Lot and Credit Union parking area which, if withdrawn, may be subject to a different rate as determined by a definitive agreement
- Section 4: City may establish whatever purchase price and conditions City deems appropriate for all or any portion of the surplus property, both before and after the payment of the guaranteed amount. If City sells the property for more than the guaranteed amount, then the additional revenue will be distributed as follows: for the first \$1 million of additional revenue, split 75%/25% (EWEB/City); for the next \$1 million of additional revenue, split 50%/50%; and for any additional revenue, 25%/75% (EWEB/City).
- Section 5: EWEB agrees to complete the remediation necessary to obtain a No Further Action (“NFA”) letter from DEQ for the entire site. EWEB will establish a remediation fund of \$1 million. Up to \$200-250K of that fund may be used by EWEB following the effective date of this agreement to pay the costs of remediation necessary to obtain the NFA. The balance of the remediation fund shall be available for remediation in the event that environmental issues are identified during the disposition and development process. If such issues are discovered, EWEB shall either remediate or make funds available to remediate the issues up to the balance of the remediation fund. If the cost of remediation exceeds the amount in the remediation fund,

City or EWEB can remove the land at issue from development and the guaranteed amount will be reduced as provided in section 3 above. EWEB may pursue recovery of costs related to environmental contamination from 3rd parties and prior owners; any reimbursements and recovery shall be EWEB's.

- Section 6: EWEB will acquire and provide asbestos surveys of surplus buildings to City.
- Section 7: EWEB has a need for (TBD based on operational needs and final code requirements) parking spaces for its customers, visitors, employees and tenants. Some of this parking will be retained with the HQ property that is not surplus. This, however, is not adequate. Therefore, EWEB has identified land areas on 4th Avenue shown on the attached map that EWEB has determined would be adequate to meet its total parking needs. Specifically, this additional land area is the lot on the NE corner of Mill and 4th ("Mill lot"); and general land area around the old EWEB credit union building bounded by E. 4th Ave on the north, the extension of Mill Street on the west and the western edge of the viaduct to the east ("Credit Union" area). City or developer may propose alternate parking in lieu of this additional land area, and if satisfactory to EWEB, the alternate parking shall be used and City may sell the additional land areas on 4th Avenue. If an alternate parking area is accepted by EWEB in lieu of the Credit Union area, then City agrees to preserve right of vehicular access in favor of EWEB operations and the public from Mill to the EWEB Headquarters parcel. EWEB will not unreasonably withhold consent for an alternate parking plan. If City cannot propose alternate parking that is satisfactory to EWEB, then EWEB shall retain this additional land area and the guaranteed amount will be reduced accordingly.
- Section 8: City staff will work with EWEB on possible changes to the Master Plan/Code regarding south side of headquarters building.
- Section 9: City will ensure coordination of construction activities and access agreement as needed for customer egress and employees during construction. The intent is there to be no material adverse operational/customer impacts and no long-term degradation to HQ value/access/operations.
- Section 10: City will coordinate with EWEB staff on a regular basis and provide information to EWEB about the property negotiations upon request by EWEB.
- Section 11: EWEB and City will work together to finalize lot lines and parcels including easements for existing utilities and other structures. Relocation of

utilities shall not be unreasonably withheld. Relocation of utilities shall be paid for by the entity requesting relocation.

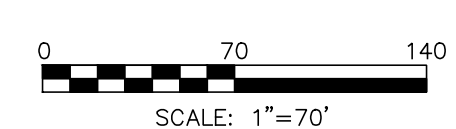
- Section 12: Prior to formal title transfer of surplus property, nothing in this agreement shall prohibit EWEB from addressing operations and maintenance issues of existing structures in whatever way EWEB deems appropriate, including; but not limited to, repair or demolition of structures, maintenance of landscaping, roads or property, security, entering in to, extending or termination of existing or new leases. Leasing arrangements, maintenance and operational issues for existing EWEB structures and land remain in process of refinement and are subject to final determination in a definitive agreement.



RIVER FRONT PROJECT SURPLUS ACREAGE

Parcel 1 Surplus Property	16.77 Acres
(Steam Plant Proposed Lot, Total Acres = 1.34 Acres, included in Parcel 1)	
Parcel 2 City Park	2.62 Acres
Parcel 3 Headquarters	4.44 Acres

7/9/2015 12:37 PM ACTION SHERRY



OREGON STATE COORDINATE SYSTEM – SOUTH ZONE
 NORTH AMERICAN DATUM 83
 NATIONAL GEODETIC VERTICAL DATUM 29
 UNIT OF MEASURE = FOOT
 2008 AERIAL PHOTO

INFORMATION SHOWN IS FOR EWEB USE ONLY AND IS NOT WARRANTED TO BE ACCURATE FOR UNINTENDED PURPOSES.

FUNC	BY	CHK	APP
DES	BONDIOLI		
DWN	SLA		
STANDARDS CHECK			
EWEB WORK ORDER NO.			
DATE: 05/04/15			

HEADQUARTERS AREA
HEADQUARTERS RIVER FRONT PROJECT
SURPLUS ACREAGE
PARCELS 1, 2 & 3

EUGENE WATER & ELECTRIC BOARD – EUGENE, OREGON

SCALE: 1"=70'				
REV DATE	DWN	STD	CHK	APP
07/09/15	SLA			
PROPOSED LOT LINE COLOR CHANGE				
DWC NO				REV
D-35425				4