



MADRAS CITY COUNCIL MEETING & EXECUTIVE SESSION

Tuesday, February 13, 2024 at 5:30 PM

City Council Chambers, 125 SW "E" Street, Madras, OR 97741

Telephone (541) 475-2344 www.ci.madras.or.us

This meeting is open to the public. Audio/Video of the meeting will be available on our website within 24 hours following the meeting. This agenda includes a list of the principal subjects anticipated to be considered at the meeting. However, the agenda does not limit the ability of the Council to consider additional subjects. Meetings may be canceled without notice. The chat feature in Zoom is only available during Public Comments portions of the meeting. Zoom participants should use the "raise your hand" feature during these times to alert the moderator that they would like to speak.

Join via Zoom:

<https://us02web.zoom.us/j/2912614668?pwd=MIJ3ZzhOYzg0ZkhwOTZ0REgrWTFYdz09>

Passcode: **5414752344**

Join via teleconference:

From a cell phone: **971-247-1195**

From a land line phone: **1-877-853-5257**

Meeting ID: **291 261 4668#**

Participant ID: **#**

Passcode: **541 475 2344#**

CITY COUNCIL AGENDA

I. Call Meeting to Order

II. Pledge of Allegiance and Prayer

III. Roll Call

IV. Public Comments (please limit to 3 minutes)

The Council reserves the right to limit the number of speakers pertaining to the same topic in the interest of meeting efficiency and expediency.

V. Amend or Accept Regular Agenda

VI. City Council Consent Agenda

All matters listed within the Consent Agenda have been distributed to every member of the City Council for reading and study, are considered routine, and will be enacted by one motion of the Council. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

1. Approve Work Session Meeting Minutes for January 22, 2024
2. Approve Work Session Meeting Minutes for January 8, 2024
3. LGIP Updates
4. Bank Signature Card Updates
5. City of Madras Safety Deposit Box Updates
6. Approve Liquor License for H&S Stations, LLC

VII. Public Hearing(s)

1. City of Madras Comprehensive Plan and Map Amendments for the adjustment of the Madras Urban Growth Boundary to remove and add 40 acres +/-.
 - A. Mayor Opens Public Hearing
 - B. Declaration of Conflicts of Interest: Does any Councilor have any actual economic conflict of interest to disclose?
 - C. Staff Report / Applicant Testimony
 - D. Public Testimony
 - E. Staff Comments
 - F. Deliberation (Motion to recommend approval, modification, denial, or continue the public hearing to a date and time certain)
Nicholas Snead, Community Development Director
2. City of Madras Request for Annexation (Boundary Change)
 - A. Mayor Opens Public Hearing
 - B. Declaration of Conflicts of Interest: Does any Councilor have any actual economic conflict of interest to disclose?
 - C. Staff Report / Applicant Testimony
 - D. Public Testimony
 - E. Staff Comments
 - F. Deliberation (Motion to recommend approval, modification, denial, or continue the public hearing to a date and time certain)
Nicholas Snead, Community Development Director

VIII. Regular Agenda

1. CDBG Amendment No. 2
Jeff Hurd, Public Works Director
2. Airport T Hangar Lease #1
Jeff Hurd, Public Works Director
3. Shelter Services Center (Lease and Operating Agreement)
Jeff Hurd, Public Works Director
4. Agreement Creating Land Use Restrictive Covenants for the Shelter Services Center
Jeff Hurd, Public Works Director
5. Community Project Grants for the Fiscal Year 2024-2025
Kate Knop, Finance Director
6. Planning Commission Appointment
Nicholas Snead, Community Development Director

IX. Department Reports / Committee Updates

X. Adjourn Council Meeting

Executive Session Agenda

I. Call Executive Session to Order

II. Executive Session Agenda

1. ORS 192.660(2)(f) Attorney-Client Privileged Communications which permits the council to meet in executive session to consider information or records that are exempt by law from public inspection.

Representatives of the news media and designated staff will be allowed to attend the executive session. All other members of the audience will not be permitted to attend. 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 decision may be made in the executive session. The council will not return to open session after the executive session.

III. Adjourn Executive Session

MADRAS CITY COUNCIL
OFFICIAL MEETING MINUTES

City Council Chambers, 125 SW "E" Street, Madras, OR 97741

Monday, January 22, 2024

I. Call Work Session to Order

Mayor Lepin called the meeting to order at 12:00 pm.

II. Roll Call

Council:

Mayor Mike Lepin was present.

Councilors Seibold, Soliz, and Spencer were present.

Councilors Townsend and Walker were excused.

Councilor Yoder was absent.

Staff:

Police Chief Tim Plummer

Interim Office Manager Lysa Vattimo

Sergeant Steve Webb

Community Development Director Nick Snead

Associate Planner Fatima Taha

HR Consultant Cindy Smith

City Recorder Keli Pollock

Visitors in Person:

Debbie Taylor, Chamber Director

Visitors on Zoom:

City Administrator Will Ibershof

III. Work Session Topic(s)

1. Madras Police Department Update

Chief Plummer presented a PowerPoint presentation (provided in the meeting packet) reviewing Police Department accomplishments in 2023 and then moved into forecasting needs for 2024 and moving forward. Chief Plummer took an in depth look at the Council's goals for public safety for 2023 and reported that most are completed and others are in progress. Chief Plummer reviewed their anticipated needs for future planning in the areas of technology, fleet, equipment, evidence, staffing and facilities.

Councilors congratulated the department on their social media presence and positivity. Council and staff discussed the different challenges and visions to achieve goals. Council and staff discussed questions or concerns about the current organizational chart and the proposed organizational charts to gain understanding of the key goals, succession and overall structure planned for the Police Department. They discussed staffing and the current hiring process, vacant positions, future positions/staffing needs, and possible grant funding for recruitment. Councilor Soliz brought up concerns of a heavy number of administrative staff being added in comparison to certified patrol staff, the lack of forecasting for a school resource officer or CODE team officer, which were all council goals for staffing.

IV. Additional Discussion

There was no additional discussion.

V. Adjourn Work Session

Meeting adjourned at 1:01 pm.

Minutes prepared by:

Reviewed by:

Keli Pollock, City Recorder

Will Ibershof, City Administrator

Approved by Council on: _____

**MADRAS CITY COUNCIL
OFFICIAL MEETING MINUTES**

City Council Chambers, 125 SW "E" Street, Madras, OR 97741

Monday, January 8, 2024

I. Call Work Session to Order

Mayor Lepin called the meeting to order at 12:01 pm.

II. Roll Call

Council:

Mayor Mike Lepin was present.

Councilors Seibold, Soliz, Spencer, Townsend, and Walker were present.

Councilor Yoder was absent.

Staff:

Police Chief Tim Plummer

Community Development Director Nick Snead

Interim Finance Director Rose Vanderschaegen

Public Works Director Jeff Hurd

City Recorder Keli Pollock

There were no visitors in person.

There were no visitors on Zoom.

III. Work Session Topic(s)

1. Committee List Review

City Recorder Pollock and Council reviewed the 2024 Draft Committee List and discussed appointments, changes, etc. The list will be updated and presented at the January 23, 2024 Council meeting for final review and approval.

2. Fee Resolution - Review and Make Recommendations

Interim Finance Director Vanderschaegen advised that at the December meeting there was a fee resolution presented, and it was asked to be reviewed more thoroughly by each department and come back to Council to review changes, additions, and deletions. Director Vanderschaegen provided a redline (edited) version and final version for their review. The final will come to them at the January 23, 2024, meeting for their approval.

IV. Additional Discussion

There was no additional discussion.

V. Adjourn Work Session

Meeting adjourned at 12:45 pm.

Minutes prepared by:

Reviewed by:

Keli Pollock, City Recorder

Will Ibershof, City Administrator

Approved by Council on: _____

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Kate Knop, Finance Director

Through: Will Ibershof, City Administrator

Subject: **LGIP PERMISSIONS UPDATED**
City of Madras LGIP account updated to reflect access granted to new Finance Director, Kate Knop.

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

That Council authorize the City Administrator Will Ibershof to update the permissions on the LGIP account to include new Finance Director Kate Knop and remove former Interim Finance Director Rose Vanderschaegen.

OVERVIEW:

Upon review of permissions authorized on the LGIP account for the City of Madras, it became evident that the users needed to be updated.

STAFF ANALYSIS:

The following changes need to be made to the authorized users for the City of Madras account:

- Remove Rose Vanderschaegen, Former Interim Finance Director
- Add Kate Knop, Finance Director

FISCAL INFORMATION:

NA

SUPPORTING DOCUMENTATION:

NA

STRATEGIC GOAL:

NA

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Kate Knop, Finance Director

Through: Will Ibershof, City Administrator

Subject: **BANK SIGNATURE CARD UPDATES**
First Interstate Bank
City of Madras General Checking, City of Madras Police Fund, City of Madras
LGIP accounts

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

That Council authorize First Interstate Bank to make the changes outlined below.

OVERVIEW:

Upon review of signature holders at First Interstate Bank for all City of Madras accounts, it became evident that the signature holders needed to be updated.

STAFF ANALYSIS:

The following changes need to be made to the signers for the City of Madras checking accounts:

- Add Michael Lepin as signer

FISCAL INFORMATION:

NA

SUPPORTING DOCUMENTATION:

NA

STRATEGIC GOAL:

NA

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Kate Knop, Finance Director

Through: Will Ibershof, City Administrator

Subject: **AUTHORIZATION ALLOWING THE FIRST INTERSTATE BANK TO MAKE APPROVED CHANGES TO UPDATE THE ACCESS TO CITY SAFETY DEPOSIT BOXES**

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

That Council authorize First Interstate Bank to make the approved changes as outlined below.

OVERVIEW:

Upon review of authorized users at First Interstate Bank for Safety Deposit boxes it was discovered that the authorized users for the boxes needs to be updated. The changes shown below need to be made to ensure proper authorization is in place to authorize use of the City of Madras Safety Deposit Boxes

STAFF ANALYSIS:

The following changes need to be made to access the Safety Deposit Boxes:

- Add Kate Knop, Finance Director
- Add Nicholas Snead, Community Development Director
- Retain Keli Pollock, City Recorder

FISCAL INFORMATION:

NA

SUPPORTING DOCUMENTATION:

NA

STRATEGIC GOAL:

NA

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Keli Pollock, City Recorder

Through: Tim Plummer, Police Chief

Subject: **LIQUOR LICENSE**
H&S Stations, LLC formerly Pinnacle 365 or CircleK

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

That Council approve the liquor license for H&S Stations, LLC.

OVERVIEW:

H&S Stations, LLC has applied for a liquor license to sell alcohol from their establishment. As part of the normal business practice, Madras Police Department has performed a background investigation on this business and recommends approval.

STAFF ANALYSIS:

This is an established business in Madras, they have had a change of ownership and wish to continue selling alcohol. After review, staff recommends that Council approve this license be granted.

FISCAL INFORMATION:

The City of Madras receives funds for the new liquor license application.

SUPPORTING DOCUMENTATION:

Application and staff approval

STRATEGIC GOAL:

N/A



OREGON LIQUOR & CANNABIS COMMISSION
LIQUOR LICENSE APPLICATION

Instructions

1. **Complete and sign** this application.
2. Prior to submitting this application to the OLCC, send the completed application to **the local government for the premises address** to obtain a recommendation.
 - If the premises street address is within a city's limits, the local government is the city.
 - If the premises street address is not within a city's limits, the local government is the county.
3. You can submit the application to the OLCC if:
 1. You have **WRITTEN** documentation showing the date the local government received the application or;
 2. The local government has provided you their recommendation.

ALL forms and documents must be a PDF attachment

4. **Email the PDF application that contains the local government recommendation or proof of submission** to: OLCC.LiquorLicenseApplication@oregon.gov.
5. **Do not include any license fees with your application packet** (fees will be collected at a later time).
When it's time to pay the license fee you must pay the full yearly fee for the current license year (the license fee will not be prorated). If you pay in the last quarter of your license year you must also pay the yearly fee for the next license year.

License Request Options - Please see the general definitions of the license request options below:

- **New Outlet**: The licensing of a business that does not currently hold an active liquor license.
- **Change of Ownership**: The request to completely change the licensee of record at a licensed business.
- **Greater Privilege**: The request to change from an Off-Premises to a Limited or Full On-Premises Sales license **OR** from a Limited to Full On-Premises Sales license.
- **Additional Privilege**: The licensee currently holds an active liquor license at the premises and that same licensee would like to request to add an **additional** different liquor license type at that same premises location.

Additional Information

Applicant Identification: Please review [OAR 845-006-0301](#) for the definitions of "applicant" and "licensee" and [OAR 845-005-0311](#) to confirm that all individuals or entities with an ownership interest (other than a waivable ownership interest, per OAR 845-005-0311(6)) in the business have been identified as license applicants on this document. If you have a question about whether an individual or entity needs to be listed as an applicant for the license, discuss this with the OLCC staff person assigned to your application.

Premises Address: This is the physical location of the business and where the liquor license will be posted.

Applicant Signature(s): Each individual listed in the applicant information box on page 2 (entity or individuals applying for the license) must sign the application.

If an applicant listed in the applicant information box on page 2 is an entity (such as a corporation or limited liability company), at least one member or officer of the entity must sign the application.

Applicant/Licensee Representative(s): In order to make changes to a license or application or to receive information about a license or application by someone other than the applicant/licensee you must:

- Complete the [Authorized Representative Form](#) designating a person/entity to act on your behalf and submit with the application.

For help with this application or any related documents or processes, email olcc.alcohollicensing@oregon.gov.

LIQUOR LICENSE APPLICATION

Page 1 of 4

Check the appropriate license request option:

- [New Outlet](#) | [Change of Ownership](#) | [Greater Privilege](#) | [Additional Privilege](#)

Select the license type you are applying for.

More information about all license types is available [online](#).

Full On-Premises

- Commercial
- Caterer
- Public Passenger Carrier
- Other Public Location
- For Profit Private Club
- Nonprofit Private Club

Winery

- Primary location
- Additional locations: 2nd 3rd 4th 5th

Brewery

- Primary location
- Additional locations: 2nd 3rd

Brewery-Public House

- Primary location
- Additional locations: 2nd 3rd

Grower Sales Privilege

- Primary location
- Additional locations: 2nd 3rd

Distillery

- Primary location
- Additional tasting locations: (Use the DISTT form [HERE](#))

Limited On-Premises

Off Premises

Warehouse

Wholesale Malt Beverage and Wine

LOCAL GOVERNMENT USE ONLY

LOCAL GOVERNMENT
After providing your recommendation, return this form to the applicant **WITH** the recommendation marked below

Name of City OR County (not both)

City of Madras

Please make sure the name of the Local Government is printed legibly or stamped below

Date application received: 01/19/24

Optional: Date Stamp Received Below

- Recommend this license be granted
- Recommend this license be denied
- No Recommendation/Neutral

Tom Plummer 01/20/24

Printed Name

Date

[Signature]
Signature

Trade Name

LIQUOR LICENSE APPLICATION

Page 2 of 4

APPLICANT INFORMATION	
Identify the applicants applying for the license. This is the entity (example: corporation or LLC) or individual(s) applying for the license. Please add an additional page if more space is needed.	
Name of entity or individual applicant #1: H&S Stations, LLC	Name of entity or individual applicant #2:
Name of entity or individual applicant #3:	Name of entity or individual applicant #4:

BUSINESS INFORMATION		
Trade Name of the Business (name customers will see): #5038		
Premises street address (The physical location of the business and where the liquor license will be posted): 1210 S Hwy 97		
City: Madras	Zip Code: 97741	County: Jefferson
Business phone number:		Business email:
Business mailing address (where we will send any items by mail as described in OAR 845-004-0065[11]): 1210 SW Hwy 97		
City: Madras	State: Oregon	Zip Code: 97741
Does the business address currently have an OLCC liquor license? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Does the business address currently have an OLCC marijuana license? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

APPLICATION CONTACT INFORMATION – Provide the point of contact for this application. If this individual is <u>not</u> an applicant or licensee, the Authorized Representative Form must be completed and submitted with this application.	
Application Contact Name: Moe Harris	
Phone number: 714-761-5426	Email: M.haris@hasoil.com

LIQUOR LICENSE APPLICATION

Page 3 of 4

TERMS

- “Real property” means the real estate (land) and generally whatever is erected or affixed to the land (for example, the building) at the business address.
- “Common area” is a privately owned area where two or more parties (property tenants) have permission to use the area in common. Examples include the walking areas between stores at a shopping center, lobbies, hallways, patios, parking lots, etc. An area’s designation as a “common area” is typically identified in the lease or rental agreement.

ATTESTATION – OWNERSHIP AND CONTROL OF THE BUSINESS AND PREMISES

- Each applicant listed in the “Application Information” section of this form has read and understands [OAR 845-005-0311](#) and attests that:
 1. At least one applicant listed in the “Application Information” section of this form has the legal right to occupy and control the real property proposed to be licensed as shown by a property deed, lease, rental agreement, or similar document.
 2. No person not listed as an applicant in the “Application Information” section of this form has an ownership interest in the business proposed to be licensed, unless the person qualifies to have that ownership interest waived under OAR 845-005-0311.
 3. The licensed premises at the premises street address proposed to be licensed either:
 - a. Does not include any common areas; or
 - b. Does include one or more common areas; however, only the applicant(s) have the exclusive right to engage in alcohol sales and service in the area to be included as part of the licensed premises.
 - In this circumstance, the applicant(s) acknowledges responsibility for ensuring compliance with liquor laws within and in the immediate vicinity of the licensed premises, including in portions of the premises that are situated in “common areas” and that this requirement applies at all times, even when the business is closed.
 4. The licensed premises at the premises street address either:
 - a. Has no area on property controlled by a public entity (like a city, county, or state); or
 - b. Has one or more areas on property controlled by a public entity (like a city, county, or state) and the public entity has given at least one of the applicant(s) permission to exercise the privileges of the license in the area.

LIQUOR LICENSE APPLICATION

Page 4 of 4

Applicant Signature(s): Each individual listed in the applicant information box on page 2 (entity or individuals applying for the license) must sign the application.

If an applicant listed in the applicant information box on page 2 is an entity (such as a corporation or limited liability company), at least one member or officer of the entity must sign the application.

• Each applicant listed in the “Application Information” section of this form has read and understands [OAR 845-006-0362](#) and attests that:

1. Upon licensure, each licensee is responsible for the conduct of others on the licensed premises, including in outdoor areas.
2. The licensed premises will be controlled to promote public safety and prevent problems and violations, with particular emphasis on preventing minors from obtaining or consuming alcoholic beverages, preventing over-service of alcoholic beverages, preventing open containers of alcoholic beverages from leaving the licensed premises unless allowed by OLCC rules, and preventing noisy, disorderly, and unlawful activity on the licensed premises.

I attest that all answers on all forms and documents, and all information provided to the OLCC as a part of this application, are true and complete.

Dakota Pederson



12/30/23

Applicant name

Signature

Date

Applicant name

Signature

Date

Applicant name

Signature

Date

Applicant name

Signature

Date

Applicant/Licensee Representative(s): If you would like to designate a person/entity to act on your behalf you must complete the [Authorized Representative Form](#). You may submit the form with the application or anytime thereafter. The form must be received by the OLCC before the representative can receive or submit information for the applicant.

Please note that applicants/licensees are responsible for all information provided, even if an authorized representative submits additional forms on behalf of the applicant.

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Nicholas Snead, Community Development Director

Through: Will Ibershof, City Administrator

Subject: **CITY OF MADRAS COMPREHENSIVE PLAN AND MAP AMENDMENTS FOR THE ADJUSTMENT OF THE MADRAS URBAN GROWTH BOUNDARY TO REMOVE AND ADD 40 ACRES +/-.**

File No. PA-23-1, Urban Growth Boundary Adjustment.

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

I move that the City Council approve the proposed City of Madras Comprehensive Plan map amendment and proposal to the City Council for consideration and direct staff to prepare the necessary adopting ordinance, contingent upon the Jefferson County Board of Commissioners taking commensurate action on the matter.

OVERVIEW:

Madras is proposing a UGB land exchange to remove residential land from the UGB and replace it with an equivalent amount of land. The land being removed and added to the UGB is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the UGB is designated as R-3 under the Madras Comprehensive Plan and the area being added to the UGB will similarly be planned as R-3.

The area for removal from the UGB is part of the Yarrow Master Plan, planned for development of housing built around a golf course. This area has moderate slopes that make it more difficult to build smaller, more affordable units, which is part of the rationale for developing this area around a proposed golf course.

The area for addition to the UGB is directly west of the area proposed for removal. It is also part of the Yarrow Master Plan area. The plans for development of these two areas have changed over the years, along with the changes to development requirements in R-3. The Bean Foundation, owners of Yarrow, are focused on building a residential neighborhood with a mixture of housing types, affordable at a range of price points. As a result, the Bean Foundation are in the process of revising the Yarrow Master Plan, with the intention of including the area proposed to be brought into the UGB.

This report presents the proposed changes and findings to support the proposed UGB land exchange.

STAFF ANALYSIS:

The land being proposed to be removed and added to the Urban Growth Boundary are identified in Figures 1 & 2 below as well in the attached findings.

Figure 1. Proposed UGB and City Limits Changes.

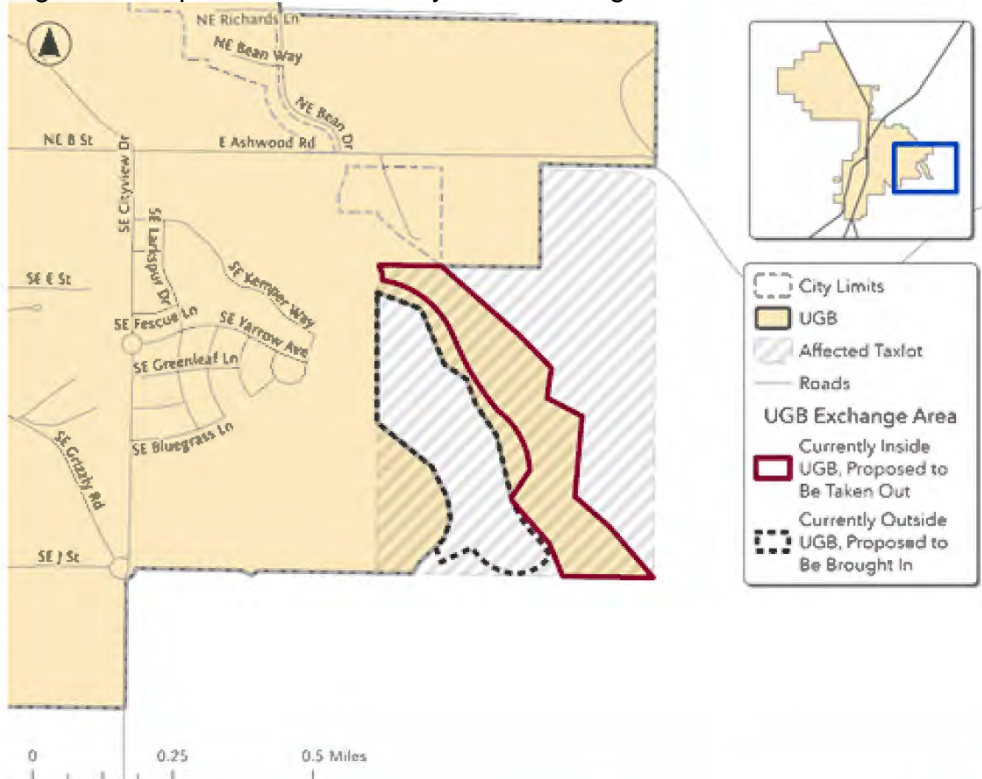
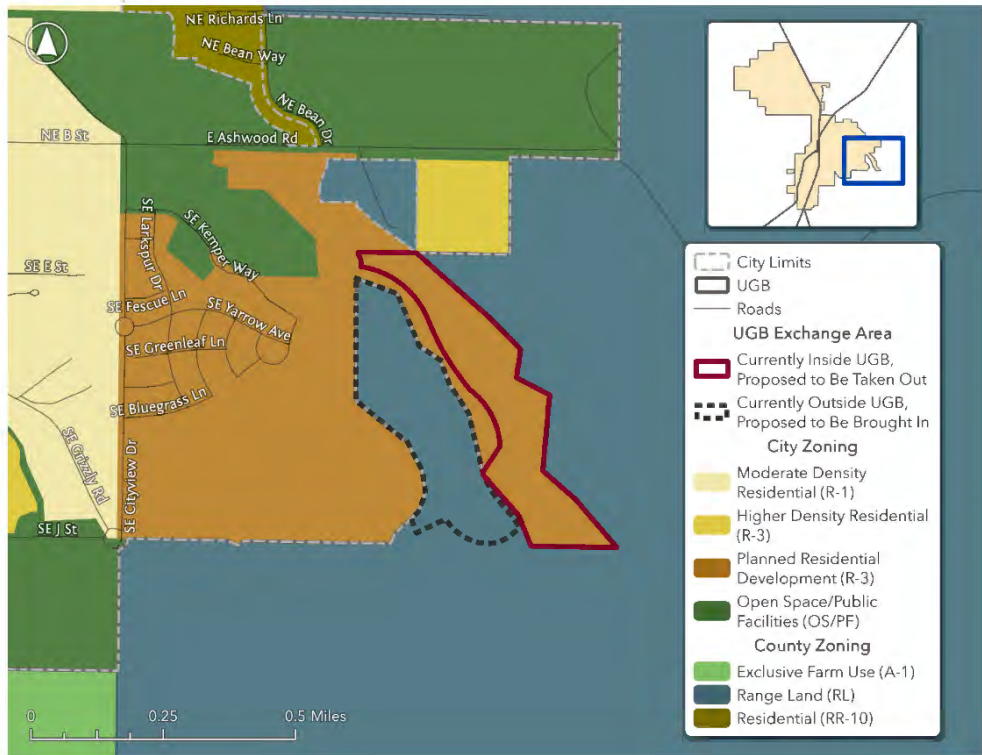


Figure 2. Exchange Area Zoning.



State Requirements for UGB Land Exchange

OAR 660-024-0070 provides direction on exchanging land within an UGB and replacing it with

land presently located outside of the UGB. The requirement of OAR 660-024-0070(2) apply for the land removed and the provisions of Goal 14 Administrative Rule (OAR Chapter 660, Division 024) apply to the land included in the UGB as part of the exchange. Such exchanges also trigger requirements under ORS 197A.320

OAR 660-024-0070 UGB Adjustment

Under OAR 660-024-0070 provides direction on removing and replacing land in the UGB. A government may exchange land if it determines that the removal does not violate applicable statewide planning goals and rules and that the land supply within the UGB provides roughly the same supply of buildable land after the exchange. In addition, the exchange should not provide urban services to the land moved outside of the UGB, nor that it preclude efficient provision of urban services to buildable land within the UGB. The land removed from the UGB must be planned and zoned for rural uses.

Madras proposes to remove 42 acres of land planned as R-3 from its UGB and replace it with 42 acres of land that will be planned R-3 once in the UGB. The land removed will be re-zoned to Range Land (RL) by the Jefferson County. The land added to the UGB is within Madras' Urban Reserves and the land removed from the UGB will be added into the City's Urban Reserves (as addressed below).

ORS 197A.320 requirements, OAR 660-024-0065, and OAR 660-0024-0067

ORS 197A.320 and OAR 660-024-0065 establish a process for identifying a study area to evaluate land for inclusion in the UGB, which includes all land adjacent and within the one-half mile buffer of the Madras UGB. In addition, the study area included all exceptions areas within one mile of the Madras UGB. The final study area must include an amount of land that is at least twice the amount of land needed to replace the land removed from the Madras UGB. The final study area may exclude land from the evaluation of land for inclusion based on areas where it is impracticable to provide necessary public facilities or services to the land or areas with significant development hazards.

OAR 660-0024-0067 establishes the following priority of land for inclusion within a UGB:

- "First Priority" is urban reserve, exception land, and nonresource land.
- "Second Priority" is marginal land: land within the study area that is designated as marginal land
- "Third Priority" is forest or farm land that is not predominantly high-value farm land
- "Fourth Priority" is agricultural land that is predominantly high-value farmland

Goal 14 location factors

As noted in Goal 14, the location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197A.320 and with consideration of the following factors:

1. Efficient accommodation of identified land needs;
2. Orderly and economic provision of public facilities and services;
3. Comparative environmental, energy, economic and social consequences; and
4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the urban growth boundary.

Goal 14 allows local governments to specify characteristics, such as parcel size, topography or

proximity, necessary for land to be suitable for an identified need.

APPROVAL PROCESS & PUBLIC HEARINGS:

As identified in the Urban Growth Area Management Agreement for the City of Madras, the Madras Planning Commission, Jefferson County Planning Commission, Madras City Council, and Jefferson County Board of Commissioners are to each hold public hearings on the proposal on the dates noted below in Table 1. Ultimately, the Madras City Council and Board of Commissioners are to take formal action to approve the same proposal. The public hearings schedule is subject to change if the City Council and Board of Commissioners are not able to agree upon the same proposal.

Table 1. Public Hearings

Hearings Body	Hearing Date	Action Taken
Madras Planning Commission	January 3, 2024	Recommended Council Approval
Jefferson County Planning Commission	February 8, 2024	Staff will report at 2/13/24 Council meeting
Madras City Council	February 13, 2024	To be determined
Jefferson County Board of Commissioners	February 28, 2024	To be determined

NOTICES:

The City has provided the required notice to the Oregon Department of Land Conservation and Development (DLCD) on September 21, 2023. The City issued notice of the proposal to all properties within 250 feet of the subject property on December 11, 2023. The Community Development Department published a notice of the January 3, 2023 Planning Commission public hearing in the December 20, 2023 and December 27, 2023 editions of the Madras Pioneer Newspaper. The Community Development Department also issued notice to public agencies on December 18, 2023.

PUBLIC COMMENTS:

As of February 7, 2024 the Community Development Department has emails from two separate parties regarding the proposed amendments. Staff explained the proposal and provided copies of the findings and associated maps. Once the Community Development Director explained the proposal and the parties were able to review the maps, both parties had no further questions and did not formally submit comments on the proposal. No other public comments have been submitted to the Community Development Department. Staff is also not aware of any other outstanding issues that remain and need to be resolved.

FISCAL INFORMATION:

N/A

SUPPORTING DOCUMENTATION:

See attached.

STRATEGIC GOAL:

Madras UGB Land Exchange Justifications and Findings

November 2023

Prepared for: City of Madras

Draft Report

ECONorthwest
ECONOMICS · FINANCE · PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

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Summary: Map (UGB) Amendments

Madras is proposing a UGB land exchange to remove residential land from the UGB and replace it with an equivalent amount of land. The land being removed and added to the UGB is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the UGB is planned R-3 and the area being added to the UGB will be planned R-3.

The area for removal from the UGB is part of the Yarrow Master Plan, planned for development of housing built around a golf course. This area has moderate slopes that make it more difficult to build smaller, more affordable units, which is part of the rationale for developing this area around a proposed golf course.

The area for addition to the UGB is directly west of the area proposed for removal. It is also part of the Yarrow Master Plan area. The plans for development of these two areas have changed over the years, along with the changes to development requirements in R-3. The Bean Foundation, owners of Yarrow, are focused on building a residential neighborhood with a mixture of housing types, affordable at a range of price points. As a result, the Bean Foundation are in the process of revising the Yarrow Master Plan, with the intention of including the area proposed to be brought into the UGB.

This narrative supports the following amendments to the Madras UGB Land Exchange:

Urban Growth Boundary Change

1. Change the Madras UGB to remove a portion (42 acres, 39 of which are buildable) of tax lot 1114070000100. The lot is owned by the City of Madras and is currently vacant. It is planned by the City as Planned Residential Development (R-3).
2. Change the Madras UGB to add in a different portion of tax lot 1114070000100. The area proposed to be brought into the UGB is about 42 acres, with 2 acres of constrained land, resulting in 40 acres of buildable land. The area proposed for inclusion in the UGB is owned by the City of Madras, designated as urban reserves, and is vacant.

Urban Reserve Change

1. Once the land being removed from the UGB (42 acres of land) is removed, add it to Madras Urban Reserves.
2. Bring land from the Madras Urban Reserves (42 acres of land) into the Madras UGB.

Exhibit 1. Proposed Changes to the Madras UGB and Urban Reserves

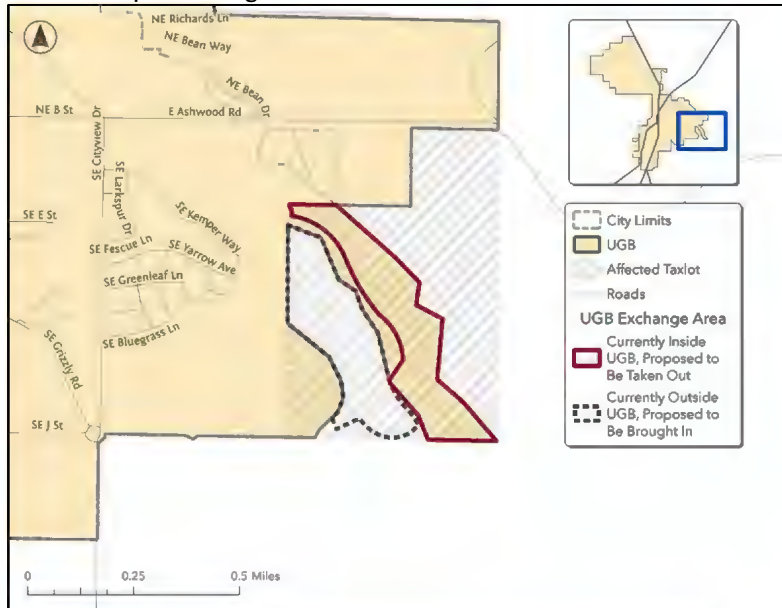
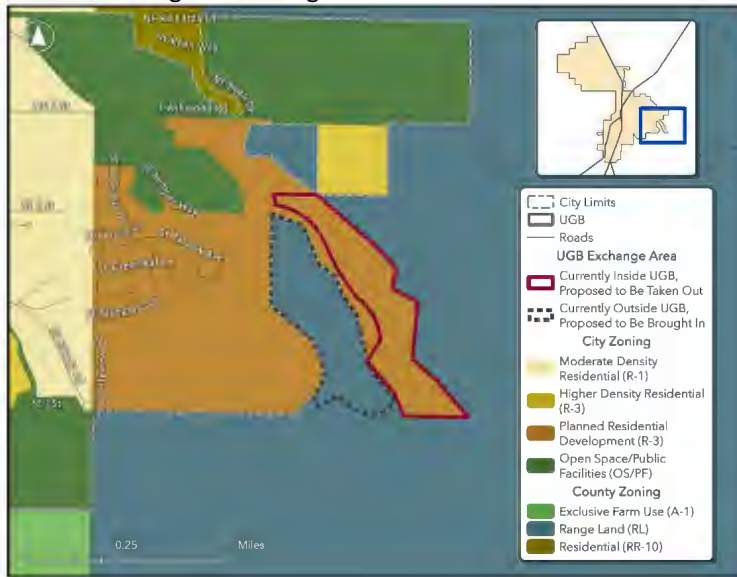


Exhibit 2. Exchange Area: Zoning



1. Introduction

Background

Madras is proposing a UGB land exchange to remove residential land from the UGB and replace it with an equivalent amount of land. The land being removed and added to the UGB is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the UGB is designated as R-3 under the Madras Comprehensive Plan and the area being added to the UGB will similarly be planned as R-3.

The area for removal from the UGB is part of the Yarrow Master Plan, planned for development of housing built around a golf course. This area has moderate slopes that make it more difficult to build smaller, more affordable units, which is part of the rationale for developing this area around a proposed golf course.

The area for addition to the UGB is directly west of the area proposed for removal. It is also part of the Yarrow Master Plan area. The plans for development of these two areas have changed over the years, along with the changes to development requirements in R-3. The Bean Foundation, owners of Yarrow, are focused on building a residential neighborhood with a mixture of housing types, affordable at a range of price points. As a result, the Bean Foundation are in the process of revising the Yarrow Master Plan, with the intention of including the area proposed to be brought into the UGB.

This report presents the proposed changes and findings to support the proposed UGB land exchange.

Applicable Statewide Planning Policy

State Requirements for UGB Land Exchange

OAR 660-024-0070 provides direction on exchanging land within an UGB and replacing it with land presently located outside of the UGB. The requirement of OAR 660-024-0070(2) apply for the land removed and the provisions of Goal 14 Administrative Rule (OAR Chapter 660, Division 024) apply to the land included in the UGB as part of the exchange. Such exchanges also trigger requirements under ORS 197A.320

OAR 660-024-0070 UGB Adjustment

Under OAR 660-024-0070 provides direction on removing and replacing land in the UGB. A government may exchange land if it determines that the removal does not violate applicable statewide planning goals and rules and that the land supply within the UGB provides roughly the same supply of buildable land after the exchange. In addition, the exchange should not provide urban services to the land moved outside of the UGB, nor that it preclude efficient

provision of urban services to buildable land within the UGB. The land removed from the UGB must be planned and zoned for rural uses.

Madras proposes to remove 42 acres of land planned as R-3 from its UGB and replace it with 42 acres of land that will be planned R-3 once in the UGB. The land removed will be re-zoned to Range Land (RL) by the Jefferson County. The land added to the UGB is within Madras' Urban Reserves and the land removed from the UGB will be added into the City's Urban Reserves (as addressed below).

ORS 197A.320 requirements, OAR 660-024-0065, and OAR 660-0024-0067

ORS 197A.320 and OAR 660-024-0065 establish a process for identifying a study area to evaluate land for inclusion in the UGB, which includes all land adjacent and within the one-half mile buffer of the Madras UGB. In addition, the study area included all exceptions areas within one mile of the Madras UGB. The final study area must include an amount of land that is at least twice the amount of land needed to replace the land removed from the Madras UGB. The final study area may exclude land from the evaluation of land for inclusion based on areas where it is impracticable to provide necessary public facilities or services to the land or areas with significant development hazards.

OAR 660-0024-0067 establishes the following priority of land for inclusion within a UGB:

- "First Priority" is urban reserve, exception land, and nonresource land.
- "Second Priority" is marginal land: land within the study area that is designated as marginal land
- "Third Priority" is forest or farm land that is not predominantly high-value farm land
- "Fourth Priority" is agricultural land that is predominantly high-value farmland

Goal 14 location factors

As noted in Goal 14, the location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197A.320 and with consideration of the following factors:

1. Efficient accommodation of identified land needs;
2. Orderly and economic provision of public facilities and services;
3. Comparative environmental, energy, economic and social consequences; and
4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the urban growth boundary.

As noted above, Goal 14 allows local governments to specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need.

Organization of this Document

This document is organized as follows:

- **Chapter 2. Land Proposed for Removal from the Madras UGB** presents the land proposed to be removed from the UGB.
- **Chapter 3. Alternatives Analysis for Establishment of the UGB Land Exchange Study Area** presents the process of establishing the study area and findings about inclusion of land in the final study area.
- **Chapter 4. Goal 14 Locational Factors** includes the evaluation and findings of each study subarea for the Goal 14 locational factors.
- **Chapter 5. County and City Requirements for UGB Changes** presents findings for compliance with Jefferson County and City of Madras requirements for UGB changes.
- **Chapter 6. Statewide Goal Consistency Analysis** presents findings that demonstrate that the proposed UGB concept complies with applicable state planning requirements.

2. Land Proposed for Exchange

This chapter describes the proposed UGB exchange land based on the requirements of OAR 660-024-0070. Madras proposes to remove approximately 39 buildable acres of land designated as R-3 under the Madras Comprehensive Plan and replace it with approximately 40 buildable acres of land that the City will designate R-3. The land proposed for removal has been planned for residential development in the Yarrow Master Plan, with larger-lot single-family housing built around a golf course. The land proposed for inclusion in the UGB is adjacent to the land proposed for removal and the revised Yarrow Master Plan expects to develop the land with a wider variety of housing, as required by Madras' Development Code, based on changes the City made to accommodate missing middle housing (adopted in July 2022).

The land proposed for inclusion in the UGB will be more integrated into Madras' neighborhoods, roads, and other infrastructure, as described in Chapter 3.

Proposed UGB Adjustment

OAR 660-024-0070 Describes the process for making adjustments to a city's UGB, including removing land from the UGB and exchanging it for other lands.

660-024-0070 UGB Adjustments

(1) A local government may adjust the UGB at any time to better achieve the purposes of Goal 14 and this division. Such adjustment may occur by adding or removing land from the UGB, or by exchanging land inside the UGB for land outside the UGB. The requirements of section (2) of this rule apply when removing land from the UGB. The requirements of Goal 14 and this division [and ORS 197.298] apply when land is added to the UGB, including land added in exchange for land removed. The requirements of ORS 197.296 may also apply when land is added to a UGB, as specified in that statute. If a local government exchanges land inside the UGB for land outside the UGB, the applicable local government must adopt appropriate rural zoning designations for the land removed from the UGB prior to or at the time of adoption of the UGB amendment and must apply applicable location and priority provisions of OAR 660-024-0060 through 660-020-0067.

(2) A local government may remove land from a UGB following the procedures and requirements of ORS 197.764. Alternatively, a local government may remove land from the UGB following the procedures and requirements of 197.610 to 197.650, provided it determines:

- (a) The removal of land would not violate applicable statewide planning goals and rules;*
- (b) The UGB would provide a 20-year supply of land for estimated needs after the land is removed, or would provide roughly the same supply of buildable land as prior to the removal, taking into consideration land added to the UGB at the same time;*

(c) Public facilities agreements adopted under ORS 195.020 do not intend to provide for urban services on the subject land unless the public facilities provider agrees to removal of the land from the UGB and concurrent modification of the agreement;

(d) Removal of the land does not preclude the efficient provision of urban services to any other buildable land that remains inside the UGB; and

(e) The land removed from the UGB is planned and zoned for rural use consistent with all applicable laws.

(3) Notwithstanding sections (1) and (2) of this rule, a local government considering an exchange of land may rely on the land needs analysis that provided a basis for its current acknowledged plan, rather than adopting a new need analysis, provided:

(a) The amount of buildable land added to the UGB to meet:

(A) A specific type of residential need is substantially equivalent to the amount of buildable residential land removed, or

(B) The amount of employment land added to the UGB to meet an employment need is substantially equivalent to the amount of employment land removed, and

(b) The local government must apply comprehensive plan designations and, if applicable, urban zoning to the land added to the UGB, such that the land added is designated:

(A) For the same residential uses and at the same housing density as the land removed from the UGB, or

(B) For the same employment uses as allowed on the land removed from the UGB, or

(C) If the land exchange is intended to provide for a particular industrial use that requires specific site characteristics, only land zoned for commercial or industrial use may be removed, and the land added must be zoned for the particular industrial use and meet other applicable requirements of ORS 197A.320(6).

Land Proposed for Exchange from the Madras UGB

The land proposed for removal from the Madras UGB, as shown in Exhibit 3, is located on a portion of tax lot 1114070000100. The lot is owned by the City of Madras and is currently vacant. It is located within the City limits, comprehensive planned and zoned by the City as Planned Residential Development (R-3) (Exhibit 4).

The total acreage of the lot is 197 acres, with 185 acres of buildable land. The lot is constrained by two features as shown in Exhibit 5—slopes greater than 25% in elevation and a 50-foot-wide easement for Bonneville Power Administration (BPA) transmission lines. These constraints together account for 12 acres of land.

Only a portion of this tax lot is proposed for removal, shown on in Exhibit 3. The area of land proposed to be taken out of the UGB is about 42 acres, 3 acres of which are constrained, leaving 39 acres buildable.

Exhibit 3 shows the area proposed to be included in the UGB, which is immediately adjacent to the area proposed for removal. It is also part of tax lot 1114070000100. The area proposed to be brought into the UGB is about 42 acres, with 2 acres of constrained land, resulting in 40 acres of buildable land. The area proposed for inclusion in the UGB is owned by the City of Madras, zoned Range Land (but included in City's urban reserves), and is vacant.

Exhibit 3. Exchange Area: Overview

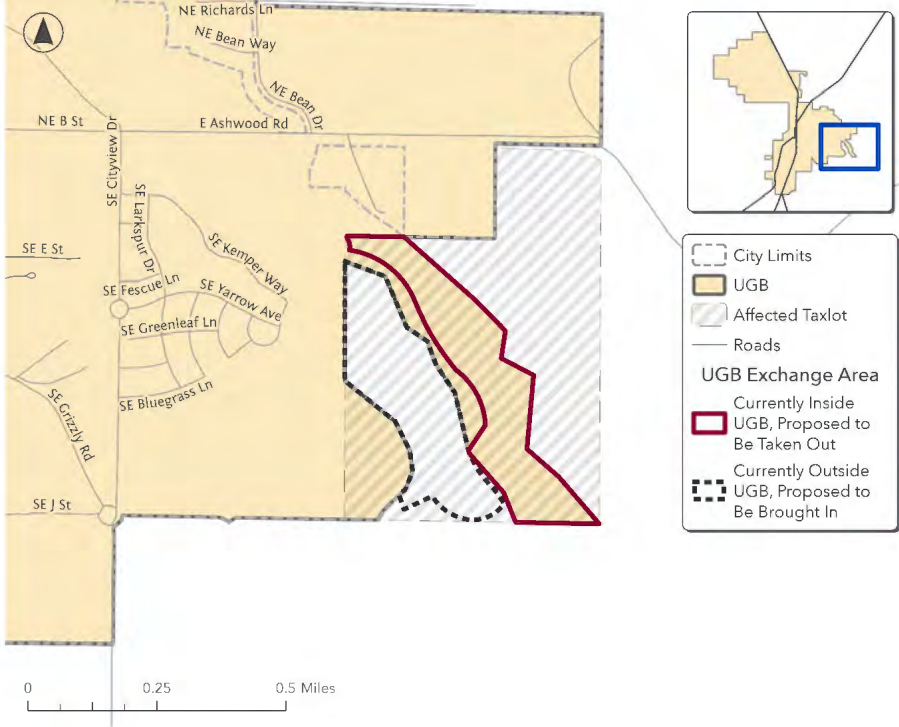


Exhibit 4. Exchange Area: Zoning

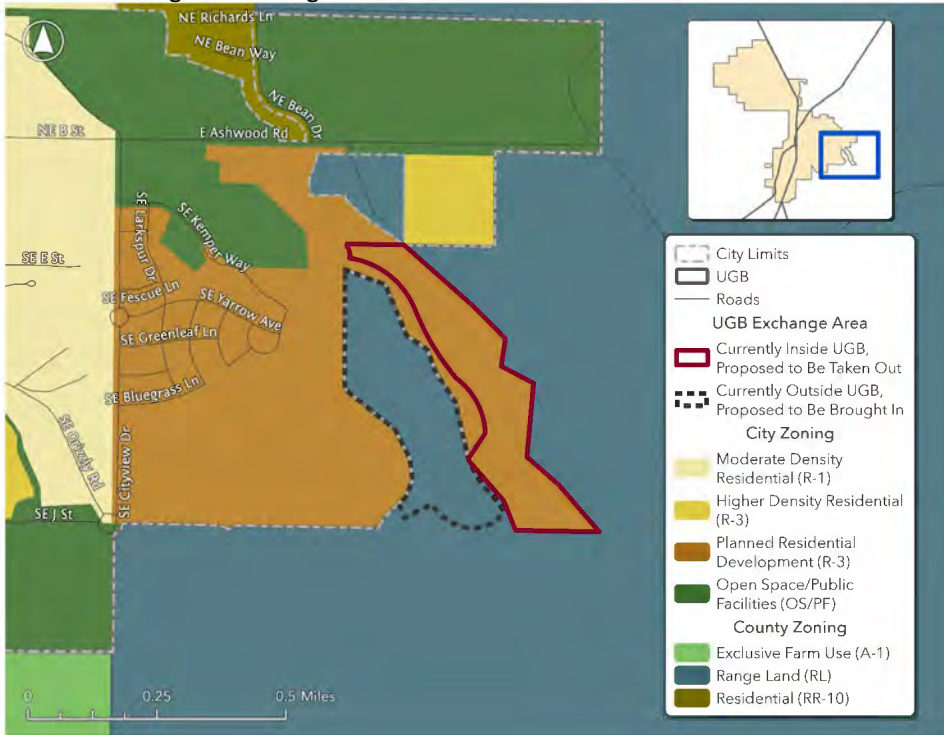
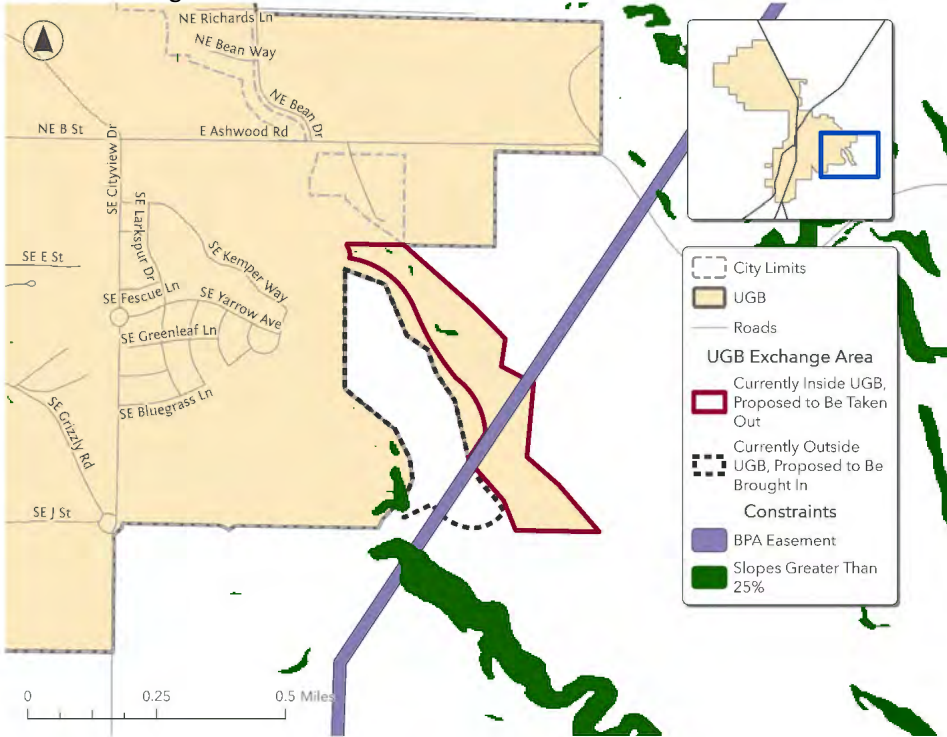


Exhibit 5. Exchange Area: Constraints



The area for removal from the UGB is part of the Yarrow Master Plan, planned for development of housing built around a golf course. This area has moderate slopes that make it more difficult to build smaller, more affordable units, which is part of the rationale for developing this area around a proposed golf course.

