



# FOREST GROVE CITY COUNCIL

## Friday, December 21, 2012

### SPECIAL MEETING AGENDA

2:00 PM – Executive Session (Real Property)  
2:30 PM – Special Meeting

Community Auditorium  
1915 Main Street  
Forest Grove, OR 97116

PETER B. TRUAX, MAYOR

Thomas L. Johnston, Council President  
Richard G. Kidd III  
Victoria J. Lowe

Camille Miller  
Ronald C. Thompson  
Elena Uhing

All meetings of the City Council are open to the public and all persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the Council as follows:

➔ Public Hearings – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will review the complete hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.

➔ Citizen Communications – Anyone wishing to address the Council on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Citizen Communications is limited to two minutes unless the presiding officer grants an extension.

The public may not address items on the agenda unless the item is a public hearing. Routinely, members of the public speak during Citizen Communications and Public Hearings. If you have questions about the agenda or have an issue that you would like to address to the Council, please contact the City Recorder at 503-992-3235.

City Council meetings are handicap accessible. Assistive Listening Devices (ALD) or qualified sign language interpreters are available for persons with impaired hearing or speech. For any special accommodations, please contact the City Recorder at 503-992-3235, at least 48 hours prior to the meeting.

Michael Sykes  
City Manager

2:00

**EXECUTIVE SESSIONS ARE CLOSED TO THE PUBLIC.**

Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No Executive Session may be held for the purpose of taking final action or making any final decision.

***The City Council will convene in the Community Auditorium – Conference Room to hold the following executive session):***

**In accordance with ORS 192.660(2)(e) to deliberate with persons designated by the governing body to negotiate real property transactions.**

2:30

1. **SPECIAL MEETING:** Called to Order and Roll Call (\*1)
2. **CITIZEN COMMUNICATIONS:** Anyone wishing to speak to Council on an item not on the agenda may be heard at this time. *Please sign-in before the meeting on the Citizen Communications form posted in the foyer.* In the interest of time, please limit comments to two minutes. Thank you.
3. **CONSENT AGENDA:** None.
4. **ADDITIONS/DELETIONS:** None.

Paul Downey, Administrative  
Services Director

2:35

5. **RESOLUTION NO. 2012-77 AUTHORIZING PURCHASE OF PROPERTY KNOWN AS "TIMES LITHO", LOCATED AT 1829 PACIFIC AVENUE AND 2014 A STREET**

*\*1 Councilors Camille Miller and Richard Kidd will be attending by teleconference call*

Paul Downey, Administrative  
Services Director

2:45

6. **RESOLUTION NO. 2012-78 TRANSFERRING APPROPRIATIONS WITHIN THE GENERAL FUND FOR THE FISCAL YEAR 2012-13 TO FUND PURCHASE OF PROPERTY KNOWN AS THE TIMES LITHO PROPERTY LOCATED AT 1829 PACIFIC AVENUE AND 2014 A STREET**

Paul Downey,  
Administrative Services  
Director

2:50

7. **RESOLUTION NO. 2012-79 AUTHORIZING FINANCING TO PURCHASE OF PROPERTY KNOWN AS THE TIMES LITHO PROPERTY LOCATED AT 1829 PACIFIC AVENUE AND 2014 A STREET**

3:00

8. **ADJOURNMENT:**

December 21, 2012

**REPORT ON RESOLUTIONS AUTHORIZING PURCHASE OF  
TIMES LITHO PROPERTY, FINANCING OF THE PURCHASE OF THE  
TIMES LITHO PROPERTY , AND TRANSFERRING APPROPRIATIONS  
WITHIN THE GENERAL FUND FOR THE FISCAL YEAR 2012-13 TO  
INCREASE EXPENDITURE APPROPRIATION TO PAY FOR THE  
PURCHASE OF THE TIMES LITHO PROPERTY**

**Project Team:** Paul Downey, Director of Administrative Services  
Michael Sykes, City Manager

**ISSUE STATEMENT:** Staff has reached tentative agreement with the Bank of the West to purchase the 11 tax lots known as the Times Litho Property. To complete the purchase, staff needs City Council authorization to purchase the property, obtain financing for the property, and increase expenditure appropriation authority within the General Fund to pay for the property purchase. Staff has prepared the necessary resolutions for the Council's consideration.

**DISCUSSION:** The agreement that staff has tentatively reached with the Bank of the West is that the City will purchase the property "As-Is" for \$800,000 with no purchase contingencies and close the transaction on or before December 31, 2012. This agreement is outside the direction given to staff at the earlier executive session which is why staff is requesting that the Council formally approve the deal. Staff has briefed the Council individually on the proposed purchase terms. Staff agreed to these terms to prevent another party who had agreed on terms with the bank from signing a deal to obtain the property.

This purchase is viewed as long-term investment by City staff. It is 2.68 acres in the downtown area with an office building and warehousing space with offices. In the long-term, staff views the office building and the land as the key assets involved in this purchase. No specific uses for the property have been identified other than opening the parking lot on the corner of A Street and 21<sup>st</sup> Street that is part of the purchase and renting out the house on B Street. A master site plan with alternative uses for the site will be developed. Potential long-term uses are redeveloping a portion of the property for retail/residential mixed-use to help spur redevelopment downtown, using the office building for future City office space and potentially locating other City services such as a new police station.