The original Yarrow Master Plan was developed before the City updated its Development Code to require more diversified housing as part of the master planning process and to allow “missing middle” housing types in its residential zones. As of July 2022, the R-3 zone allows for development of different housing types at a range of densities, as described below.

- Single-family detached: at minimum lot size of 6,000 square feet or 7.3 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 4.4 dwelling units per acre.
- Townhouse: at up to 29 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 15 dwelling units per acre.

- One to four units: at up to 23 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 13.8 dwelling units per acre.
- Cottage Cluster: at up to 21 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 12 dwelling units per acre.
- Apartments with 5 or more units: at up to 26 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 16.8 dwelling units per acre.

The plans for development of the parts of Yarrow adjacent to the areas proposed for the exchange have changed over the years, along with the changes to development requirements in R-3. The Bean Foundation, owners of Yarrow, are focused on building a residential neighborhood with a mixture of housing types, affordable at a range of prices points. As a result, the Bean Foundation are in the process of revising the Yarrow Master Plan, with the intention of including the area proposed to be brought into the UGB.

Recent development and planned development in the Yarrow Master Plan area reflect these plans. In specific, the Heights at Yarrow is 144 units of multifamily housing that was developed in the last few years. The Yarrow Master Plan (July 2022) includes plans for development of: nearly 500 single-family units (about half on large lots and half on small-medium lots), 11 townhouses, potential for multifamily on about 30 acres of land (but no units estimated yet), 48 acres of parks and open space, 10.5 acres for a future school, and 0.4 acres of commercial mix-ed use.

Madras requires a minimum overall density of 7 dwelling units per gross acre in the R-3 zone (for the entire subdivision) and that master planned subdivisions (which are required for any residential development in excess of 10 acres) with at least 50 dwellings include at least two types dwelling units and proposals with 100 or more must contain at least three types of dwelling units. Exhibit 6 shows the potential capacity of the exchange area, given the allowed densities described above. The Yarrow Master Planned called for development of this area as single-family detached housing. In the future the Bean Foundation intends to develop the new area with a mixture of housing types, as allowed and required in the R-3 zone.

Exhibit 6 shows the potential capacity of the 39 acres of land proposed to be removed from the UGB by housing type. The densities used in Exhibit 6 are based on those used in the 2023 *Madras Housing Capacity Analysis* and the densities allowed by Madras' Development Code. The capacity for the 40 acres of land proposed for inclusion in the UGB is within 3% of the capacity of land proposed for removal, with the difference being the slight difference in buildable acres between the two areas.

Exhibit 6. Exchange Area: Potential Capacity

Zone/Housing Type	Area inside the UGB, Proposed to be Removed			Area outside the UGB, Proposed to be Added into the UGB		
	Buildable Acres	Allowed Density (DU/ Acre)	Capacity (Dwelling Units)	Buildable Acres	Allowed Density (DU/ Acre)	Capacity (Dwelling Units)
R-3	39			40		
Single-family detached		5.2	203		5.2	208
Townhouse		15.0	585		15.0	600
One to four dwelling units		13.8	538		13.8	552
Apartments - 5+ du		16.8	655		16.8	672

The City will apply the Planned Residential Development (R-3) Comprehensive Plan designation and zone to the land brought into the UGB. The County will apply the Range Land (RL) Comprehensive Plan designation and zone to the land removed from the UGB.

Compliance with OAR 660-024-0070

OAR 660-024-0070 Describes the process for making adjustments to a city’s UGB, including removing land from the UGB and exchanging it for other lands.

660-024-0070 UGB Adjustments

(1) A local government may adjust the UGB at any time to better achieve the purposes of Goal 14 and this division. Such adjustment may occur by adding or removing land from the UGB, or by exchanging land inside the UGB for land outside the UGB. The requirements of section (2) of this rule apply when removing land from the UGB. The requirements of Goal 14 and this division [and ORS 197.298] apply when land is added to the UGB, including land added in exchange for land removed. The requirements of ORS 197.296 may also apply when land is added to a UGB, as specified in that statute. If a local government exchanges land inside the UGB for land outside the UGB, the applicable local government must adopt appropriate rural zoning designations for the land removed from the UGB prior to or at the time of adoption of the UGB amendment and must apply applicable location and priority provisions of OAR 660-024-0060 through 660-020-0067.

Finding: The proposal includes removal of land presently within the UGB in exchange for land presently located outside of the UGB. The requirements for exchange of those respective lands are addressed below. ORS 197.296 is that statute setting forth the requirements for local governments to conduct analysis of housing capacity and needed housing and is addressed below. The removed land will be given a rural zoning designation through a contemporaneous action from Jefferson County.

(2) A local government may remove land from a UGB following the procedures and requirements of ORS 197.764. Alternatively, a local government may remove land from

the UGB following the procedures and requirements of 197.610 to 197.650, provided it determines:

Finding: ORS 197.764 is not applicable to the subject property as it is not assessed for farm use. Accordingly, the City is proposing to follow the procedures and requirements of ORS 197.610 to 197.650, which outlines the process for a post-acknowledgement amendments to comprehensive plans and land use regulations.

(a) The removal of land would not violate applicable statewide planning goals and rules;

Finding: The proposal complies with applicable statewide planning goals and rules as set out below.

(b) The UGB would provide a 20-year supply of land for estimated needs after the land is removed, or would provide roughly the same supply of buildable land as prior to the removal, taking into consideration land added to the UGB at the same time;

Finding: The proposal results in roughly the same supply of buildable lands within the UGB as the exchange involves the same number of gross acres and the addition of one buildable acre.

(c) Public facilities agreements adopted under ORS 195.020 do not intend to provide for urban services on the subject land unless the public facilities provider agrees to removal of the land from the UGB and concurrent modification of the agreement;

Finding: There are no public facilities agreements to provide urban services on the land proposed for removal from the UGB.

(d) Removal of the land does not preclude the efficient provision of urban services to any other buildable land that remains inside the UGB; and

Finding: Removal of the proposed lands does not inhibit efficient provision of urban services to any buildable lands that will remain within the UGB.

(e) The land removed from the UGB is planned and zoned for rural use consistent with all applicable laws.

Finding: The land removed from the UGB will be zoned Range Land by contemporaneous action of Jefferson County consistent with applicable laws.

(3) Notwithstanding sections (1) and (2) of this rule, a local government considering an exchange of land may rely on the land needs analysis that provided a basis for its current acknowledged plan, rather than adopting a new need analysis, provided:

(a) The amount of buildable land added to the UGB to meet:

(A) A specific type of residential need is substantially equivalent to the amount of buildable residential land removed, or

...

(b) The local government must apply comprehensive plan designations and, if applicable, urban zoning to the land added to the UGB, such that the land added is designated:

(A) For the same residential uses and at the same housing density as the land removed from the UGB, or

...

Finding: The City need not adopt a new housing needs analysis because the amount of building land added to the UGB is substantially equivalent to the land removed and will be subject to the same plan designation and zoning and thus have no net effect on the supply of residential lands needed to meet any particular residential need.

3. Alternatives Analysis for Establishment of the UGB Land Exchange Study Area

Chapter 2 showed that Madras is proposing to remove 39 acres of buildable land from the UGB and replace it with 40 acres of adjacent buildable land and that the proposal complies for requirements of land removal. This chapter presents the alternatives analysis required by OAR 660-024-0060 as well as findings related to the prioritization described in ORS 197A.320 as necessary to analyze compliance for the land to be added to the UGB.

Establishment of Study Area for UGB Land Exchange

Definition of the Preliminary Study Area

Exhibit 7 shows the study area for the alternatives analysis based on the following requirements:

660-024-0065 Establishment of Study Area to Evaluate Land for Inclusion in the UGB

(1) When considering a UGB amendment to accommodate a need deficit identified in OAR 660-024-0050(4), a city outside of Metro must determine which land to add to the UGB by evaluating alternative locations within a “study area” established pursuant to this rule. To establish the study area, the city must first identify a “preliminary study area” which shall not include land within a different UGB or the corporate limits of a city within a different UGB. The preliminary study area shall include:

- (a) All lands in the city’s acknowledged urban reserve, if any;*
- (b) All lands that are within the following distance from the acknowledged UGB:
 - (A) For cities with a UGB population less than 10,000: one-half mile;*
 - (B) For cities with a UGB population equal to or greater than 10,000: one mile;**
- (c) All exception areas contiguous to an exception area that includes land within the distance specified in subsection (b) and that are within the following distance from the acknowledged UGB:
 - (A) For cities with a UGB population less than 10,000: one mile;*
 - (B) For cities with a UGB population equal to or greater than 10,000: one and one-half miles;**

The subject proposal is not the result of a need deficit identified in OAR 660-024-0050(4). The City has nonetheless conducted such an analysis to demonstrate the appropriateness of the proposal.

Based on the foregoing provisions, the City evaluated all lands adjacent to the Madras UGB for suitability for residential uses. For purposes of the Alternatives Analysis, the City reviewed land within the one-half mile buffer of the Madras UGB, as shown in Exhibit 7, as well as all Exceptions Zones within a one-mile buffer.

The preliminary study area includes:

- 6,809 acres of land within one-half mile of the Madras UGB.
- 3,970 acres of land in urban reserves, including that beyond 1 mile from the UGB
- 343 acres of land in exceptions zoning that is between ½ and 1 mile from the Madras UGB and not within the City's urban reserve (which includes an additional 892 of exceptions area).

Exhibit 7. Areas Under Consideration for Inclusion in the Preliminary Study Area, Madras

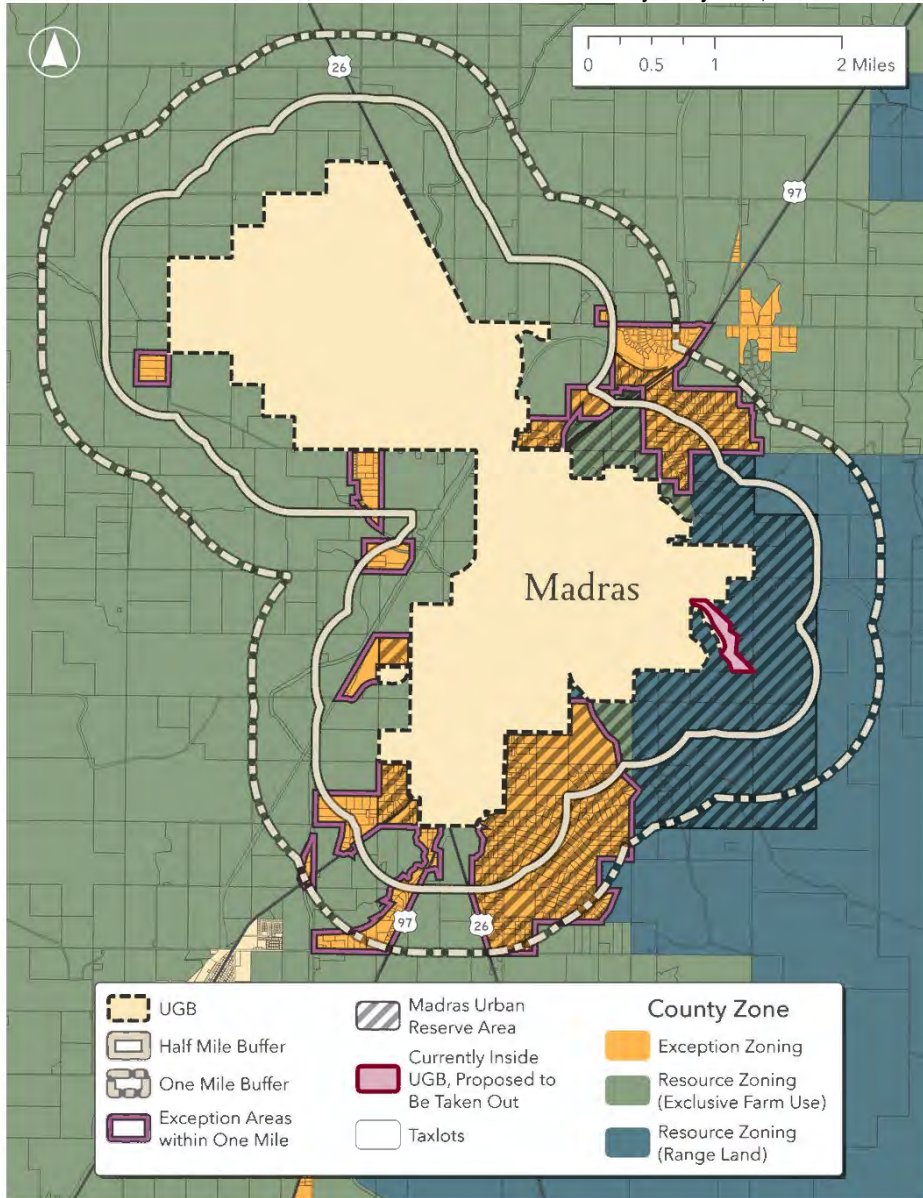
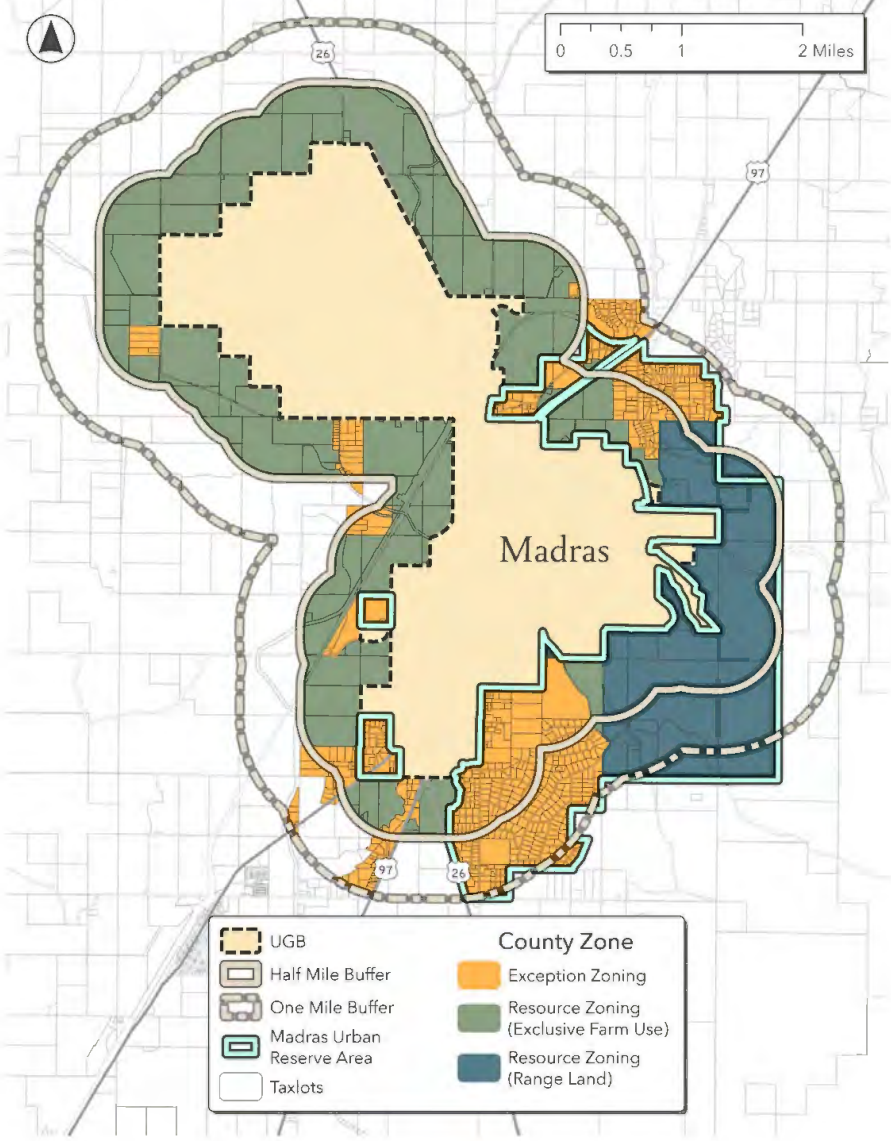


Exhibit 8. Preliminary Study Area, Madras, 2022



Refining the Preliminary Study Area

The analysis of residential land is organized by classes of land that correspond to the OAR 660-024-0067(2) priorities for inclusion of land into a UGB. The evaluation of the subareas considers the following:

660-024-0067 Evaluation of Land in the Study Area for Inclusion in the UGB; Priorities

(1) A city considering a UGB amendment must decide which land to add to the UGB by evaluating all land in the study area determined under OAR 660-024-0065, as follows

(a) Beginning with the highest priority category of land described in section (2), the city must apply section (5) to determine which land in that priority category is suitable to satisfy the need deficiency determined under OAR 660-024-0050 and select for inclusion in the UGB as much of the land as necessary to satisfy the need.

(b) If the amount of suitable land in the First Priority category is not sufficient to satisfy all the identified need deficiency, the city must apply section (5) to determine which land in the next priority is suitable and select for inclusion in the UGB as much of the suitable land in that priority as necessary to satisfy the need. The city must proceed in this manner until all the land need is satisfied, except as provided in OAR 660-024-0065(9).

(c) If the amount of suitable land in a particular priority category in section (2) exceeds the amount necessary to satisfy the need deficiency, the city must choose which land in that priority to include in the UGB by applying the criteria in section (7) of this rule.

(d) In evaluating the sufficiency of land to satisfy a need under this section, the city may use the factors identified in sections (5) and (6) of this rule to reduce the forecast development capacity of the land to meet the need.

(e) Land that is determined to not be suitable under section (5) of this rule to satisfy the need deficiency determined under OAR 660-024-0050 is not required to be selected for inclusion in the UGB unless its inclusion is necessary to serve other higher priority lands.

(2) Priority of Land for inclusion in a UGB:

(a) First Priority is urban reserve, exception land, and nonresource land. Lands in the study area that meet the description in paragraphs (A) through (C) of this subsection are of equal (first) priority:

(A) Land designated as an urban reserve under OAR chapter 660, division 21, in an acknowledged comprehensive plan;

(B) Land that is subject to an acknowledged exception under ORS 197.732; and

(C) Land that is nonresource land.

(b) Second Priority is marginal land: land within the study area that is designated as marginal land under ORS 197.247 (1991 Edition) in the acknowledged comprehensive plan.

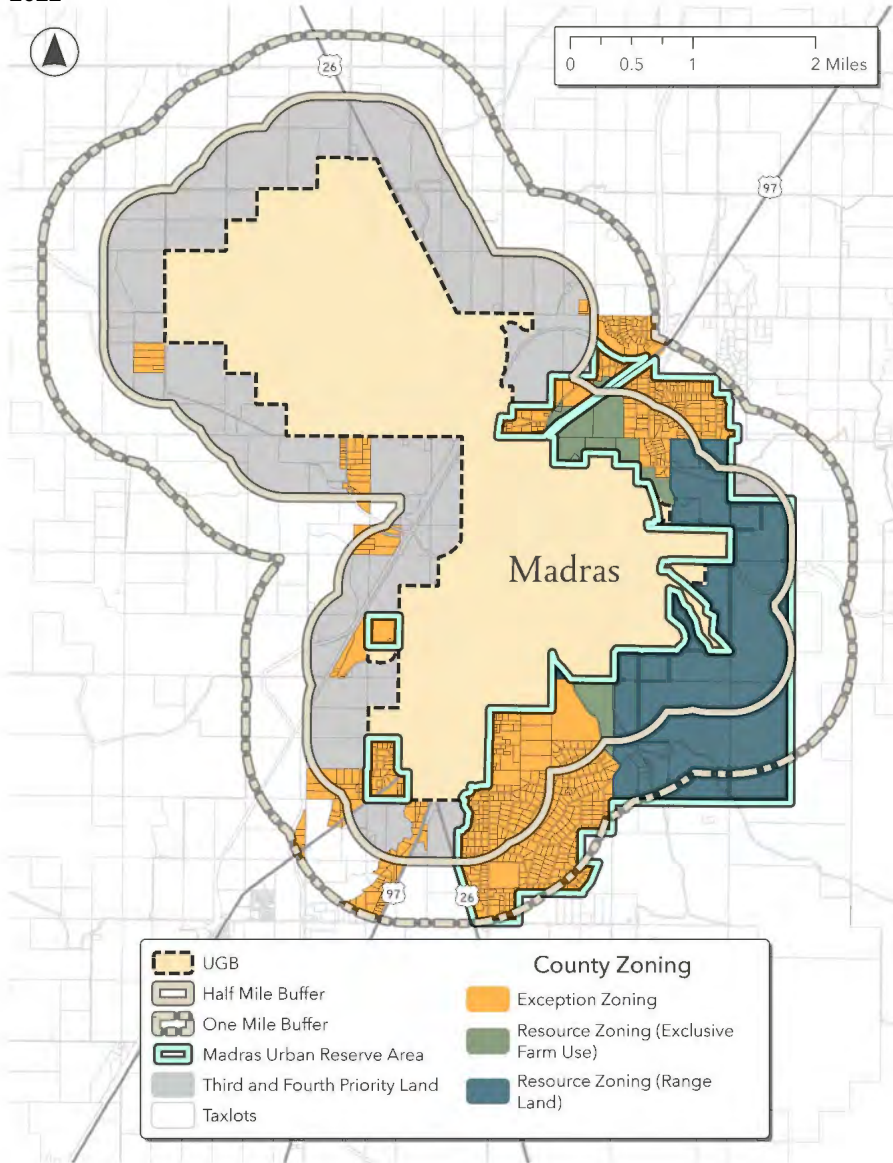
(c) Third Priority is forest or farm land that is not predominantly high-value farm land: land within the study area that is designated for forest or agriculture uses in the acknowledged comprehensive plan and that is not predominantly high-value farmland as defined in ORS 195.300, or that does not consist predominantly of prime or unique soils, as determined by the United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS). In selecting which lands to include to satisfy the need, the city must use the agricultural land capability classification system or the cubic foot site class system, as appropriate for the acknowledged comprehensive plan designation, to select lower capability or cubic foot site class lands first.

(d) Fourth Priority is agricultural land that is predominantly high-value farmland: land within the study area that is designated as agricultural land in an acknowledged comprehensive plan and is predominantly high-value farmland as defined in ORS 195.300. A city may not select land that is predominantly made up of prime or unique farm soils, as defined by the USDA NRCS, unless there is an insufficient amount of other land to satisfy its land need. In selecting which lands to include to satisfy the need, the city must use the agricultural land capability classification system to select lower capability lands first.

Exhibit 9 shows exclusion of land that does not meet the requirements of OAR 660-024-0067(1), excluding land that is not “First Priority” as defined in OAR 660-024-0067(2). This step removed all non “First Priority” lands by excluding lands zoned Exclusive Farm Use (EFU) or Range Land (RL) within the ½ mile buffer of Madras UGB unless they were designated as urban reserves or non-resource land.

This leaves a total of 4,508 acres within the study area, with 3,923 acres within the City’s urban reserves and 585 acres in exception zoning within the one-mile UGB buffer. All of these lands are “First Priority” lands.

Exhibit 9. Refining the Preliminary Study Area based on Priority for Inclusion in the UGB, Madras, 2022



Areas Non-Contiguous with the UGB that are Impracticable to Serve

The next step is to remove areas that are not contiguous to the UGB and are impracticable to serve based on OAR 660-024-0065(7).

OAR 660-024-0065 Establishment of Study Area to Evaluate Land for Inclusion in the UGB

(7) For purposes of subsection (4)(a), the city may consider it impracticable to provide necessary public facilities or services to the following lands:

(a) Contiguous areas of at least five acres where 75 percent or more of the land has a slope of 25 percent or greater, provided that contiguous areas 20 acres or more that are less than 25 percent slope may not be excluded under this subsection. Slope shall be measured as the increase in elevation divided by the horizontal distance at maximum ten-foot contour intervals;

(b) Land that is isolated from existing service networks by physical, topographic, or other impediments to service provision such that it is impracticable to provide necessary facilities or services to the land within the planning period. The city's determination shall be based on an evaluation of:

(A) The likely amount of development that could occur on the land within the planning period;

(B) The likely cost of facilities and services; and,

(c) Any substantial evidence collected by or presented to the city regarding how similarly situated land in the region has, or has not, developed over time.

(c) As used in this section, "impediments to service provision" may include but are not limited to:

(A) Major rivers or other water bodies that would require new bridge crossings to serve planned urban development;

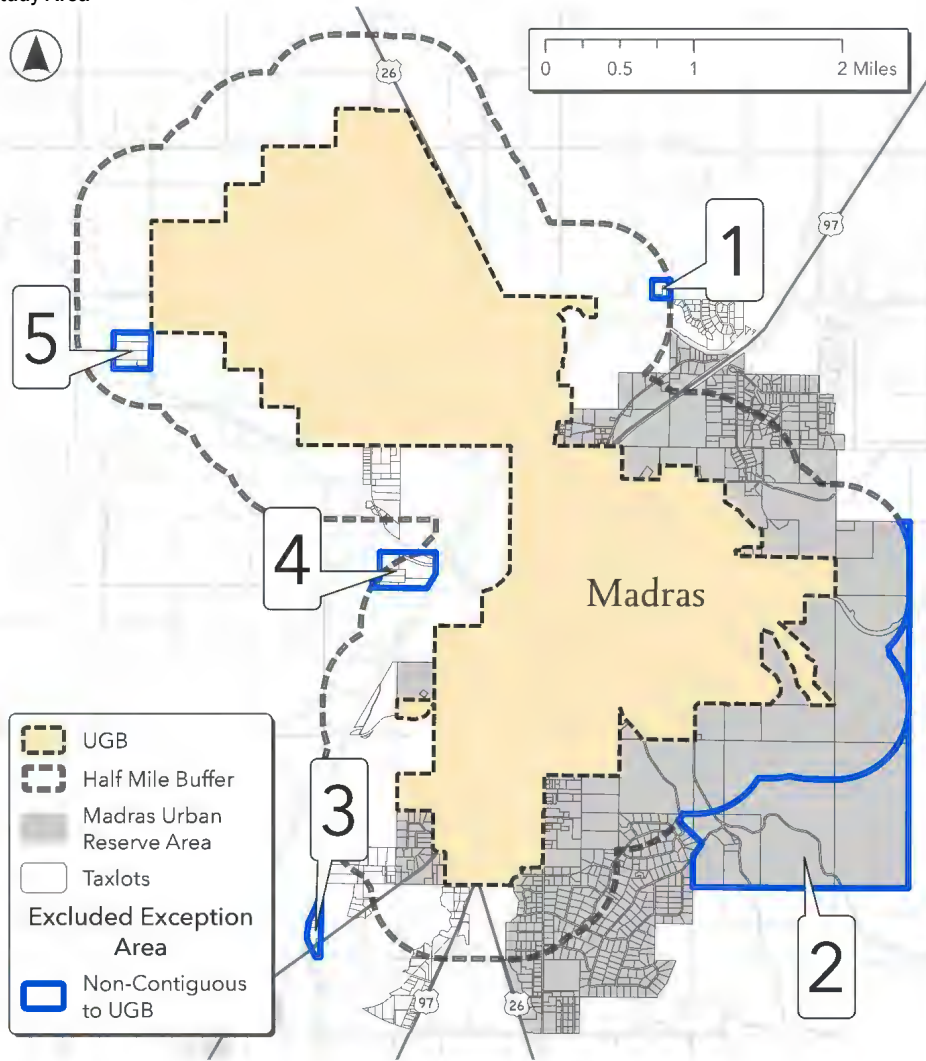
(B) Topographic features such as canyons or ridges with slopes exceeding 40 percent and vertical relief of greater than 80 feet;

(C) Freeways, rail lines, or other restricted access corridors that would require new grade separated crossings to serve planned urban development;

(D) Significant scenic, natural, cultural or recreational resources on an acknowledged plan inventory and subject to protection measures under the plan or implementing regulations, or on a published state or federal inventory, that would prohibit or substantially impede the placement or construction of necessary public facilities and services.

Exhibit 10 shows areas that are not contiguous to the UGB and are impracticable to serve.

Exhibit 10. Non-Contiguous Areas that are Impracticable to Serve that were Removed from the Study Area



The following areas are all either exceptions areas (some within ½ mile of the UGB and some beyond ½ mile) or urban reserves beyond ½ mile of the UGB. These areas are all impracticable to serve, given their distance from the UGB. In addition, some of these areas contain too few acres to meet the identified land need of about 39 areas on their own.

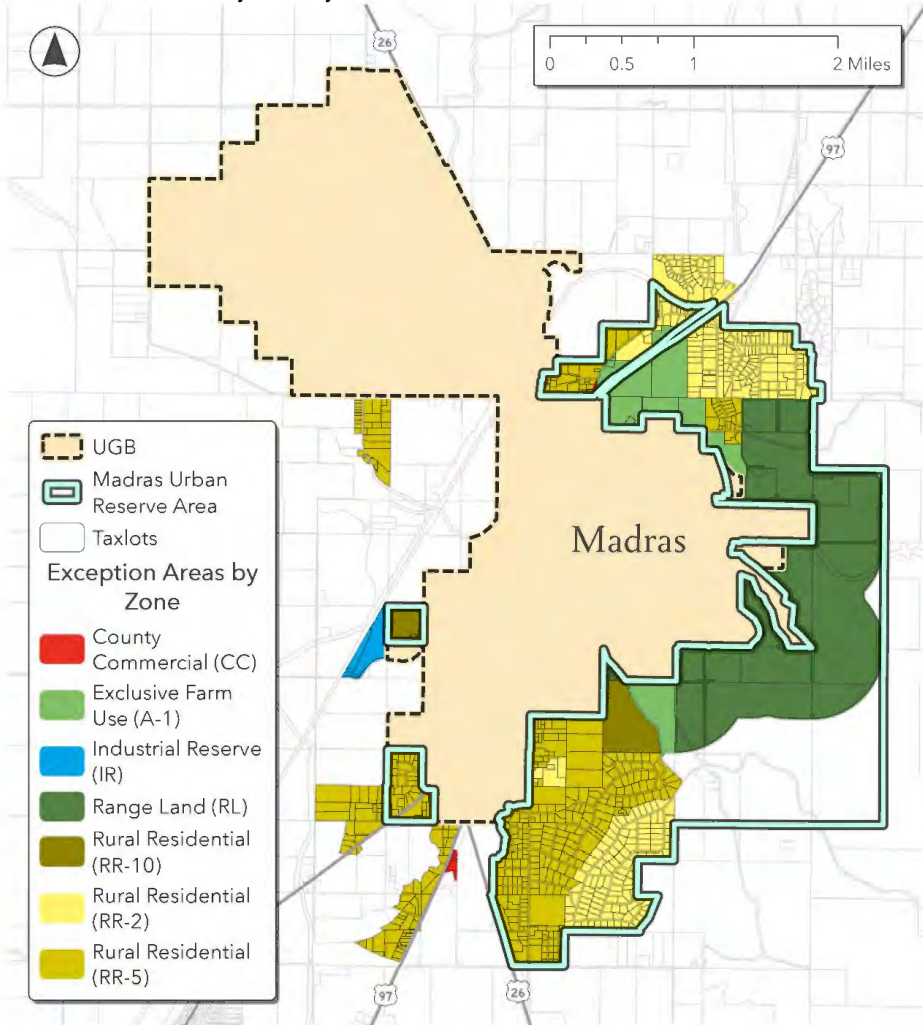
- **Area 1.** This area is 10 acres in exceptions zoning outside of the Urban Reserves, located 1,991 feet/0.04 miles from the UGB. It is too small to meet the land needs and is impracticable to serve on its own.
- **Area 2.** This area is 700 acres in RL zoning and within the Urban Reserves. It is ½ mile or more from the UGB and some parts are beyond 1 mile of the UGB. The distance to the UGB, plus any portion of Area 4 includes well more than the amount of land needed to meet the identified land need of about 39 acres. Land in Area 2 is impracticable to serve on its own without including a substantial amount of land closer to the UGB.
- **Area 3.** This area is 17 acres in exceptions zoning outside of the Urban Reserves. It is too small to meet the land needs and is impracticable to serve on its own.
- **Area 4.** This area is 59 acres in exceptions zoning outside of the Urban Reserves, located ¼ mile to more than ½ mile from the UGB. It is impracticable to serve, given its distance from the UGB.
- **Area 5.** This area is 40 acres in exceptions zoning outside of the Urban Reserves. While the northeast corner of this area touches a corner of the UGB, there is no direct road connection from the UGB that doesn't also fall in other non-UGB areas. It is located adjacent to Industrial areas of Madras, away from existing residential neighborhoods. It is impracticable to serve on its own.

Refined Preliminary Study Area

Exhibit 11 shows the refined preliminary areas for the alternatives analysis, which are either exceptions areas or urban reserve areas. These are all First Priority for inclusion in the UGB, consistent with 660-024-0067(2). These areas together account for 4,508 acres of land in the following zoning:

- Exclusive Farm Use (A-1) within Urban Reserves: 308 acres
- Range Land (RL) within Urban Reserves: 1,225 acres
- Exceptions areas in the following zoning:
 - County Commercial (CC): 10 acres
 - Industrial Reserve (IR): 46 acres
 - Rural Residential (RR-2): 770 acres
 - Rural Residential (RR-5): 1,198 acres
 - Rural Residential (RR-10): 132 acres

Exhibit 11. Refined Study Areas by Zone



Identifying Unsuitable Areas within the Study Area

The next step is identifying areas within the study area that are unsuitable for potential inclusion in the UGB based on OAR 660-024-0067.

Parcelization and Development Patterns

660-024-0067 Evaluation of Land in the Study Area for Inclusion in the UGB; Priorities

(5) With respect to section (1), a city must assume that vacant or partially vacant land in a particular priority category is “suitable” to satisfy a need deficiency identified in OAR 660-024-0050(4) unless it demonstrates that the land cannot satisfy the specified need based on one or more of the conditions described in subsections (a) through (g) of this section: Existing parcelization, lot sizes or development patterns of rural residential land make that land unsuitable for an identified employment need; as follows:

- (A) Parcelization: the land consists primarily of parcels 2-acres or less in size, or*
- (B) Existing development patterns: the land cannot be reasonably redeveloped or infilled within the planning period due to the location of existing structures and infrastructure.”*

OAR 660-024-0067(5) allows a city to assume that land that is parcelized or has a development pattern the is unlikely to redevelop or infill within the planning period can be assumed not to meet the identified need. Exhibit 12 shows land with high levels of parcelization or subdivisions, which are future plans for parcelization.

Exhibit 12 shows areas with a large amount of highly parcelated land, identified by visual inspection of clusters of highly parcelated tax lots, and/or a high number of subdivisions.

- **Parcelized land.** 488 acres, shown in pink in Exhibit 12, are in parcels 2 acres or smaller. These lands are considered unsuitable for potential inclusion in the UGB based on OAR 660-024-0067(5).
- **Subdivisions.** 898 acres, shown in green in Exhibit 12, are within an existing subdivision. Some of these parcels are currently larger than 2 acres but are planned for future development in smaller lots.

Exhibit 12. Exception Areas showing Parcellation and Subdivisions

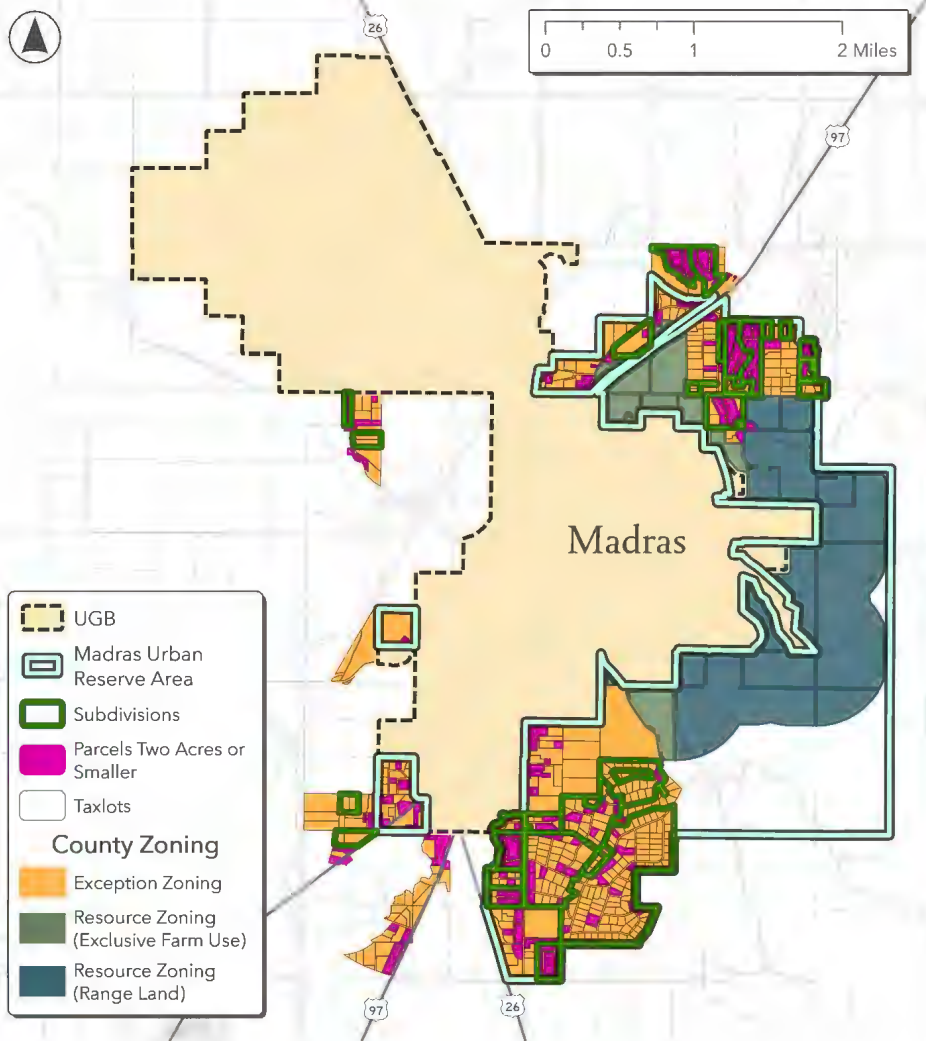
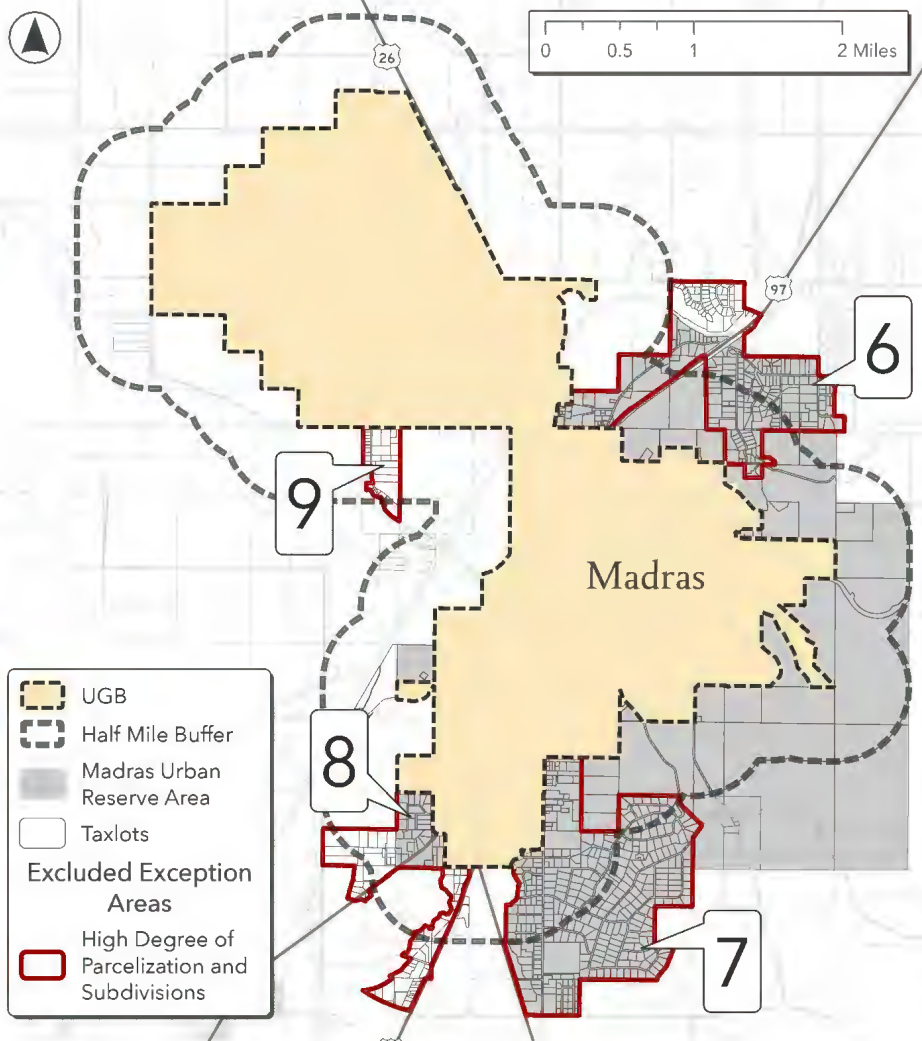


Exhibit 13 shows areas removed from the study area based on high degree of parcelization and subdivisions. This includes four areas shown in red, all of which are in exceptions zoning.

Exhibit 13. Areas with Parcelation and Subdivisions removed from the Study Area



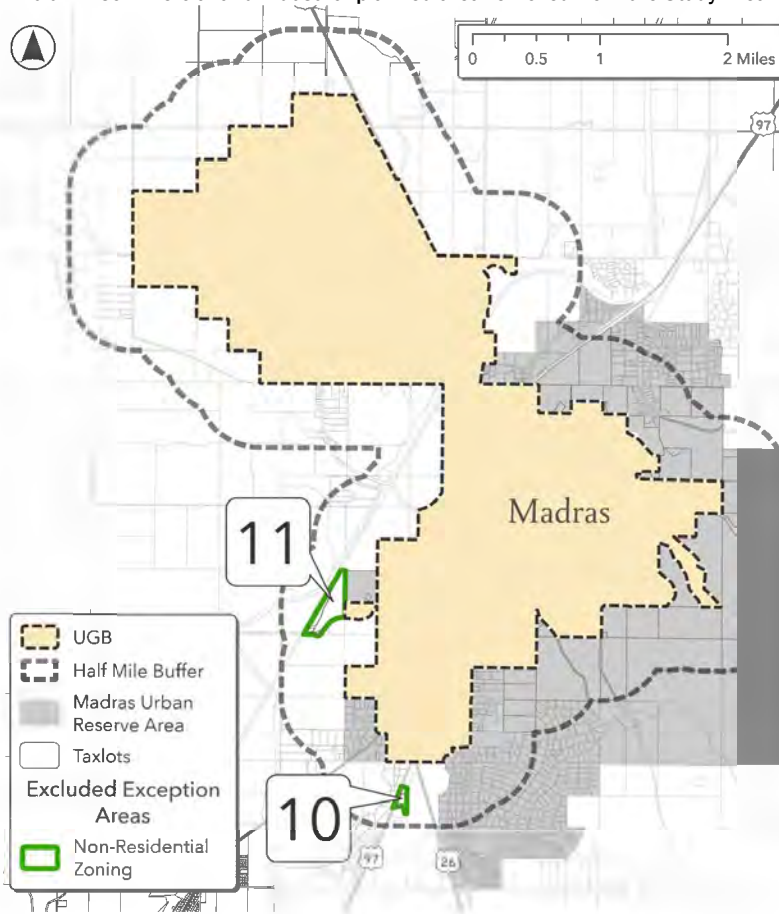
This results in the removal of the following:

- **Area 6:** This area has a high degree of parcelization and existing subdivision. This area has 625 acres, 43% of which is in parcels 2 acres or smaller or in a subdivision. In addition, most of this area is not adjacent to the existing UGB, making it impracticable to provide future services to without inclusion of substantially more land than the identified land need.
- **Area 7:** This area has a high degree of parcelization and existing subdivision. This area has 914 acres, 74% of which is in parcels 2 acres or smaller or in a subdivision. In addition, most of this area is not adjacent to the existing UGB, making it impracticable to provide future services to without inclusion of substantially more land than the identified land need.
- **Area 8:** This area has a high degree of parcelization and existing subdivision. This area has 308 acres, 30% of which is in parcels 2 acres or smaller or in a subdivision. The areas with larger than 2 acre parcels are generally located further from the UGB, including some beyond ½ mile from the UGB. This makes it impracticable to provide future services to without inclusion of substantially more land than the identified land need.
- **Area 9:** This area has a high degree of parcelization and existing subdivision. This area has 77 acres, 41% of which is in parcels 2 acres or smaller or in a subdivision. The areas with larger than 2 acre parcels are generally located further from the UGB, including some beyond ½ mile from the UGB. This makes it impracticable to provide future services to without inclusion of substantially more land than the identified land need.

Commercial and Industrial Planned Areas

Exhibit 14 shows exceptions areas with County Commercial (CC) and Industrial Reserves (IR).

Exhibit 14. Commercial and Industrial planned area removed from the Study Area



This results in removal of the following:

- **Area 10:** This area is zoned County Commercial (CC). It has 8 acres of land. In addition, it is not contiguous to the UGB, is impracticable to serve, and too small to meet the need for about 39 acres of land.
- **Area 11:** This area is zoned Industrial Reserve (IR). It has 46 acres of land.

Final Study Area with Subareas

Exhibit 15 breaks up the remaining 1,679 acres in the study area into 21 subareas for evaluation for inclusion in the UGB. This area is more than twice the land need for about 39 acres of buildable land.

Exhibit 15. Study Subareas

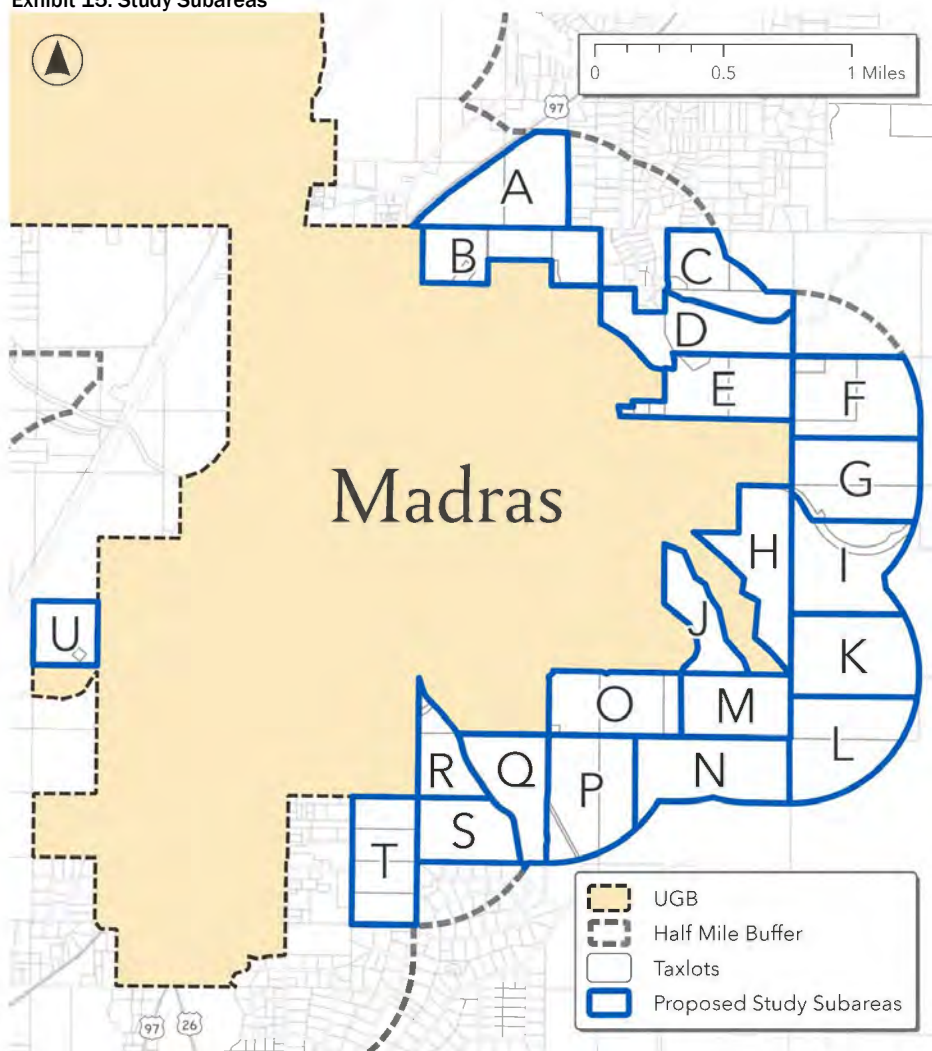


Exhibit 16 shows constraints with the subareas.

Exhibit 16. Study Subareas with Constraints

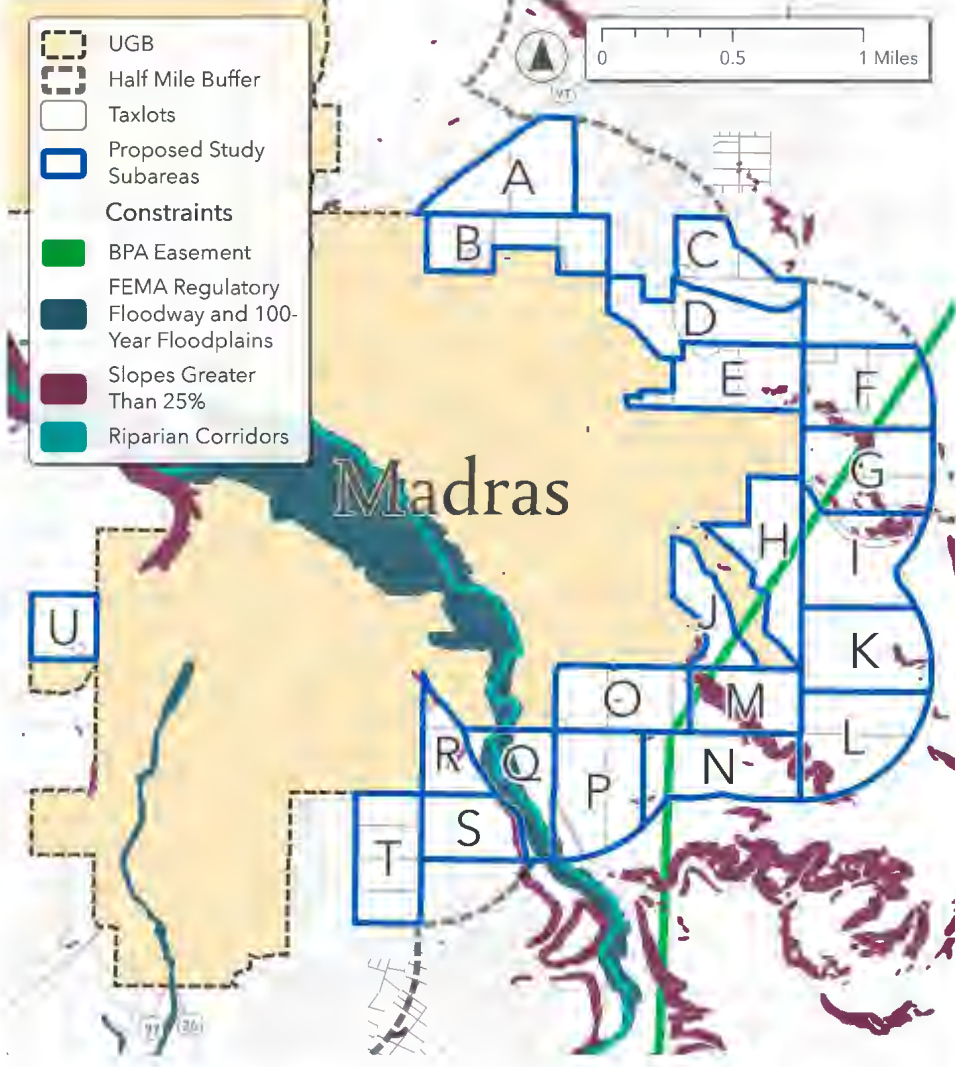


Exhibit 17 shows the subareas by zone, total acres, vacant acres, and vacant unconstrained acres. Exhibit 15 shows these subareas geographically.

Exhibit 17. Madras UGB Land Exchange Study Subareas

Study Subarea	Total Acres	Unconstrained Acres	Total Parcels	Average Parcel Size	Existing Dwelling Units	Average Parcel with Dwelling Unit Size	Vacant Parcels	Average Vacant Parcel Size
A	92	92	2	46	-	-	2	46
B	83	83	6	14	3	12	3	15
C	64	64	4	15	1	2	3	19
D	87	87	2	22	-	-	2	22
E	85	83	6	14	5	9	1	40
F	98	89	3	33	1	35	2	32
G	100	86	2	32	-	-	2	32
H	84	80	1	83	-	-	1	83
I	100	92	1	45	-	-	1	45
J	47	44	1	47	-	-	1	47
K	100	98	1	100	-	-	1	100
L	99	91	2	33	-	-	2	33
M	68	51	1	68	-	-	1	68
N	99	85	1	99	-	-	1	99
O	82	80	4	20	-	-	4	20
P	100	97	3	33	1	51	2	23
Q	69	37	1	63	1	63	-	-
R	43	41	4	11	2	17	2	4
S	59	55	1	59	1	59	-	-
T	80	80	4	20	4	20	-	-
U	40	40	2	20	1	1	1	39
Total	1,679	1,556	52		20		32	

For the final study area and subareas in Exhibit 15, the City finds:

Finding: The City finds it has at least twice the amount of land needed for the land exchange, consistent with OAR 660-024-0065(5).

Finding: The City finds that land within Urban Reserves and Exceptions Areas provides enough land to meet Madras’ needs for a land exchange, without considering land beyond the First Priority, consistent with OAR 660-024-0067(2).

Detailed Subarea Maps

Exhibit 18 through Exhibit 28 shows up close views of the remaining subareas. All areas are within the Madras Urban Reserves.

Exhibit 18. Study Subareas A and B

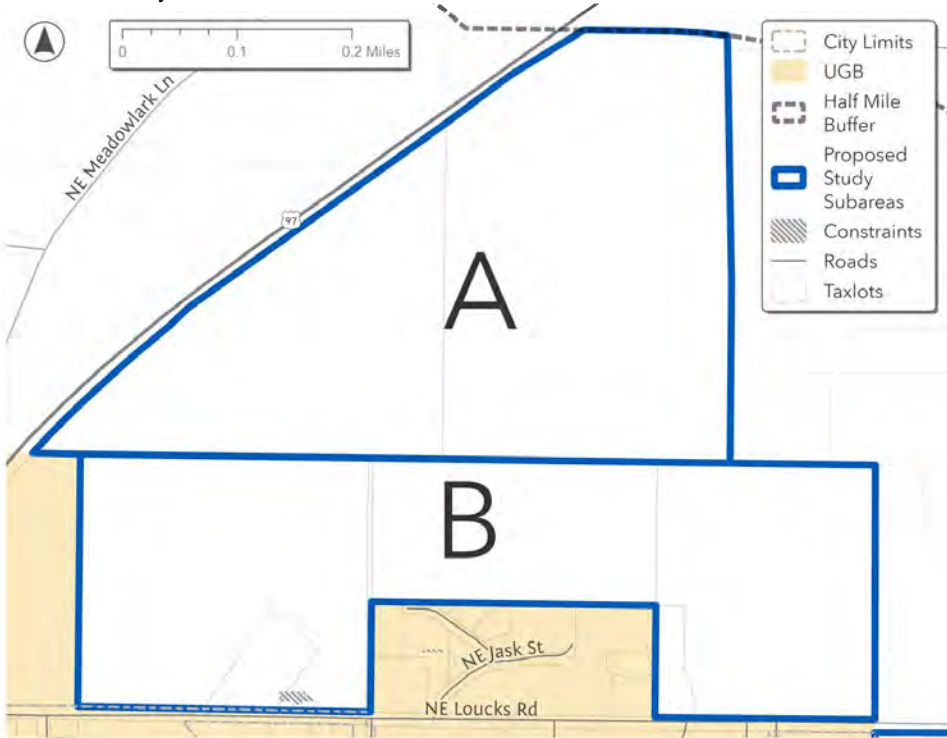


Exhibit 19. Study Subareas C, D and E

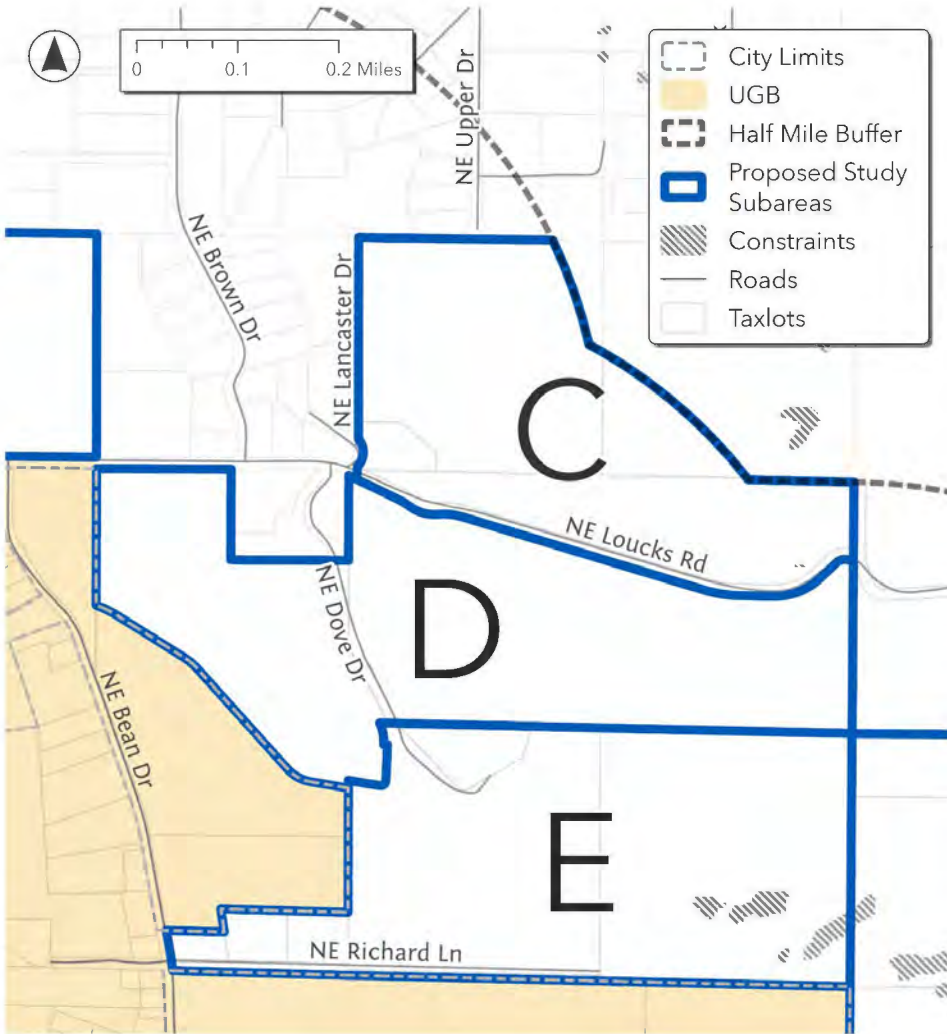


Exhibit 20. Study Subareas F and G

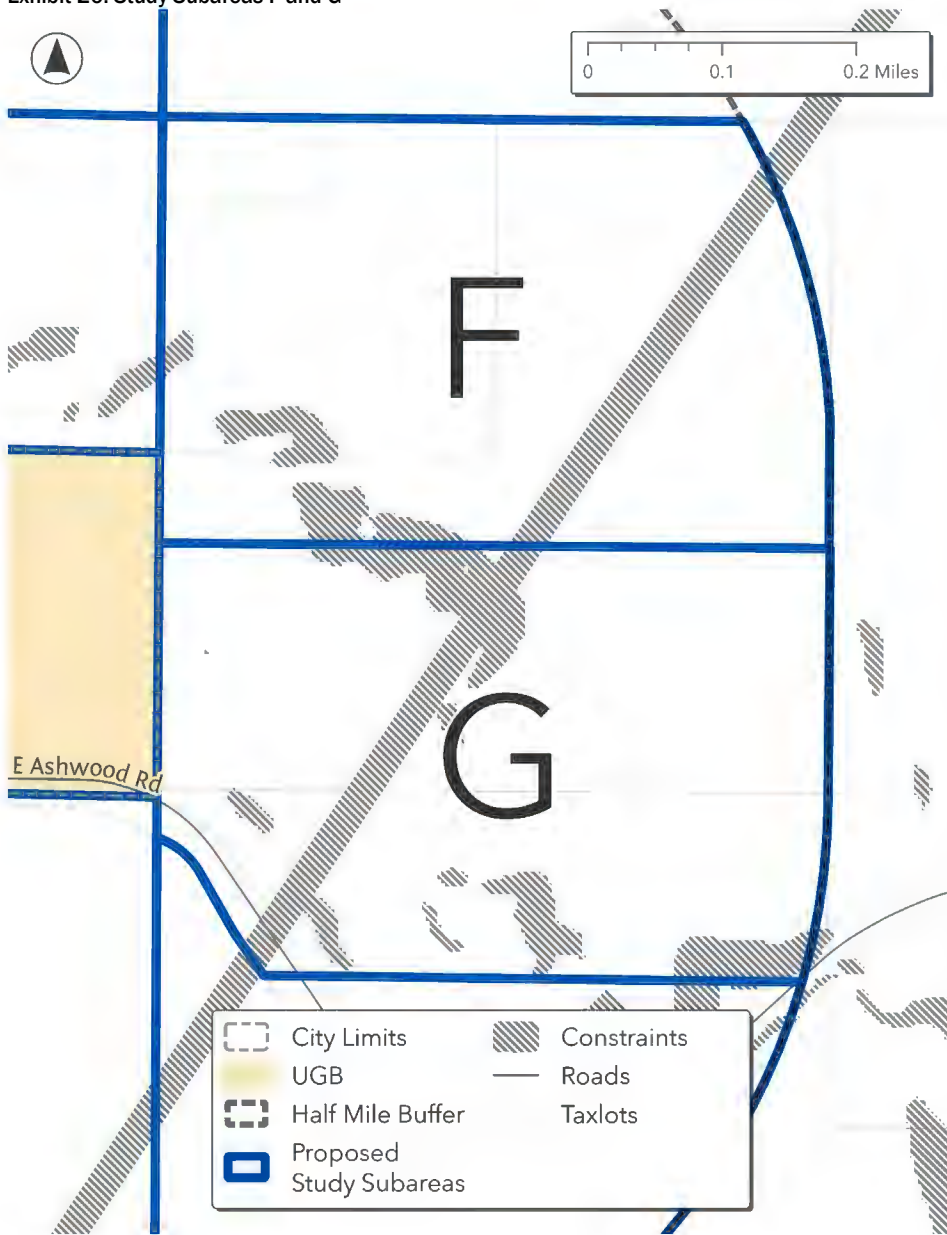


Exhibit 21. Study Areas H and I

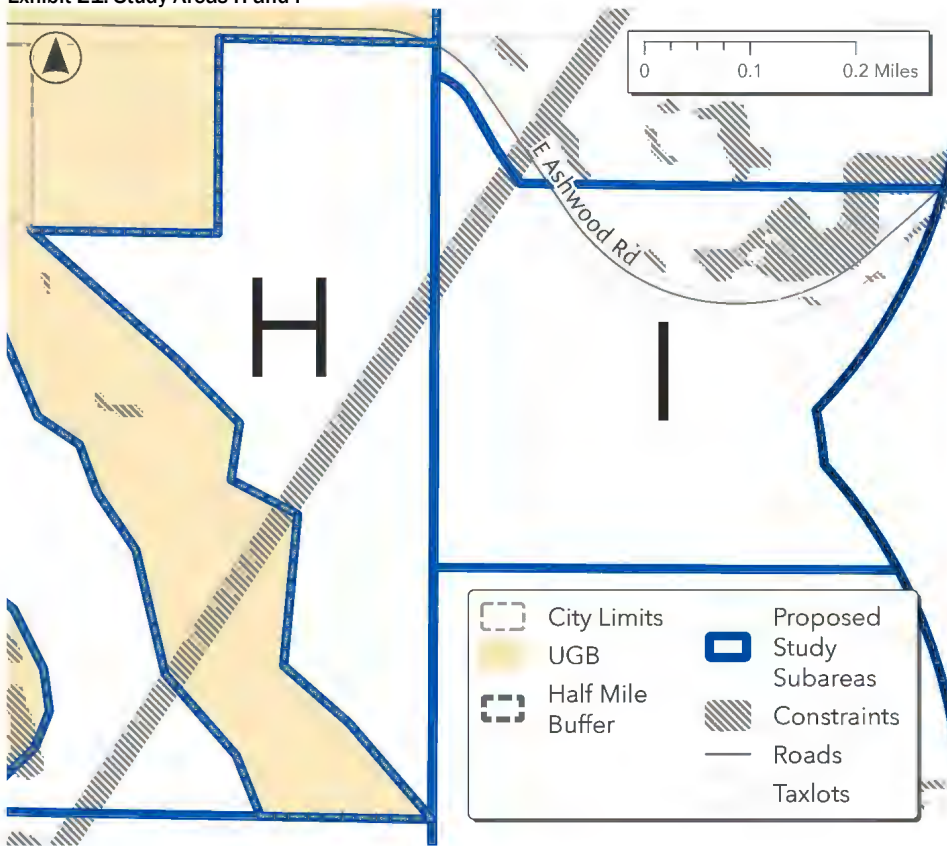


Exhibit 22. Study Subarea J

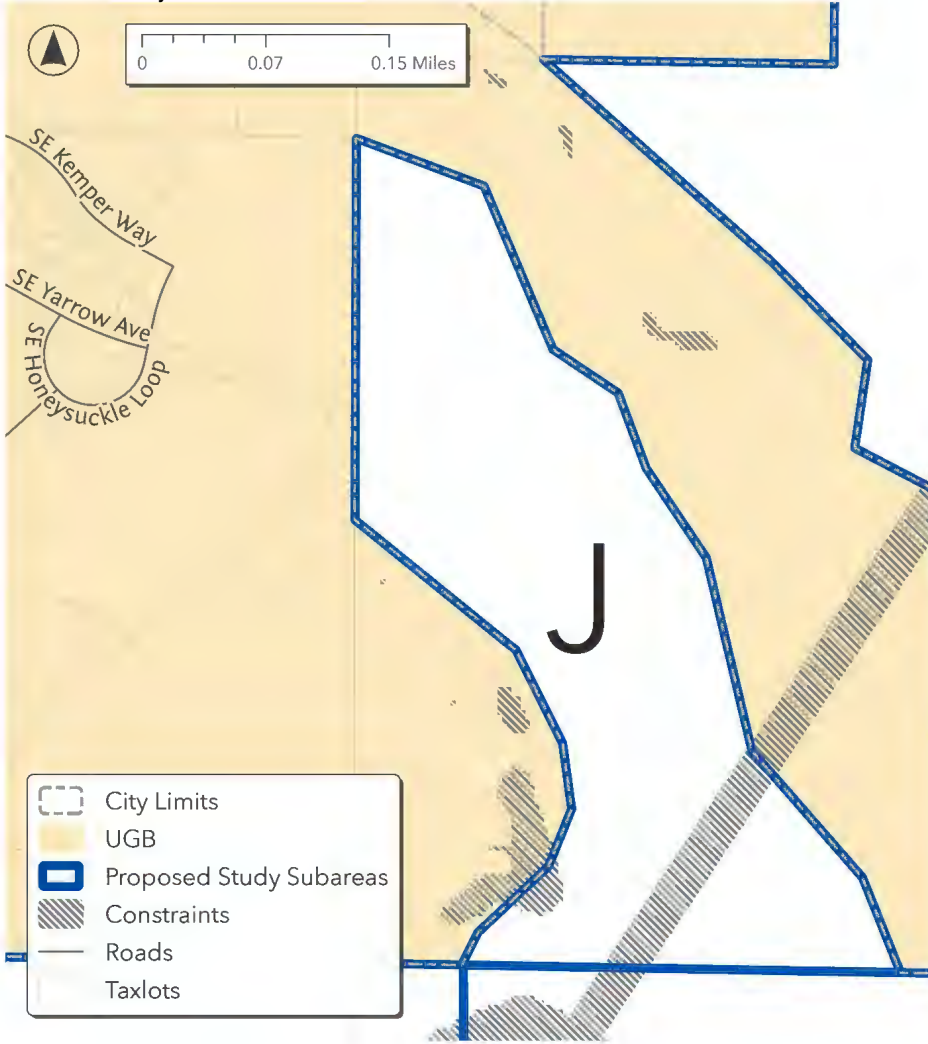


Exhibit 23. Study Subareas K and L

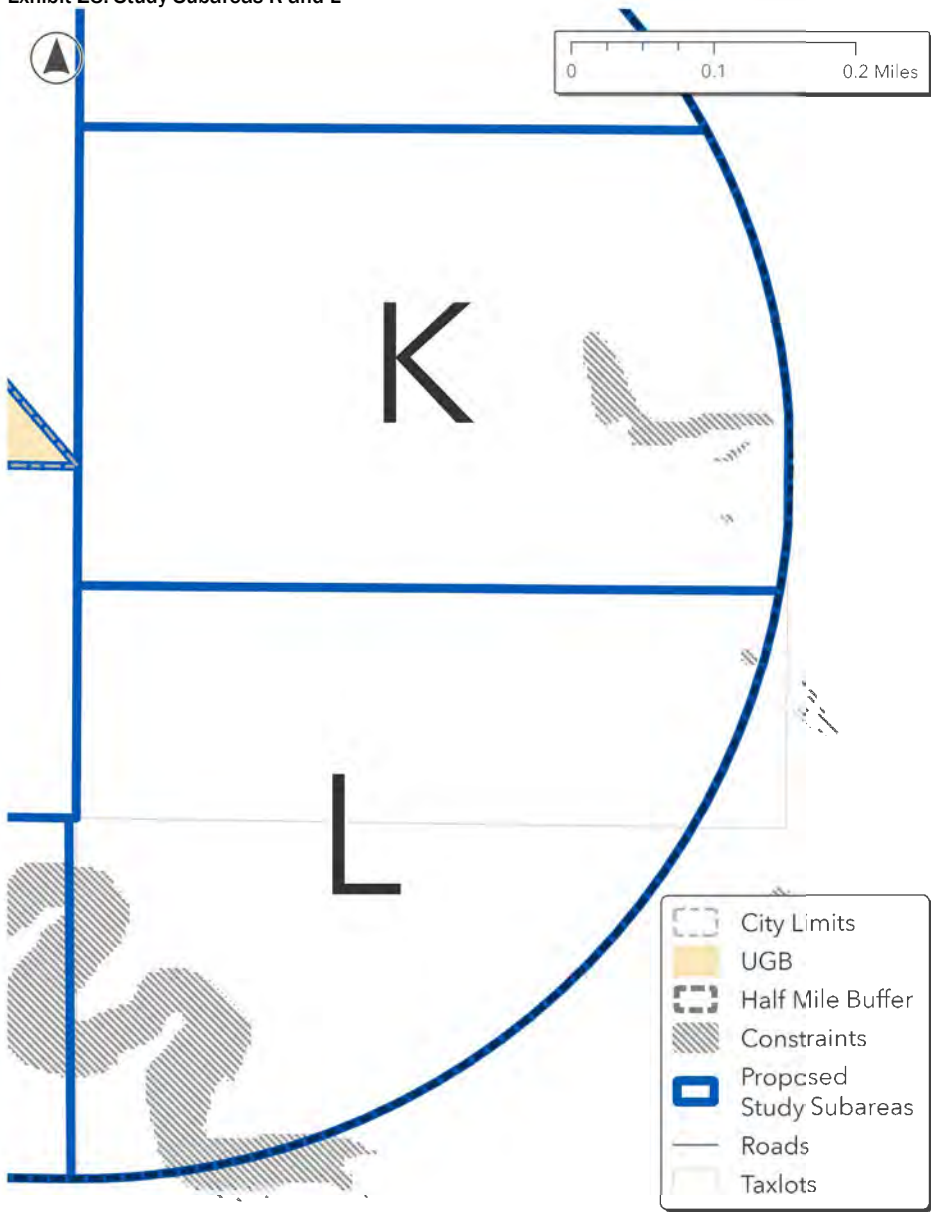


Exhibit 24. Study Subareas M and N

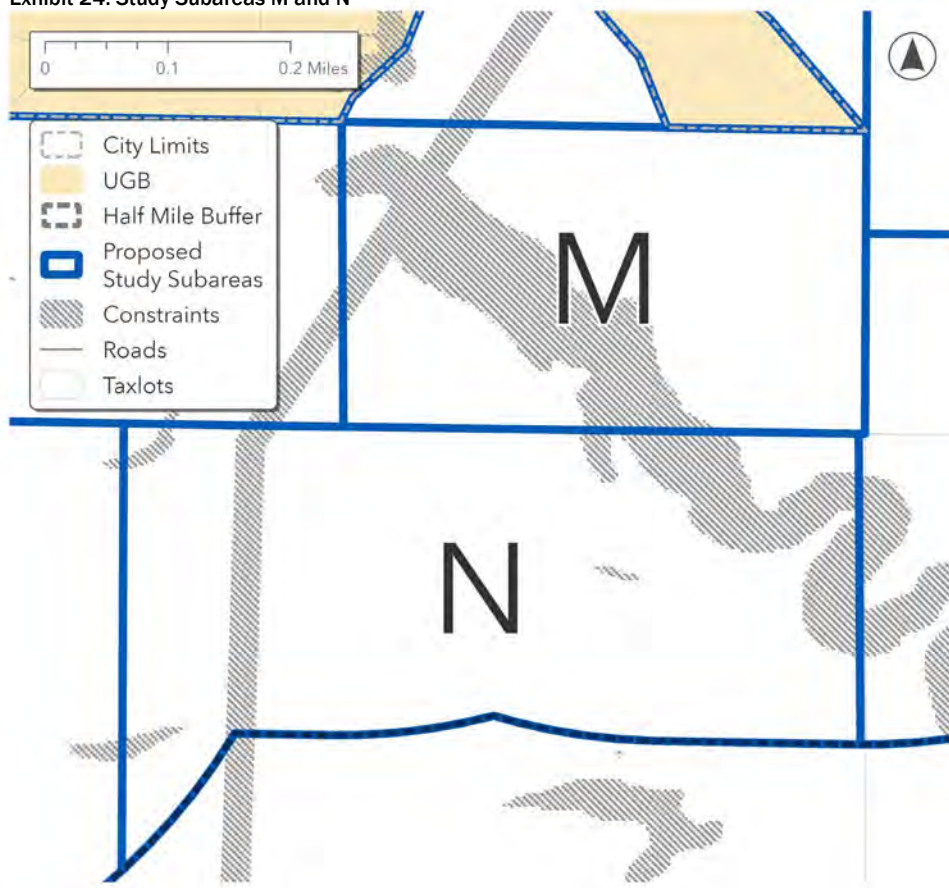


Exhibit 25. Study Subareas O and P

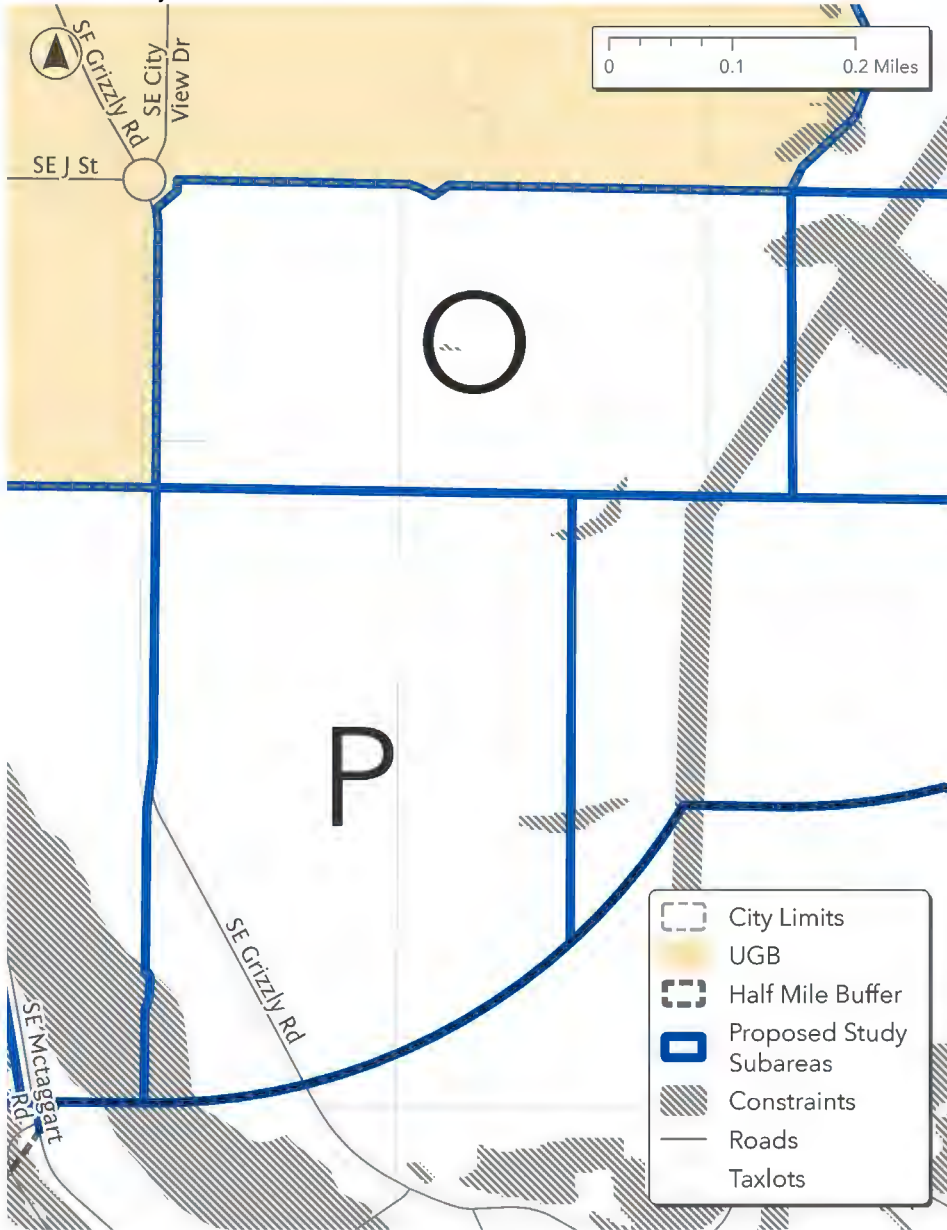


Exhibit 26. Study Subareas Q, R and S

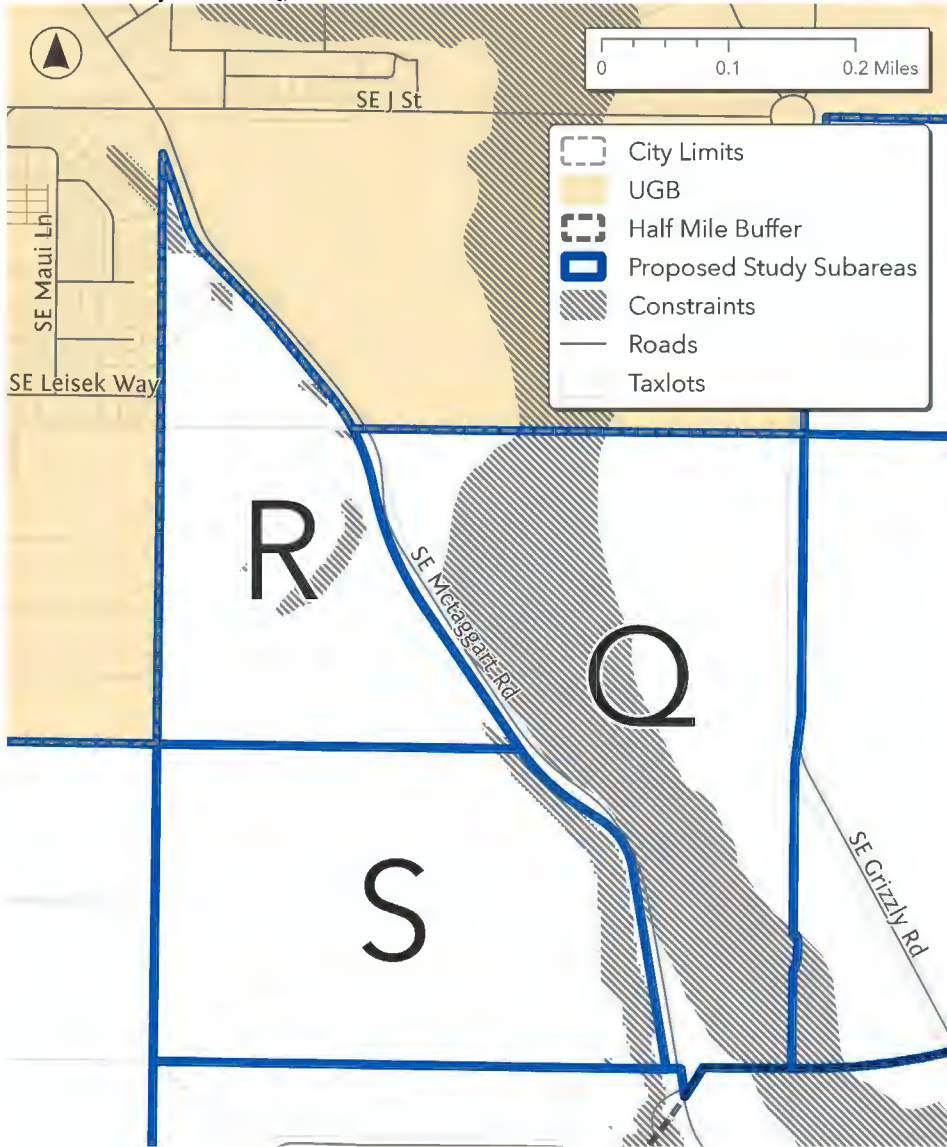


Exhibit 27. Study Subarea T

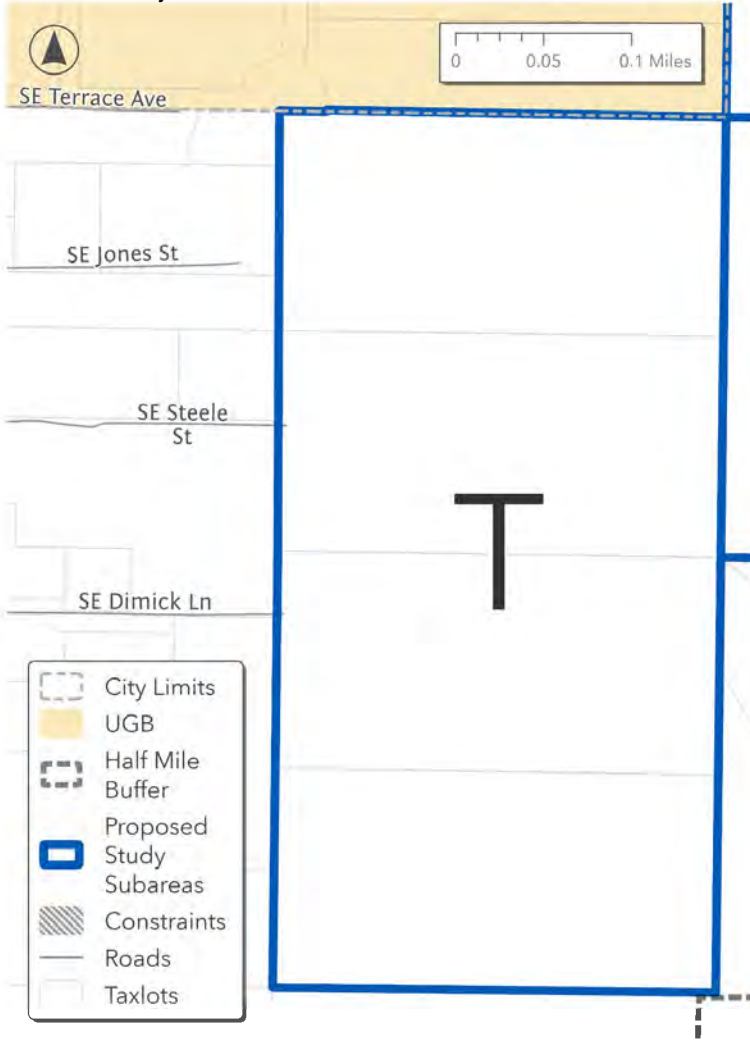


Exhibit 28. Study Subarea U



4. Goal 14 Locational Factors

Chapter 4 includes additional findings demonstrating compliance Goal 14 locational factors. Goal 14 establishes four boundary location factors that must be considered when reviewing alternative boundaries:

The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197A.320 and with consideration of the following factors:

- (1) Efficient accommodation of identified land needs;*
- (2) Orderly and economic provision of public facilities and services;*
- (3) Comparative environmental, energy, economic and social consequences; and*
- (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.*

The following sections provide an evaluation of the proposed lands, with the proposed land exchange area of subarea J.

Findings demonstrating consistency with Goal 14 Location Factors 1-4

The four Goal 14 location factors are: (1) Efficient accommodation of identified land needs; (2) Orderly and economic provision of public facilities and services; (3) Comparative environmental, energy, economic and social consequences; and (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

The following sections provide findings showing consideration of the Goal 14 locational factors.

Factor 1: Efficient accommodation of identified land needs

Factor 1 includes characteristics such as: efficient urban development opportunities, ability to meet needs for identified housing types, and good urban form to allow for integration with the existing city.

Exhibit 29. Evaluation of Factor 1 Characteristics

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
A	<ul style="list-style-type: none"> • Two parcels. • All parcels are over 5 acres. • The study area is not adjacent to the UGB. It is about 650 feet from the existing UGB. • No local road connection. It is about 900 feet from the closest local road, NE Jask St. • No improved roads within subarea. • Free of constraints. 	<p>Subarea A is about a 650 foot distance from the Madras UGB. It if was brought into the UGB, it would create an “island” in the UGB above subarea B. This would have a negative impact on Madras’ urban form and would not efficiently accommodate residential land needs.</p>
B	<ul style="list-style-type: none"> • Six parcels. • 93% of land is in parcels 5 acres or larger. • One parcel is long and narrow, spanning vertically across the entire subarea and splitting off about 1/3rd of the western portion. • Area is adjacent to UGB. • Area is adjacent to NE Loucks Rd. • No improved roads within subarea. • Minimal constraints include small portion of steep slopes and small lake/pond. 	<p>Subarea B is adjacent to the UGB and would provide an opportunity for extension of existing neighborhood development, along NE Lakeside Dr. There are no direct connection between Subarea B and Madras’ existing development. This subarea would not provide substantial connections to existing and developing neighborhoods within the Madras UGB.</p>
C	<ul style="list-style-type: none"> • Four parcels. • 97% of land is in parcels 5 acres or larger. • Not adjacent to UGB. It is about 1,400 feet from the existing UGB. • Adjacent to NE Lancaster Dr and NE Loucks Rd. • No significant constraints. 	<p>Subarea C is 1,400 feet distance from the Madras UGB. It if was brought into the UGB, it would create an “island” in the UGB for Sub-area D. This would have a negative impact on Madras’ urban form and would not efficiently accommodate residential land needs.</p>
D	<ul style="list-style-type: none"> • Two parcels. • All parcels are larger than 5 acres. 	<p>Subarea D is adjacent to the UGB but that land is zoned by the City as Open Space. This subarea would not provide substantial connections to existing and developing</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • Easternmost parcel split horizontally by subarea boundary. • Adjacent to UGB. • NE Dove Dr runs vertically through area, splitting off about 1/3rd of the western portion. • Adjacent to NE Loucks Rd. • Free of constraints. 	<p>neighborhoods within the Madras UGB. Additionally, this subarea would create an extension to the UGB without connection with the rest of the UGB. It would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
E	<ul style="list-style-type: none"> • Six parcels. • About 90% of land is in parcels 5 acres or larger. • Oddly shaped parcel under 5 acres to the north of NE Dove Dr. • Easternmost parcel split horizontally by subarea boundary. • Adjacent to UGB. • Direct road connection for UGB by way of NE Bean Dr and NE Richard Ln. • NE Dove Dr continues into this subarea. • 2% of land in the eastern portion constrained by steep slopes over 15%. 	<p>Subarea E is adjacent to the UGB and would provide an opportunity for extension of existing neighborhood development along NE Bean Dr. Additionally, it would fill in a small gap within the eastern UGB boundary, but a majority of the area would be adjacent to City-zoned Open Space.</p>
F	<ul style="list-style-type: none"> • Three parcels. • 95% of land is in parcels 5 acres or larger. • Easternmost parcel split horizontally by subarea boundary. • Area is only minimally adjacent to UGB. • Subarea is about 1,300 feet from the closest improved road within the UGB, E Ashwood Rd. • Subarea only has unimproved dirt roads. • 9% of land is constrained by steep slopes over 15% in the southwestern portion and in the eastern portion by a BPA easement that cuts across the area. 	<p>Subarea F is minimally adjacent to the UGB, sharing only about 350 feet of coverage between the two boundaries. Bringing this area into the UGB would create an eastward extension of the UGB without contiguous areas to the north or south. This would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
G	<ul style="list-style-type: none"> • Two parcels. • All parcels are larger than 5 acres. • Both parcels are split by subarea boundary. • Adjacent to UGB. • Southern boundary of area is adjacent to Ashwood Rd. 	<p>Subarea G is adjacent to the UGB but would further extend out a narrow branch of the UGB. The area is not close to any existing residential development and does not provide and would not efficiently accommodate residential land needs,</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • No improved roads within subarea. • 14% of land is constrained by steep slopes over 15% and a BPA easement that cuts diagonally across the area. 	therefore it would have a negative impact on Madras' urban form.
H	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel is split by area boundary. • Adjacent to UGB. • Northern boundary of area is adjacent to E Ashwood Rd. • No improved roads within subarea. • About 5% of the land is constrained by a BPA easement that runs diagonally across the area. 	Subarea H is adjacent to the UGB and its exchange into the UGB for the area that the City has requested to remove from the UGB and would only connect to the existing UGB towards the north and a bit on the northwest. The area is not close to any existing residential development and would not efficiently accommodate residential land needs. It would have a negative impact on Madras' urban form.
I	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel is split by area boundary. • Not adjacent to UGB, though area corners nearly touch. • E Ashwood Dr runs through the north section of the area. • 8% of the land is constrained, primarily by a BPA easement that runs across the northwestern portion. 	Subarea I is not adjacent to the UGB. If it was brought into the UGB, it would create an "island" in the UGB for subarea H. This would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.
J	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel is split by area boundary. • Adjacent to UGB. • Nearby access to SE Yarrow Ave. • No improved roads within subarea. • About 6% of land is constrained, primarily by a BPA easement that runs across the southern portion. 	<p>Subarea J is adjacent to the UGB and would provide an opportunity for extension of existing neighborhood development, along SE Yarrow Ave, with direction connection via that road. It is surrounded by City zone Planned Residential Development (R3) and fills in an existing gap in the UGB boundary. If brought into the UGB, the Bean Foundation plans to include it in the Yarrow Master Plan as an area for future housing development.</p> <p>Bringing this area into the UGB would have a positive impact on Madras' urban form and would efficiently accommodate residential land needs, given the proposal to include the area in the Yarrow Master Plan and the opportunities to connect with city infrastructure (documented in Exhibit 30).</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
K	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel is split by area boundary. • Not adjacent to UGB. Area is at least 2,000 feet from the UGB line, sans area that is being sought to exchange out. • No nearby road infrastructure. Closest improved road is about 1,300 feet away. • No improved roads within subarea. • 2% of land is constrained by steep slopes over 15% in eastern portion. 	<p>Subarea K is about a 2,000-foot distance from the Madras UGB once the area that the City is requesting to exchange out is removed. It if was brought into the UGB, it would create an “island” in the UGB for subareas H, J, and the area to be exchanged out. This would have a negative impact on Madras’ urban form and would not efficiently accommodate residential land needs.</p>
L	<ul style="list-style-type: none"> • Three parcels. • More than 99% of land is in parcels 5 acres or larger. • All parcels split by area boundary. • Westernmost parcel is thin and narrow strip. • Not adjacent to UGB. Area is at least 2,100 feet from the UGB line, sans area that is being sought to exchange out. • No access to local roads. The closest improved road is 3,000 feet north to E Ashwood Rd. • No improved roads within subarea. • 8% of land is constrained by steel slopes over 15% in southwestern portion. 	<p>Subarea K is about a 2,100 ft. distance from the Madras UGB once the area that the City is requesting to exchange out is removed. It if was brought into the UGB, it would create an “island” in the UGB for subareas J and M, or H and K. This would have a negative impact on Madras’ urban form and would not efficiently accommodate residential land needs.</p>
M	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel split by area boundary. • Area adjacent to UGB area that City is seeking to exchange out. • No access to local roads. The closest improved road is about 2,300 feet out to SE Yarrow Ave. • No improved roads within subarea. • 24% of land is constrained by steep slopes over 15% and a BPA easement. 	<p>Subarea M would not be adjacent to the UGB once the area the City is seeking to have exchanged out is removed, though corners of both boundaries would be touching diagonally. Additionally, the area is not close to any existing residential development and would not efficiently accommodate residential land needs. This subarea is bisected by areas with slopes greater than 25%, making cohesive residential development challenging. It would have a negative impact on Madras’ urban form.</p>
N	<ul style="list-style-type: none"> • Two parcels. • All parcels are larger than 5 acres. 	<p>Subarea N is about a 1,800 ft. distance from the existing UGB boundary. If it was brought into the UGB, it would create</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • Parcels split by area boundary. • Not adjacent to UGB. Area is about 1,300 feet distance to the existing UGB boundary. • Not adjacent to local roads. The closest improved road is about 1,800 feet to the area's west at SE Grizzly Road. • No improved roads within subarea. • 14% of land is constrained by steep slopes over 15% and a BPA easement. 	<p>an "island" in the UGB for subarea J and M. This would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
O	<ul style="list-style-type: none"> • Four parcels. • 99% of land is in parcels 5 acres or larger. • Easternmost parcel split by area boundary. • Adjacent to UGB. • Western side adjacent to SE Grizzly Rd, with potential direct connection at northwest roundabout. • No improved roads within subarea. • 3% of land is constrained by steep slopes over 15% and a BPA easement. 	<p>Subarea O is adjacent to the UGB boundary and is adjacent to the City zone Planned Residential Development (R3). It is directly adjacent to SE Grizzly Road and in close proximity to a roundabout where Grizzly RD, SE J St, and SE Cityview Dr converge. However the area is not close to any existing residential development and would not provide an opportunity for the extension of existing neighborhoods. If brought into the Madras UGB, it would have a neutral impact on Madras' urban form.</p>
P	<ul style="list-style-type: none"> • Three parcels. • All parcels are larger than 5 acres. • Easternmost parcel split by area boundary. • Not adjacent to UGB, though the areas are directly diagonal at corner points. • SE Grizzly Rd cuts across the southern portion of land. • 2% of land is constrained by steep slopes over 15%, the FEMA regulatory floodway and 100-year floodplains, and the 50-foot Willow Creek riparian corridor. 	<p>Subarea P is not adjacent to the UGB, though corners of both boundaries are touching diagonally. It has a direct local road connection due to SE Grizzly Rd running across its boundary. If brought into the UGB, it would at best create a "cherry stem". This would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs</p>
Q	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Adjacent to UGB. • Adjacent to SE Grizzly Rd at the top half of the eastern side and adjacent to McTaggart Rd along the western side. 	<p>Subarea Q is adjacent to the UGB, though it is adjacent to City-zoned Open Space. The area is not close to any existing residential development and is also significantly constrained. The area is bisected by the 100 Year Floodplain and a riparian corridor, making much of the subarea into the UGB unsuitable for residential development.</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • 47% of land is constrained by the FEMA regulatory floodway and 100-year floodplains, and the 50-foot Willow Creek riparian corridor. 	<p>If brought into the UGB, it would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
R	<ul style="list-style-type: none"> • Four parcels. • 94% of land is in parcels 5 acres or larger. • Northernmost two parcels are irregular in shape and small in size. • Southernmost parcel split by area boundary. • Adjacent to UGB. • Adjacent to SE McTaggart Rd along the eastern side with a potential direct connection to Leisek Way on the western side. • No improved roads within subarea. • 5% of land is constrained by steep slopes over 15%. 	<p>Subarea R is adjacent to the UGB and would provide an opportunity for the extension of existing neighborhood development along Leisek Way, of which is zoned as Single-Family Residential (R-1). The area is also adjacent to SE McTaggart Rd. If brought into the UGB, it would have a positive impact on Madras' urban form and could accommodate residential land needs.</p>
S	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Not adjacent to UGB, though the areas are directly diagonal at corner points. • Adjacent to SE McTaggart Rd along the eastern side. • No improved roads within subarea. • 7% of land is constrained by steep slopes over 15% along the eastern side. 	<p>Subarea S is not adjacent to the UGB, though corners of both boundaries are touching diagonally. The closest direct connection to the UGB is through the adjacent SE McTaggart Rd, though this road is about 1,500 ft. from the UGB. The area is not close to any existing residential development and if brought into the UGB, it would at best create a "cherry stem". Bringing this area into the UGB would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
T	<ul style="list-style-type: none"> • Four parcels. • All parcels are larger than 5 acres. • Adjacent to UGB. • Existing road connections on western side, stemming off from SE Steele St and SE Dimick Ln. • Free of constraints. 	<p>Subarea T is adjacent to the UGB, the area of which is zoned as Single-Family Residential (R-1). This area would provide an opportunity for the extension of sparse existing residential development along SE Steele St.</p>
U	<ul style="list-style-type: none"> • Two parcels. • 97% of land is in parcel 5 acres or larger. • Parcel of 1 acre is small and irregularly placed, subsumed by the other, larger parcel. • Adjacent to UGB. 	<p>Subarea U is adjacent to the UGB and would provide an opportunity for the extension of existing neighborhood development along SW Sunrise St and SW Belmont Ln, the area of which is zoned as Single-Family Residential (R-1). If brought into the UGB, it would have a positive impact on</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • Potential road connections at SW Sunrise St and SW Belmont Ln. • Existing road network within area is unimproved. • Free of constraints. 	Madras' urban form and may efficiently accommodate residential land needs.