**FISCAL IMPACT:** The property will be funded by putting 10% of the purchase price (\$80,000) down and financing the rest of the purchase by obtaining a mortgage and using the property as security. Staff is looking at a 20-year amortization of the \$720,000 that will be financed. To not impact the General Fund cash balance, staff will recommend not transferring \$80,000 of the \$350,000 scheduled to be transferred to the Major Maintenance Fund this fiscal year.

Local Budget Law requires a budget adjustment be prepared and approved by the City Council prior to the expenditure of the additional funds. Staff is proposing a contingency transfer to appropriate funds for the purchase of the property. A public hearing is not required for this contingency fund transfer since the transfer is less than 15 percent of the Fund's total appropriated expenditures.

**STAFF RECOMMENDATION:** Staff is recommending that the City Council approve the attached resolutions so the purchase of the property can be completed.



**RESOLUTION NO. 2012-77**

**RESOLUTION AUTHORIZING PURCHASE OF PROPERTY  
KNOWN AS THE TIMES LITHO PROPERTY LOCATED  
AT 1829 PACIFIC AVENUE AND 2014 A STREET**

**WHEREAS**, the Bank of the West is selling the Times Litho property approximately 2.68 acres with structures on tax lots 1S3W06BB4100, 1S3W06BB4200, 1S3W06BB4301, 1S3W06BB4400, 1N3W31CC9500, 1S3W06BB4300, 1S3W06BB4500, 1S3W06BB3400, 1S3W06BB3800, 1S3W06BB3702, and 1S3W06BB3701; and

**WHEREAS**, the Forest Grove City Council authorized staff to begin negotiations for purchase of that property; and

**WHEREAS**, City staff and the Bank of the West have reached agreement on terms for the purchase of the property.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:**

**Section 1.** The City Council hereby authorizes the purchase of the Times Litho property as described above from the Bank of the West for \$800,000 plus closing and financing costs.

**Section 2.** The City Manager and/or the Director of Administrative Services are hereby authorized to sign the necessary papers to complete the transaction.

**Section 3.** This resolution is effective immediately upon its enactment by the City Council.

**PRESENTED AND PASSED** this 21<sup>st</sup> day of December, 2012.

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Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 21<sup>st</sup> day of December, 2012.

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Peter B. Truax, Mayor



**RESOLUTION NO. 2012-78**

**RESOLUTION TRANSFERRING APPROPRIATIONS WITHIN  
THE GENERAL FUND FOR THE FISCAL YEAR 2012-13 TO FUND  
PURCHASE OF PROPERTY KNOWN AS THE TIMES LITHO PROPERTY  
LOCATED AT 1829 PACIFIC AVENUE AND 2014 A STREET**

**WHEREAS**, the City Council has authorized staff to complete the purchase of the Times Litho property from the Bank of the West for \$800,000 plus closing and financing costs; and

**WHEREAS**, the purchase of this property was not budgeted during the FY 2012-13 budget process; and

**WHEREAS**, insufficient funds are budgeted in the General Fund to complete this purchase; and

**WHEREAS**, a contingency transfer is required within the General Fund so the property purchase can be completed.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:**

**Section 1.** Transfer \$830,000 from General Fund Contingency (line item 100-18-10-580206) to Administrative Services Department Property Acquisition (line item 100-12-10-550187).

**Section 2.** Total appropriations for the Administrative Services Department are increased to \$2,985,758 and the remaining General Fund Contingency appropriation is reduced to \$410,795.

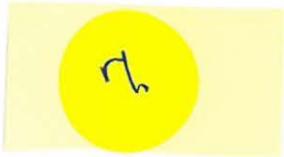
**Section 3.** This resolution is effective immediately upon its enactment by the City Council.

**PRESENTED AND PASSED** this 21<sup>st</sup> day of December, 2012.

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Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 21<sup>st</sup> day of December, 2012.

\_\_\_\_\_  
Peter B. Truax, Mayor



**RESOLUTION NO. 2012-79**

**RESOLUTION AUTHORIZING FINANCING TO PURCHASE OF  
PROPERTY KNOWN AS THE TIMES LITHO PROPERTY  
LOCATED AT 1829 PACIFIC AVENUE AND 2014 A STREET**

**WHEREAS**, the City Council authorized purchase of the Times Litho property (PROPERTY) from the Bank of the West in Resolution 2012-77; and

**WHEREAS**, the City desires to finance purchase of PROPERTY; and

**WHEREAS**, ORS 271.390 authorizes a city to enter into financing agreements for real or personal property including authorizing the City to grant a mortgage on the property; and

**WHEREAS**, with a closing date on the property of no later than December 31, 2012, City needs a short-term loan that will change to a mortgage by the end of February 2013.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:**

**Section 1.** The City Council hereby authorizes financing for purchase of the PROPERTY.

**Section 2.** The City Council authorizes staff obtain a short-term credit line or loan backed by a Certificate of Deposit to initially finance the property.

**Section 3.** The City Council authorizes staff obtain a long-term mortgage on the PROPERTY with the PROPERTY as security to replace the short-term financing.

**Section 4.** The City Manager and/or the Director of Administrative Services are hereby authorized to sign the necessary papers to complete the aforementioned transactions.

**Section 5.** This resolution is effective immediately upon its enactment by the City Council.

**PRESENTED AND PASSED** this 21<sup>st</sup> day of December, 2012.

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Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 21st day of December, 2012.

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Peter B. Truax, Mayor