Exhibit 30 summarizes the details of Exhibit 29 to give a high-level summary of the potential of each subarea for efficiency of urban development opportunities. Each subarea is given a rating based on the following:

- **Negative:** Areas that are not adjacent to the UGB, have few if any connections to existing roads within Madras, have significant development constraints, and/or are not near existing or developing residential neighborhoods
- **Neutral:** Areas that are adjacent to the UGB but may not provide connections with existing or developing residential neighborhoods or may not provide connections with existing Madras roads
- **Positive:** Areas that are adjacent to the UGB, may fill in a “notch” in the UGB, adjacent to existing or developing residential neighborhoods, and/or have connections with existing Madras roads

Exhibit 30. Summary of Efficiency of Urban Development Opportunities (Factor 1)

Subarea	High Level Summary	Key Issues or Opportunities
A	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
B	Neutral	Little direct connections with Madras' existing neighborhoods to build on.
C	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
D	Neutral	Adjacent to UGB but would not provide substantial connections with existing or developing neighborhoods
E	Neutral	Adjacent to UGB but would not provide substantial connections with existing or developing neighborhoods
F	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
G	Negative	Adjacent to UGB but would not provide substantial connections with existing or developing neighborhoods
H	Negative	Adjacent to UGB but would not provide substantial connections with existing or developing neighborhoods
I	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
J	Positive	Adjacent to the UGB, adjacent to and an extension of the Yarrow residential development, with the Bean Foundation's plans for development of the area.
K	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
L	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
M	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
N	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB

Subarea	High Level Summary	Key Issues or Opportunities
O	Neutral	Adjacent to the UGB but distant from existing or upcoming development
P	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
Q	Negative	Adjacent to the UGB but bisected by floodplain and riparian corridor
R	Positive	Adjacent to the UGB and existing R-1 development, with connections to Madras roads
S	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
T	Neutral	Adjacent to the UGB but limited nearby residential development, some connections with Madras roads
U	Positive	Adjacent to the UGB and existing R-1 development, with connections to Madras roads

Factor 1 Finding

The City finds that subarea J provides the best opportunities for development at planned densities and also provides opportunities to connect to an existing R-3 zoned neighborhood.

Subareas R and U provide opportunities for development at planned densities but are adjacent to existing R-1 development.

Factor 2: Orderly and economic provision of public facilities and services

Factor 2 requires the City to consider opportunities for orderly and economic provision of public facilities and services. This section focuses on provision of roads, water, and wastewater services and evaluates the advantages and disadvantages for each subarea for these services.

Exhibit 31. Evaluation of Factor 2 Characteristics

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
A	<p>Advantages</p> <ul style="list-style-type: none"> Relatively flat, without steep slopes <p>Disadvantages</p> <ul style="list-style-type: none"> No existing roads in the subarea. ODOT not likely to grant access for local streets to connect Hwy 97. Only collector streets. Access to the subarea would require access through subarea B, creating a cherry stem to the area. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer would need to construct needed water service distribution system, increasing development costs 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing sewer collection system adjacent or in Subarea. Requires extension of sewer main from Hwy 97 and Loucks Road to Subarea, about a 1,300 ft. distance. Developer to pay for “to and through” sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
B	<p>Advantages</p> <ul style="list-style-type: none"> Subarea directly adjacent to existing Loucks Road. <p>Disadvantages</p> <ul style="list-style-type: none"> Eastern & western portion of Subarea are separated by narrower portion of Subarea in the middle, creating an area that is more difficult for new roads. Extending roads “to and through” will be challenging and limit development, which may result in 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Existing sewer main adjacent to southwest corner of Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires significant extension of sewer main from Loucks Road to Subarea. Likely requires sewer main to be extended to the east to serve eastern portion of Subarea.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	higher cost than can be accommodated by the developer, making the development financial infeasible.		<ul style="list-style-type: none"> Developer to pay for “to and through” significant sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
C	<p>Advantages</p> <ul style="list-style-type: none"> Street network not established.. <p>Disadvantages</p> <ul style="list-style-type: none"> Very little transportation planning completed in Subarea. Access to the subarea would require access through subarea D, creating a cherry stem to the area. Active irrigation canal on Subarea will need to be avoided when developed or developer to pay for piping. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires significant extension of sewer main from Loucks Road to Subarea. Developer to pay for “to and through” sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
D	<p>Advantages</p> <ul style="list-style-type: none"> Street network not established.. Existing north/south road bisects Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Street network not established.. Roundabout planned at realigned Bean Drive and Loucks Road, which would require private property dedication to the right-of-way, limiting amount of land for development and increasing the costs of the roundabout. Underground federal irrigation pipe bisects Subarea. Significant slope separates east and west areas of Subarea. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires significant extension of sewer main from Loucks Road, then south in Bean Drive to Subarea. Developer to pay for “to and through” significant sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	<ul style="list-style-type: none"> Subarea has significant frontage to Bean Drive and Loucks Road for which will need to be improved at time of development. Frontage and internal street network to be constructed by developer. 		
E	<p>Advantages</p> <ul style="list-style-type: none"> Street network not established.. <p>Disadvantages</p> <ul style="list-style-type: none"> Street network not established. Very little frontage/access to existing roads. Significant slope on eastern portion of Subarea limits development potential. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires very significant extension of sewer main from Loucks Road, then south in Bean Drive to Subarea. Developer to pay for “to and through” significant sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
F	<p>Advantages</p> <ul style="list-style-type: none"> Existing rural street network established in Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Access to the subarea would require access through Subareas D and or E. Any significant development would require Loucks Road improvements (off-site). Existing rural street network in Subarea not likely to support urban development and needed street network. Significant slopes in subarea would increase the costs of roads. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. Significant slopes in subarea would increase the costs of municipal water. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires very significant extension or Ashwood Bean Drive to Subarea. Developer to pay for “to and through” sewer extension, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.. Development dependent on sewer being extended to serve Subareas E or G.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	<ul style="list-style-type: none"> No existing street network. 		<ul style="list-style-type: none"> Significant slopes in subarea would increase the costs of wastewater service.
G	<p>Advantages</p> <ul style="list-style-type: none"> Ashwood Rd. fronts Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing land in UGB to the west of Subarea is not developed. Significant slopes in subarea. The slopes in the subarea will make it more costly to extend Ashwood Road into the subarea (or build other connector roads). No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Likely can connect to Ashwood gravity main. <p>Disadvantages</p> <ul style="list-style-type: none"> Steep slopes will make serving property challenging. Development likely dependent on sewer being extended to serve Subarea H. Developer to pay for "to and through sewer extension, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible..
H	<p>Advantages</p> <ul style="list-style-type: none"> Subarea has gentle southeast to northwest slope. Few development constraints other than infrastructure not being adjacent to Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing land in UGB to the west of the Subarea has no existing infrastructure or existing development. No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. There is an existing master plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer service dependent on a costly sewer lift station planned near the northern boundary between Subareas H and I in Ashwood Road, which may take a decade or longer to build. Gravity sewer service dependent on sewer being extended from development to the west and slopes that are conducive to gravity service.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
			<ul style="list-style-type: none"> • Significant “to and through” sewer extension required, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible..
I	<p>Advantages</p> <ul style="list-style-type: none"> • Ashwood Rd. fronts Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> • Existing land in UGB to the west of Subarea is not developed. • Access to the subarea would require access through Subareas H and new street network to connect to Ashwood Road, creating a cherry stem to the area. • Subarea has gentle southeast to northwest slope. • Access to Subarea will occur through two connections to Ashwood Road on west side of Subarea and on east outside of Subarea. • No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> • Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> • No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. • Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> • Subarea not developed and wastewater collection system can be developed to serve development most efficiently. • Master Plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> • Sewer service dependent on sewer lift station planned near the northern boundary between Subareas H and I in Ashwood Road. • Gravity sewer service not likely to be feasible and the area would require expensive pump station.
J	<p>Advantages</p> <ul style="list-style-type: none"> • Yarrow Avenue terminates at western boundary of Subarea. • Can extend infrastructure into Subarea from western boundary of the Subarea. • Potential for integration with road network developed in existing neighborhood. • Subarea has gentle southeast to northwest slope. 	<p>Advantages</p> <ul style="list-style-type: none"> • Deschutes Valley Water District (DVWD) is service provider. • Opportunity to connect to the DVWD the nearby water main on Yarrow Avenue. <p>Disadvantages</p> <ul style="list-style-type: none"> • DVWD does not have any planned water distribution projects planned in Subarea. • Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> • Subarea not developed and wastewater collection system can be developed most efficiently based on existing sewer infrastructure in the nearby Yarrow development. • Master Plan to guide sewer system development, with nearby planned sewer lines. • Gravity sewer service to be minimally extended from Yarrow/Bean Drive intersection to serve Subarea. <p>Disadvantages</p>

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	<ul style="list-style-type: none"> The City's TSP includes plans for an extension to Bean Drive, which can serve the western portion of the Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> New street network needs to connect to existing Yarrow subdivision street network. 		<ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Master Plan to guide sewer system development. Significant "to and through" sewer extension required, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible..
K	<p>Advantages</p> <ul style="list-style-type: none"> Subarea has gentle southeast to northwest slope. No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Access to the subarea would require access through Subareas J and H, creating a cherry stem to the area. No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Master Plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer service dependent on sewer lift station planned near the northern boundary between Subareas H and I in Ashwood Road, about a 2,500 ft. distance. Sewer service dependent on gravity mains being extended from Subarea I to Subarea K.
L	<p>Advantages</p> <ul style="list-style-type: none"> Subarea mostly has gentle southeast to northwest slope. <p>Disadvantages</p> <ul style="list-style-type: none"> Access to the subarea would require access through Subareas K and M, creating a cherry stem to the area. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Master Plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer service dependent on sewer lift station planned near the northern boundary between Subareas H and I in

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
			<p>Ashwood Road, about a 4,000 ft. distance.</p> <ul style="list-style-type: none"> • Sewer service dependent on gravity mains being extended from Subarea I and K to Subarea L.
M	<p>Advantages</p> <ul style="list-style-type: none"> • Significant slopes on at least 40% of Subarea. • No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> • Access to the subarea would require access through Subareas J and O, creating a cherry stem to the area. • Existing land in UGB to the northwest of Subarea is not developed. • No existing street network. • The steep slopes in the subarea would increase the costs of new roads substantially. 	<p>Advantages</p> <ul style="list-style-type: none"> • Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> • No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. • Developer to construct needed water service distribution system. • The steep slopes in the subarea would increase the costs of connecting to the municipal water system. 	<p>Advantages</p> <ul style="list-style-type: none"> • Subarea not developed and wastewater collection system can be developed to serve development most efficiently. • Master Plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> • Sewer service dependent on sewer service being extended to and through Subarea J, about a 2,700 ft. distance. • Significant “to and through” sewer extension required, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible. • The steep slopes in the subarea would increase the costs of connecting to the municipal wastewater system.
N	<p>Advantages</p> <ul style="list-style-type: none"> • Significant slopes on at least 50% of Subarea. • No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> • Access to the subarea would require access through Subareas O and M, creating a cherry stem to the area. • Existing land in UGB to the northwest of Subarea is not developed. • No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> • Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> • No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. • Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> • Subarea not developed and wastewater collection system can be developed to serve development most efficiently. • Master Plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> • Sewer service dependent on sewer service being extended to and through Subareas J, M, O, or P. • Significant “to and through” sewer extension required, which may result in higher cost than can be accommodated

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
			by the developer, making the development financial infeasible.
O	<p>Advantages</p> <ul style="list-style-type: none"> Subarea fronts Grizzly Road. No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Moderate westerly slope in Subarea but eastern portion of Subarea has more significant slopes. Would require street network to be connect to Yarrow Master Plan and subdivision street networks. Existing land in UGB to the north is not developed. No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Development likely to connect into existing sewer main in Yarrow Avenue <p>Disadvantages</p> <ul style="list-style-type: none"> Subarea outside of Yarrow Master Plan area and therefore collection system serving development does not exist. Significant “to and through” sewer extension required, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
P	<p>Advantages</p> <ul style="list-style-type: none"> Subarea fronts Grizzly Road. No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing land in UGB to the north and northwest are not developed. No existing street network. Access to the subarea would require access through Subareas O or Q, creating a cherry stem to the area. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer main serving development to connect to Yarrow Avenue sewer main. Significant “to and through” sewer extension required, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
Q	<p>Advantages</p> <ul style="list-style-type: none"> Subarea fronts both McTaggart and Grizzly Roads. <p>Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	<ul style="list-style-type: none"> Street network to connect to both McTaggart and Grizzly Roads while crossing Willow Creek and the associated floodplain in several locations. Higher costs for the frontages on these streets. 	<ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. The floodplain for Little Creek creates a disadvantage for municipal water, as it would require a costly crossing of the Creek. 	<p>Disadvantages</p> <ul style="list-style-type: none"> Sewer to connect to J Street sewer main near McTaggart/J Street intersection. Requires significant sewer extension. May require City to grant easement to extend sewer across City McTaggart farm property. The floodplain for Little Creek creates a disadvantage for municipal water, as it would require a costly crossing of the Creek.
R	<p>Advantages</p> <ul style="list-style-type: none"> Subarea fronts McTaggart Road. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing developments west of Subarea that are in the city limits are not able to connect/extend streets into Subarea. Higher costs of upgrading McTaggart Road from a County to a city road. Significant slopes on 30% of Subarea. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer to connect to J Street sewer main near McTaggart/J Street intersection. Requires significant sewer extension.
S	<p>Advantages</p> <ul style="list-style-type: none"> Gentle southeast slope. Subarea fronts McTaggart Road. No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Street network to connect to street networks in Subareas R and T that do not exist today. Access to the subarea would require access through Subareas R or T, creating a cherry stem to the area. No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer to connect to J Street sewer main near McTaggart/J Street intersection. Requires significant sewer extension. Sewer service dependent on sewer service being extended to and through Subareas Q or R.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
T	<p>Advantages</p> <ul style="list-style-type: none"> No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing land in UGB to the north is not developed. No existing street network. Future street network to connect to existing roads to the west and north. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system, likely by 1,300 feet or more. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer service dependent upon sewer being extended to and through the property in the city limits directly to the north of the Subarea or to and through Subarea R or S. Extension of the needed sanitary sewer system would be 1,300 feet or more.
U	<p>Advantages</p> <ul style="list-style-type: none"> No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Significant southeasterly slope on at least 40% of Subarea. No existing street network. Future street network to connect to development in city limits to the south and east of Subarea. Both are largely undeveloped. Development to would need to pay some of the costs of a to Belmont/Culver Hwy Roundabout 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer service dependent upon sewer being extended to and through the property in the city limits directly to the south. Might require increase sewer capacity for the southwest part of the city beyond existing collection system.

Exhibit 32 shows the relative costs for infrastructure development in each subarea depending on whether there are opportunities to connect to existing infrastructure or need to develop new infrastructure.

- **Low** cost is a subarea where there is existing adjacent infrastructure to connect into.
- **Middle** costs are where there is not existing adjacent infrastructure to connect into but there may be some physical constraint such as slopes that raise the costs of infrastructure development.
- **High** cost is a subarea where there is not existing adjacent infrastructure, infrastructure extension would be at least ¼ mile, and infrastructure improvements may require costly investments like roundabouts or lift stations. There may be some physical constraint such as slopes that raise the costs of infrastructure development.

Exhibit 32. Relative Costs of Infrastructure Development

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
A	High	High	High
B	Middle	Middle	Middle
C	High	High	High
D	High	High	High
E	High	High	High
F	High	High	High
G	High	High	Low
H	Low	Middle	Middle
I	High	High	High
J	Low	Low	Low
K	High	High	High
L	High	High	High
M	High	High	High
N	High	High	High
O	Middle	Middle	Middle
P	High	High	High
Q	High	High	High
R	Middle	High	High
S	High	High	High
T	High	High	High
U	High	High	High

Factor 2 Finding

The City finds that subarea J would provide the best opportunities for using existing connections to public services and is the most economical (least costly) location for Madras’ UGB land swap when considering provisions for roads, water, and wastewater services.

Factor 3: Comparative environmental, energy, economic and social consequences

Environmental consequences

Environmental consequences of residential development will be lesser on subareas adjacent to the UGB, where there is existing and developing residential neighborhoods, especially in areas outside of the floodplain, riparian areas, or other environmentally sensitive areas.

The areas that are adjacent to the Madras UGB on at least two sides are B, E, H, J, O, R, and U. Of these, subareas B, R, and U have active agricultural activity on the subareas. Areas E, H, J, and O are the areas that are likely to have lower environmental consequences for urbanization.

Subarea J will be part of the Yarrow Master Plan, which envisions planting street trees and inclusion of parks and open space within the Master Plan area.

Energy consequences

Environmental consequences of residential development will be lesser on subareas adjacent to the UGB, where there is existing and developing residential neighborhoods and infrastructure. Subareas that could connect into existing roads, water systems, and wastewater would have lower comparative energy consequences. Subarea J is best positioned to connect into existing road systems, water system, and wastewater system. The location of subarea J relative to the Yarrow Master Plan area (which is one of Madras growth areas) is positioned to require less travel and energy consumed by mechanical and pumping for water or wastewater services), compared with locating residences in areas that are further from City services. In addition, the planned city park and school near the Yarrow Master Plan provide opportunities to access some services relatively near subarea J.

Economic consequences

The economic consequences of expanding the UGB for residential uses to subarea J are positive. The areas will provide opportunity for additional housing construction, which will support the construction industry. Moreover, providing adequate housing in diverse housing types in Madras supports the City's housing policies. Subarea J is less costly to provide public services (as discussed in Exhibit 32).

Subarea J will be part of the Yarrow Master Plan, which will provide an extension of a developing neighborhood, with a mixture of lot and unit sizes, as well as potential future commercial uses. The Yarrow Master Plan envisions development of housing affordable across the income spectrum, including comparatively affordable types, such as small and medium lots, as well as multifamily housing.

Social consequences

The land exchange will provide opportunities for building a wider variety of housing types. Adding new households to the community will have positive social benefits, such as supporting

community activities and local businesses. Such impacts would presumably occur regardless of the location of new residential land, however, the proximity of subarea J relative to existing uses provides a higher level of social benefit, as part of the Yarrow Master Plan area. Subarea J provides more positive social consequences because of its planned connections with existing residential areas and positive impact on the urban form and a better connected transportation system in Madras (as discussed under Factor 2).

Factor 3 Findings

The City finds that subarea J has positive social consequences (including development as part of the Yarrow Master Plan with a range of housing types), better opportunities for energy efficiency (in connecting to existing transportation, water, and wastewater systems), positive economic consequences (from being relatively cost efficient and providing housing types that may be affordable), and lower likely environmental impacts.

Factor 4: Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the urban growth boundary

The following summarizes the compatibility of the proposed residential land exchange with nearby agricultural and forecast activities around each subarea.

- **Subarea A** is being used for carrot seed farming and portions of Subarea B are in active farm use for hay, wheat, and carrot seed. To the north of Subarea A across Highway 97, the primary use of the farmland is fallow/idle and shrubland, though alfalfa is also being grown. The proposed residential uses would not be compatible with on-going agricultural uses in Subarea B or in Subarea A. The proposed residential uses would be compatible with fallow and shrubland agricultural uses to the north of Subarea A.
- **Subarea B** is adjacent to the City. Two-thirds of this area is in active farm use primarily growing winter wheat, as well as hay and carrot seed. The proposed residential uses would not be compatible with on-going agricultural uses in Subarea B. But would be compatible with adjacent agricultural uses in Subarea A.
- **Subarea C** is primarily shrubland, with some agricultural uses on the western side for alfalfa and non-alfalfa hay. The surrounding area to the east is primarily shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea D** is primarily shrubland with some agricultural uses on the eastern side for dryland and winter wheat when irrigation water is available. The surrounding area to the east is primarily shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea E** is primarily used as range land. The area to the east of Subarea E, Subarea F, mostly contains shrubland. The proposed residential uses would preclude rangeland

use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.

- **Subarea F** is primarily used as range land. The area to the east of Subarea F mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea G** is primarily used as range land. The area to the east of Subarea F mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea H** is primarily shrubland, with a small portion being use for rangeland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea I** is primarily used as range land. The area to the east of Subarea I mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea J** is primarily shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea K** is primarily used as range land. The area to the east of Subarea K mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea L** is primarily used as range land. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea M** is primarily used as range land. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in areas of Subarea M not brought into the UGB.
- **Subarea N** is primarily used as range land. The area to the east of Subarea N mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea O** is primarily used as range land. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible

adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.

- **Subarea P** is primarily used as range land. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea Q** is being actively used for agricultural using wastewater from the City's south wastewater treatment plant. The area is primarily used to grow alfalfa, as well as carrot seed. Land to the south of Subarea Q is also used for the growth of alfalfa. The proposed residential uses would preclude agricultural uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea R** its land is used for the growth of alfalfa and hay, though much of the area is shrubland. The proposed residential uses would preclude agricultural uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea S** is primarily used as range land. The proposed residential uses would preclude rangeland uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea T** has some small scale agriculture, particularly in the northern portion that lays directly adjacent to the City. This agricultural use involves the growth of wheat and alfalfa, as well as some rangeland. The proposed residential uses would preclude agricultural and rangeland uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea U** is partially being used for farming wheat and alfalfa, as well as rangeland. To the west and north of Subarea W up to SW Johnson Rd, the primary use of the farmland is shrubland. The proposed residential uses would preclude agricultural and rangeland uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.

Much of the area around the subareas is in on-going agricultural uses, either through growing crops or in rangeland. Exhibit 33 summarizes the details of the discussion above about compatibility between the proposed urban use (residential development in the R-3 zone) and agricultural uses in adjacent areas. Each subarea is given a rating based on the following:

- **Negative:** Areas that are not adjacent to the UGB and would extend urban uses further from the existing UGB into areas with agricultural uses.
- **Neutral:** Areas that are adjacent to the UGB, where new residential uses would be compatible with on-going agricultural uses outside the UGB.

Exhibit 33. Evaluation of Compatibility of Proposed Urban Use with Agricultural Uses

Subarea	Summary of Potential Impact on Agricultural Uses	Key Considerations
A	Negative	Area not adjacent to the UGB
B	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
C	Negative	Area not adjacent to the UGB
D	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
E	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
F	Negative	Area not adjacent to the UGB
G	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity
H	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
I	Negative	Area not adjacent to the UGB
J	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
K	Negative	Area not adjacent to the UGB
L	Negative	Area not adjacent to the UGB
M	Negative	Area not adjacent to the UGB
N	Negative	Area not adjacent to the UGB
O	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
P	Negative	Area not adjacent to the UGB
Q	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
R	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
S	Negative	Area not adjacent to the UGB
T	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
U	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea

Factor 4 Findings

The City finds that the subareas where there is little on-going agriculture (beyond grazing animals) in the subarea, the subareas are adjacent to the UGB on at least one side, and there is less intensive active agricultural activity in adjacent areas are subareas: D, E, H, J, and O. Development in these subareas would have a lesser effect on agricultural activities on the subareas and in adjacent subareas.

Goal 14 Factor Evaluation Summary

Exhibit 34 summarizes the evaluation of Goal 14 Locational Factors 1, 2, and 4. Based on the analysis findings presented above, Subarea J is the best alternative for Madras to meet the land need for about 40 acres of buildable residential land. It would have a positive impact on Madras' urban form and would efficiently accommodate the land need for R-3 residential land, as an area for expansion of the Yarrow Master Plan. It is the area with the lowest cost of service for roads, water, and wastewater. Subarea J has potential for positive social, economic, and energy consequences. Its location adjacent to the UGB, with little agricultural activity on subarea J or around it, beyond rangeland uses, will be compatible with agricultural activities.

Exhibit 34. Summary of Evaluation of Goal 14 Locational Criteria Factors 1, 2, and 4

Subarea	Factor 1: Impact on Efficiency	Factor 2: Costs of Service	Factor 4: Potential Impact on Agricultural Uses
A	Negative	High	Negative
B	Neutral	Middle	Neutral
C	Negative	High	Negative
D	Neutral	High	Neutral
E	Neutral	High	Neutral
F	Negative	High	Negative
G	Negative	High	Neutral
H	Negative	Middle	Neutral
I	Negative	High	Negative
J	Positive	Low	Neutral
K	Negative	High	Negative
L	Negative	High	Negative
M	Negative	High	Negative
N	Negative	High	Negative
O	Neutral	Middle	Neutral
P	Negative	High	Negative
Q	Negative	High	Neutral
R	Positive	Middle	Neutral
S	Negative	High	Negative
T	Neutral	High	Neutral
U	Positive	High	Neutral

The City finds that subarea J provides the best alternative for Madras to meet the residential land needs.

5. County and City Requirements for UGB Changes

Jefferson County Comprehensive Plan

Quasi-Judicial Amendments

In order to be approved, the proposed amendment must:

1. *Comply with applicable Statewide Planning Goals, Oregon Revised Statutes and Administrative Rules, or comply with requirements for an exception to the goal(s);*

Finding: Compliance with Statewide Planning Goals is demonstrated in Section 6 of this Narrative. Compliance with applicable Oregon Revised Statutes and Administrative Rules is demonstrated in Section of this Narrative.

2. *Comply with all applicable Comprehensive Plan goals and policies; and*

Goal 1

Policy 1: Strive to maximize citizen involvement during the review and amendment of the Comprehensive Plan and implementing ordinances.

Finding: The proposed UGB land exchange was presented and discussed at public hearings of the Madras Planning Commission (1/3/2024), Madras City Council (2/13/2024), Jefferson County Planning Commission (2/8/2024), and Jefferson County Board of County Commissioners (2/28/2024). Public testimony was taken at each hearing. This criterion is met.

Policy 2: Provide maximum opportunity for citizen participation in the land use permitting process.

Finding: The proposed UGB land exchange was presented and discussed at public hearings of the Madras Planning Commission (1/3/2024), Madras City Council (2/13/2024), Jefferson County Planning Commission (2/8/2024), and Jefferson County Board of County Commissioners (2/28/2024). Public testimony was taken at each hearing. This criterion is met.

Policy 3: Information on planning processes, procedures and requirements should be readily available to the public.

Finding: Information about the proposed UGB land exchange was made available to the public at hearings of the Madras Planning Commission and Madras City Council, as well as hearings of the Jefferson County Planning Commission and Jefferson County Board of County Commissioners (. This criterion is met.

Goal 3 Agricultural Lands

Policy 1: Protect agricultural and range land which presently is under production, or has the potential to be productive.

Finding: The area proposed to be brought into the UGB (subarea J) is within Madras' Urban Reserve and is "First Priority" for inclusion into the UGB according to OAR 197A.320. This criterion is met. The land removed from the UGB will be zoned Rangeland, consistent with the zoning of surrounding areas. The agricultural potential of the exchange parcels is comparable as they are comprised of similar soils. If anything, the "squaring off" that would occur as a result of the exchange would result in more contiguous agricultural lands, which would be employed more efficiently with reduced conflicts with the residential uses contemplated in the inclusion lands. This criterion is met.

Finding: The land removed from the UGB will be zoned Rangeland, consistent with the zoning of surrounding areas. This criterion is met.

Policy 2: Recognize the importance of irrigation for crop production.

Finding: The area proposed to be brought into the UGB (subarea J), which is not irrigated. This criterion is met.

Goal 10 Housing

Policy 1: Sufficient rural residential land should be provided to meet the need to accommodate population growth and the demand for rural home sites outside city limits.

Finding: The area proposed to be brought into the UGB (subarea J) was not comprehensively planned or zoned for residential use. As a result, the proposed action does not affect supplies of rural residential land. This criterion is met.

Policy 2: Criteria for rezoning lands to Rural Residential should be established.

Finding: A rezone to Rural Residential is not proposed.

Jefferson County Zoning Ordinance

803.2 Map Amendments

An amendment to the Zoning Map may be approved if it complies with the approval criteria in this Section. The burden of proof is on the applicant to submit sufficient information to demonstrate that the application complies with the approval criteria. For instance, a traffic impact study in accordance with Section 421 may be needed to show compliance with criterion (F).

A. The zoning designation will conform to the Comprehensive Plan Map designation;

Finding: The area proposed to be brought into the UGB (subarea J) was in Jefferson County's Rangeland zone. It will be brought into the UGB and zoned Planned Residential

Development (R-3) consistent with proposed Madras Comprehensive Plan Map designation. This criterion is met.

Finding: The land removed from the UGB will be zoned Rangeland, consistent with the Jefferson County Comprehensive Plan Map designation. This criterion is met.

B. The amendment is consistent with other Zoning Ordinance requirements including, but not limited to, wildlife habitat, bird habitat and riparian protection standards;

Finding: Compliance with the Jefferson County Zoning Ordinance is addressed in this section. No physical development of either of the exchange lands is proposed at this time. The exchange lands are not otherwise subject to any Goal 5 inventories. This criterion is met.

C. The amendment will cause no significant adverse impact to other properties in the vicinity due to factors such as water quality, drainage, air quality or noise;

Finding: The proposal does not include any physical development that might potentially create the foregoing impacts. Any future development of the area proposed to be brought into the UGB (subarea J) will be developed consistent the Madras Development Code, which includes development standards that address potential adverse impacts to adjacent properties. The proposal does not present adverse impacts to adjacent County-zoned properties. This criterion is met.

Finding: The proposal does not include any physical development that might potentially create the foregoing impacts. Any future development of the land removed from the UGB will be developed consistent with Jefferson County Zoning Ordinance, which includes development standards that address potential adverse impacts to adjacent properties. This criterion is met.

D. The amendment will not force a significant change in or significantly increase the cost of farming or forest practices on surrounding resource land;

Finding: The area proposed to be brought into the UGB (subarea J) is adjacent to the city's UGB on two sides and will have the area removed from the UGB to the East (which is owned by the City of Madras). The proposed development on subarea J is compatible with surrounding rangeland uses and will not force a significant change in or significantly increase costs of farming on surrounding land. If anything, the proposal will reduce the perimeter of the Madras UGB and thus the extent of the line between urban/urbanizable uses and rural/resource uses (thereby reducing potential conflicts that might result in change or increased costs of resource uses). This criterion is met.

Finding: The land removed from the UGB will be zoned Rangeland and will cause no significant change in or significantly increase costs of farming on surrounding land. If

anything, the proposal will reduce the perimeter of the Madras UGB and thus the extent of the line between urban/urbanizable uses and rural/resource uses. This criterion is met.

E. Adequate public safety, fire protection, sanitation, water and utility facilities and services are available or will be provided to serve uses allowed in the proposed zone;

Finding: The City of Madras will provide urban services to the area proposed to be brought into the UGB (subarea J), consistent with other land in the Madras UGB. This criterion is met.

Finding: The land removed from the UGB is approximately the same number of acres as subarea J, resulting in no substantial changes to County provision of services. This criterion is met.

F. The uses allowed in the proposed zone will not significantly affect a transportation facility identified in an adopted Transportation System Plan by:

- 1. Changing the functional classification of an existing or planned transportation facility;*
- 2. Allowing types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility; or*
- 3. Reducing the performance standards of the facility below the minimum acceptable level identified in the applicable Transportation System Plan. A Traffic Impact Study in accordance with Section 421 may be required to show compliance with this standard.*

Finding: The area proposed to be brought into the UGB (subarea J) will be included in Madras TSP. The proposal is supported by a Transportation Planning Rule analysis, as discussed below, that finds none of the foregoing significant effects. This criterion is met.

Finding: The land removed from the UGB will be down zoned to Rangeland and will thus not have any of the foregoing significant effects. This criterion is met.

Madras Comprehensive Plan

GOAL 1 - *To develop a Citizen Involvement program that insures the opportunity for all citizens to be involved in all phases of the planning process.*

POLICY - The City shall insure an adequate citizen involvement in all phases of the planning process. To that end, the citizen involvement program is spelled out on Pages 14 and 15 of this plan.

The City shall publicize the opportunities for citizen involvement by the following methods:

- A. *The City shall post notices of Planning Commission meetings, outlining the date, time, place and topics to be discussed, on public bulletin boards within the City. This would include the City Hall, the County Courthouse, and local markets.*
- B. *In addition to the Oregonian and the Oregon Journal, there are two newspapers serving the area--the Madras Pioneer (a weekly), and The Bulletin (a Bend daily). Both papers have indicated a willingness to publish articles announcing meetings and general discussions of Planning Commission topics including any decisions that are rendered.*
- C. *Madras has a local television weather channel that allows placement of local notices. This is anticipated to provide an excellent method of notification go the general public.*
- D. *Local service organizations and clubs shall be informed on Planning Commission progress and discussion topics. These organizations include the Lions, Kiwanis, Chamber of Commerce, Epsilon Sigma Alpha Sorority, and the Jaycees.*
- E. *Technical assistance shall be provided to the Planning Commission and the general public by a planning consultant retained by the City. In addition, technical assistance is available from the City Manager's office. As Madras is the County Seat of Jefferson County, both the County Planner and the County Extension Agent have indicated a willingness to assist in the planning process and to provide assistance to interested citizens.*

Finding: The proposed UGB land exchange was presented and discussed at public hearings of the Madras Planning Commission (1/3/2024), Madras City Council (2/13/2024), Jefferson County Planning Commission (2/8/2024), and Jefferson County Board of County Commissioners (2/28/2024). The City posted notices of the hearings in City Hall, Jefferson Co. Library, Jefferson Co. Annex, the Madras Post Office, and Madras Pioneer Newspaper on the dates identified in Table 1 below. Public testimony was taken at each hearing. This criterion is met.

Commented [BG1]: Nick - Fill in?

Table 1. Public Meeting Notices

Hearing	Location	Date Posted	Notes
	City Hall	Dec. 6 th & 13 th , 2023	
	Jefferson Co. Library	Dec. 6 th & 13 th , 2023	
	Jefferson Co. Annex	Dec. 6 th & 13 th , 2023	
	Madras US Post Office	Dec. 6 th & 13 th , 2023	
	Madras Pioneer Newspaper	Dec. 6 th & 13 th , 2023	

GOAL 2 - To establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of the land and to insure an adequate factual base for such decisions and actions.

POLICIES -

- A. The City and County shall insure that the Comprehensive Plan serves as a basis for future land use decision.

Finding: The proposed UGB land exchange documented in this report was developed with consideration of Madras' Comprehensive Plan Policies. This criterion is met.

- B. The City and County shall be responsive to the changes in needs and conditions over time and amend the plan accordingly. The amendment process is discussed in the Land Use element.

Finding: The proposed UGB land exchange documented in this report is a needed amendment to the City's Comprehensive Plan, to allow for more efficient utilization of land and more achievable development of needed housing. This criterion is met.

- C. The land use plan map and zoning maps for properties within in the Madras Urban Growth Boundary are the same. The City and County will work to adopt common zones for land in the UGB to provide certainty for property owners regarding the intended future urban use for all lands in the boundary.

Finding: The land proposed for inclusion in the UGB documented in this report will be zoned and comprehensively planned as R-3. This criterion is met.

GOAL 3 - To preserve and maintain agricultural lands.

POLICIES -

- A. To establish an Urban Growth Boundary to separate rural lands from urbanizable lands.
- B. Encourage establishment of exclusive farm use zoning outside the established Urban Growth Boundary.

Finding: The land proposed for inclusion in the UGB documented in this report will be zoned R-3, separating rural land from urbanizable land. The proposal decreases the perimeter of the UGB and thus more efficiently separates rural lands from urban/urbanizable lands.

GOAL 10 - To provide for the housing needs of the citizens of the City.

POLICIES - The City shall:

- A. Provide buildable land for a variety of housing types. So that a reasonable housing balance can be provided and that a mix of housing types on a variety of lot sizes are available for both

existing and future area residents, the City shall encourage the development of a range of housing types including “middle housing.” “Middle housing” is slightly denser than a detached single dwelling surrounded by a yard, but less dense than an apartment building. It can take several forms depending on the neighborhood or district context, including one to four dwelling units on a single lot—attached or detached—townhouses, cottage clusters, tiny homes, stacked flats, garden apartments, and boarding houses. It can occur in infill, redevelopment, conversions, and new subdivisions.

Finding: The proposed UGB land exchange will provide more achievable opportunities for development of a variety of housing types, as part of the Yarrow Master Plan area, including single-family housing (in a range of lot sizes), townhouses, and multifamily housing. This criterion is met.

B. Encourage development of suitable housing to satisfy all income levels. With the addition of more allowable housing types and the removal of barriers to middle housing, more development of attainable housing for low-, moderate- and middle-income residents will be permissible, and the City will grow into a more diverse, vibrant community.

Finding: The proposed UGB land exchange will provide more achievable opportunities for development of a variety of housing types, as part of the Yarrow Master Plan area, including single-family housing (in a range of lot sizes) and multifamily housing. The land being removed from the UGB was planned to be developed predominantly with larger lot single-family housing built around a golf course. The wider variety of housing sizes and types in subarea J will provide more variety in affordability of newly built housing. This criterion is met.

GOAL 11 - *To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.*

POLICIES - The City shall:

- A. Continue to support the school district in providing adequate educational facilities.*
- B. Provide urban services as required to the urbanizing areas of the City.*
- C. Ensure the provision of urban services--streets, water and sewer--as new developments occurs.*
- D. The City shall continue coordinating the existing agreement between the City and Deschutes Valley Water District.*
- E. The City shall coordinate with ODOT in implementing its improvement program.*

Finding: The proposed UGB land exchange (subarea J) is the area that can be most efficiently serviced with City water and wastewater, as well as connecting with Madras roads, as

described in Section 4. The proposal does not detract from the City's coordination efforts with partner agencies.

GOAL 12 - *To provide and encourage a safe, convenient, and economical transportation system.*

POLICIES - The City shall maintain and improve the City's street network policies. The City shall undertake to resolve the following problems as noted in the inventories section of the Comprehensive Plan.

Finding: The proposed UGB inclusion lands (subarea J) is the area that can be most efficiently connected with Madras roads, as described in Section 4. The exchange lands are not associated with any of the identified transportation problems.

GOAL 14 - *To provide for an orderly and efficient transition from rural to urban land, and to provide for livable communities.*

POLICIES -

- A. The City, in cooperation with Jefferson County, shall establish an Urban Growth Boundary.*
- B. The City, in cooperation with Jefferson County, shall mutually agree to a management plan for the Urban Growth Boundary area.*
- C. The City, in cooperation with Jefferson County, shall establish an Urban Growth Boundary revision process to be utilized in a proposed change of the Urban Growth Boundary.*
- D. The City shall encourage the development of complete, livable communities that include characteristics such as: a variety of lot sizes, dwelling unit types and ownership types, open spaces and other recreational amenities, a mix of land uses, school and community facilities, connected streets, proximity to downtown and other employment centers, and development that is scaled to the pedestrian and creates a sense of place. New growth areas should be developed in accordance with the Master Planned Community Overlay zone, which requires generous open space and amenities, and encourages efficient use of land and public facilities and services, a variety of housing types, innovative designs and complete pedestrian-friendly communities. Physical barriers, such as highways, tend to disrupt complete communities and livability because they disconnect areas from downtown and result in an auto-oriented environment of sprawl along highway corridors.*

Finding: The proposed changes to Madras UGB by bringing subarea J into the UGB and removing the land identified in this report from the UGB will be adopted by both Madras and Jefferson County. This criterion is met.

Finding: The proposed UGB land exchange will allow for development of subarea J as a part of the Yarrow Master Plan area. It will include a wider variety of housing than was planned

for the area being removed from the UGB, with nearby parks and a school. This change will help Madras' development as a complete and livable community. This criterion is met.

Consistency with Madras and Jefferson County Urban Reserve Area Report

The Urban Reserve Area Report was adopted by Madras **DETAILS**. The report includes the following Goal 14 policies that are relevant to the proposed land exchange:

Commented [BG2]: Nick - How and when was it adopted?

E. The City, in cooperation with Jefferson County, shall give priority to land in designated urban reserve areas over other land when considering urban growth boundary amendments.

Finding: The area proposed to be brought into the UGB (subarea J) is within Madras' Urban Reserves. This criterion is met.

F. The City shall favor UGB amendments that involve land in locations that are suitable to address identified urban land needs in order to minimize buildable land supply shortages and address identified needs. Factors that will be considered when evaluating UGB additions include:

- Existing and planned capacity of the transportation system
- Existing and planned capacity of the city waste water treatment plant
- Existing and planned capacity of the city sanitary sewer conveyance system
- Existing and planned capacity of the Deschutes Valley Water District supply system
- Impacts on schools, parks, and public safety service providers
- Impacts on future operating costs for public facilities and services

Finding: Impacts on these systems were considered in the evaluation of land to bring into the UGB, as documented in Chapter 4, with additional considerations in Chapters 5 and 6. The best area for inclusion in the UGB was determined to be subarea J, as discussed in other sections of this report. The criterion is met.

H. During years when a comprehensive UGB demand and supply evaluation is not scheduled, individual applications for adding property to the UGB shall be limited to requests of less than 50 acres. UGB amendment applications must demonstrate consistency with applicable Oregon statutes and administrative rules and be accompanied by information that addresses Policy 14-J below. Applications that involve more than 25 acres also must comply with provisions of Policy 14-I.

Finding: The proposed UGB land swap is for fewer than 50 acres. Consistency with applicable Oregon Statutes and administrative rules is demonstrated throughout this document. This criterion is met.

I. The City, in cooperation with Jefferson County, shall encourage the development of complete, livable communities that include characteristics such as: a variety of lot sizes, dwelling unit types and ownership types, open spaces and other recreational amenities, a mix of land uses, school and community facilities, connected streets, proximity to downtown and other employment centers, and development that is scaled to the pedestrian and creates a sense of place. New growth areas added to the UGB should be planned and developed in accordance either with the city Master Planned Community Overlay zone, or an Area Master Plan.

1. A Master Planned Community (MPC) Overlay may apply to large multi- phased development projects where the master plan is intended to guide future development patterns and serves to regulate the site-development approval process. MPC's require generous open space and amenities, and encourage efficient use of land and public facilities and services, a variety of housing types, innovative designs and complete pedestrian-friendly communities. Physical barriers, such as highways, tend to disrupt complete communities and livability because they disconnect areas from downtown and result in an auto-oriented environment of sprawl along highway corridors.
2. An Area Master Plan (AMP) is appropriate for land added to the UGB where the approval of urban development is expected to rely on conventional urban zoning and a conventional development application and review process. An AMP must be prepared for all contiguous properties added to the UGB that are greater than 25 acres and which are not subject to a MPC overlay. An AMP shall encourage efficient use of land, zoning consistent with an identified urban land need, appropriate locations for transportation improvements, public facilities, protection for significant open space, scenic, historic, and natural resource areas. An AMP must show how planned land uses will be integrated with the existing urban development pattern.

Finding: The area proposed for inclusion in the UGB (subarea J) will need to be included in an update of the Yarrow Master Plan, consistent with Madras' development code, before subarea J is developed.

Commented [BG3]: Nick - Do you have anything to add here about when this update is expected and may be adopted.

J. All land use applications or legislative proposals to expand the Madras UGB must be accompanied by information that documents the following:

1. The proposed urban zoning or land use program for the subject properties;
2. An annexation program for subject properties;
3. Evidence that all public facilities required by OAR 660-011-000 can be provided either through planned system improvements outlined in adopted facility master plans or by supplemental improvements that augment adopted infrastructure plans;
4. Evidence that the proposed zoning or land use plan complies with requirements of OAR 660-0012-0060 either by demonstrating that the planned improvements in the Madras

Transportation System Plan (TSP) have capacity to meet transportation needs of the proposed zoning or land use plan or that supplemental transportation improvements, which augment the adopted TSP, will meet this need;

5. *Evidence that providers of other public facilities - including schools, parks and recreation, energy, health care, etc. - are able to meet the projected demand for their services;*
6. *Evidence that development on property constrained by or affected by natural hazards are protecting from such hazards;*
7. *Evidence that known or probable significant resources related to open space, scenic areas, historic places or structures, or fish and wildlife habitat with appropriate measures for protecting significant sites.*
8. *Evidence that a majority of property owners support the conversion of land to urban uses and that land use regulations and financing for development related public improvements are available that ensure the land can be developed as planned within a 20-year horizon.*

Finding: The land proposed to be included in the UGB will be simultaneously annexed into the City and assigned R-3 zoning and comprehensive plan designations. Criteria 1 and 2 are met.

Finding: Subarea J provides opportunities to connect to a water main near the subarea on Yarrow Avenue and will require minimal extension of sewer service from the Yarrow Avenue and Bean Drive intersection. Extension of these services in this area will be less costly and burdensome than other alternative area considered for the land exchange. Existing fire and police protection will be extended by the City to serve the area. Criterion 3 has been met.

Commented [BG4]: Nick - Is this enough?

Finding: The transportation analysis presented in Chapter 6 for Goal 12 concludes that the proposed land exchange does not constitute a significant effect, as defined by the TPR, if the lands were developed to their maximum reasonable level under the R-3 zoning. Criterion 4 has been met.

Finding: The City's existing public facility master plans contemplated serving the 39 acres of buildable land proposed to be removed from the UGB. The 40 acres of buildable land to be included represents a nominal increase in potential development and does not exceed capacities to provide urban services to the included lands as documented in submitted will serve letters. Criterion 5 has been met.

Commented [GC5]: Need these per criterion (5) above.

Commented [BG6R5]: Nick ?

Finding: Subarea J is less sloped and otherwise has no other substantial natural hazards, as documented in Chapters 2 and 3 of this analysis. Criterion 6 has been met.

Finding: There are no known or probable significant resources in subarea J. Criterion 7 has been met.

Finding: The land owners of subarea J and the area proposed for removal from the UGB are City of Madras in both cases. Criterion 8 has been met.

Madras Development Code

18.75.030 Quasi-judicial amendments.

(1) *Applicability, Procedure and Authority.* Quasi-judicial amendments generally refer to a plan amendment or zone change affecting a single or limited group of properties and that involves the application of existing policy to a specific factual setting. Quasi-judicial amendments shall follow the Type III procedure using the standards of approval in subsection (2) and/or (3) of this section, as applicable. Based on the applicant's ability to satisfy the approval criteria, the application may be approved, approved with conditions, or denied.

Finding: The proposal applies to specific parcels of land and is thus subject to the quasi-judicial procedures set out in this section. It is thus subject to quasi-judicial procedures.

(2) *Criteria for Quasi-Judicial Comprehensive Plan Map Amendments.* The applicant shall submit a written narrative which explains how the approval criteria will be met. A recommendation or a decision to approve, approve with conditions, or to deny an application for a quasi-judicial amendment shall be based on all of the following criteria:

- (a) Approval of the request is consistent with the relevant Statewide Planning Goals that are designated by the Community Development Director;
- (b) Approval of the request is consistent with the relevant policies of the Comprehensive Plan that are designated by the Community Development Director;
- (c) The property and affected area are presently provided with adequate public facilities, services, and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided concurrently with the development of the property;
- (d) Evidence of change in the neighborhood or community or a mistake or inconsistency in the Comprehensive Plan or Zoning Map regarding the property that is the subject of the application; and
- (e) Approval of the request is consistent with the provisions of the Transportation Planning Rule.

Finding: The relevant statewide planning goals are addressed below. The policies of the Madras Comprehensive Plan were addressed above. The proposal includes modifications to the City's public facilities master plans for the planned provisions of urban services to the lands added to the UGB (and exclusion of the withdrawn lands from such plans). The Transportation Planning Rule is addressed below.

- (3) *Criteria for Quasi-Judicial Zone Changes. The applicant must submit a written narrative which explains how the approval criteria will be met. A recommendation or a decision to approve, approve with conditions, or to deny an application for a quasi-judicial zone change must be based on meeting the following criteria:*
- (a) *The amendment will bring the Zoning Map into conformance with the Comprehensive Plan map;*
 - (b) *The property and affected area is presently provided with adequate public facilities, services, and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided concurrently with the development of the property; and*
 - (c) *Approval of the request is consistent with the provisions of the Transportation Planning Rule.*

Finding: The proposal includes a concurrent redesignation and rezoning of the added lands to R-3, which will achieve conformance in planning and zoning. The proposal does not include modifications to the City’s public facilities master plans for the planned provisions of urban services to the lands added to the UGB (and exclusion of the withdrawn lands from such plans). Before development occurs, the applicant will be required to submit a master plan to address need for public facility changes. The Transportation Planning Rule is addressed below.

Madras Urban Reserve Area Management Agreement

The City of Madras and Jefferson County entered into the *Madras Urban Reserve Area Management Agreement*¹ (URAMA) with the purpose of establishing standards and procedures for land use actions on land in the Madras Urban Reserve Area.

OAR 660-021-0040(2)(e) and the URAMA state that:

The County shall prohibit certain uses in the URA, including plan or zoning map amendments that allow a minimum lot size less than ten acres as outlined in JCZO Section 323.3.

Finding: The land removed from the UGB will be down zoned to Rangeland, consistent with the zoning on subarea J and other adjacent land in the Urban Reserves. Jefferson County’s minimum lot size in the RL zone is 160 acres (Jefferson County Zoning Ordinance 301.8). This requirement is met.

OAR 660-021-0050(1) and the URAMA state that:

Jefferson County shall have authority and jurisdictional responsibility for current planning activities, land use decisions, building permitting, and code enforcement within the URA.

¹ The *Madras Urban Reserve Area Management Agreement* was adopted by the City of Madras and Jefferson County on 1/28/2009.

Upon inclusion of property from the URA within the Urban Growth Boundary, the property shall be subject to the Urban Growth Management Area Agreement

Finding: The land removed from the UGB will be zoned to Rangeland by Jefferson County and the area brought into the UGB (subarea J) will be concurrently annexed and zoned R-3 by the City of Madras and managed like other R-3 land within the City limits. This requirement is met.

The URAMA states that:

Designation of service responsibility, as required by OAR 660-021-0050(2) is as follows:

Service	Existing Service Provider	Future Urban Service Provider
Sanitary Trash Disposal	No Public Service Provider	No Public Service Provider
Sanitary Sewer	No Public Service Provider	City of Madras
Water	Deschutes Valley Water District	Deschutes Valley Water District
Fire Protection	Jefferson County Fire District #1	Jefferson County Fire District #1
Parks	Jefferson County	City of Madras
Recreation	Madras Aquatic Center District	Madras Aquatic Center District
Transportation	Jefferson County	City of Madras
Storm Water	Jefferson County	City of Madras

Finding: The proposal does not change the service providers applicable to lands within the urban reserve areas as set forth above.

6. Statewide Goal Consistency Analysis

This section addresses compliance with applicable Statewide Planning Goals.

Goal 1 Citizen Involvement

Goal 1 calls for the opportunity for citizens to be involved in all phases of the planning process. The public was provided the opportunity to be involved in the decision-making process regarding changes to the UGB through public meetings (in-person and by video conference), Madras Planning Commission, Madras City Council, Jefferson County Planning Commission, and Jefferson County Board of County Commissioners. Public testimony was taken at each hearing. The City of Madras notifies nearby property owners, publishes a public hearing notice and contact information in the newspaper, and facilitates public participation during public hearings.

The public has had the opportunity to be involved in decision making for issues related to the UGB land exchange analysis.

Goal 2 Land Use Planning

Goal 2 outlines the basic procedures of Oregon's statewide planning program, stating that land use decisions must be made in accordance with comprehensive plans and that effective implementation ordinances must be adopted.

Madras' acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan and implementing ordinances provide the local criteria by which the applicant's request will be reviewed. The proposed UGB land exchange area (subarea J) will require review and compliance with the applicable statewide planning goals. No exception to statewide planning goals is necessary.

Goal 2 also requires the consideration of alternatives. The City considered a range of alternatives for the UGB land exchanged, as documented in Sections 3 and 4 of this report. All pertinent documentation has been made available to all interested parties. Goal 2 has been properly addressed.

Goals 3 Agricultural Lands and 4 Forest Lands

As stated in 660-024-0020(1)(b), Goals 3 and 4 are not applicable when establishing or amending an urban growth boundary. No further analysis is required.

Goal 5 Open Spaces, Scenic and Historic Areas & Natural Resources

Goal 5 requires local governments to inventory and protect natural resources. There are no inventoried significant Goal 5 resources subarea J. No further analysis is required.

Goal 6 Air, Water and Land Resources Quality

Goal 6 requires local comprehensive plans and implementing measures to be consistent with state and federal regulations. The proposed UGB exchange will have little, if any effect on the quality of air, water and land resources of the area. By complying with applicable air, water and land resource quality policies in the Madras Comprehensive Plan, Goal 6 will be properly addressed.

Goal 7 Areas Subject to Natural Disasters and Hazards

Goal 7 requires that jurisdictions apply appropriate safeguards when planning development in areas that are subject to natural hazards such as flood hazards.

The identified natural hazards in Madras are flooding and landslide hazards. The proposed UGB exchange area (subarea J) does not have flood hazards or significant landslide hazards. The alternatives analysis considered lands within the FEMA flood hazards and areas with steep sloped, attempting to avoid expanding into areas with identified hazards. Lands included within subarea J are not subject to any known natural hazards.. Thus, Goal 7 has been properly addressed.

Goal 8 Recreation Needs

Goal 8 requires governmental organizations with responsibility for providing recreational facilities to plan for recreational facilities. The Yarrow Master Plan includes three new public parks and the existing Juniper Hills County Park is to the north of the Master Plan area. Subarea J does not itself include areas planned for parks.

Madras adopted the *Madras Parks Master Plan* in 2019. That plan inventoried existing facilities, estimates a level of service, and identified park needs. The Master Plan identified existing park improvements and new park improvements. Neither areas involved in the exchange include park land.

The land exchange proposed is for exchange of about 40 acres of land, with the area removed from the UGB and added to the UGB both zoned R-3. As a result, the proposed exchange will not significantly change Madras housing capacity or demand for new park land. Thus, Goal 8 has been properly addressed.

Goal 9 Economy of the State

Goal 9 requires jurisdictions to plan for an adequate supply of land for employment uses to further goals for economic development. There are no commercial or industrial zoned lands involved in the proposed UGB exchange. As a result, Goal 9 is not applicable.

Goal 10 Housing

The proposed UGB land exchange results in a slight increase in buildable acreage under the same R-3 zoning. Accordingly, the land exchange will result in substantially the same number of housing units. Subarea J will provide better opportunities to develop a wider range of housing types than the land being removed from the UGB. As a result, there will be little impact on the residential land supply and better opportunity to achieve the housing objectives set out in Goal 10. Goal 10 has been properly addressed.

Goal 11 Public Facilities and Services

The provision of public facilities and services was considered in the Goal 14 alternatives analysis process described above and the application is supported by will-serve letters from such providers. Subarea J provides opportunities to connect to a water main near the subarea on Yarrow Avenue and will require minimal extension of sewer service from the Yarrow Avenue and Bean Drive intersection. Extension of these services in this area will be less costly and burdensome than other alternative areas considered for the land exchange..

For the above reasons, the City finds that Goal 11 has been satisfied.

Goal 12 Transportation

Goal 12 encourages the provision of a safe, convenient and economic transportation system. This goal also implements provisions of other statewide planning goals related to transportation planning in order to plan and develop transportation facilities and services in coordination with urban and rural development (OAR 660-012-0000(1)). For the purposes of the proposed amendments, the Transportation Planning Rule (TPR) requires additional analysis if the proposed amendments would significantly affect an existing or planned transportation facility, as defined in OAR 660-001-0060(1).

The following TPR analysis by Kittleson & Associates demonstrates compliance with Goal 12 , the TPR and the provisions of City and County land use regulations that implement Goal 12 and the TPR.



1001 SW Emkay Drive, Suite 140
Bend, OR 97702
P 541.312.8300

September 21, 2023

Project# 28585

To: Nick Snead, City of Madras
Beth Goodman, ECONorthwest

From: Matt Kittelson & Julia Kuhn

RE: Madras Urban Growth Boundary Land Exchange

The proposed land exchange requires preparation of Transportation Planning Rule (TPR) analyses per Oregon Administrative Rule (OAR) 066-012-060. As summarized herein, the proposed land exchange does not constitute a significant effect, as defined by the TPR, if the lands were developed to their maximum reasonable level under the R-3 zoning. The remainder of this memorandum provides the details supporting this conclusion.

Transportation Planning Rule (TPR) Evaluation

Two sections of the TPR apply to amendments to acknowledged land use designations. Per OAR 660-012-0060(1) and (2), the first step in assessing an amendment's potential transportation impact is to compare the vehicular trip generation assuming a "reasonable worst-case" development scenario under the existing and proposed amendment. If the trip generation potential increases by more than 400 daily trips under the proposed amendment, additional analysis is required to assess whether the proposal will "significantly affect" the transportation system. Conversely, if the trip generation under the amendment is less than the thresholds defining a "significant effect," no additional quantitative analysis is necessary to support the change.

Trip Generation Comparison

To test for a significant effect, we reviewed the change in trip generation potential of the lands to be replaced versus that of the lands to be added. As noted above, the lands within the UGB today identified for removal are zoned R-3 and the lands identified to be brought into the UGB are planned for R-3 zoning. The net increase of the land exchange is one buildable acre. Per the City's Municipal Code Section 18.15.040 and analyses conducted on behalf of the City by ECONorthwest, the following represents the "reasonable worst-case" scenarios in terms of trip making under R-3:

- Single family homes developed at a density of 5.2 units per acre;
- Townhomes developed at a density of 15 units per acre;
- Duplexes, triplexes, and quadplexes developed at a density of 13.8 units per acre; and/or,
- Apartments developed at a density of 16.8 units per acre.

Table 1 presents a trip generation comparison for the net increase of one buildable acre associated with the lands to be added versus those to be removed. This comparison is based on information contained in the *Trip Generation Manual* (11th Edition, as published by the Institute of Transportation Engineers). As shown in the table, the maximum trip generation change associated with the proposed land exchange is associated with the potential development of 17 apartments. These apartments could result in a daily trip increase of 115 vehicular trips, of which 9 trips would occur during the weekday PM peak hour.

Table 1. Trip Generation Comparison Associated with One Additional Acre of R-3 Lands

Land Use	ITE Code	Size (units)	Total Daily Trips	Weekday PM Peak Hour Trips	Maximum for Analyses?
Single Family Detached	215	5	47	5	No
Townhomes	215	15	108	9	No
Duplex/Triplex/Quadplex	215	14	101	8	No
Apartments	220	17	115	9	Yes
Highest Trip Generation Potential			115	9	Apartments

In reviewing Table 1, Policy 1F.5 of the Oregon Highway Plan establishes the following thresholds for determining significance:

- Any proposed amendment that does not increase the average daily trips by more than 400 is not considered significant.
- Any proposed amendment that increases the average daily trips by more than 400 but less than 1,000 for state facilities is not considered significant where:
 - The annual average daily traffic is less than 5,000 for a two-lane highway
 - The annual average daily traffic is less than 15,000 for a three-lane highway
 - The annual average daily traffic is less than 10,000 for a four-lane highway
 - The annual average daily traffic is less than 25,000 for a five-lane highway
- If the increase in traffic between the existing plan and the proposed amendment is more than 1,000 average daily trips, then it is not considered a small increase in traffic and the amendment causes further degradation of the facility and would be subject to existing processes for resolution.

As shown, the proposed land exchange would not result in a significant impact per OHP Policy 1F.5 as it would constitute an increase of less than 400 daily trips (i.e., only an increase of 115 daily trips). We further note that neither the increase of 115 daily trips nor increase of 9 weekday PM peak hour trips meet the City’s Traffic Impact Study guidelines for necessitating a

study. Per Madras Municipal Code Section 18.25.180, a Transportation Impact Analysis is required if the land use action results in an increase of 500 or more daily trips or 50 or more PM peak hour trips. For these reasons, no quantitative analyses are needed to address the TPR nor the City's requirements.

Summary of Applicable Oregon Administrative Rule Criteria

OAR Section 660-12-0060 of the TPR sets forth the relative criteria for evaluating plan and land use regulation amendments. Table 2 summarizes the criteria in Section 660-012-0060 and the applicability to the proposed land exchange.

Table 2. Summary of Criteria in OAR 660-012-0060

Section	Criteria	Applicable?
1	Describes how to determine if a proposed land use action results in a significant effect.	Yes
2	Describes measures for complying with Criteria #1 where a significant effect is determined.	No
3	Describes measures for complying with Criteria #1 and #2 without assuring that the allowed land uses are consistent with the function, capacity and performance standards of the facility.	No
4	Determinations under Criteria #1, #2, and #3 are coordinated with other local agencies.	Yes
5	Indicates that the presence of a transportation facility shall not be the basis for an exception to allow development on rural lands.	No
6	Indicates that local agencies should credit developments that provide a reduction in trips.	No
7	Outlines requirements for a local street plan, access management plan, or future street plan.	No
8	Defines a mixed-use, pedestrian-friendly neighborhood.	No
9	A significant effect may not occur if the rezone is identified on the City's Comprehensive Plan and assumed in the adopted Transportation System Plan.	No
10	Agencies may consider measures other than vehicular capacity if within an identified multimodal mixed-use area (MMA).	No
11	Allows agencies to override the finding of a significant effect if the application meets the balancing test.	No

As shown in Table 2, there are eleven criteria that apply to Plan and Land Use Regulation Amendments. Of these, two are applicable to the proposed land exchange. These criteria are provided below in italics with our response shown in standard font.

OAR 660-12-0060(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

- (a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);
- (b) Change standards implementing a functional classification system; or
- (c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.
 - (A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;
 - (B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or
 - (C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

Response: The proposed land exchange is not anticipated to result in an increase in daily trip making that constitutes a significant effect per OHP Policy 1F.5 nor does the daily or PM peak hour trip generation potential result in an increase that would warrant a Traffic Impact Analysis per the City’s Municipal Code requirements. Further, no changes to the City’s functional street classification designations or standards are proposed or warranted by the land swap and the adjacent facilities are appropriate for the R-3 designations. We also note that the City’s Transportation System Plan identifies the future extension of Bean Drive to this area, which will benefit the connectivity provided to the Yarrow Master Plan lands.

- (4) Determinations under sections (1)–(3) of this rule shall be coordinated with affected transportation facility and service providers and other affected local governments.

Response: The Applicant is coordinating the proposed zone change with Jefferson County and ODOT.

Conclusions

As discussed herein, our review concluded that the proposed land exchange and resulting increase of one buildable acre into the City’s Urban Growth Boundary that is zoned R-3 does not constitute a significant effect as defined by the TPR and OHP Policy 1F.5. Further, neither the small increase in daily nor weekday PM peak hour trips associated with the land exchange require a Transportation Impact Analysis per the City’s requirements.

Goal 13 Energy

Goal 13 requires land and uses developed on the land to be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Energy consequences of the proposed urban growth area amendment have been considered in the Goal 14 alternatives analysis process. Therefore, Goal 13 has been adequately addressed.

Goal 14 Urbanization

Goal 14 has been complied with as demonstrated in Chapters 2 through 4 of this report.

Goal 15 through 19

Goals 15 through 19 are related to the Willamette Greenway and coastal resources. As such, these goals do not apply to the subject sites and no further analysis is required.

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Nicholas Snead, Community Development Director

Through: Will Ibershof, City Administrator

Subject: **CITY OF MADRAS REQUEST FOR ANNEXATION (BOUNDARY CHANGE).**
File No. AX-23-2. City limits boundary adjustment.

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

I move that the City Council approve the proposed Annexation based on the findings provided and direct staff to prepare the necessary adopting ordinance, contingent upon the City Council and Jefferson County Board of Commissioners approve the related Urban Growth Boundary adjustment.

OVERVIEW:

Amend the Madras city limits (annexation) by removing 40 acres +/- from the city limits and replacing an equivalent amount of land to the Madras city limits. The land being removed and added to the city limits is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the city limits is zoned R-3 (City Zoning) and the area being added to the city limits will be zoned R-3 as identified in Exhibit B and Figures 1 and 2. On January 3, 2024 the Planning Commission took formal action to make a recommendation to the City Council to approve the Annexation proposal to change the Madras city limits boundary.

STAFF ANALYSIS:

The City of Madras is the applicant and to document the City's authorization to initiate the annexation, the City Council passed Resolution No. 24-2023. The proposed Annexation is a legislative and the applicant (City of Madras) has provided information demonstrating compliance with the applicable State and City approval criteria for a boundary change (Annexation) by property owner consent. The proposed boundary change will remove 40 acres +/- . The City has provided the required notices as specified below in Table 1.

Table 1. Public Notices Issued.

Notice Type	Date Issued or Published	Notes
Adjacent Property Owner Notice	12-11-23	For 1-3-24 Planning Commission Hearing & 2-13-24 City Council Hearing

Development Team/Agencies Notice	12-15-23	For 1-3-24 Planning Commission Hearing & 2-13-24 City Council Hearing
Madras Pioneer Newspaper Public Hearing Notice	12-20-23 12-27-23 1-10-24 1-17-24	For 1-3-24 Planning Commission Hearing & 2-13-24 City Council Hearing

Figure 1. Proposed UGB and City Limits Changes.

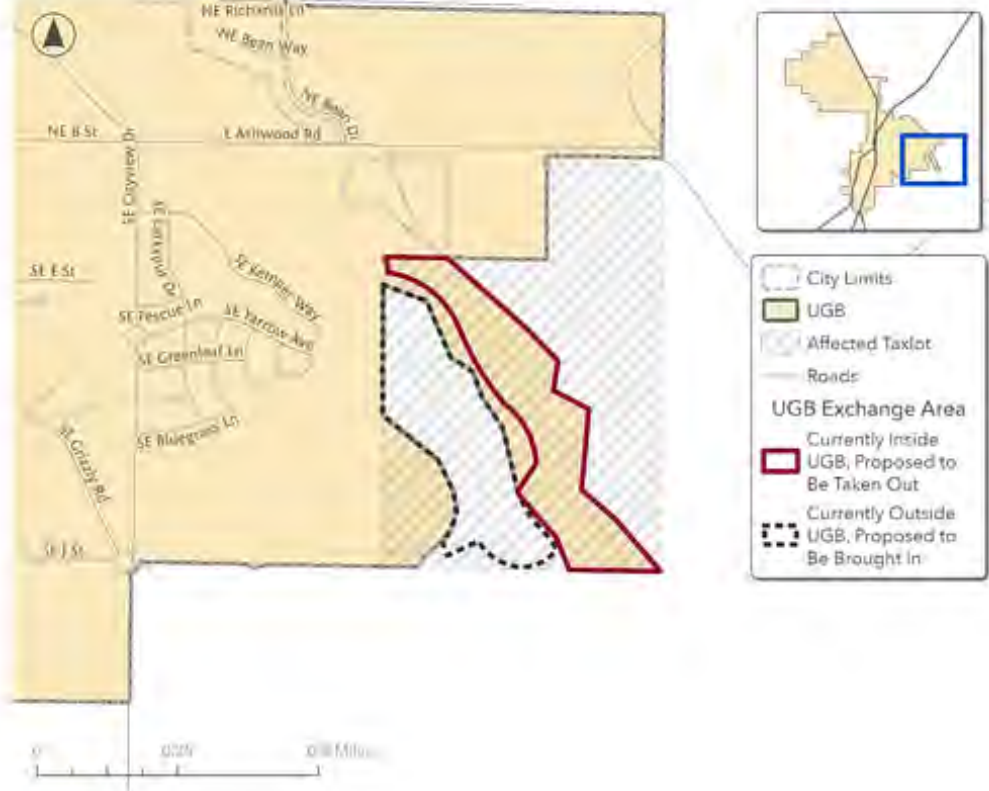
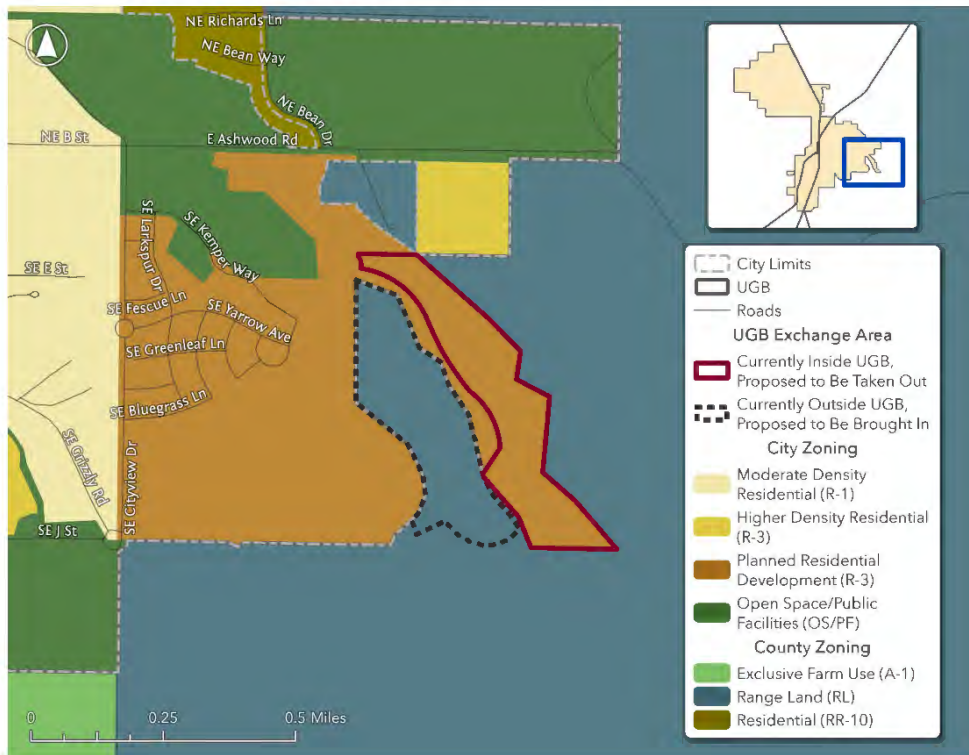


Figure 2. Exchange Area Zoning.



The proposed boundary change (Annexation) has been determined to comply with the ORS Chapter 222, the City's Comprehensive Plan, and the City's Development Code (MMC 18.70 – Annexation). The proposed boundary change is being proposed to bring land closer to the existing UGB and city limits so that the territory can be developed at a lower cost due to more efficient infrastructure extensions. The Public Works Director has determined that the City's infrastructure has capacity to serve the land in the proposed boundary change. However, that at the time do development, the developer will solely be responsible for the cost to extend the infrastructure in accordance with the City's applicable infrastructure Plans (i.e. TSP, Wastewater Master Plan, etc.) and Public Improvement Design and Construction Standards. To clearly establish this standard, the Community Development Director requested guidance from the City Attorney on the need for an Annexation Agreement. The City Attorney reported that because the City owns the land, an Annexation Agreement with itself is not needed. Rather, the responsibility to pay for needed infrastructure extensions to serve future development is to be established when the ownership of the land changed. It is under these circumstances, that staff has made the findings of compliance with MMC 18.70.040(5) which states:

(5) The annexation is timely and the petitioner has adequately addressed infrastructure supply and demand issues. This criterion is satisfied where:

(a) An adequate level of the urban services, including, without limitation, water, sewer, transportation, parks, and police services, and infrastructure supporting those urban services, is presently provided in the annexation area;

(b) The City and other service providers are readily capable of extending or upgrading urban services and infrastructure to the area proposed for annexation without undue cost, negatively impacting existing systems, or inhibiting the adequacy of urban services to existing areas within the City limits; or

(c) Where urban services and infrastructure cannot readily be extended or upgraded, that the fiscal impacts to the City and other service providers of extending or upgrading urban services

and supporting infrastructure have been mitigated through an annexation agreement or other mechanism approved by the City Council.

FISCAL INFORMATION:

NA

SUPPORTING DOCUMENTATION:

See attached.

STRATEGIC GOAL:

NA

**CITY OF MADRAS
COMMUNITY DEVELOPMENT DEPARTMENT
125 SW E Street
Madras, OR, 97741
541-475-2344**

FINDINGS AND DECISION

File	AX-23-3	
Applicants	Name & Address	Property Owned by Applicant (Map & Taxlot)
	City of Madras 125 SW E Street Madras, OR, 99741	11-14-7-100
Subject Property	11-14-7-100	
Location	Subject property located directly east of the eastern terminus of Yarrow Avenue.	
Zoning	Existing land in city limits: Planned Residential (R-3). Land outside city limits: County Range Land (RL)	
Proposal	Remove approximately 39 acres of land zoned R-3 and replace it with approximately 40 buildable acres of land that the City will zone R-3.	
Review Type	Type IV	
Public Hearing Dates	Hearings Body	Date
	Planning Commission	January 3, 2024
	City Council	February 13, 2024
Staff Reviewer	Nicholas Snead, Community Development Director nsnead@cityofmadras.us 541-475-2344	

I. APPLICABLE CRITERIA:

The following Oregon Statewide Planning Goals, Statutes, Rules, Plans and Ordinances may be applicable to the proposal:

State of Oregon:

- ORS 222.111
- ORS 222.120
- ORS 222.125
- ORS 197.175
- OAR 660-012-0060
- OAR 660-014-0060

City of Madras Comprehensive Plan:

- Policy 5

Madras Development Code, Chapter 18 – Development Code:

- Chapter 18.70 – Annexation
- Chapter 18.80 – Administration

II. EXHIBITS:

The exhibits listed in Table 1 below are included herein by reference to these findings and decision.

Table 1. Exhibits to Findings for file AX-23-3.

Exhibit	Description
Exhibit A	City of Madras Resolution No. 24-2023, Authorizing initiation of annexation of City property including legal descriptions.
Exhibit B	City of Madras Public Works Director Memorandum dated December 15, 2023
Exhibit C	Adjacent Property Owner Notice, December 11, 2023
Exhibit D	Madras Pioneer Public Hearing Notice, December 20, 2023, December 27, 2023, January 10, 2024, and January 17, 2024.
Exhibit E	Development Team notice, December 15, 2023.
Exhibit F	Madras UGB Land Exchange Justification and Findings

III. FINDINGS OF FACT:

1. LOCATION:

The proposed amendment to the Madras city limits is identified in the legal description contained in **Exhibit A**. Figure 1 below identifies the land that is in the Madras UGB and city limits that will be removed from both boundaries and the territory that is proposed to be added to both boundaries. The subject property is identified as Tax Lot 100 on Jefferson County Assessor’s Map No. 11-14-7. There are no structures on the property and therefore the subject property no address is assigned to the property.

Figure 1. Proposed UGB and City Limits Changes.

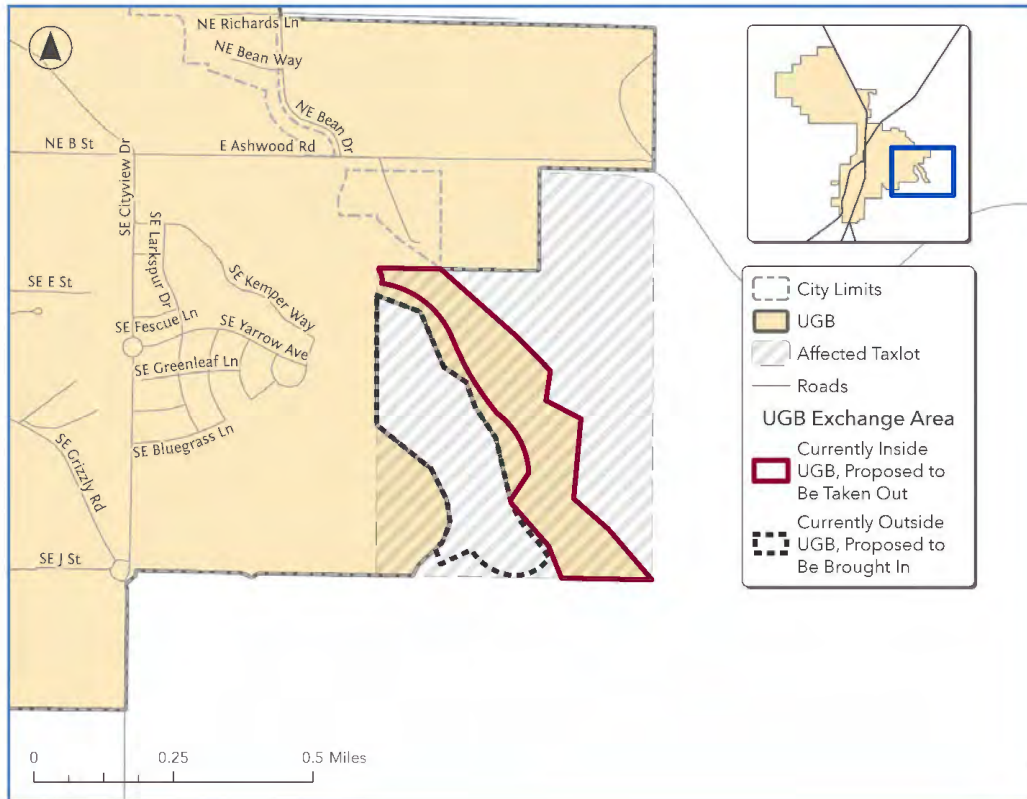
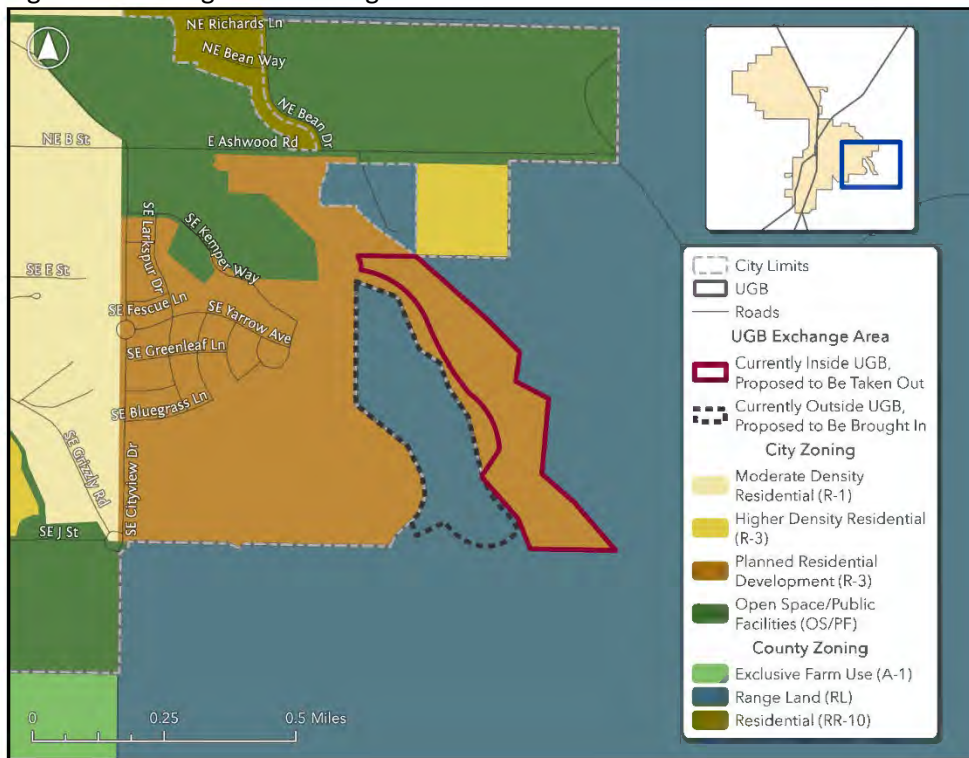


Figure 2. Exchange Area Zoning.



2. ZONING:

As shown on Figure 2 above, the portion of the subject property that is currently located in the UGB and city limits is zoned Planned Residential (R-3) on the City of Madras Urban Area Comprehensive Plan and Zoning Map. The portion of the subject property that is currently located outside of the UGB and city limits is zoned Range Land (RL) on the Jefferson County Zoning Map.

3. SITE DESCRIPTION:

The territory that is proposed to be annexed into the city limits is comprised of 40 acres +/- contiguous to the existing city limits. The territory that is currently in the city limits and the territory proposed to be annexed into the city limits is undeveloped. There was a residential structure at 316 NW 4th Street, but this has been removed. The other parcels have no known previous development.

4. SURROUNDING USES:

The uses surrounding the subject property are summarized in Table 1 below.

Table 1. Adjacent Property Zoning and Development Status

Direction from Subject Property	Existing Zoning	Existing Use/Development
North	Range Land (RL) (County) Open Space/Public Facilities (OS/PF) (City)	Single-family detached dwelling and undeveloped Open Space/Public Facilities land.

South	Range Land (RL) (County)	Undeveloped Range Land.
East	Range Land (RL) (County)	Undeveloped Range Land.
West	Range Land (RL) (County) Planned Residential (R-3) (City)	Undeveloped Range land and Planned Residential land.

5. PUBLIC NOTICES

Table 2. Public Notices Issued.

Notice Type	Date Issued or Published	Notes
Adjacent Property Owner Notice	12-11-23	For 1-3-24 Planning Commission Hearing & 2-13-24 City Council Hearing
Development Team/Agencies Notice	12-15-23	For 1-3-24 Planning Commission Hearing & 2-13-24 City Council Hearing
Madras Pioneer Newspaper Public Hearing Notice	12-20-23 12-27-23 1-10-24 1-17-24	For 1-3-24 Planning Commission Hearing & 2-13-24 City Council Hearing

6. PUBLIC FACILITIES AND SERVICES:

If annexed, the subject property will be serviced by the following utilities and public facilities.

- **Electricity** – Pacific Power
- **Road access** – The subject property will be accessed by Yarrow Avenue (existing).
- **Telecommunications** – CenturyLink and BendTel
- **Domestic Water** – Deschutes Valley Water District
- **Wastewater/Sewer** – City of Madras
- **Fire protection** – Jefferson County Fire District No. 1
- **Police protection** – City of Madras
- **Schools** -- Jefferson County 509J School District

7. PROPOSAL:

Amend the Madras city limits (annexation) by removing 40 acres +/- from the city limits and replacing an equivalent amount of land to the Madras city limits. The land being removed and added to the city limits is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the city limits is zoned R-3 (City Zoning) and the area being added to the city limits will be zoned R-3 as identified in Exhibit A and Figures 1 and 2.

IV. FINDINGS:

MADRAS DEVELOPMENT CODE

Chapter 18.70: Annexation

...

SECTION 18.70.020 ANNEXATION PROCEDURE.

Annexation is a legislative land use decision and is subject to applicable provisions of the City of Madras Comprehensive Plan, Oregon Revised Statutes, and Oregon Administrative Rules. An annexation petition may be initiated by any person or by the City Council by resolution. Except as otherwise provided in MDC 18.70.050 through 18.70.080 or by state law, annexation petitions shall follow the procedures set out below:

FINDING: The requested annexation (boundary change) has been processed in accordance with the Type IV procedures for legislative land use decisions. The identified provisions will be reviewed for consistency and the findings of compliance are stated herein this land use decision.

1. Any person who wishes to petition for the annexation of territory to the City shall participate in a pre-application conference prior to filing a petition for annexation. The purpose of the pre-application conference shall be to inform the person of the process for annexing territory into the City and to discuss the annexation proposal.

FINDING: The City is initiating the annexation and therefore a pre-application meeting is not required. Notice to adjacent property owners and agencies has been provided as identified on page 5 under “Public Notices”.

2. Petitioners shall submit a completed petition on the form prescribed by the City, along with the applicable fee, to the City of Madras Community Development Department.

FINDING: The submitted petition for annexation was provided in the form of Resolution No 24-2023.

3. If the submitted petition for annexation is complete, the Community Development Director shall schedule a Public Hearing before the City's Planning Commission, followed by a Public Hearing before the City Council for a decision on the proposed annexation. Notice will be provided and comments solicited from affected City Departments, state agencies, and special districts.

FINDING: Staff finds the annexation proposal is complete by inclusion of the exhibits of this land use decision. The City has schedule public hearings before the Planning Commission and City Council as identified in Table 3 below. Furthermore, the Community Development Department has issued notice to the City departments, affected state agencies, and special districts on December 15, 2023.

Table 3. Public Hearing Dates by Hearings Body

Hearings Body	Date	Action
Planning Commission	January 3, 2024	To be determined
City Council	February 13, 2024	To be determined

4. The Community Development Director, or a designee, shall prepare a report summarizing solicited comments and indicating the degree to which the petition is consistent with the provisions of this Code and other applicable criteria including, but not limited to, compliance with existing approvals and agreements.

FINDING: This land use decision and the related staff reports to the Planning Commission and City Council satisfy the above stated standard.

5. The Planning Commission shall conduct a public hearing to determine a recommendation to the City Council to approve, approve with conditions or modifications, or disapprove the feasibility of the

annexation proposal based on the applicable criteria as set forth in MDC 18.70.040. The Planning Commission shall state its recommendation, along with supporting rationale, in writing.

FINDING: Public hearings were held and noticed before the Planning Commission the City Council as identified in Table 2 and 3. At the January 3, 2024 the Planning Commission took formal action _____. At the February 13, 2023 City Council meeting, the Council took formal action to _____.

6. The City Council, by ordinance, may approve the annexation following a public hearing and after making findings that the criteria set out in MDC 18.70.040 below have been met.

FINDING: Public hearings were scheduled as shown in Table 3 above before the City Council. If the Council finds that the proposed annexation meets the applicable criteria, the Council will adopt an ordinance with appropriate findings to effectuate the annexation.

7. All public hearings for an annexation petition shall be noticed in accordance with ORS Chapter 222. Additionally, where an annexation, if approved, would create an island of unincorporated property, those property owners of record within the potential island shall be notified. Such notification shall expressly alert the owners of the potential for formation of an island.

FINDING: Notices of the January 3, 2024 Planning Commission and February 13, 2024 City Council public hearings were published in the Madras Pioneer December 20, 2023, December 27, 2023, January 10, 2024, and January 17, 2024. The proposed annexation (boundary change) will not result in an island annexation.

8. Where a vote on a proposed annexation is required, the City shall submit the question to the Jefferson County Clerk. If, following the vote, the City Council finds that a majority of the eligible votes cast are in favor of the annexation, the City Council shall, by ordinance, proclaim the annexation.

FINDING: A vote on the subject annexation is not required by the City Charter, the MDC, or by ORS Chapter 222.

9. Territory annexed into the City shall automatically be given the comprehensive plan designation and zoning designation that is the equivalent to the applicable county designations unless one or more of the following apply:

a. The petitioner requests a new comprehensive plan designation, or zone designation other than the equivalent City designation in the petition for annexation and files a separate application for zone change and plan amendment;

b. The City Council proposes a new comprehensive plan designation, or zone designation other than the equivalent City designation in the ordinance proclaiming the annexation; or

c. The equivalent City designation is inconsistent with the City of Madras Comprehensive Plan, in which case a plan amendment and/or zone change application will be required.

FINDING: The territory proposed to be removed from the existing Madras city limits (Exhibit A) is zoned R-3. The territory The territory proposed to be added to the existing Madras city limits (Exhibit A) is proposed to be zoned R-3.

SECTION 18.70.030 PETITION FOR ANEXATION.

The petitioner for annexation shall complete a petition on the form provided by the Community Development Department and remit the applicable fee. The petition shall include:

1. A map depicting the proposed annexation;
2. Specific information on each parcel within the proposed annexation area, including:
 - a. Current assessed valuation as shown on the Jefferson County Assessor's tax rolls;
 - b. Acreage of both public and private property to be annexed;
 - c. Map and tax lot number(s);
 - d. A legal description of the territory to be annexed, meeting the relevant requirements of ORS 308.225; and
 - e. The situs address
 - f. The owner of record and mailing address of the owner of record.
3. A list of registered voters in the proposed annexation area.
4. Where applicable, Consent to Annexation forms, provided by the City, with notarized signatures of all property owners and electors within the proposed annexation area.
5. Written findings, which address the following:
 - a. Existing land uses within annexation area.
 - b. Existing zoning within the annexation area and proposed zoning that is consistent with the Comprehensive Plan.
 - c. Whether the annexation area includes the jurisdiction of any special district as defined by ORS 198.010 and whether the annexed area will be withdrawn from the jurisdiction of the special district.
 - d. The present availability of urban services within the proposed annexation area, a description of existing infrastructure, the present capacity of existing urban services and supporting infrastructure, the cost of extending and/or improving urban service infrastructure to City standards, and the method and source of financing the costs of extending and/or improving urban service infrastructure to City standards for the following services:
 - i. sanitary sewers
 - ii. storm drainage
 - iii. streets
 - iv. water
 - v. fire
 - vi. police
 - vii. power

viii. schools

ix. parks

e. Where a zone change is requested or contemplated, a statement indicating the type and nature of any comprehensive plan text or map amendment or zoning ordinance or zoning map amendments that will be sought. A separate zone change and/or plan amendment application shall be filed and may be processed concurrently.

FINDING: The applicant submitted an application satisfying the standards set forth above. No change to the comprehensive plan or corresponding zoning designation is proposed because and 40 acres +/- will be removed from the city limits and the same will be added. The zoning of the land added to the city limits will have the same zoning as the land proposed to be removed. Therefore, there is not change in the zoning or the amount of land zoned R-3. As such there are no impacts of the land proposed to be removed and added to the city limits.

SECTION 18.70.040 ANNEXATION CRITERIA.

Except as otherwise provided in 18.70.050 through 18.70.080 or by state law, lands may be annexed only if the City Council finds that the following criteria are met:

1. The annexation complies with all applicable provisions of ORS 222.

FINDING: The proposed annexation complies with the applicable provisions of ORS 222. Findings under the applicable provisions of ORS 222 are addressed below.

2. The proposed annexation area is contiguous to the City Limits as defined in and as required by ORS 222.

FINDING: The subject properties (Exhibit) are contiguous to the city limits per ORS 222.111.

3. The property is located within the Urban Growth Boundary.

FINDING: The territory proposed to be annexed is located within the Madras Urban Growth Boundary.

4. The annexation meets at least one of the following purposes:

a. To serve lands needing City water or sewer to alleviate a present or potential health hazard; or

b. To provide land to accommodate future urban development; or

c. To provide land for provision of needed transportation or utility facilities; or

d. To ensure that lands adjacent to the City are developed in a manner consistent with City standards.

e. The annexation is otherwise permitted by the applicable state law.

FINDING: The proposed annexation (boundary change) is needed to accommodate future urban development and is otherwise permitted by ORS Chapter 222.111 et seq.

5. The annexation is timely and the petitioner has adequately addressed infrastructure supply and demand issues. This criterion is satisfied where:

a. An adequate level of the urban services identified in Section 7.3(E)(4) and infrastructure supporting those urban services is presently provided in the annexation area;

FINDING: Attached as Exhibit B is a memorandum dated December 15, 2023 from Public Works Director that there is capacity to provide sanitary sewer, storm drainage, and streets, parks to serve the territory proposed to be annexed into the city limits. Furthermore, that there are no existing sanitary sewer, storm drainage, streets, parks, or domestic water (Deschutes Valley Water Dist.) in the territory proposed to be annexed into the city limits. The cost to extend public infrastructure to the territory proposed to be annexed into the city limits, from their respective terminus, by the developer, at the time of development, in accordance with the City's Development Code (MMC Chapter 18). Additionally, the service providers for fire, power, police, and public schools already provide services within the territory currently in the city limits and will continue to provide such services within the territory proposed to be annexed.

Based on these conditions, it shall be condition of annexation approval that the cost to extend public infrastructure to the territory proposed to be annexed into the city limits from their respective terminus, by the developer, at the time of development, in accordance with the City's Development Code (MMC Chapter 18). Compliance with this condition of approval will ensure that there will be an adequate level of urban services in the territory proposed to be annexed into the city.

CONDITION OF APPROVAL: The cost to extend public infrastructure to the territory proposed to be annexed into the city limits from their respective terminus, by the developer, at the time of development, in accordance with the City's Development Code (MMC Chapter 18).

b. The City and other service providers are readily capable of extending or upgrading urban services and infrastructure to the area proposed for annexation without undue cost, negatively impacting existing systems, or inhibiting the adequacy of urban services to existing areas within the City Limits; or

c. Where urban services and infrastructure cannot readily be extended or upgraded, that the fiscal impacts to the City and other service providers of extending or upgrading urban services and supporting infrastructure have been mitigated through an Annexation Agreement or other mechanism approved by the City Council.

FINDING: As detailed above, the territory proposed to be annexed can be served with urban services, provided the developer(s) of the territory pay for the cost to extend infrastructure to an through any portion of the territory that is developed. Provided that the property owner or their heirs or successors comply with the requirement to pay for the cost to extend public infrastructure to the territory proposed to be annexed into the city limits from their respective terminus, by the developer, at the time of development, in accordance with the City's Development Code (MMC Chapter 18), the conditions of annexation approval will ensure that urban services and infrastructure will be provided in timely manner to the territory proposed to be annexed.

6. The proposed annexation complies with the Comprehensive Plan.

FINDING: The City's Comprehensive Plan does not set forth any applicable standards or criteria for annexation other than Policy 5, which provides "The City shall coordinate provision of public services with annexation of land outside the City limits." Rather annexation is guided by state law and the provisions of the Madras Development Code, which implements the Compressive Plan and includes criteria on the

provision of public services. It is noted that this annexation proposal is accompanied by a City of Madras Comprehensive Plan amendment that proposes to amend the Madras Urban Growth Boundary (UGB) for which proposed the same boundary change as this annexation proposal. The proposed Comprehensive Plan amendment (City File No. PA-23-1) will demonstrate compliance with the applicable City of Madras Comprehensive Plan and Statewide Planning Goal consistency (Exhibit F). Furthermore, this annexation approval shall be contingent upon the proposed Madras UGB amendment (File No. PA-23-1) being approved by the City Council.

FINDING: The proposed annexation approval shall be contingent upon the proposed Madras UGB amendment (File No. PA-23-1) being approved by the City Council.

7. The proposed annexation is compatible with the existing topography, potential for future land division, natural hazards and other related considerations.

FINDING: Exhibit F demonstrates consistency with the Statewide Planning Goal 14 Location Factors 1-4 for which demonstrates compliance with the above stated standard.

8. The City Council may require an Annexation Agreement or otherwise condition approval of an annexation as necessary to achieve compliance with the provisions of this section.

FINDING: The proposed annexation complies with the applicable criteria. Conditions of approval are sufficient to ensure future developers of the territory proposed to be annexed into the City are responsible for extending infrastructure to any portion of the territory proposed to be annexed.

SECTION 18.70.050 ANNEXATION BY CONSENT. The City need not hold an election in the City or in any contiguous territory proposed to be annexed, or hold any hearing required by ORS 222 when all the owners of land and the requisite number of electors in that territory consent in writing to the annexation of the land in the territory and file a statement of their consent with the City. Once consent for annexation has been executed, the City, by ordinance, may set the final boundaries of the area to be annexed by a legal description and proclaim the annexation.

FINDING: Exhibit A (Resolution No. 24-2023) identifies that the City of Madras owns and that there are no electors in the territory proposed to be annexed. Therefore, the City will hold public hearings before the Madras Planning Commission and adopt such annexation by ordinance for which will include a legal description of the annexed territory.

...

SECTION 18.70.090 FILING OF ANNEXATION RECORDS. The City shall report all changes in the boundaries of the City to the Jefferson County Clerk, Jefferson County Assessor, utility service providers, affected special districts, the Oregon Department of Revenue and the Oregon Secretary of State and any other entities or persons as required by State law.

FINDING: Upon annexation, the City shall report the boundary changes to those required to be notified under ORS Chapter 222 and Section Chapter 18.70 of the Madras Development Code.

Chapter 18.80 ADMINISTRATIVE PROVISIONS

These are procedural requirements that have been or will be adhered to as part of these proceedings.

...

OREGON REVISED STATUTES, CHAPTER 222

ORS 222.111 Authority and procedure for annexation.

(1) When a proposal containing the terms of annexation is approved in the manner provided by the charter of the annexing city or by ORS 222.111 to 222.180 or 222.840 to 222.915, the boundaries of any city may be extended by the annexation of territory that is not within a city and that is contiguous to the city or separated from it only by a public right of way or a stream, bay, lake or other body of water. Such territory may lie either wholly or partially within or without the same county in which the city lies.

FINDING: The City is proposing to annex the territory (Exhibit A) pursuant to ORS 222.111 to 222.180 and Chapter 18.70 of the Madras Development Code. As shown on the map attached as Figure 1, the subject property is contiguous to the existing city limits. There are no special requirements for annexation set forth in the City Charter.

(2) A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.

FINDING: The annexation has been initiated by the City Council through Resolution No. 24-2023.

...

(4) When the territory to be annexed includes a part less than the entire area of a district named in ORS 222.510, the proposal for annexation may provide that if annexation of the territory occurs the part of the district annexed into the city is withdrawn from the district as of the effective date of the annexation. However, if the affected district is a district named in ORS 222.465, the effective date of the withdrawal of territory shall be determined as provided in ORS 222.465.

FINDING: The annexation proposal does not include annexing territory that includes a part less than the entire area of a district identified in ORS 222.510.

(5) The legislative body of the city shall submit, except when not required under ORS 222.120, 222.170 and 222.840 to 222.915 to do so, the proposal for annexation to the electors of the territory proposed for annexation and, except when permitted under ORS 222.120 or 222.840 to 222.915 to dispense with submitting the proposal for annexation to the electors of the city, the legislative body of the city shall submit such proposal to the electors of the city. The proposal for annexation may be voted upon at a general election or at a special election to be held for that purpose.

...

FINDING: This annexation proposal does not need to be submitted to the electors of the City pursuant to ORS 222.120, which is addressed below, and the City Charter does not require such an election.

ORS 222.120

Procedure without election by city electors; hearing; ordinance subject to referendum.

(1) Except when expressly required to do so by the city charter, the legislative body of a city is not required to submit a proposal for annexation of territory to the electors of the city for their approval or rejection.

(2) When the legislative body of the city elects to dispense with submitting the question of the proposed annexation to the electors of the city, the legislative body of the city shall fix a day for a public hearing before the legislative body at which time the electors of the city may appear and be heard on the question of annexation.

(3) The city legislative body shall cause notice of the hearing to be published once each week for two successive weeks prior to the day of hearing, in a newspaper of general circulation in the city, and shall cause notices of the hearing to be posted in four public places in the city for a like period.

(4) After the hearing, the city legislative body may, by an ordinance containing a legal description of the territory in question:

...

(b) Declare that the territory is annexed to the city where electors or landowners in the contiguous territory consented in writing to such annexation, as provided in ORS 222.125 or 222.170, prior to the public hearing held under subsection (2) of this section; or

...

(7) For the purpose of this section, ORS 222.125 and 222.170, "owner" or "landowner" means the legal owner of record or, where there is a recorded land contract which is in force, the purchaser thereunder. If there is a multiple ownership in a parcel of land each consenting owner shall be counted as a fraction to the same extent as the interest of the owner in the land bears in relation to the interest of the other owners and the same fraction shall be applied to the parcel's land mass and assessed value for purposes of the consent petition. If a corporation owns land in territory proposed to be annexed, the corporation shall be considered the individual owner of that land.

FINDING: There is only one owner (City of Madras) of the land that is proposed to be annexed into the City (Exhibit A).

ORS 222.125

Annexation by consent of all owners of land and majority of electors; proclamation of annexation.

The legislative body of a city need not call or hold an election in the city or in any contiguous territory proposed to be annexed or hold the hearing otherwise required under ORS 222.120 when all of the owners of land in that territory and not less than 50 percent of the electors, if any, residing in the territory consent in writing to the annexation of the land in the territory and file a statement of their consent with the legislative body. Upon receiving written consent to annexation by owners and electors under this section, the legislative body of the city, by resolution or ordinance, may set the final boundaries of the area to be annexed by a legal description and proclaim the annexation.

FINDING: The City of Madras is the owner of the territory proposed to be annexed into the city limits. Resolution No. 24-2023 shall serve as evidence that an election is not required to annex the territory (Figure 1) into the Madras city limits.

OREGON REVISED STATUTES, CHAPTER 197

ORS 197.175

Cities' and counties' planning responsibilities; rules on incorporations; compliance with goals.

(1) Cities and counties shall exercise their planning and zoning responsibilities, including, but not limited to, a city or special district boundary change which shall mean the annexation of unincorporated territory by a city, the incorporation of a new city and the formation or change of organization of or annexation to any special district authorized by ORS 198.705 to 198.955, 199.410 to 199.534 or 451.010 to 451.620, in accordance with ORS chapters 195, 196 and 197 and the goals approved under ORS chapters 195, 196 and 197. The Land Conservation and Development Commission shall adopt rules clarifying how the goals apply to the incorporation of a new city. Notwithstanding the provisions of section 15, chapter 827, Oregon Laws 1983, the rules shall take effect upon adoption by the commission. The applicability of rules promulgated under this section to the incorporation of cities prior to August 9, 1983, shall be determined under the laws of this state.

(2) Pursuant to ORS chapters 195, 196 and 197, each city and county in this state shall:

(a) Prepare, adopt, amend and revise comprehensive plans in compliance with goals approved by the commission;

(b) Enact land use regulations to implement their comprehensive plans;

(c) If its comprehensive plan and land use regulations have not been acknowledged by the commission, make land use decisions and limited land use decisions in compliance with the goals;

(d) If its comprehensive plan and land use regulations have been acknowledged by the commission, make land use decisions and limited land use decisions in compliance with the acknowledged plan and land use regulations

FINDING: The City of Madras Comprehensive Plan is an acknowledged Comprehensive Plan that guides land use planning for properties within Madras urban Growth Boundary as well as the annexation process. The proposed annexation is compliant with City's Comprehensive Plan as evidenced by Exhibit F.

Oregon Administrative Rules, Chapter 660

Division 12: Transportation Planning

660-012-0060

Plan and Land Use Regulation Amendments

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

FINDING: The City's Transportation Planning is based on the Comprehensive Plan designations. The territory proposed to be removed from the city limits is zoned R-3 and the territory proposed to be added to the city limits will be zone R-3. The proposal includes the same amount of territory to be removed and added with not change in zoning. Therefore, there are no impacts to the City's Transportation System Plan.

Division 14: Application of the Statewide Planning Goals to Newly Incorporated Cities, Annexation, and Urban Development on Rural Lands

...

660-014-0060

Annexations of Lands Subject to an Acknowledged Comprehensive Plan

A city annexation made in compliance with a comprehensive plan acknowledged pursuant to ORS 197.251(1) or 197.625 shall be considered by the commission to have been made in accordance with the goals unless the acknowledged comprehensive plan and implementing ordinances do not control the annexation.

FINDING: This annexation is consistent with the City of Madras Comprehensive Plan as the territory proposed to be added to the Madras city limits has also demonstrated the compliance with the City's Comprehensive Plan and thereby Statewide Planning Goals as documented in Exhibit F.

Oregon Statewide Planning Goals

Oregon Statewide Planning Goal 1 "To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process."

FINDING: As part of the annexation process, proper notices were sent and public hearings will be held as shown in Table 2 above.

Oregon Statewide Planning Goal 2 “To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.”, Oregon Statewide Planning Goal 3 “To preserve and maintain agricultural lands.” and, Oregon Statewide Planning Goal 4 “Forests”

FINDING: In accordance with Goal 2, the record contains an adequate factual basis to enable the City to make a rational decision on the annexation request. Exceptions to Goals 3 and 4 are not required as the annexed territory will be located within an Urban Growth Boundary and is not agricultural or forest lands.

Oregon Statewide Planning Goal 5 “Open Spaces, Scenic and Historic Areas, and Natural Resources”

FINDING: Goal 5 resources are listed in the City’s acknowledged Comprehensive Plan. There are no known significant Goal 5 resources in the territory proposed to be annexed. The territory proposed for annexation is similar to other sites around the City of Madras with regard to open space, scenic views and other Goal 5 values. Utilizing the selected site as proposed will have no noticeable adverse impact on the amount of regional open space or scenic views available.

Impacts on related resources:

Mineral and Aggregate, and Energy Resources: The annexed territory is not located in proximity to any mineral, aggregate, or energy resources.

Fish and Wildlife Habitat: The subject property does not include any specialized habitat for any sensitive fish or wildlife species.

Ecologically and Scientifically Significant: Nothing about the subject property separates it from surrounding areas as ecologically or scientifically significant.

Outstanding Scenic Views: Nothing about the subject property indicates it has a significantly better view than other similar or surrounding sites.

Water areas, wetlands, watersheds, and groundwater resources: The subject property does not contain any water features or resources.

Wilderness Areas: The subject property does not meet the definitions of “wilderness areas” as described within the Oregon State Goals and Guidelines. The parcel has been used for commercial purposes since at least the 1950s and does not contain pristine surroundings or old growth trees.

Historic areas, sites, structures and objects: The subject property has no structures listed on the National Register of Historic Places. No structures or places of historical significance have been determined to exist on or near the property selected.

Cultural areas: The subject property has no known cultural resources.

Oregon Statewide Planning Goal 6 “Air, Water, and Land Resources Quality”

FINDING: No exception to compliance with Goal 6 is proposed. Maintaining or improving the quality of the community’s air, water and land resources will be assured through enforcement of state and local regulations. Annexation of the subject property into the City will ensure connections to City sewer system. Annexation of the subject property will not cause the sewer capacity to be exceeded as supported by **Exhibit B**.

Oregon Statewide Planning Goal 7 “Natural Disasters and Hazards”

FINDING: There are no areas within the subject property that are subject to flooding or landslide activity. The wildfire hazard for the subject property is the same as other areas. The subject property is already within a fire protection district and will continue to be served by the Jefferson Fire District.

Oregon Statewide Planning Goal 8 “Recreational Needs”

FINDING: Annexation of the territory will not deprive citizens of recreational opportunities. As development is proposed, the needs for additional park land dedication or in-lieu of fees will be reviewed and assessed or required as necessary to meet the City’s parks plans as necessary per Madras Municipal Code Chapter 18.

Oregon Statewide Planning Goal 9 “Economic Development”

FINDING: The proposed annexation does not change the amount of lands designated for industrial or employment uses.

Oregon Statewide Planning Goal 10 “Housing”

FINDING: The proposed annexation will exchange land in the Madras UGB and city limits that is more proximate to existing infrastructure that will enable such land to be developed in a timelier and cost-effective manner for housing.

Oregon Statewide Planning Goal 11 “Public Facilities and Services”

FINDING: Subject to the conditions of approval throughout these findings and decision, public facilities and services are adequate to serve the needs of the area proposed for annexation as documented in Exhibit B.

Oregon Statewide Planning Goal 12 is “To provide and encourage a safe, convenient and economic transportation system.”

FINDING: OAR 660-012 implements Oregon Statewide Planning Goal 12. This administrative rule requires the City to prepare and adopt a Transportation System Plan (“TSP”) as part of its Comprehensive Plan. The City has adopted a TSP, which has been acknowledged by DLCDC.

OAR 660-012-0060 further requires cities to mitigate any significant effects on existing or planned transportation facilities resulting from changes in plans and land use regulations. Upon annexation, the subject property will assume the zoning designation assigned by the City’s unified Zoning and Comprehensive Plan map and be subject to the Madras Development Code. Because the City’s transportation planning is based on designation in the Comprehensive Plan and that the same amount of land is proposed to be removed and added to the city limits with the same R-3 zoning. Accordingly, the proposed annexation will not allow for increased levels of development above and beyond what is

presently permitted in the territory already in the city limits. Therefore there is not net increase in impact to the City's transportation system.

Oregon Statewide Planning Goal 13 "Energy Conservation"

FINDING: The proposed annexation has no impact on energy usage. However, the subject property's location adjacent to the existing city limits will result in less transportation-related energy use than inclusion of more distant lands.

Oregon Statewide Planning Goal 14 "Urbanization"

FINDING: Goal 14 calls for the orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities. This goal provides no specific criteria for annexations. However, Exhibit F provides a factual basis for determine that the related UBG amendment proposal is complaint with Goal 14 and thereby this annexation proposal is compliant with Goal 14.

Oregon Statewide Planning Goals 15-19

FINDING: These Goals are not applicable to the subject property because it is not within the Willamette Greenway, estuarine areas, coastal shoreland, beaches and dunes or ocean resources.

18.80.010 Pre-application conference.

Unless the application is filed by the City, a pre-application conference is required for all Type III and Type IV applicants. Pre-application conferences are also highly recommended for complex applications and for applicants who are unfamiliar with the land use process. The purpose of the conference shall be to acquaint the applicant with the substantive and procedural requirements of this Development Code and to identify issues likely to arise in processing an application. [Ord. 933 § 16.1, 2019.]

FINDING: The City of Madras is the applicant and has coordinated the preparation of the annexation proposal with the Public Works Director and City Attorney. Therefore a pre-application meeting is not required.

18.80.020 Applications.

No land use approval or planning review shall be processed unless the applicant submits a complete application.

(1) All applications shall:

- (a) Be submitted by the property owner or a person who has written authorization from the property owner to make the application;**
- (b) Be completed on the applicable form prescribed by the City;**
- (c) Include supporting information required by this Development Code and any other information necessary to, in the judgment of the Community Development Director, demonstrate compliance with applicable standards;**
- (d) Be accompanied by the appropriate application fee, and any applicable public hearing fee, established by the City from time to time; and**
- (e) Provide proof of ownership in the form of a deed or other recorded document; except this requirement shall not apply to:
 - (i) Applications submitted by or on behalf of a public entity or public utility having the power of eminent domain with respect to the property subject to the application; or****

- (ii) Applications for development proposals sited on lands owned by the state or the federal government.

FINDING: Staff finds Applicant complied with the above stated standards.

(2) For purposes of this Development Code, a complete application refers to an application submitted in conformance with this section and any other requirements of the particular application set forth in this Development Code. An application is not complete unless, in the judgment of the Community Development Director, the application contains sufficient information to address all applicable standards. Acceptance of an application as complete shall not preclude a determination at a later date that additional applicable standards need to be addressed or a later determination that additional information is needed to adequately address applicable standards. [Ord. 933 § 16.2, 2019.]

FINDING: Staff finds Applicant complied with the above stated standards.

18.80.030 Modification of application.

- (1) Subject to this section, an applicant may modify an application at any time during the approval process up until the issuance of an administrative decision or the close of the record for an application requiring a public hearing.
- (2) The decision maker shall not consider any evidence submitted by or on behalf of an applicant that would constitute a modification of application unless the applicant submits a complete application for a modification and agrees in writing to restart the applicable review period as of the date the modification is submitted.
- (3) A modification of application that constitutes a new proposal shall not be permitted as a modification, but shall instead require the filing of a new application.
- (4) For Type III decisions, the decision maker may require that the modified application be renoticed and additional hearings be held.
- (5) Up until the issuance of an administrative decision or the day a public hearing is opened for receipt of oral testimony, the Community Development Director shall have sole authority to determine whether an applicant's submittal requires an application for modification of application or requires submittal of a new application. After such time, the higher decision maker shall make such determinations. The decision maker's determination shall be appealable only to the Oregon Land Use Board of Appeals (LUBA) and shall be appealable only after a final decision is entered by the City on the underlying application. [Ord. 933 § 16.3, 2019.]

FINDING: Applicant has not applied for a modification of application. Should Applicant do apply for a modification in the future, the above stated standards shall apply.

...

18.80.050 Burden of proof.

The burden of proof to demonstrate compliance with the applicable standards is upon the applicant for all land use approvals and planning reviews. [Ord. 933 § 16.5, 2019.]

FINDING: Staff finds Applicant complied with the above stated standards.

18.80.060 Applicable standards.

The standards and criteria applicable to an application shall be the standards and criteria applicable at the time the application was first submitted. [Ord. 933 § 16.6, 2019.]

FINDING: Staff finds Applicant is the City for which has the same burden of proof as any other applicant to demonstrate compliance with the approval criteria. The City's burden of proof are the findings of fact contained in this land use decision.

18.80.070 Final action.

The City shall take final action on all applications in accordance with the time limitations set forth in ORS 227.178 as the same may be amended from time to time. [Ord. 933 § 16.7, 2019.]

FINDING: Staff finds City may take final action according to the above stated standards.

18.80.080 Time computation.

Except when otherwise provided, the time within which an act is required to be done shall be computed by excluding the first day and including the last day, unless the last day is a Saturday, Sunday, legal holiday, or any day on which the City is not open for business pursuant to a City ordinance, in which case it shall also be excluded. [Ord. 933 § 16.8, 2019.]

FINDING: Staff finds the City is subject to the above stated standards.

18.80.090 Classification of decisions.

All land use approvals and planning reviews shall be processed based on the decision classification hierarchy set forth below. Except where the classification is expressly prescribed in this Development Code, the Community Development Director shall have discretion as to how a particular application, request, or review shall be classified and which review procedures will be used, which shall not be an appealable decision.

...

(4) Type IV Decisions.

(a) Type IV decisions are legislative decisions made by the City Council after public notice and a public hearing before the City Council, which is preceded by a public hearing before, and a recommendation from, the Planning Commission. Legislative applications generally involve broad public policy decisions that apply to other than an individual property. Type IV decisions can also include quasi-judicial decisions made directly by the City Council, as specified in this Development Code, after public notice and a public hearing.

(b) All changes to the text of the Comprehensive Plan and Development Code, as well as legislative amendments to the City's Comprehensive Plan map and Zoning Map shall be processed as Type IV decisions. Notice of Type IV map and text amendments shall also be submitted to the Oregon Department of Land Conservation and Development in accordance with state law.

(c) Type IV decisions are appealable to the Oregon Land Use Board of Appeals in accordance with state law.

(5) Additional or alternative procedures for specific applications may be set forth in this Development Code. [Ord. 933 § 16.9, 2019.]

FINDING: Staff determined an application for annexation shall be reviewed as a Type IV decision according to the above stated standards.

18.80.100 Hearings officers.

The City Council may appoint a special Hearings Officer to review an application or appeal in place of the Planning Commission or City Council. [Ord. 933 § 16.10, 2019.]

FINDING: This application will be reviewed by the City of Madras Planning Commission and later the City Council.

18.80.110 Notice of application.

(1) No notice is required for the receipt of an application for a Type I decision.

(2) Notice of an application for a Type II decision shall be mailed within ten (10) days after City's acceptance of a complete application. Written notice shall also be mailed to the following persons:

(a) The applicant.

(b) Unless specified elsewhere in this Development Code, to all owners of property within a distance of 250 feet of the subject property at the owner's address of record with the Jefferson County Tax Assessor.

(c) Affected public agencies, including the following:

(i) *Division of State Lands.* The City shall notify the Oregon Division of State Lands (DSL) of any application that involves lands that are wholly or partially within areas that are identified as wetlands. Notice shall be in writing using the DSL Wetland Land Use Notification form and shall be sent within five working days of acceptance of a complete application (ORS 227.350).

(ii) *Department of Fish and Wildlife.* The City shall notify the Oregon Department of Fish and Wildlife (ODFW) in writing of any application for development activities within the riparian corridor. A mitigation recommendation shall be obtained from ODFW. Approval of the proposed development shall include a condition requiring compliance with the ODFW mitigation recommendations (OAR 635-415).

(iii) *Other Agencies.* The City shall notify other public agencies, as appropriate, that have statutory or administrative rule authority to review or issue state permits associated with local development applications.

(3) Notice of Type III decisions shall be the same as that required of Type II decisions except that the Community Development Director shall set the date of the initial public hearing and a notice of the public hearing shall be published in a newspaper of general circulation within the City no less than twenty (20) days and no more than forty (40) days prior to the public hearing.

FINDING: Staff notified all property owners within a 250 foot buffer of subject properties on December 11, 2023 using the address of record obtained from the Jefferson County Tax Assessor. A notice was sent to the Development team on December 15, 2023. A public notice was published in the Madras Pioneer newspaper on December 20, 2023, December 27, 2023, January 10, 2024, January 17, 2024. On December 18, 2023 notices of the Planning Commission and City Council public hearings were posted at Madras City Hall, the Jefferson County Tax Assessor's office, the Madras post office and the Jefferson County Public Library. Notice was also sent to subscribers of the City's Public Notification e-mail list on December 27, 2023 (see Table 2).

...

(5) The failure of a party to receive actual notice shall not invalidate any proceeding or any decision issued pursuant to this Development Code.

(6) Notwithstanding the provisions of this section, where other provisions of this Development Code specify procedures with greater opportunity for public notice and comment, those procedures shall apply. [Ord. 933 § 16.11, 2019.]

18.80.120 Contents of public notice.

(1) All required public notices shall provide a brief description of the applicant's request, a list of applicable standards, the location of the property, the date, time, and place of the public hearing (if applicable), and instructions on obtaining copies of the application and providing written comment.

(2) All notices for public hearings shall also contain a statement that recipients may request a copy of the staff report. [Ord. 933 § 16.12, 2019.]

FINDING: The public notices posted and published comply with the above stated standards.

18.80.130 Public hearing procedure.

(1) A public hearing shall be conducted in the following order:

(a) The decision maker shall explain the purpose of the public hearing and announce the order of proceedings, including reasonable time limits on presentations by parties.

(b) A statement by the decision maker regarding pre-hearing contacts, bias, prejudice, or personal interest shall be made.

(c) Any evidence received outside of the hearing shall be stated in the record.

(d) Challenges to the decision maker's qualifications to hear the matter must be stated.

(e) Order of presentation:

(i) Staff report.

(ii) Proponent's presentation.

(iii) Opponent's presentation.

(iv) Interested parties.

(v) Proponent's rebuttal.

(vi) Staff comments.

(vii) Questions from or to the decision maker may be entertained at any time at the decision maker's discretion. [Ord. 933 § 16.13, 2019.]

FINDING: A public hearings were scheduled and noticed before the City of Madras Planning Commission and the City Council as shown in Tables 1 and 2.

18.80.140 Filing of staff report for public hearing.

(1) A staff report shall be completed at least seven days prior to the public hearing.

(2) A copy of the staff report shall be filed with the decision maker, mailed to the applicant, and made available to such other persons who request a copy.

(3) Oral or written modifications and additions to the staff report shall be allowed prior to or at the time of the public hearing. [Ord. 933 § 16.14, 2019.]

FINDING: Staff issued staff reports at least seven days prior to each public hearing.

18.80.150 Prohibition on pre-hearing (ex parte) contacts.

The decision maker or any member thereof shall not communicate directly or indirectly with any party or representative of a party in connection with any quasi-judicial application where a public hearing is scheduled. Any pre-hearing ex parte contact shall be disclosed on the record at the public hearing. [Ord. 933 § 16.15, 2019.]

18.80.160 Challenge for bias, prejudgment, or personal interest.

(1) Prior to or at the commencement of a quasi-judicial public hearing, any party may challenge the qualifications of the decision maker, or a member thereof, for bias, prejudgment, or personal interest. The challenge shall be documented with specific reasons supported by substantial evidence.

(2) Should qualifications be challenged, the decision maker, or the member thereof, shall disqualify themselves, withdraw, or make a statement on the record of their capacity to hear the request and make a decision without bias, prejudgment, or personal interest. [Ord. 933 § 16.16, 2019.]

18.80.170 **Objections to procedural issues.**

Any objections to any procedural issue not raised prior to or during the public hearing are waived. [Ord. 933 § 16.17, 2019.]

18.80.180 **Limitation on oral presentations.**

The decision maker may set reasonable time limits on oral presentations at public hearings. [Ord. 933 § 16.18, 2019.]

18.80.190 **Record.**

(1) All evidence timely submitted and placed before the decision maker shall be entered into the record.

(2) For public hearings, an audio recording of the hearing shall be made.

(3) All exhibits presented shall be marked to show the application file number and the identity of the party offering the evidence. [Ord. 933 § 16.19, 2019.]

18.80.200 **Notice of decision.**

The final decision of the decision maker shall be in writing, signed, and mailed to all parties; provided, however, only the point of contact provided to the City will be delivered notice for any group, entity, or similar collection of individuals constituting a party. [Ord. 933 § 16.20, 2019.]

FINDING: The public hearings will be conducted and decision to all parties according to the above stated standards.

18.80.210 **Reapplication limited.**

If a specific application is denied, no reapplication for substantially the same proposal may be made for six months or the date specified elsewhere in this Development Code, whichever is greater, following the date of the final decision. [Ord. 933 § 16.21, 2019.]

FINDING: Applicant shall be subject to the above stated procedural standards. If a reapplication is desired by the Applicant, the above stated standards shall apply.

...

18.80.230 **Appeals.**

(1) A decision shall be final unless a complete notice of appeal, compliant with MDC 18.80.240, is received by the Community Development Department within fifteen (15) days of the mailing date of the final written decision and provided the challenged decision is subject to appeal.

(2) Who may file an appeal:

(a) A party to the application.

(b) A person to whom notice was to be mailed in accordance with MDC 18.80.110, and to whom no notice was mailed.

(c) The Planning Commission; provided, however, any appeal by the Planning Commission shall go directly to the City Council. No fee shall be required for an appeal filed by the Planning Commission.

(3) If more than one party files a notice of appeal on the same decision, the appeals shall be consolidated, noticed, and heard as one proceeding.

(4) An appeal may be withdrawn in writing by an appellant at any time prior to the rendering of a final decision on the appeal. Subject to the existence of other appeals on the same application, in such event the appeal proceedings shall terminate as of the date the withdrawal is received. An appeal may be withdrawn under this section regardless of whether other nonfiling parties have relied upon the appeal filed by the appellant.

(5) Any failure to conform to the requirements of MDC 18.80.240 and MDC 18.80.250 shall constitute a jurisdictional defect requiring dismissal of the appeal as untimely and/or unperfected.

(6) Determination of jurisdictional defects in an appeal shall be made by the body to whom an appeal has been made. [Ord. 933 § 16.23, 2019.]

FINDING: Should an appeal be received, the appeal will be reviewed according to the above stated standards.

18.80.240 Notice of appeal.

Every notice of appeal shall contain:

(1) Proper identification of the decision subject to appeal;

(2) The specific grounds relied upon for appeal;

(3) If a hearing was held below, a transcription of the proceedings;

(a) Failure to submit a transcript shall render a notice of appeal incomplete and thus untimely. An appellant may cure an incomplete notice of appeal by submitting the transcript within ten (10) days of the date that the notice of appeal was filed; and

(4) All parties shall be mailed notice of the hearing on appeal within ten (10) days of scheduling the hearing. [Ord. 933 § 16.24, 2019.]

18.80.250 Scope of review on appeal.

(1) The review of a Type II decision on appeal before the Planning Commission shall be de novo.

(2) Except where review by the City Council is expressly required, the City Council has discretion whether to hear any appeal for which it has jurisdiction including, without limitation, review of a decision on appeal issued by the Planning Commission. A decision by the City Council to not grant discretionary review of the appeal is the final determination of the City and will be considered to be an adoption by the Council of the decision being appealed, including any interpretations of this Development Code and the City Comprehensive Plan included in the decision. The final decision may be appealed to the Oregon Land Use Board of Appeals as provided by law.

(3) If the City Council elects to hear to a discretionary appeal, the City Council has further discretion whether to hear the appeal de novo or on the record. Moreover, the City Council may elect to limit review of the appeal to specific issues set forth in the notice of appeal.

(4) The City Council’s decision whether to grant discretionary review of an appeal, and the scope of the discretionary review, will be made without testimony or argument from persons interested in the appeal. [Ord. 933 § 16.25, 2019.]

FINDING: Should an appeal be received, the appeal will be reviewed according to the above stated standards.

VIII. Conclusion:

Based on the application submitted and related materials, and the findings in this decision, the applicable approval criteria for Annexation are determined to be satisfied and is approved subject to the conditions of approval listed herein this land use decision and below.

Conditions of Approval:

1. The cost to extend public infrastructure to the territory proposed to be annexed into the city limits from their respective terminus, by the developer, at the time of development, in accordance with the City’s Development Code (MMC Chapter 18).

END OF CONDITIONS OF APPROVAL

RESOLUTION NO. 24-2023

A RESOLUTION OF THE CITY OF MADRAS FOR A CITY-INITIATED ANNEXATION OF APPROXIMATELY 42 ACRES COMPRISING A PORTION OF CITY-OWNED REAL PROPERTY IDENTIFIED AS JEFFERSON COUNTY ASSESSOR'S MAP AND TAX LOT 1114070000100 AND AUTHORIZATION FOR CITY TO MAKE APPLICATION FOR A CORRESPONDING URBAN GROWTH BOUNDARY AMENDMENT

WHEREAS, Madras Municipal Code ("MMC") Section 18.70.020 permits the Madras City Council ("Council") to initiate a petition for annexation by adopting a resolution;

WHEREAS, MMC Section 18.75.010 permits the Council to initiate an application for amendment of the Madras Comprehensive Plan, including amendments to City of Madras ("City") urban growth boundary ("UGB");

WHEREAS, City is the owner of the real property identified as Jefferson County Assessor's Map and Tax Lot 1114070000100 ("Tax Lot 100");

WHEREAS, Tax Lot 100 is partially located within the UGB and City's jurisdictional boundaries (i.e. City limits);

WHEREAS, City desires and intends to reconfigure the portion of Tax Lot 100 located within the UGB and City limits by withdrawing approximately 42 acres of Tax Lot 100 from the UGB and City limits (the "Withdrawal Area") and replacing it with a different portion of Tax Lot 100 consisting of 42 acres (the "Annexation Area");

WHEREAS, the Council will initiate withdrawal of the Withdrawal Area by a separate resolution;

WHEREAS, the Council desires to initiate annexation of the Annexation Area and to authorize City's application for a corresponding amendment to the UGB such that the Withdrawal Area will be excluded from the UGB and the Annexation Area will be included in the UGB.

NOW, THEREFORE, BE IT RESOLVED, by and through the Madras City Council meeting in regular session as follows:

1. Findings. In addition to the above-stated findings contained in this Resolution No. 24-2023 (this "Resolution"), which are hereby adopted, the Council adopts the following findings:

a. There are no electors residing or registered within the Annexation Area.

2. Annexation Area. Attached as Exhibit A is a preliminary legal description of the Annexation Area. Attached as Exhibit B is a map generally depicting the Annexation Area.

3. Consent and Authorization. The City, by and through the Council, hereby consents to and authorizes a petition for annexation of the Annexation Area and corresponding application for an amendment to the Comprehensive Plan to adjust the UGB consistent with the lands proposed for withdrawal and annexation. Council authorizes the City Administrator, or designee, to execute any documents necessary to memorialize such consent and to file appropriate petitions and applications.

4. Public Hearing. Council dispenses with submitting the question of the proposed annexation to the voters. A public hearing before the City’s Planning Commission on the proposed annexation will be scheduled for January 3, 2024 at 6:30 PM at City Hall. A public hearing on the proposed annexation before Council will be scheduled on February 13, 2024 at 5:30 PM at City Hall. City staff is directed to provide notice of the foregoing public hearing in the manner prescribed by applicable law. City reserves all rights to postpone, continue, and otherwise adjust the scheduling of public hearings.

5. Miscellaneous. All pronouns contained in this Resolution and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word “or” is not exclusive. The words “include,” “includes,” and “including” are not limiting. Any reference to a particular law, rule, regulation, restriction, code, or ordinance includes the law, rule, regulation, restriction, code, or ordinance as now in force and hereafter amended. The provisions of this Resolution are severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by order of the Council to cure editorial and/or clerical errors.

APPROVED AND ADOPTED by the Madras City Council and signed by the mayor on this ____ day of _____, 2023.

Mike Lepin, Mayor

ATTEST:

Keli Pollock, City Recorder



AKS ENGINEERING & FORESTRY
 12965 SW Herman Road, Suite 100, Tualatin, OR 97062
 P: (503) 563-6151 F: (503) 563-6152

AKS Job #9057-04

OFFICES IN: BEND, OR | KEIZER, OR | THE DALLES, OR | TUALATIN, OR | VANCOUVER, WA | WHITE SALMON, WA

EXHIBIT A

Urban Growth Boundary and City of Madras City Limits Addition

A portion of Parcel 2 of the Partition Plat No. 2010-09, recorded as Microfilm Number 2010-3786, Deed Records of Jefferson County, located in the Northeast One-Quarter and Southeast One-Quarter of Section 7, Township 11 South, Range 14 East, Willamette Meridian, Jefferson County, Oregon, and being more particularly described as follows:

Commencing at the southwest corner of Parcel 1 of Partition Plat No. 2002-12, recorded as Microfilm Number 2002-5926, Deed Records of Jefferson County; thence along the west line of Parcel 2 of said Partition Plat No. 2010-09, South 00°15'35" West 303.96 feet to the Urban Growth Boundary (UGB) limits line and the City of Madras city limits line and the Point of Beginning; thence along said UGB limits line and said city limits line on the following courses: South 69°29'50" East 419.01 feet; thence South 22°53'30" East 568.60 feet; thence South 56°09'41" East 251.84 feet; thence South 20°24'37" East 257.22 feet; thence South 33°53'19" East 345.24 feet; thence South 13°18'01" East 636.80 feet; thence South 41°07'25" East 29.14 feet; thence leaving said UGB limits line and said city limits line on a non-tangent curve to the left (with a radial bearing of North 69°51'04" East) with a Radius of 811.00 feet, a Central Angle of 32°47'38", an Arc Length of 464.19 feet, and a Chord of South 36°32'45" East 457.88 feet; thence South 52°56'34" East 100.88 feet to said UGB limits line and said city limits line; thence along said UGB limits line and said city limits line, South 21°47'55" East 38.41 feet; thence leaving said UGB limits line and said city limits line on a non-tangent curve to the right (with a radial bearing of North 55°02'29" West) with a Radius of 659.00 feet, a Central Angle of 11°14'27", an Arc Length of 129.29 feet, and a Chord of South 40°34'44" West 129.08 feet; thence along a compound curve to the right with a Radius of 379.00 feet, a Central Angle of 54°17'01", an Arc Length of 359.08 feet, and a Chord of South 73°20'28" West 345.80 feet; thence along a compound curve to the right with a Radius of 529.00 feet, a Central Angle of 47°22'39", an Arc Length of 437.43 feet, and a Chord of North 55°49'42" West 425.07 feet to a point of non-tangency; thence South 64°46'49" West 316.44 feet; thence along a non-tangent curve to the right (with a radial bearing of North 64°06'38" East) with a Radius of 650.00 feet, a Central Angle of 13°51'31", an Arc Length of 157.22 feet, and a Chord of North 18°57'36" West 156.84 feet to said UGB limits line and said city limits line; thence along said UGB limits line and said city limits line on the following courses: North 46°54'09" East 89.82 feet; thence North 21°53'31" East 198.47 feet; thence North 07°51'12" West 212.24 feet; thence North 23°50'29" West 341.53 feet; thence North 52°36'21" West 644.53 feet to the west line of Parcel 2 of said Partition Plat No. 2010-09; thence along said west line and said UGB limits line and said city limits line, North 00°15'35" East 1229.81 feet to the Point of Beginning.

The above described tract of land contains 42.0 acres, more or less.

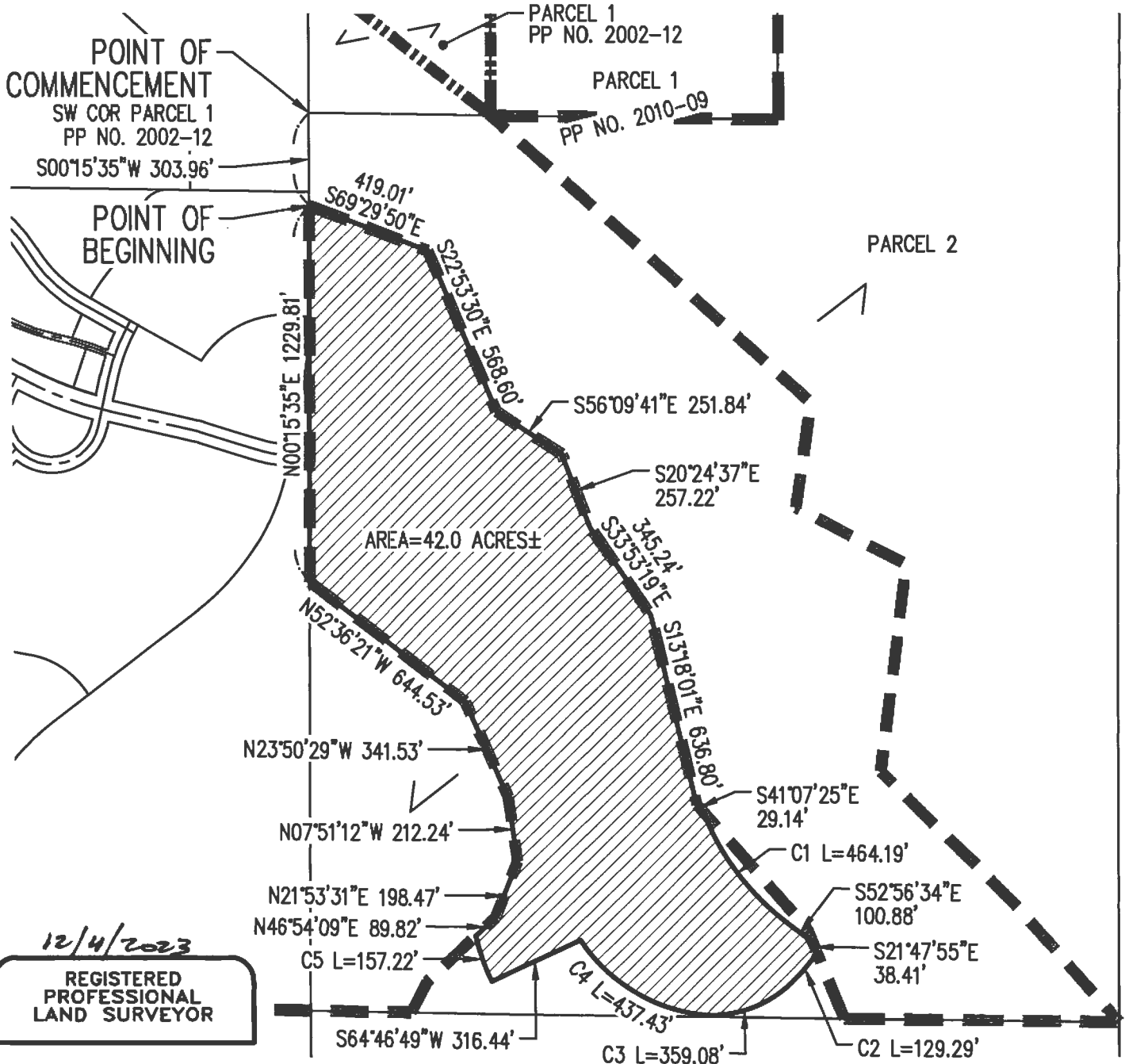
12/4/2023
**REGISTERED
 PROFESSIONAL
 LAND SURVEYOR**

Michael S. Kalina

**OREGON
 JANUARY 12, 2016
 MICHAEL S. KALINA
 89558PLS
 RENEWS: 6/30/25**

EXHIBIT B

A PORTION OF PARCEL 2 OF PARTITION PLAT NO. 2010-09,
LOCATED IN THE NORTHEAST 1/4 & SOUTHEAST 1/4 OF SECTION 7,
TOWNSHIP 11 SOUTH, RANGE 14 EAST, WILLAMETTE MERIDIAN,
JEFFERSON COUNTY, OREGON



12/4/2023

REGISTERED PROFESSIONAL LAND SURVEYOR

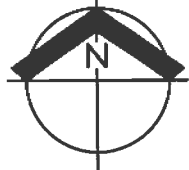
Michael S. Kalina

OREGON
JANUARY 12, 2016
MICHAEL S. KALINA
89558PLS

RENEWS: 6/30/25

--- URBAN GROWTH BOUNDARY & MADRAS CITY LIMITS
- - - MADRAS CITY LIMITS

SEE PAGE 2 FOR CURVE DATA
SCALE: 1"=500 FEET



AKS ENGINEERING & FORESTRY, LLC
12965 SW HERMAN RD, STE 100
TUALATIN, OR 97062
503.563.6151 WWW.AKS-ENG.COM



URBAN GROWTH BOUNDARY & CITY OF MADRAS CITY LIMITS ADDITION

TL 11140700 00100	
DRWN: WCB	CHKD: MSK
AKS JOB: 9057-04	EXHIBIT B

EXHIBIT B

A PORTION OF PARCEL 2 OF PARTITION PLAT NO. 2010-09,
 LOCATED IN THE NORTHEAST 1/4 & SOUTHEAST 1/4 OF SECTION 7,
 TOWNSHIP 11 SOUTH, RANGE 14 EAST, WILLAMETTE MERIDIAN,
 JEFFERSON COUNTY, OREGON

CURVE TABLE

CURVE	RADIAL BEARING	RADIUS	CENTRAL ANGLE	ARC LENGTH	CHORD
C1	N69°51'04"E	811.00'	32°47'38"	464.19'	S36°32'45"E 457.88'
C2	N55°02'29"W	659.00'	11°14'27"	129.29'	S40°34'44"W 129.08'
C3		379.00'	54°17'01"	359.08'	S73°20'28"W 345.80'
C4		529.00'	47°22'39"	437.43'	N55°49'42"W 425.07'
C5	N64°06'38"E	650.00'	13°51'31"	157.22'	N18°57'36"W 156.84'

12/4/2023

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR



OREGON
 JANUARY 12, 2016
 MICHAEL S. KALINA
 89558PLS

RENEWS: 6/30/25

AKS ENGINEERING & FORESTRY, LLC
 12965 SW HERMAN RD, STE 100
 TUALATIN, OR 97062
 503.563.6151 WWW.AKS-ENG.COM



URBAN GROWTH BOUNDARY &
 CITY OF MADRAS CITY LIMITS
 ADDITION

TL 11140700 00100

DRWN: WCB	CHKD: MSK
AKS JOB: 9057-04	EXHIBIT B



125 SW "E" Street
Madras, OR 97741
541-475-2344
www.ci.madras.or.us

December 15, 2023

Nicholas Snead
Community Development Director
City of Madras
125 SW E Street
Madras, OR, 97741

Mr. Snead,

I understand that the City of Madras has proposed to remove 40 acres +/- and add 39 acres +/- from Madras UGB and city limits of the property identified as 11-14-7-100 and that MMC 18.70.030(5)(d) requires findings regarding the availability of urban services within the proposed annexation area, a description of existing infrastructure, the present capacity of existing urban services and supporting infrastructure, the cost of extending and/or improving urban service infrastructure to City standards, and the method and source of financing the costs of extending and/or improving urban service infrastructure to City standards for services provided by the City (i.e. sanitary sewers, storm drainage, streets, water, parks).

Availability Of Urban Services Within The Proposed Annexation Area

The City provides sanitary sewers, storm drainage, streets, parks and none of those services are present in the area of the city limits that is proposed to be removed and they are not located in the area that is proposed to be added to the city limits (see Figure 1 below). However, the aforementioned infrastructure systems have the capacity to serve the territory proposed to be included in the city limits.

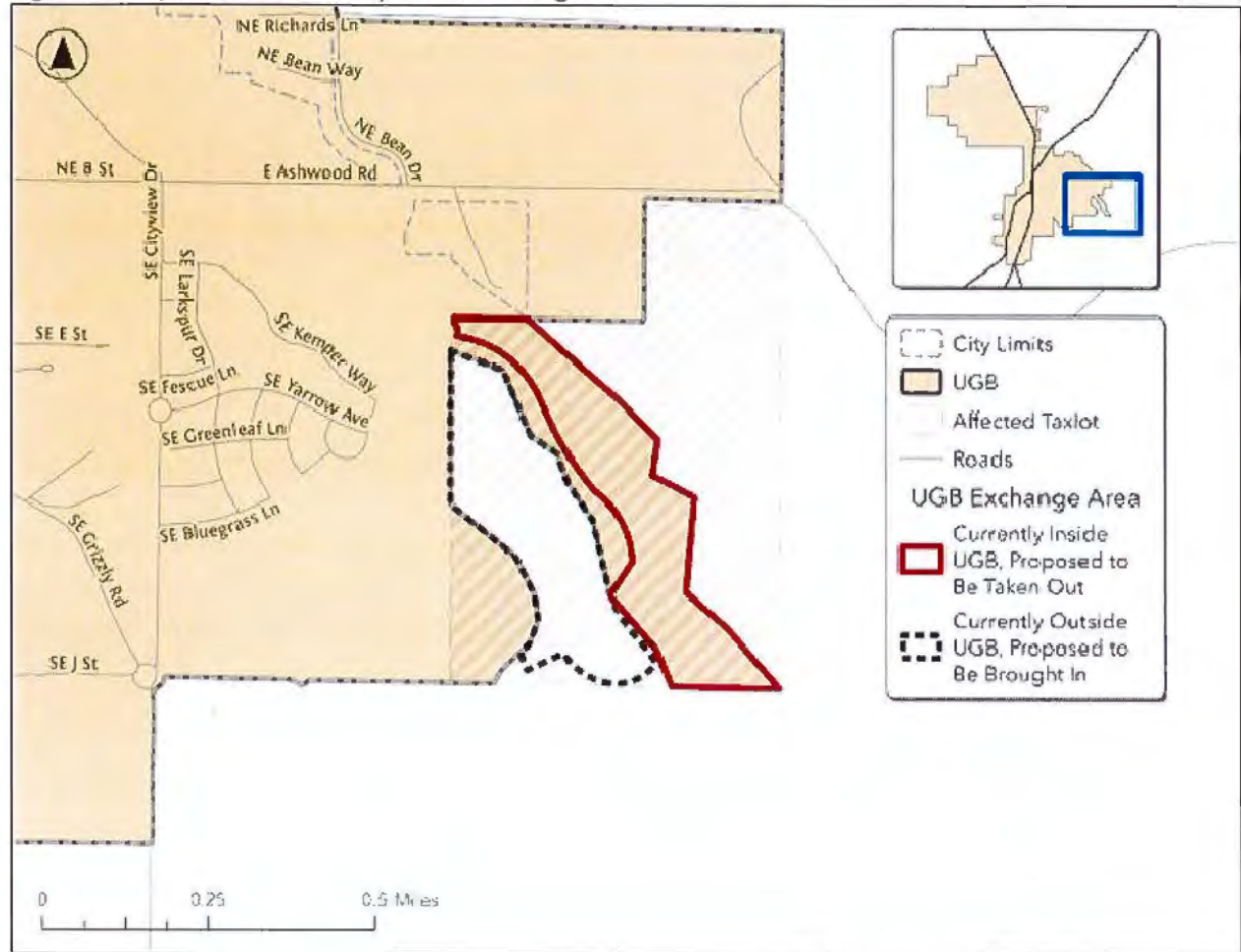
Description Of Existing Infrastructure

There is not any existing infrastructure in the territory proposed to be removed from the city limits. There is also no existing infrastructure in the territory that is proposed to be added to the city limits. The closest sanitary sewers, storm drainage, streets, parks facilities are at the terminus of the Yarrow Subdivision (Ph. 1 & 2) and adjacent to the Heights at Yarrow apartment development (11-14-7-305). All development will need to extend infrastructure into the territory that is proposed to be added to the city limits, at the time of development, from location of existing sanitary sewers, storm drainage, streets, parks.

Capacity Of Existing Urban Services And Supporting Infrastructure

The City will provide sanitary sewers, storm drainage, streets, parks infrastructure services to the territory proposed to be annexed. The proposed removal/addition of land to the city limits will not increase the amount of land in the city limits. Furthermore, the territory being proposed to be added from the city limits will have the same zoning (R-3) as the territory proposed be removed (R-3). As a result, there will not be any additional demand on the City's infrastructure systems as a result of increased development potential. The City's capacity to serve the territory proposed to be added to the city limits will remain the same.

Figure 1. Proposed UGB and City Limits Exchange.



Cost Of Extending Urban Service Infrastructure To City Standards

The cost to serve the territory proposed with public facilities will be born by the developer(s) of that same territory. This responsibility shall be imposed as a condition of annexation.

Source Of Financing The Costs Of Improving Urban Service Infrastructure To City Standards For Services

The developer will bear the entire cost of extending infrastructure to the territory proposed to be added to the city limits.

Should you or anyone else have any questions about the provision of public facilities under the responsibility of the City of Madras, please contact me as necessary.

Sincerely,

Jeff Hurd, P.E.
 Public Works Director
 City of Madras
 541-475-2344
 jhurd@ci.madras.or.us



125 SW "E" Street,
Madras, OR, 97741
541-475-2344

ADJACENT PROPERTY OWNER NOTIFICATION

DATE:	December 11, 2023
FILE:	PA-23-1 and AX-23-2
APPLICANT:	City of Madras 125 SW E Street Madras, OR, 9771
SITE ADDRESS:	Unaddressed
MAP & TAXLOT:	11-14-7-100
ZONING:	Planned Residential (R-3)
PROPOSAL:	UGB and city limits (annexation) land exchange to remove 40 acres +/- residential land from the Madras UGB & city limits. That land will be replaced with an equivalent amount of land. The land being removed and added to the UGB is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the UGB is planned R-3 and the area being added to the UGB will be planned R-3. +/-.
DATE OF HEARINGS:	January 3, 2024 (Planning Commission) & February 13, 2024 (City Council)

Adjacent Property Owner:

The Madras City Council has scheduled a legislative public hearing on **January 3, 2024 (Planning Commission) & February 13, 2024 (City Council) in the Council Chambers at City Hall** to consider the City's proposal to amend the Madras UGB based on compliance with the Statewide Planning Goals, the Jefferson County and City of Madras Comprehensive Plans, and MMC 18.75.020(2). The decision to amend the Madras city limits boundary will be based on the following criteria: 1) ORS Chapter 222; 2) the City of Madras Comprehensive Plan; and 3) Chapters 18.15-Zoning and 18.70-Annexation of the City of Madras Development Code. The Madras Planning Commission will conduct a public hearing for the proposal on January 3, 2024, at 6:30 pm in the Council Chambers at City Hall located at 125 SW "E" Street. The Madras City Council will conduct a public hearing for the proposal on February 13, 2024, at 5:30 pm in the Council Chambers at City Hall located at 125 SW "E" Street. Both of these meetings will have the ability to attend via Zoom and in person. Please contact City staff for additional details about how to participate in this meeting and public hearing.

As an adjacent property owner within 250 feet of the location of the proposed land use action, you are entitled notice by City Municipal Code MMC 18.80.110. Written comments may be submitted to the City at City Hall prior to each of the Public Hearings. Oral comments will be accepted at the January 3, 2024 & February 13, 2024, Public Hearings. If you have

any questions, you may also call the Community Development Department at 541-475-2344. The file for this matter is available for public review at City Hall located at 125 SW "E" Street.

Nicholas S. Snead

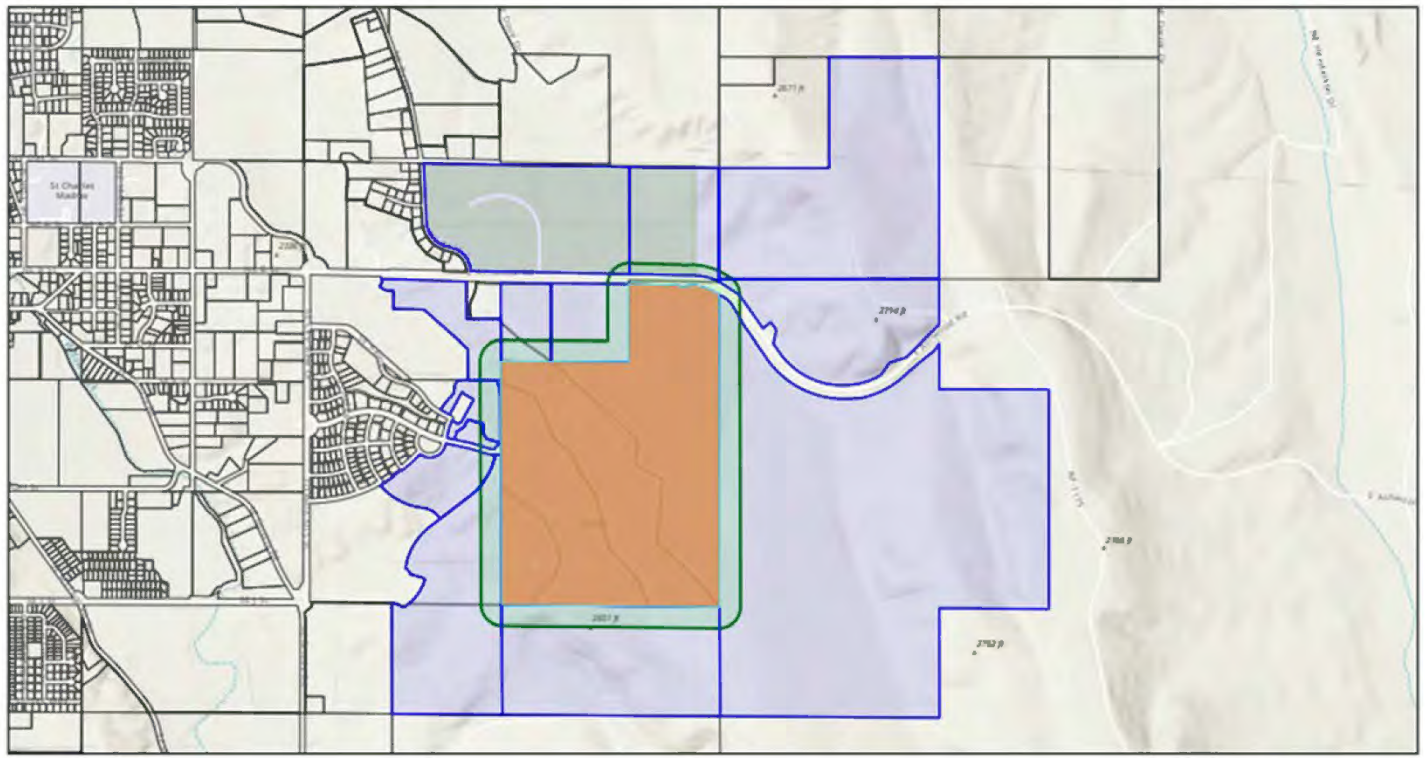
Nicholas Snead

Community Development Director

nsnead@cityofmadras.us

541-475-2344

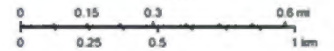
Adjacent Property Owner Notice Map, File # PA-23-1 & AX-23-2



12/11/2023, 10:24:56 AM

- City Limits
- City of Madras Taxlots

1:18,056



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City of Madras, OR
Esri, NASA, NGA, USGS, FEMA | Esri Community Maps Contributors, Oregon State Parks, State of Oregon GEO, © OpenStreetMap contributors, Esri, HERE, Garmin, SwisSlog, GeoTechnology, Inc, METRANSA, USGS, Bureau of Land Management, EPA, NPS, US Coast Bureau, USDA |

NOTICE OF PUBLIC HEARINGS

DATE OF HEARINGS: January 3, 2024 (Planning Commission) & February 13, 2024 (City Council)

FILES: PA-23-1 and AX-23-2

APPLICANTS: City of Madras
125 SW E Street
Madras, OR, 9771

SUBJECT PROPERTIES: 11-14-7-100

ZONING: Planned Residential (R-3)

PROPOSAL: UGB and city limits (annexation) land exchange to remove 40 acres +/- residential land from the Madras UGB & city limits. That land will be replaced with an equivalent amount of land. The land being removed and added to the UGB is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the UGB is planned R-3 and the area being added to the UGB will be planned R-3. +/-.

The decision to amend the Madras UGB will be based on compliance with the Statewide Planning Goals, the Jefferson County and City of Madras Comprehensive Plans, and MMC 18.75.020(2). The decision to amend the Madras city limits boundary will be based on the following criteria: 1) ORS Chapter 222; 2) the City of Madras Comprehensive Plan; and 3) Chapters 18.15-Zoning and 18.70-Annexation of the City of Madras Development Code. The Madras Planning Commission will conduct a public hearing for the proposal on January 3, 2024 at 6:30 pm in the Council Chambers at City Hall located at 125 SW "E" Street. The Madras City Council will conduct a public hearing for the proposal on February 13, 2024 at 5:30 pm in the Council Chambers at City Hall located at 125 SW "E" Street. Both of these meetings will have the ability to attend via Zoom and in person. Please contact City staff for additional details about how to participate in this meeting and public hearing. You may submit written comments prior to each of the public hearings at City Hall. You also may provide oral comments during the public hearings. If you have any questions, you may also call Nicholas Snead, Community Development Director at 541-475-2344. The files for these matters is available for public review at City Hall located at 125 SW "E" Street.

Madras Pioneer Publishing Dates: December 20, 2023
December 27, 2023
January 10, 2024
January 17, 2024

From: [Nick Snead](#)
To: [Alex Farrington](#); [Andrea Breault](#); [Angie Brewer](#); [Brett Goodman](#); [Brooke Berry](#); [Catherine Doran](#); [Chris Funk](#); [Daniel Hall](#); [Donald Morehouse](#); [Fatima Taha](#); [Gary Cahoun](#); [Gary Dejarnatt](#); [Jared Earnest](#); [Jeff Hurd](#); [Jeff McCaulou](#); [Jeff Rasmussen](#); [Jeff Rasmussen](#); [Jeremy Faircloth](#); [Jim Preuss](#); [Joel Gehrett](#); [Jon Harrang](#); [Joseph Franel](#); [Josh Ainger](#); [Josh Bailey](#); [Katrina Flande](#); [Katrina Weitman](#); [Matt Powlison](#); [Max Hamblin](#); [Michael Baker](#); [Michele Quinn](#); [Mike Britton](#); [Nancy Coleman](#); [Nick Snead](#); [ODOT Planning Mgr 4](#); [Pam Watson](#); [Pat Krus](#); [Phil Stenbeck](#); [Rob Berg](#); [Scott Edelman](#); [Simon White](#); [Tanya Cloutier](#); [TJ Johannsen](#); [Turo](#); [Will Ibershof](#); [Zachary Quinn](#)
Subject: Notice of City of Madras Annexation Proposal
Date: Friday, December 15, 2023 5:06:18 PM

Development Team Member:

Below are links to the application materials submitted for an Annexation request amend the Madras city limits.

Please be advised that the City has sent a notice to all properties within 250 feet of the subject property on December 11, 2023. **Please submit comments to the City by no later than December 26, 2023 regarding this land use application.** Please let me know if you need any additional information.

FILE: AX-3-1

**APPLICANT/
PROPERTY OWNER:** City of Madras
125 SW E Street
Madras, OR, 97741

SITE ADDRESS: No address assigned at this time

MAP & TAXLOT: 11-14-7-100

ZONING: Planned Residential (R-3)

PROPOSAL: Amend the Madras city limits (annexation) by removing 40 acres +/- from the city limits and replacing an equivalent amount of land to the Madras city limits. The land being removed and added to the city limits is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the city limits is zoned R-3 (City Zoning) and the area being added to the city limits will be zoned R-3.

DECISION TYPE: Type IV, Legislative.

PUBLIC HEARING: Legislative hearings before the Madras Planning Commission and City Council will be held on January 3, 2024 at 6:30 PM, in the Council Chambers at the Madras Police Station/City Hall located at 125 SW E Street, Madras, OR, 97741 and on February 13, 2024 at 5:30 PM, in the Council Chambers at the Madras Police Station/City Hall located at 125 SW E Street, Madras, OR, 97741.

APPLICATION MATEIRALS:

AX-23-3_Findings and Decision_121523_nsnead.docx: <https://acrobat.adobe.com/link/track?uri=urn:aaid:scds:US:0b897cb0-5b1f-4cc9-9301-6f0f7ff88177>

11.14.7.pdf" at: <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:d0aa5ddc-f87a-469e-96a5-ad5a34c66ef4>

Resolution No. 24-2023 w Exhibit_NOT SIGNED.pdf: <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:07e27edf-bd11-43e1-bf3a-8b696b32ac60>

Exhibit C_Public Works Director Letter of Public Facility Adequacy.pdf:

<https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:c6a6f091-6dfa-4dc8-90e8-3288e50516a5>

Madras UGB Swap Findings for Notice v3_nsnead edits.docx: <https://acrobat.adobe.com/link/track?uri=urn:aaid:scds:US:dd7220f4-eb75-4849-bc9c-1bbfce94453b>

Nicholas Snead, AICP
Community Development Director
City of Madras
541-475-2344
nsnead@cityofmadras.us
www.ci.madras.or.us

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Madras UGB Land Exchange Justifications and Findings

November 2023

Prepared for: City of Madras

Draft Report

ECONorthwest
ECONOMICS • FINANCE • PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

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Summary: Map (UGB) Amendments

Madras is proposing a UGB land exchange to remove residential land from the UGB and replace it with an equivalent amount of land. The land being removed and added to the UGB is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the UGB is planned R-3 and the area being added to the UGB will be planned R-3.

The area for removal from the UGB is part of the Yarrow Master Plan, planned for development of housing built around a golf course. This area has moderate slopes that make it more difficult to build smaller, more affordable units, which is part of the rationale for developing this area around a proposed golf course.

The area for addition to the UGB is directly west of the area proposed for removal. It is also part of the Yarrow Master Plan area. The plans for development of these two areas have changed over the years, along with the changes to development requirements in R-3. The Bean Foundation, owners of Yarrow, are focused on building a residential neighborhood with a mixture of housing types, affordable at a range of price points. As a result, the Bean Foundation are in the process of revising the Yarrow Master Plan, with the intention of including the area proposed to be brought into the UGB.

This narrative supports the following amendments to the Madras UGB Land Exchange:

Urban Growth Boundary Change

1. Change the Madras UGB to remove a portion (42 acres, 39 of which are buildable) of tax lot 1114070000100. The lot is owned by the City of Madras and is currently vacant. It is planned by the City as Planned Residential Development (R-3).
2. Change the Madras UGB to add in a different portion of tax lot 1114070000100. The area proposed to be brought into the UGB is about 42 acres, with 2 acres of constrained land, resulting in 40 acres of buildable land. The area proposed for inclusion in the UGB is owned by the City of Madras, designated as urban reserves, and is vacant.

Urban Reserve Change

1. Once the land being removed from the UGB (42 acres of land) is removed, add it to Madras Urban Reserves.
2. Bring land from the Madras Urban Reserves (42 acres of land) into the Madras UGB.

Exhibit 1. Proposed Changes to the Madras UGB and Urban Reserves

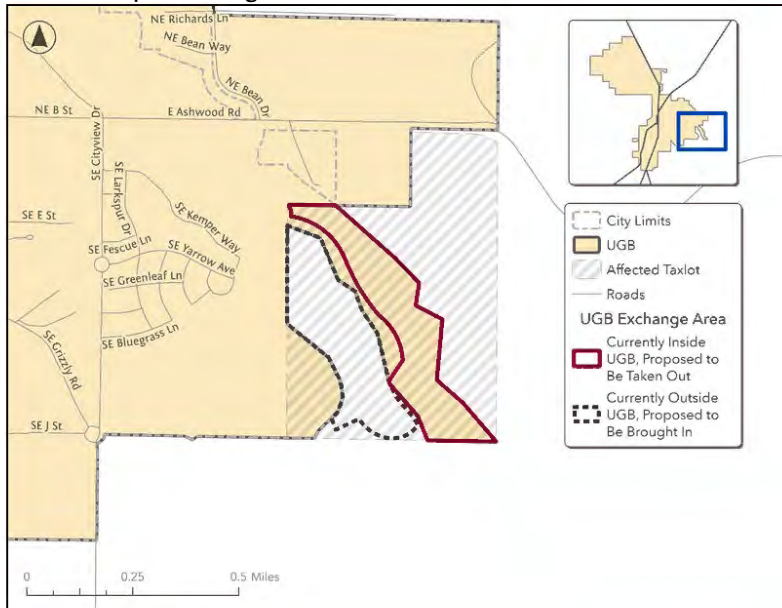


Exhibit 2. Exchange Area: Zoning



1. Introduction

Background

Madras is proposing a UGB land exchange to remove residential land from the UGB and replace it with an equivalent amount of land. The land being removed and added to the UGB is owned by City of Madras and is part of the Yarrow Master Plan area. The area being removed from the UGB is designated as R-3 under the Madras Comprehensive Plan and the area being added to the UGB will similarly be planned as R-3.

The area for removal from the UGB is part of the Yarrow Master Plan, planned for development of housing built around a golf course. This area has moderate slopes that make it more difficult to build smaller, more affordable units, which is part of the rationale for developing this area around a proposed golf course.

The area for addition to the UGB is directly west of the area proposed for removal. It is also part of the Yarrow Master Plan area. The plans for development of these two areas have changed over the years, along with the changes to development requirements in R-3. The Bean Foundation, owners of Yarrow, are focused on building a residential neighborhood with a mixture of housing types, affordable at a range of price points. As a result, the Bean Foundation are in the process of revising the Yarrow Master Plan, with the intention of including the area proposed to be brought into the UGB.

This report presents the proposed changes and findings to support the proposed UGB land exchange.

Applicable Statewide Planning Policy

State Requirements for UGB Land Exchange

OAR 660-024-0070 provides direction on exchanging land within an UGB and replacing it with land presently located outside of the UGB. The requirement of OAR 660-024-0070(2) apply for the land removed and the provisions of Goal 14 Administrative Rule (OAR Chapter 660, Division 024) apply to the land included in the UGB as part of the exchange. Such exchanges also trigger requirements under ORS 197A.320

OAR 660-024-0070 UGB Adjustment

Under OAR 660-024-0070 provides direction on removing and replacing land in the UGB. A government may exchange land if it determines that the removal does not violate applicable statewide planning goals and rules and that the land supply within the UGB provides roughly the same supply of buildable land after the exchange. In addition, the exchange should not provide urban services to the land moved outside of the UGB, nor that it preclude efficient

provision of urban services to buildable land within the UGB. The land removed from the UGB must be planned and zoned for rural uses.

Madras proposes to remove 42 acres of land planned as R-3 from its UGB and replace it with 42 acres of land that will be planned R-3 once in the UGB. The land removed will be re-zoned to Range Land (RL) by the Jefferson County. The land added to the UGB is within Madras' Urban Reserves and the land removed from the UGB will be added into the City's Urban Reserves (as addressed below).

ORS 197A.320 requirements, OAR 660-024-0065, and OAR 660-0024-0067

ORS 197A.320 and OAR 660-024-0065 establish a process for identifying a study area to evaluate land for inclusion in the UGB, which includes all land adjacent and within the one-half mile buffer of the Madras UGB. In addition, the study area included all exceptions areas within one mile of the Madras UGB. The final study area must include an amount of land that is at least twice the amount of land needed to replace the land removed from the Madras UGB. The final study area may exclude land from the evaluation of land for inclusion based on areas where it is impracticable to provide necessary public facilities or services to the land or areas with significant development hazards.

OAR 660-0024-0067 establishes the following priority of land for inclusion within a UGB:

- "First Priority" is urban reserve, exception land, and nonresource land.
- "Second Priority" is marginal land: land within the study area that is designated as marginal land
- "Third Priority" is forest or farm land that is not predominantly high-value farm land
- "Fourth Priority" is agricultural land that is predominantly high-value farmland

Goal 14 location factors

As noted in Goal 14, the location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197A.320 and with consideration of the following factors:

1. Efficient accommodation of identified land needs;
2. Orderly and economic provision of public facilities and services;
3. Comparative environmental, energy, economic and social consequences; and
4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the urban growth boundary.

As noted above, Goal 14 allows local governments to specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need.

Organization of this Document

This document is organized as follows:

- **Chapter 2. Land Proposed for Removal from the Madras UGB** presents the land proposed to be removed from the UGB.
- **Chapter 3. Alternatives Analysis for Establishment of the UGB Land Exchange Study Area** presents the process of establishing the study area and findings about inclusion of land in the final study area.
- **Chapter 4. Goal 14 Locational Factors** includes the evaluation and findings of each study subarea for the Goal 14 locational factors.
- **Chapter 5. County and City Requirements for UGB Changes** presents findings for compliance with Jefferson County and City of Madras requirements for UGB changes.
- **Chapter 6. Statewide Goal Consistency Analysis** presents findings that demonstrate that the proposed UGB concept complies with applicable state planning requirements.

2. Land Proposed for Exchange

This chapter describes the proposed UGB exchange land based on the requirements of OAR 660-024-0070. Madras proposes to remove approximately 39 buildable acres of land designated as R-3 under the Madras Comprehensive Plan and replace it with approximately 40 buildable acres of land that the City will designate R-3. The land proposed for removal has been planned for residential development in the Yarrow Master Plan, with larger-lot single-family housing built around a golf course. The land proposed for inclusion in the UGB is adjacent to the land proposed for removal and the revised Yarrow Master Plan expects to develop the land with a wider variety of housing, as required by Madras' Development Code, based on changes the City made to accommodate missing middle housing (adopted in July 2022).

The land proposed for inclusion in the UGB will be more integrated into Madras' neighborhoods, roads, and other infrastructure, as described in Chapter 3.

Proposed UGB Adjustment

OAR 660-024-0070 Describes the process for making adjustments to a city's UGB, including removing land from the UGB and exchanging it for other lands.

660-024-0070 UGB Adjustments

(1) A local government may adjust the UGB at any time to better achieve the purposes of Goal 14 and this division. Such adjustment may occur by adding or removing land from the UGB, or by exchanging land inside the UGB for land outside the UGB. The requirements of section (2) of this rule apply when removing land from the UGB. The requirements of Goal 14 and this division [and ORS 197.298] apply when land is added to the UGB, including land added in exchange for land removed. The requirements of ORS 197.296 may also apply when land is added to a UGB, as specified in that statute. If a local government exchanges land inside the UGB for land outside the UGB, the applicable local government must adopt appropriate rural zoning designations for the land removed from the UGB prior to or at the time of adoption of the UGB amendment and must apply applicable location and priority provisions of OAR 660-024-0060 through 660-020-0067.

(2) A local government may remove land from a UGB following the procedures and requirements of ORS 197.764. Alternatively, a local government may remove land from the UGB following the procedures and requirements of 197.610 to 197.650, provided it determines:

- (a) The removal of land would not violate applicable statewide planning goals and rules;*
- (b) The UGB would provide a 20-year supply of land for estimated needs after the land is removed, or would provide roughly the same supply of buildable land as prior to the removal, taking into consideration land added to the UGB at the same time;*

(c) Public facilities agreements adopted under ORS 195.020 do not intend to provide for urban services on the subject land unless the public facilities provider agrees to removal of the land from the UGB and concurrent modification of the agreement;

(d) Removal of the land does not preclude the efficient provision of urban services to any other buildable land that remains inside the UGB; and

(e) The land removed from the UGB is planned and zoned for rural use consistent with all applicable laws.

(3) Notwithstanding sections (1) and (2) of this rule, a local government considering an exchange of land may rely on the land needs analysis that provided a basis for its current acknowledged plan, rather than adopting a new need analysis, provided:

(a) The amount of buildable land added to the UGB to meet:

(A) A specific type of residential need is substantially equivalent to the amount of buildable residential land removed, or

(B) The amount of employment land added to the UGB to meet an employment need is substantially equivalent to the amount of employment land removed, and

(b) The local government must apply comprehensive plan designations and, if applicable, urban zoning to the land added to the UGB, such that the land added is designated:

(A) For the same residential uses and at the same housing density as the land removed from the UGB, or

(B) For the same employment uses as allowed on the land removed from the UGB, or

(C) If the land exchange is intended to provide for a particular industrial use that requires specific site characteristics, only land zoned for commercial or industrial use may be removed, and the land added must be zoned for the particular industrial use and meet other applicable requirements of ORS 197A.320(6).

Land Proposed for Exchange from the Madras UGB

The land proposed for removal from the Madras UGB, as shown in Exhibit 3, is located on a portion of tax lot 1114070000100. The lot is owned by the City of Madras and is currently vacant. It is located within the City limits, comprehensive planned and zoned by the City as Planned Residential Development (R-3) (Exhibit 4).

The total acreage of the lot is 197 acres, with 185 acres of buildable land. The lot is constrained by two features as shown in Exhibit 5—slopes greater than 25% in elevation and a 50-foot-wide easement for Bonneville Power Administration (BPA) transmission lines. These constraints together account for 12 acres of land.

Only a portion of this tax lot is proposed for removal, shown on in Exhibit 3. The area of land proposed to be taken out of the UGB is about 42 acres, 3 acres of which are constrained, leaving 39 acres buildable.

Exhibit 3 shows the area proposed to be included in the UGB, which is immediately adjacent to the area proposed for removal. It is also part of tax lot 1114070000100. The area proposed to be brought into the UGB is about 42 acres, with 2 acres of constrained land, resulting in 40 acres of buildable land. The area proposed for inclusion in the UGB is owned by the City of Madras, zoned Range Land (but included in City's urban reserves), and is vacant.

Exhibit 3. Exchange Area: Overview

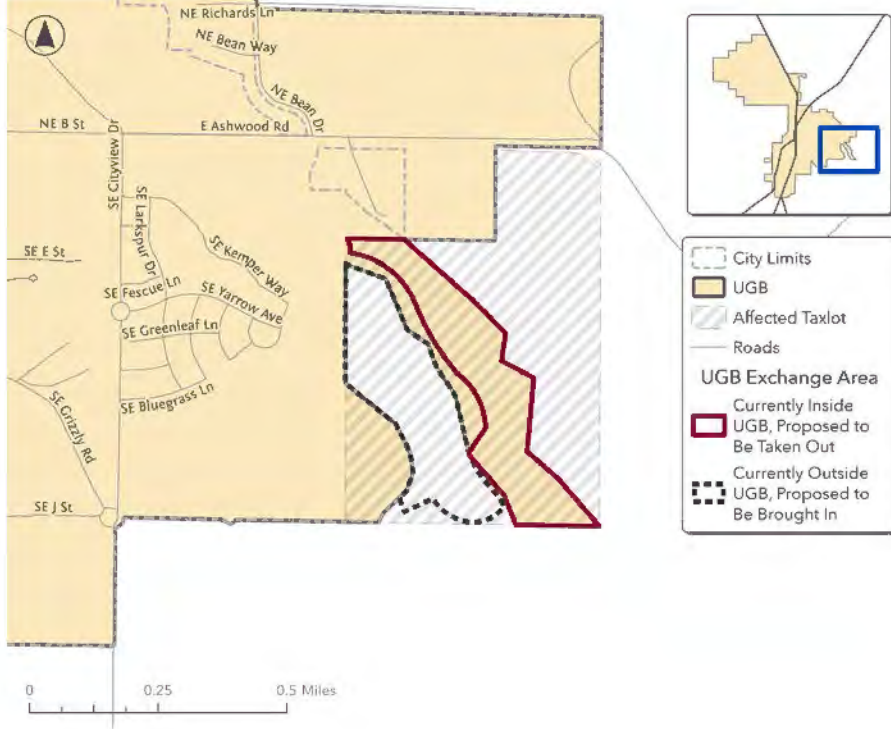


Exhibit 4. Exchange Area: Zoning

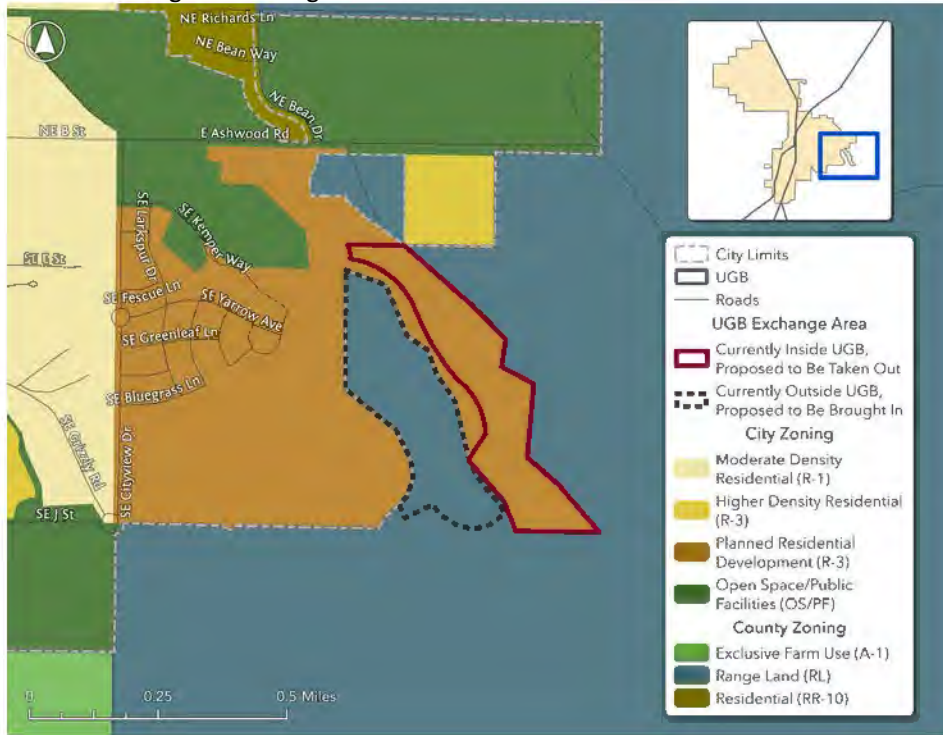
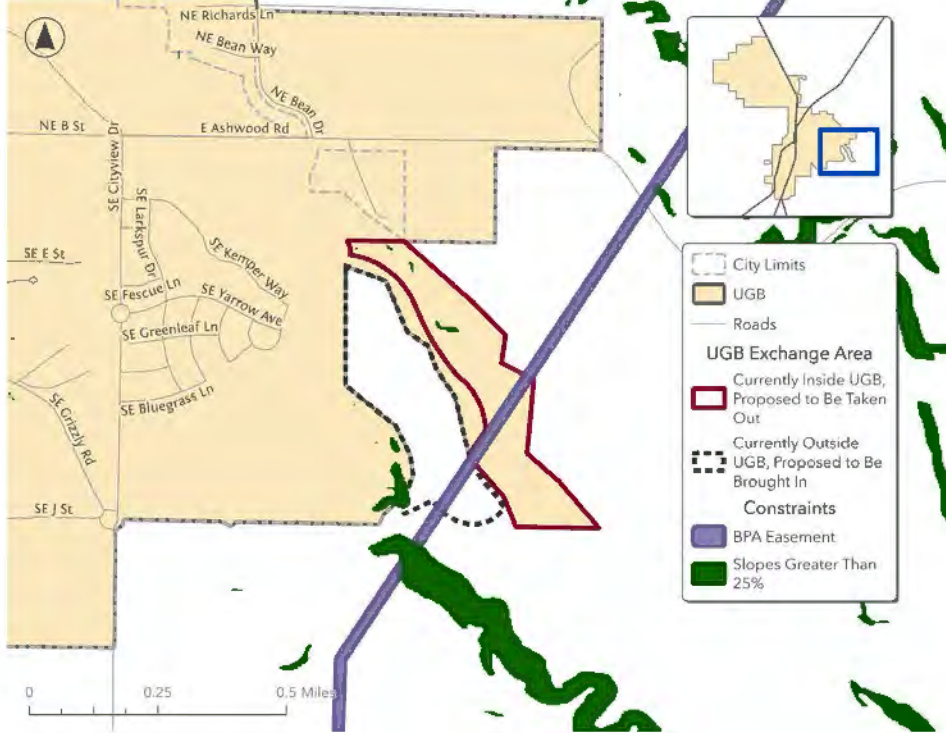


Exhibit 5. Exchange Area: Constraints



The area for removal from the UGB is part of the Yarrow Master Plan, planned for development of housing built around a golf course. This area has moderate slopes that make it more difficult to build smaller, more affordable units, which is part of the rationale for developing this area around a proposed golf course.

The original Yarrow Master Plan was developed before the City updated its Development Code to require more diversified housing as part of the master planning process and to allow “missing middle” housing types in its residential zones. As of July 2022, the R-3 zone allows for development of different housing types at a range of densities, as described below.

- Single-family detached: at minimum lot size of 6,000 square feet or 7.3 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 4.4 dwelling units per acre.
- Townhouse: at up to 29 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 15 dwelling units per acre.

- One to four units: at up to 23 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 13.8 dwelling units per acre.
- Cottage Cluster: at up to 21 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 12 dwelling units per acre.
- Apartments with 5 or more units: at up to 26 dwelling units per acre. Assuming that housing builds out at 80% of maximum allowed density and that land for rights-of-way accounts for 25% of land, the maximum density would be 16.8 dwelling units per acre.

The plans for development of the parts of Yarrow adjacent to the areas proposed for the exchange have changed over the years, along with the changes to development requirements in R-3. The Bean Foundation, owners of Yarrow, are focused on building a residential neighborhood with a mixture of housing types, affordable at a range of prices points. As a result, the Bean Foundation are in the process of revising the Yarrow Master Plan, with the intention of including the area proposed to be brought into the UGB.

Recent development and planned development in the Yarrow Master Plan area reflect these plans. In specific, the Heights at Yarrow is 144 units of multifamily housing that was developed in the last few years. The Yarrow Master Plan (July 2022) includes plans for development of: nearly 500 single-family units (about half on large lots and half on small-medium lots), 11 townhouses, potential for multifamily on about 30 acres of land (but no units estimated yet), 48 acres of parks and open space, 10.5 acres for a future school, and 0.4 acres of commercial mix-ed use.

Madras requires a minimum overall density of 7 dwelling units per gross acre in the R-3 zone (for the entire subdivision) and that master planned subdivisions (which are required for any residential development in excess of 10 acres) with at least 50 dwellings include at least two types dwelling units and proposals with 100 or more must contain at least three types of dwelling units. Exhibit 6 shows the potential capacity of the exchange area, given the allowed densities described above. The Yarrow Master Planned called for development of this area as single-family detached housing. In the future the Bean Foundation intends to develop the new area with a mixture of housing types, as allowed and required in the R-3 zone.

Exhibit 6 shows the potential capacity of the 39 acres of land proposed to be removed from the UGB by housing type. The densities used in Exhibit 6 are based on those used in the 2023 *Madras Housing Capacity Analysis* and the densities allowed by Madras' Development Code. The capacity for the 40 acres of land proposed for inclusion in the UGB is within 3% of the capacity of land proposed for removal, with the difference being the slight difference in buildable acres between the two areas.

Exhibit 6. Exchange Area: Potential Capacity

Zone/Housing Type	Area inside the UGB, Proposed to be Removed			Area outside the UGB, Proposed to be Added into the UGB		
	Buildable Acres	Allowed Density (DU/ Acre)	Capacity (Dwelling Units)	Buildable Acres	Allowed Density (DU/ Acre)	Capacity (Dwelling Units)
R-3	39			40		
Single-family detached		5.2	203		5.2	208
Townhouse		15.0	585		15.0	600
One to four dwelling units		13.8	538		13.8	552
Apartments - 5+ du		16.8	655		16.8	672

The City will apply the Planned Residential Development (R-3) Comprehensive Plan designation and zone to the land brought into the UGB. The County will apply the Range Land (RL) Comprehensive Plan designation and zone to the land removed from the UGB.

Compliance with OAR 660-024-0070

OAR 660-024-0070 Describes the process for making adjustments to a city’s UGB, including removing land from the UGB and exchanging it for other lands.

660-024-0070 UGB Adjustments

(1) A local government may adjust the UGB at any time to better achieve the purposes of Goal 14 and this division. Such adjustment may occur by adding or removing land from the UGB, or by exchanging land inside the UGB for land outside the UGB. The requirements of section (2) of this rule apply when removing land from the UGB. The requirements of Goal 14 and this division [and ORS 197.298] apply when land is added to the UGB, including land added in exchange for land removed. The requirements of ORS 197.296 may also apply when land is added to a UGB, as specified in that statute. If a local government exchanges land inside the UGB for land outside the UGB, the applicable local government must adopt appropriate rural zoning designations for the land removed from the UGB prior to or at the time of adoption of the UGB amendment and must apply applicable location and priority provisions of OAR 660-024-0060 through 660-020-0067.

Finding: The proposal includes removal of land presently within the UGB in exchange for land presently located outside of the UGB. The requirements for exchange of those respective lands are addressed below. ORS 197.296 is that statute setting forth the requirements for local governments to conduct analysis of housing capacity and needed housing and is addressed below. The removed land will be given a rural zoning designation through a contemporaneous action from Jefferson County.

(2) A local government may remove land from a UGB following the procedures and requirements of ORS 197.764. Alternatively, a local government may remove land from

the UGB following the procedures and requirements of 197.610 to 197.650, provided it determines:

Finding: ORS 197.764 is not applicable to the subject property as it is not assessed for farm use. Accordingly, the City is proposing to follow the procedures and requirements of ORS 197.610 to 197.650, which outlines the process for a post-acknowledgement amendments to comprehensive plans and land use regulations.

(a) The removal of land would not violate applicable statewide planning goals and rules;

Finding: The proposal complies with applicable statewide planning goals and rules as set out below.

(b) The UGB would provide a 20-year supply of land for estimated needs after the land is removed, or would provide roughly the same supply of buildable land as prior to the removal, taking into consideration land added to the UGB at the same time;

Finding: The proposal results in roughly the same supply of buildable lands within the UGB as the exchange involves the same number of gross acres and the addition of one buildable acre.

(c) Public facilities agreements adopted under ORS 195.020 do not intend to provide for urban services on the subject land unless the public facilities provider agrees to removal of the land from the UGB and concurrent modification of the agreement;

Finding: There are no public facilities agreements to provide urban services on the land proposed for removal from the UGB.

(d) Removal of the land does not preclude the efficient provision of urban services to any other buildable land that remains inside the UGB; and

Finding: Removal of the proposed lands does not inhibit efficient provision of urban services to any buildable lands that will remain within the UGB.

(e) The land removed from the UGB is planned and zoned for rural use consistent with all applicable laws.

Finding: The land removed from the UGB will be zoned Range Land by contemporaneous action of Jefferson County consistent with applicable laws.

(3) Notwithstanding sections (1) and (2) of this rule, a local government considering an exchange of land may rely on the land needs analysis that provided a basis for its current acknowledged plan, rather than adopting a new need analysis, provided:

(a) The amount of buildable land added to the UGB to meet:

(A) A specific type of residential need is substantially equivalent to the amount of buildable residential land removed, or

...

(b) The local government must apply comprehensive plan designations and, if applicable, urban zoning to the land added to the UGB, such that the land added is designated:

(A) For the same residential uses and at the same housing density as the land removed from the UGB, or

...

Finding: The City need not adopt a new housing needs analysis because the amount of building land added to the UGB is substantially equivalent to the land removed and will be subject to the same plan designation and zoning and thus have no net effect on the supply of residential lands needed to meet any particular residential need.

3. Alternatives Analysis for Establishment of the UGB Land Exchange Study Area

Chapter 2 showed that Madras is proposing to remove 39 acres of buildable land from the UGB and replace it with 40 acres of adjacent buildable land and that the proposal complies for requirements of land removal. This chapter presents the alternatives analysis required by OAR 660-024-0060 as well as findings related to the prioritization described in ORS 197A.320 as necessary to analyze compliance for the land to be added to the UGB.

Establishment of Study Area for UGB Land Exchange

Definition of the Preliminary Study Area

Exhibit 7 shows the study area for the alternatives analysis based on the following requirements:

660-024-0065 Establishment of Study Area to Evaluate Land for Inclusion in the UGB

(1) When considering a UGB amendment to accommodate a need deficit identified in OAR 660-024-0050(4), a city outside of Metro must determine which land to add to the UGB by evaluating alternative locations within a “study area” established pursuant to this rule. To establish the study area, the city must first identify a “preliminary study area” which shall not include land within a different UGB or the corporate limits of a city within a different UGB. The preliminary study area shall include:

- (a) All lands in the city’s acknowledged urban reserve, if any;*
- (b) All lands that are within the following distance from the acknowledged UGB:
 - (A) For cities with a UGB population less than 10,000: one-half mile;*
 - (B) For cities with a UGB population equal to or greater than 10,000: one mile;**
- (c) All exception areas contiguous to an exception area that includes land within the distance specified in subsection (b) and that are within the following distance from the acknowledged UGB:
 - (A) For cities with a UGB population less than 10,000: one mile;*
 - (B) For cities with a UGB population equal to or greater than 10,000: one and one-half miles;**

The subject proposal is not the result of a need deficit identified in OAR 660-024-0050(4). The City has nonetheless conducted such an analysis to demonstrate the appropriateness of the proposal.

Based on the foregoing provisions, the City evaluated all lands adjacent to the Madras UGB for suitability for residential uses. For purposes of the Alternatives Analysis, the City reviewed land within the one-half mile buffer of the Madras UGB, as shown in Exhibit 7, as well as all Exceptions Zones within a one-mile buffer.

The preliminary study area includes:

- 6,809 acres of land within one-half mile of the Madras UGB.
- 3,970 acres of land in urban reserves, including that beyond 1 mile from the UGB
- 343 acres of land in exceptions zoning that is between ½ and 1 mile from the Madras UGB and not within the City's urban reserve (which includes an additional 892 of exceptions area).

Exhibit 7. Areas Under Consideration for Inclusion in the Preliminary Study Area, Madras

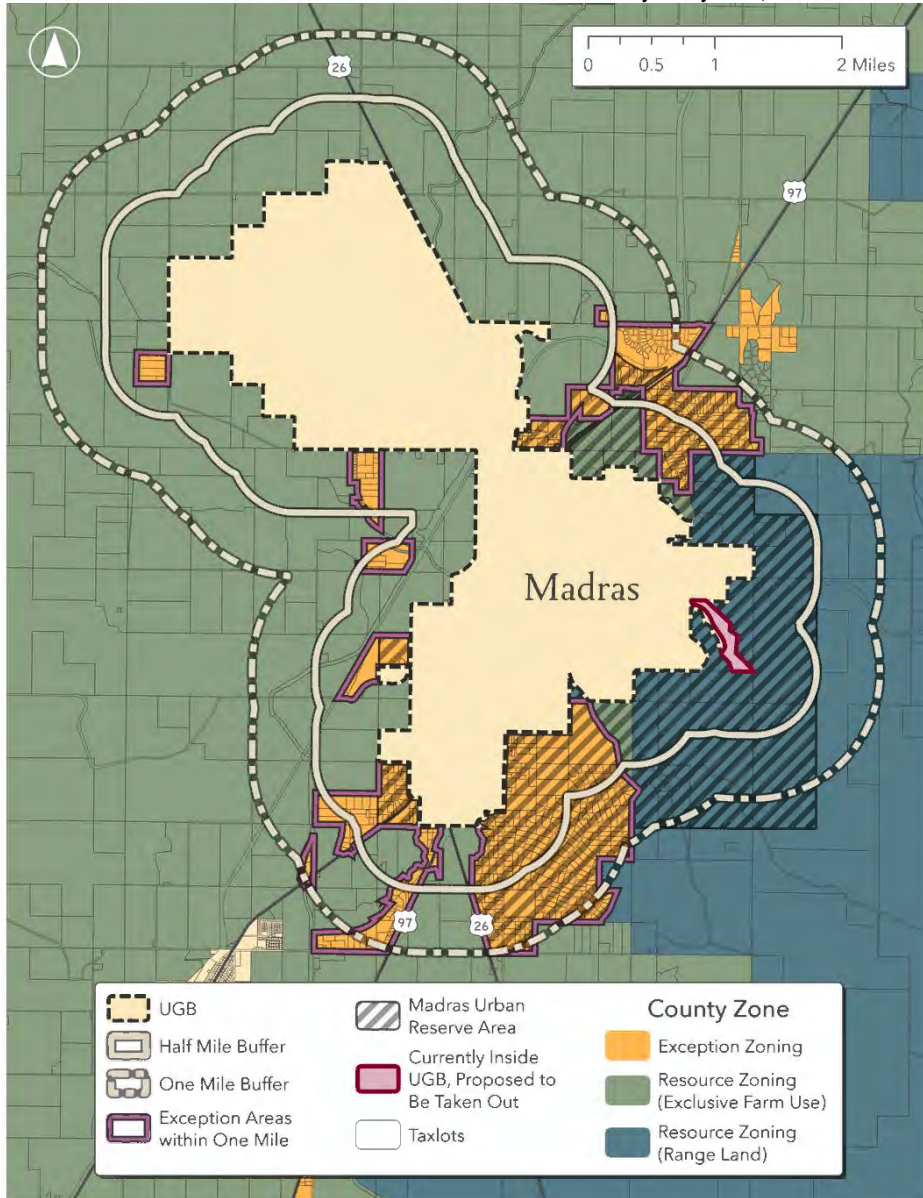
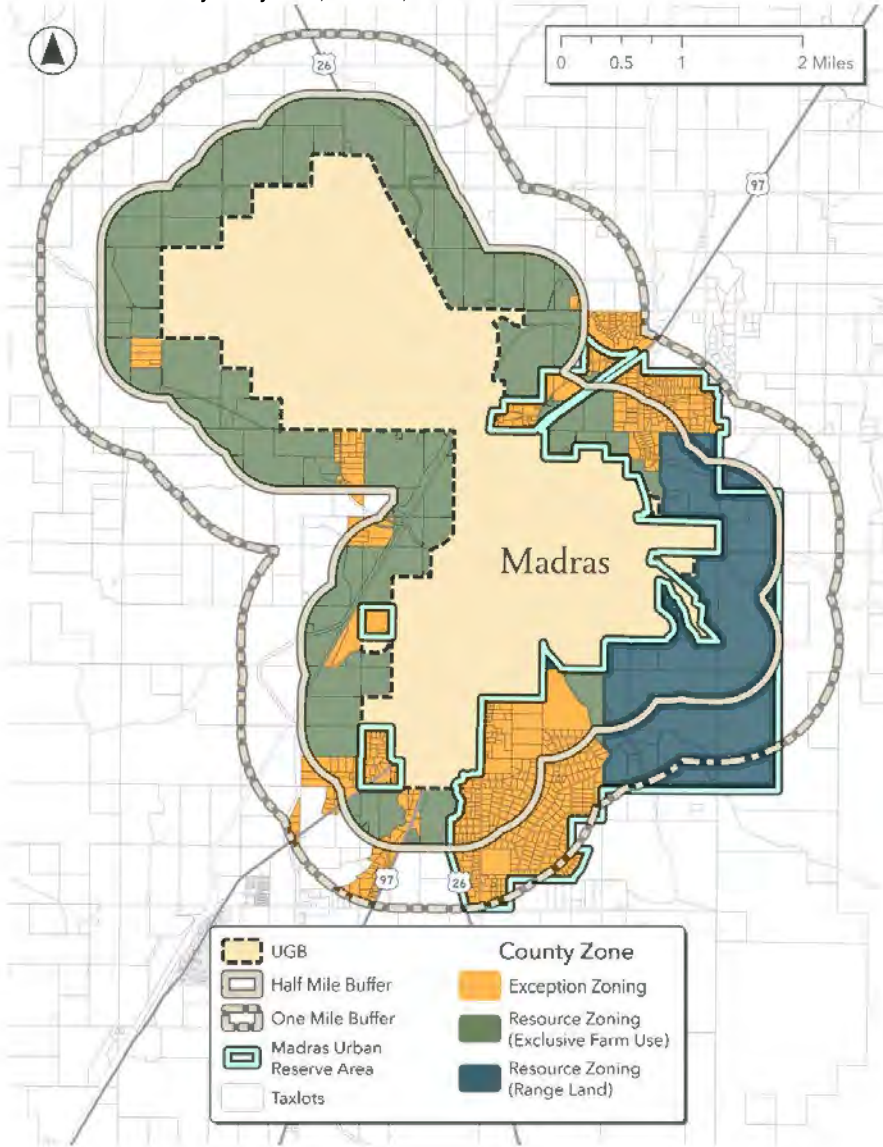


Exhibit 8. Preliminary Study Area, Madras, 2022



Refining the Preliminary Study Area

The analysis of residential land is organized by classes of land that correspond to the OAR 660-024-0067(2) priorities for inclusion of land into a UGB. The evaluation of the subareas considers the following:

660-024-0067 Evaluation of Land in the Study Area for Inclusion in the UGB; Priorities

(1) A city considering a UGB amendment must decide which land to add to the UGB by evaluating all land in the study area determined under OAR 660-024-0065, as follows

(a) Beginning with the highest priority category of land described in section (2), the city must apply section (5) to determine which land in that priority category is suitable to satisfy the need deficiency determined under OAR 660-024-0050 and select for inclusion in the UGB as much of the land as necessary to satisfy the need.

(b) If the amount of suitable land in the First Priority category is not sufficient to satisfy all the identified need deficiency, the city must apply section (5) to determine which land in the next priority is suitable and select for inclusion in the UGB as much of the suitable land in that priority as necessary to satisfy the need. The city must proceed in this manner until all the land need is satisfied, except as provided in OAR 660-024-0065(9).

(c) If the amount of suitable land in a particular priority category in section (2) exceeds the amount necessary to satisfy the need deficiency, the city must choose which land in that priority to include in the UGB by applying the criteria in section (7) of this rule.

(d) In evaluating the sufficiency of land to satisfy a need under this section, the city may use the factors identified in sections (5) and (6) of this rule to reduce the forecast development capacity of the land to meet the need.

(e) Land that is determined to not be suitable under section (5) of this rule to satisfy the need deficiency determined under OAR 660-024-0050 is not required to be selected for inclusion in the UGB unless its inclusion is necessary to serve other higher priority lands.

(2) Priority of Land for inclusion in a UGB:

(a) First Priority is urban reserve, exception land, and nonresource land. Lands in the study area that meet the description in paragraphs (A) through (C) of this subsection are of equal (first) priority:

(A) Land designated as an urban reserve under OAR chapter 660, division 21, in an acknowledged comprehensive plan;

(B) Land that is subject to an acknowledged exception under ORS 197.732; and

(C) Land that is nonresource land.

(b) Second Priority is marginal land: land within the study area that is designated as marginal land under ORS 197.247 (1991 Edition) in the acknowledged comprehensive plan.

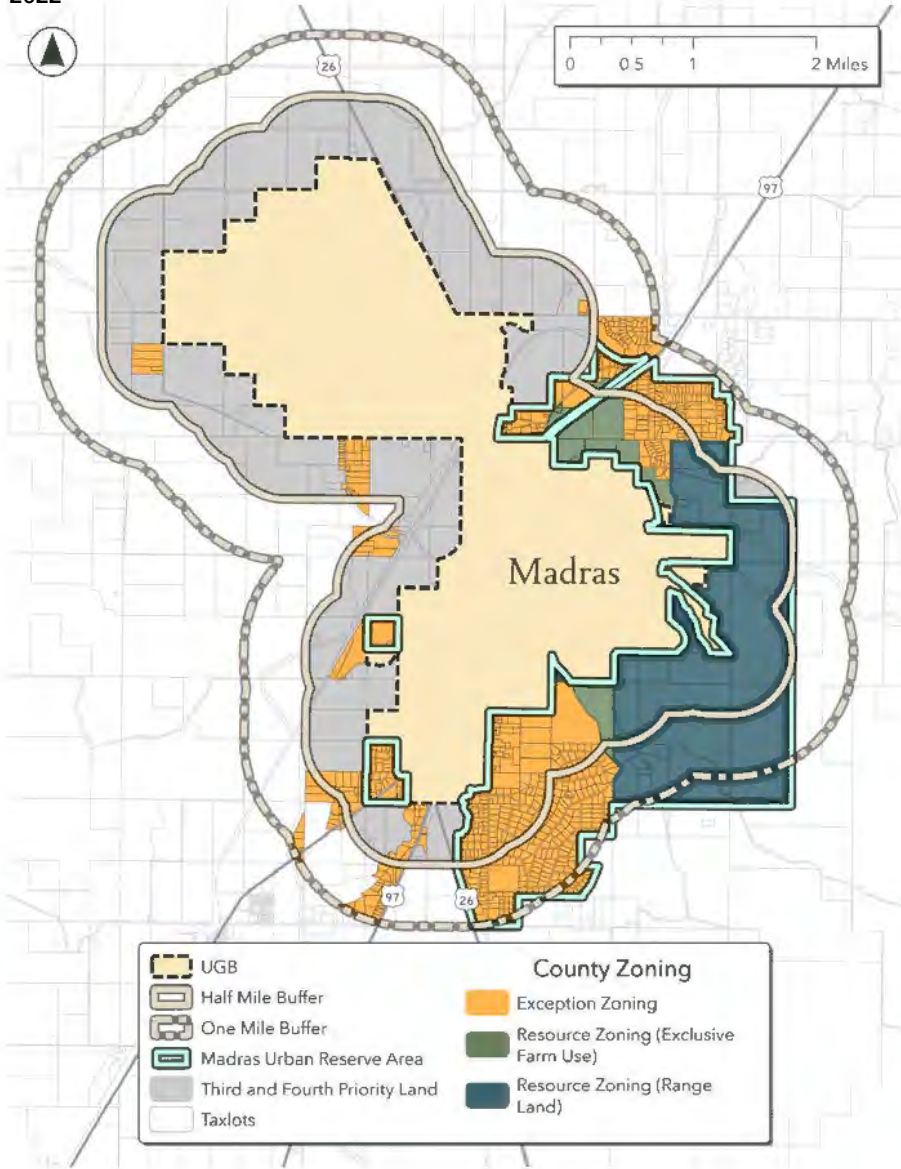
(c) Third Priority is forest or farm land that is not predominantly high-value farm land: land within the study area that is designated for forest or agriculture uses in the acknowledged comprehensive plan and that is not predominantly high-value farmland as defined in ORS 195.300, or that does not consist predominantly of prime or unique soils, as determined by the United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS). In selecting which lands to include to satisfy the need, the city must use the agricultural land capability classification system or the cubic foot site class system, as appropriate for the acknowledged comprehensive plan designation, to select lower capability or cubic foot site class lands first.

(d) Fourth Priority is agricultural land that is predominantly high-value farmland: land within the study area that is designated as agricultural land in an acknowledged comprehensive plan and is predominantly high-value farmland as defined in ORS 195.300. A city may not select land that is predominantly made up of prime or unique farm soils, as defined by the USDA NRCS, unless there is an insufficient amount of other land to satisfy its land need. In selecting which lands to include to satisfy the need, the city must use the agricultural land capability classification system to select lower capability lands first.

Exhibit 9 shows exclusion of land that does not meet the requirements of OAR 660-024-0067(1), excluding land that is not “First Priority” as defined in OAR 660-024-0067(2). This step removed all non “First Priority” lands by excluding lands zoned Exclusive Farm Use (EFU) or Range Land (RL) within the ½ mile buffer of Madras UGB unless they were designated as urban reserves or non-resource land.

This leaves a total of 4,508 acres within the study area, with 3,923 acres within the City’s urban reserves and 585 acres in exception zoning within the one-mile UGB buffer. All of these lands are “First Priority” lands.

Exhibit 9. Refining the Preliminary Study Area based on Priority for Inclusion in the UGB, Madras, 2022



Areas Non-Contiguous with the UGB that are Impracticable to Serve

The next step is to remove areas that are not contiguous to the UGB and are impracticable to serve based on OAR 660-024-0065(7).

OAR 660-024-0065 Establishment of Study Area to Evaluate Land for Inclusion in the UGB

(7) For purposes of subsection (4)(a), the city may consider it impracticable to provide necessary public facilities or services to the following lands:

(a) Contiguous areas of at least five acres where 75 percent or more of the land has a slope of 25 percent or greater, provided that contiguous areas 20 acres or more that are less than 25 percent slope may not be excluded under this subsection. Slope shall be measured as the increase in elevation divided by the horizontal distance at maximum ten-foot contour intervals;

(b) Land that is isolated from existing service networks by physical, topographic, or other impediments to service provision such that it is impracticable to provide necessary facilities or services to the land within the planning period. The city's determination shall be based on an evaluation of:

(A) The likely amount of development that could occur on the land within the planning period;

(B) The likely cost of facilities and services; and,

(c) Any substantial evidence collected by or presented to the city regarding how similarly situated land in the region has, or has not, developed over time.

(c) As used in this section, "impediments to service provision" may include but are not limited to:

(A) Major rivers or other water bodies that would require new bridge crossings to serve planned urban development;

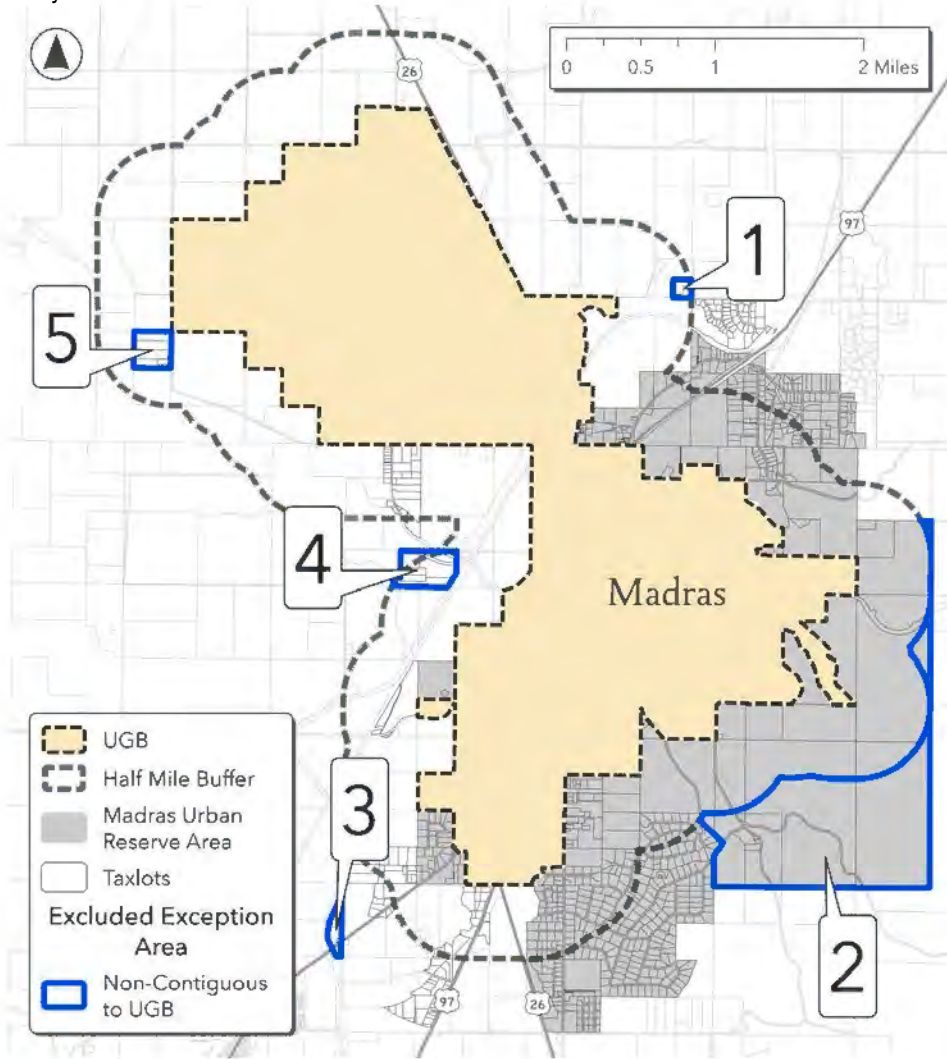
(B) Topographic features such as canyons or ridges with slopes exceeding 40 percent and vertical relief of greater than 80 feet;

(C) Freeways, rail lines, or other restricted access corridors that would require new grade separated crossings to serve planned urban development;

(D) Significant scenic, natural, cultural or recreational resources on an acknowledged plan inventory and subject to protection measures under the plan or implementing regulations, or on a published state or federal inventory, that would prohibit or substantially impede the placement or construction of necessary public facilities and services.

Exhibit 10 shows areas that are not contiguous to the UGB and are impracticable to serve.

Exhibit 10. Non-Contiguous Areas that are Impracticable to Serve that were Removed from the Study Area



The following areas are all either exceptions areas (some within ½ mile of the UGB and some beyond ½ mile) or urban reserves beyond ½ mile of the UGB. These areas are all impracticable to serve, given their distance from the UGB. In addition, some of these areas contain too few acres to meet the identified land need of about 39 areas on their own.

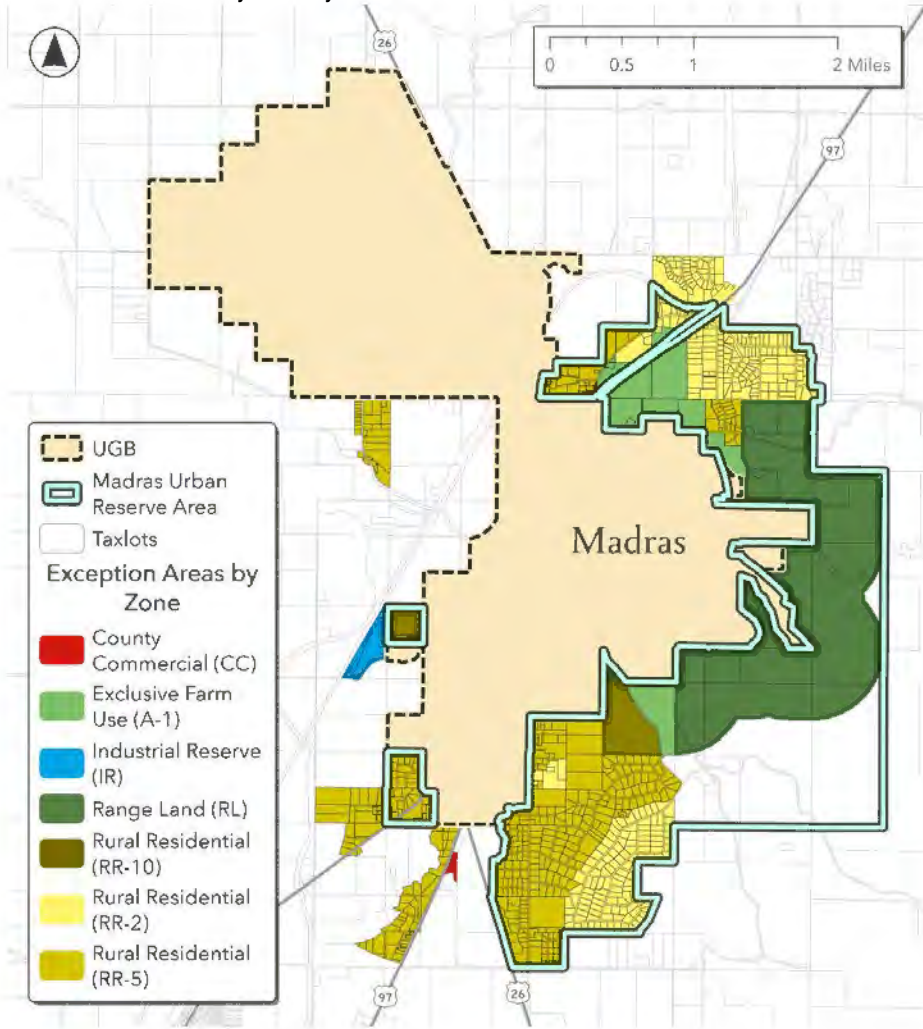
- **Area 1.** This area is 10 acres in exceptions zoning outside of the Urban Reserves, located 1,991 feet/0.04 miles from the UGB. It is too small to meet the land needs and is impracticable to serve on its own.
- **Area 2.** This area is 700 acres in RL zoning and within the Urban Reserves. It is ½ mile or more from the UGB and some parts are beyond 1 mile of the UGB. The distance to the UGB, plus any portion of Area 4 includes well more than the amount of land needed to meet the identified land need of about 39 acres. Land in Area 2 is impracticable to serve on its own without including a substantial amount of land closer to the UGB.
- **Area 3.** This area is 17 acres in exceptions zoning outside of the Urban Reserves. It is too small to meet the land needs and is impracticable to serve on its own.
- **Area 4.** This area is 59 acres in exceptions zoning outside of the Urban Reserves, located ¼ mile to more than ½ mile from the UGB. It is impracticable to serve, given its distance from the UGB.
- **Area 5.** This area is 40 acres in exceptions zoning outside of the Urban Reserves. While the northeast corner of this area touches a corner of the UGB, there is no direct road connection from the UGB that doesn't also fall in other non-UGB areas. It is located adjacent to Industrial areas of Madras, away from existing residential neighborhoods. It is impracticable to serve on its own.

Refined Preliminary Study Area

Exhibit 11 shows the refined preliminary areas for the alternatives analysis, which are either exceptions areas or urban reserve areas. These are all First Priority for inclusion in the UGB, consistent with 660-024-0067(2). These areas together account for 4,508 acres of land in the following zoning:

- Exclusive Farm Use (A-1) within Urban Reserves: 308 acres
- Range Land (RL) within Urban Reserves: 1,225 acres
- Exceptions areas in the following zoning:
 - County Commercial (CC): 10 acres
 - Industrial Reserve (IR): 46 acres
 - Rural Residential (RR-2): 770 acres
 - Rural Residential (RR-5): 1,198 acres
 - Rural Residential (RR-10): 132 acres

Exhibit 11. Refined Study Areas by Zone



Identifying Unsuitable Areas within the Study Area

The next step is identifying areas within the study area that are unsuitable for potential inclusion in the UGB based on OAR 660-024-0067.

Parcelization and Development Patterns

660-024-0067 Evaluation of Land in the Study Area for Inclusion in the UGB; Priorities

(5) With respect to section (1), a city must assume that vacant or partially vacant land in a particular priority category is “suitable” to satisfy a need deficiency identified in OAR 660-024-0050(4) unless it demonstrates that the land cannot satisfy the specified need based on one or more of the conditions described in subsections (a) through (g) of this section: Existing parcelization, lot sizes or development patterns of rural residential land make that land unsuitable for an identified employment need; as follows:

- (A) Parcelization: the land consists primarily of parcels 2-acres or less in size, or*
- (B) Existing development patterns: the land cannot be reasonably redeveloped or infilled within the planning period due to the location of existing structures and infrastructure.”*

OAR 660-024-0067(5) allows a city to assume that land that is parcelized or has a development pattern the is unlikely to redevelop or infill within the planning period can be assumed not to meet the identified need. Exhibit 12 shows land with high levels of parcelization or subdivisions, which are future plans for parcelization.

Exhibit 12 shows areas with a large amount of highly parcelled land, identified by visual inspection of clusters of highly parcelled tax lots, and/or a high number of subdivisions.

- **Parcelized land.** 488 acres, shown in pink in Exhibit 12, are in parcels 2 acres or smaller. These lands are considered unsuitable for potential inclusion in the UGB based on OAR 660-024-0067(5).
- **Subdivisions.** 898 acres, shown in green in Exhibit 12, are within an existing subdivision. Some of these parcels are currently larger than 2 acres but are planned for future development in smaller lots.

Exhibit 12. Exception Areas showing Parcellation and Subdivisions

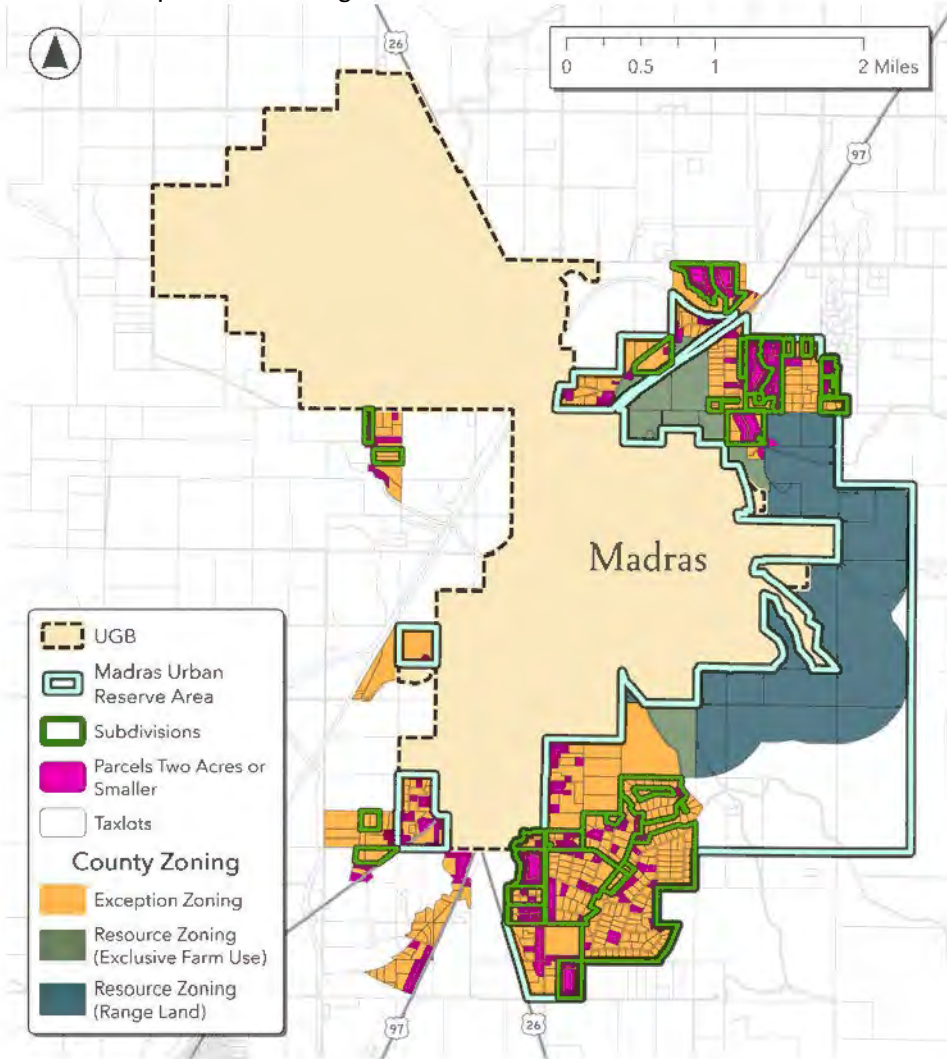
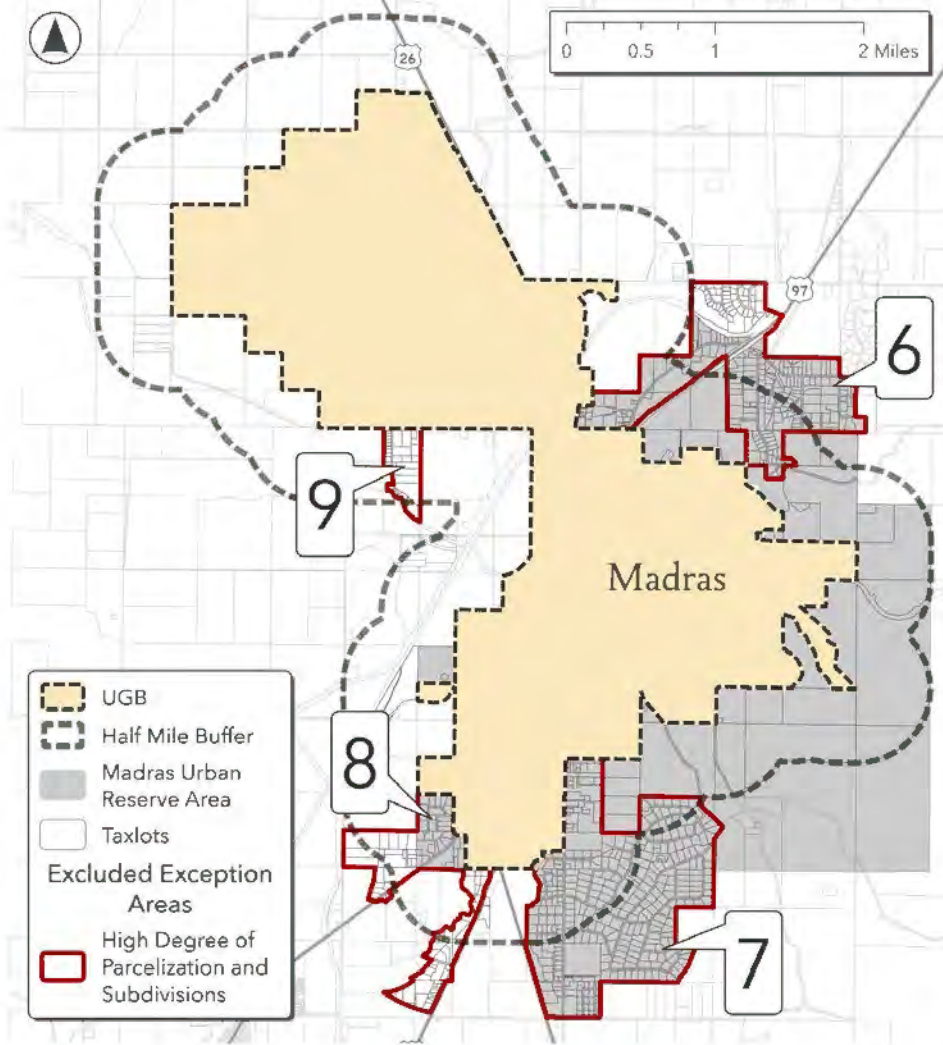


Exhibit 13 shows areas removed from the study area based on high degree of parcelization and subdivisions. This includes four areas shown in red, all of which are in exceptions zoning.

Exhibit 13. Areas with Parcelation and Subdivisions removed from the Study Area



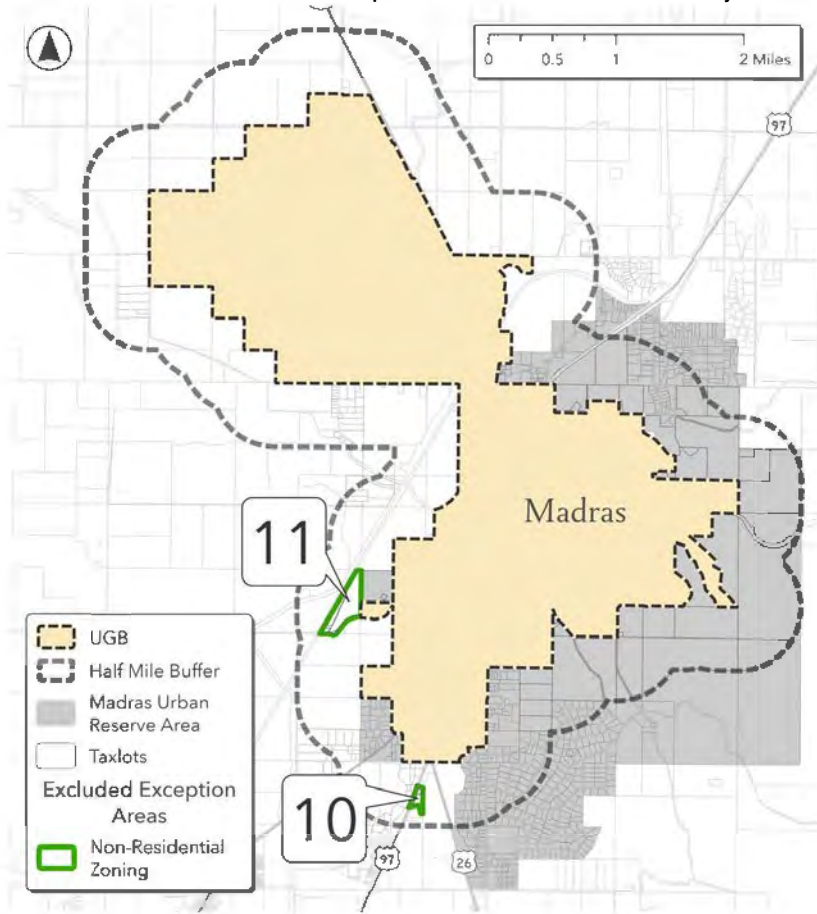
This results in the removal of the following:

- **Area 6:** This area has a high degree of parcelization and existing subdivision. This area has 625 acres, 43% of which is in parcels 2 acres or smaller or in a subdivision. In addition, most of this area is not adjacent to the existing UGB, making it impracticable to provide future services to without inclusion of substantially more land than the identified land need.
- **Area 7:** This area has a high degree of parcelization and existing subdivision. This area has 914 acres, 74% of which is in parcels 2 acres or smaller or in a subdivision. In addition, most of this area is not adjacent to the existing UGB, making it impracticable to provide future services to without inclusion of substantially more land than the identified land need.
- **Area 8:** This area has a high degree of parcelization and existing subdivision. This area has 308 acres, 30% of which is in parcels 2 acres or smaller or in a subdivision. The areas with larger than 2 acre parcels are generally located further from the UGB, including some beyond ½ mile from the UGB. This makes it impracticable to provide future services to without inclusion of substantially more land than the identified land need.
- **Area 9:** This area has a high degree of parcelization and existing subdivision. This area has 77 acres, 41% of which is in parcels 2 acres or smaller or in a subdivision. The areas with larger than 2 acre parcels are generally located further from the UGB, including some beyond ½ mile from the UGB. This makes it impracticable to provide future services to without inclusion of substantially more land than the identified land need.

Commercial and Industrial Planned Areas

Exhibit 14 shows exceptions areas with County Commercial (CC) and Industrial Reserves (IR).

Exhibit 14. Commercial and Industrial planned area removed from the Study Area



This results in removal of the following:

- **Area 10:** This area is zoned County Commercial (CC). It has 8 acres of land. In addition, it is not contiguous to the UGB, is impracticable to serve, and too small to meet the need for about 39 acres of land.
- **Area 11:** This area is zoned Industrial Reserve (IR). It has 46 acres of land.

Final Study Area with Subareas

Exhibit 15 breaks up the remaining 1,679 acres in the study area into 21 subareas for evaluation for inclusion in the UGB. This area is more than twice the land need for about 39 acres of buildable land.

Exhibit 15. Study Subareas

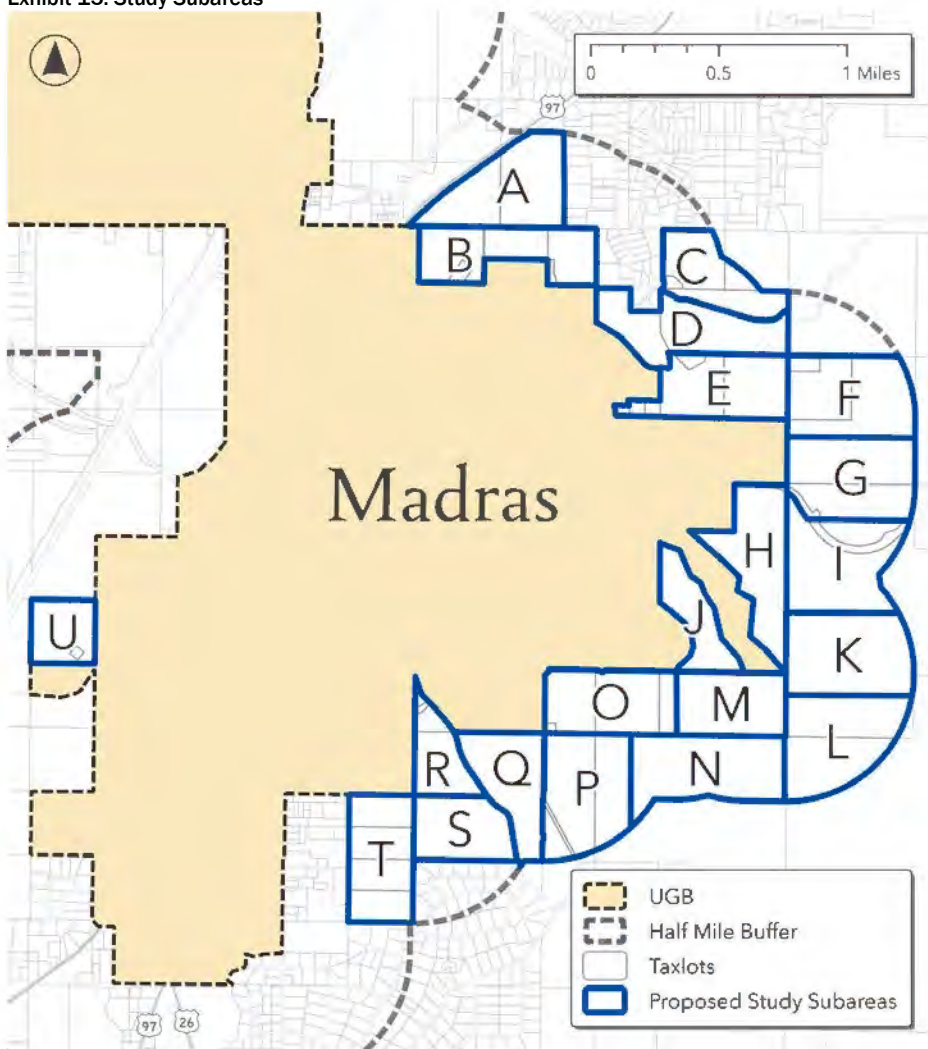


Exhibit 16 shows constraints with the subareas.

Exhibit 16. Study Subareas with Constraints

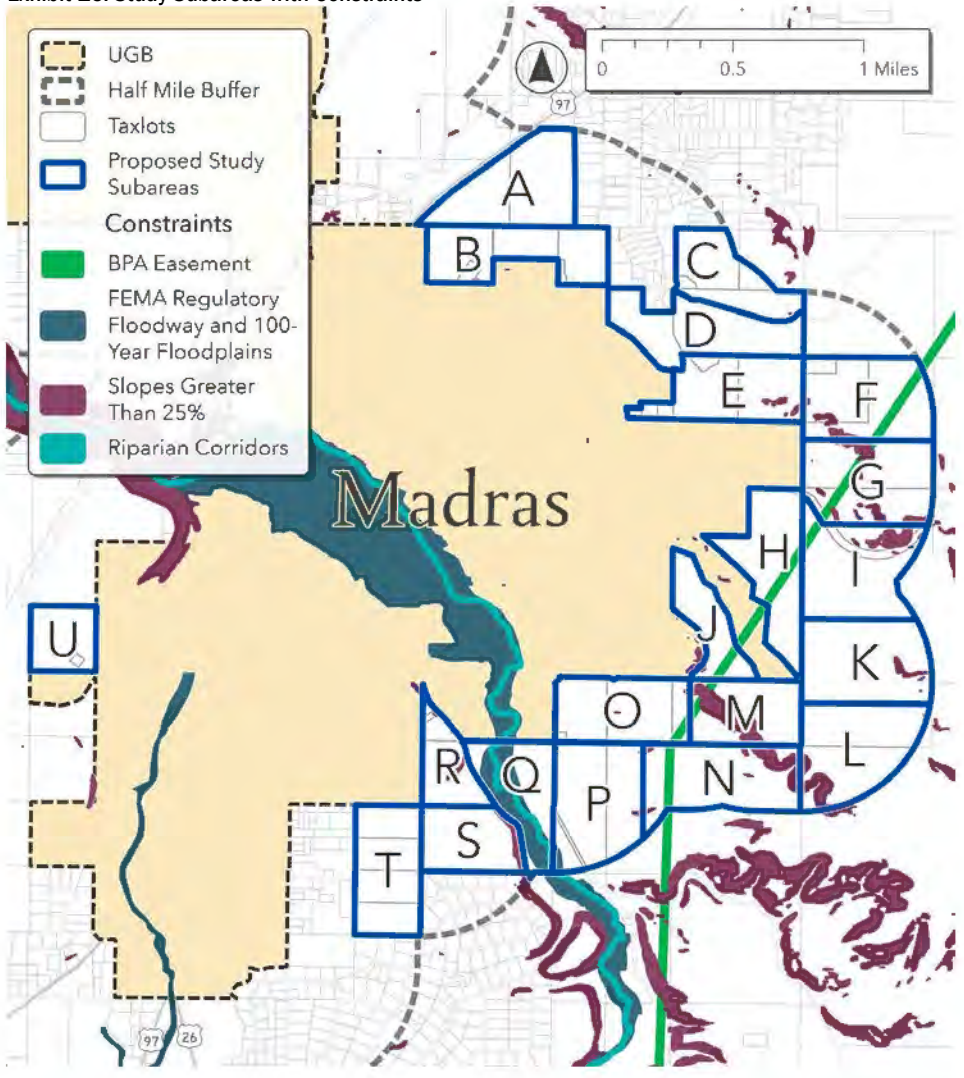


Exhibit 17 shows the subareas by zone, total acres, vacant acres, and vacant unconstrained acres. Exhibit 15 shows these subareas geographically.

Exhibit 17. Madras UGB Land Exchange Study Subareas

Study Subarea	Total Acres	Unconstrained Acres	Total Parcels	Average Parcel Size	Existing Dwelling Units	Average Parcel with Dwelling Unit Size	Vacant Parcels	Average Vacant Parcel Size
A	92	92	2	46	-	-	2	46
B	83	83	6	14	3	12	3	15
C	64	64	4	15	1	2	3	19
D	87	87	2	22	-	-	2	22
E	85	83	6	14	5	9	1	40
F	98	89	3	33	1	35	2	32
G	100	86	2	32	-	-	2	32
H	84	80	1	83	-	-	1	83
I	100	92	1	45	-	-	1	45
J	47	44	1	47	-	-	1	47
K	100	98	1	100	-	-	1	100
L	99	91	2	33	-	-	2	33
M	68	51	1	68	-	-	1	68
N	99	85	1	99	-	-	1	99
O	82	80	4	20	-	-	4	20
P	100	97	3	33	1	51	2	23
Q	69	37	1	63	1	63	-	-
R	43	41	4	11	2	17	2	4
S	59	55	1	59	1	59	-	-
T	80	80	4	20	4	20	-	-
U	40	40	2	20	1	1	1	39
Total	1,679	1,556	52		20		32	

For the final study area and subareas in Exhibit 15, the City finds:

Finding: The City finds it has at least twice the amount of land needed for the land exchange, consistent with OAR 660-024-0065(5).

Finding: The City finds that land within Urban Reserves and Exceptions Areas provides enough land to meet Madras’ needs for a land exchange, without considering land beyond the First Priority, consistent with OAR 660-024-0067(2).

Detailed Subarea Maps

Exhibit 18 through Exhibit 28 shows up close views of the remaining subareas. All areas are within the Madras Urban Reserves.

Exhibit 18. Study Subareas A and B

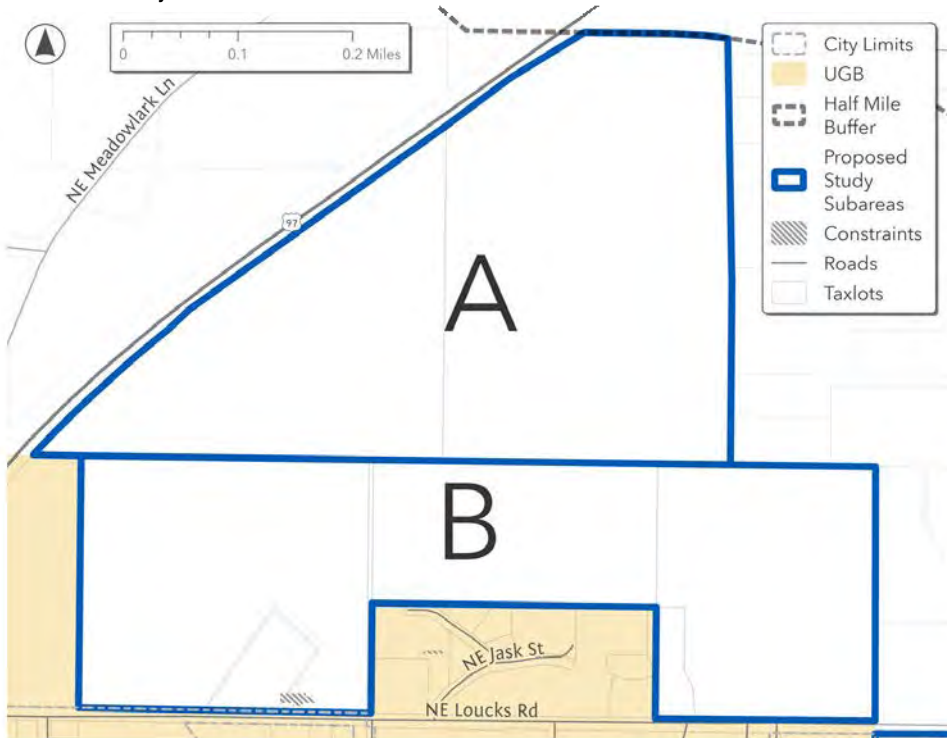


Exhibit 19. Study Subareas C, D and E

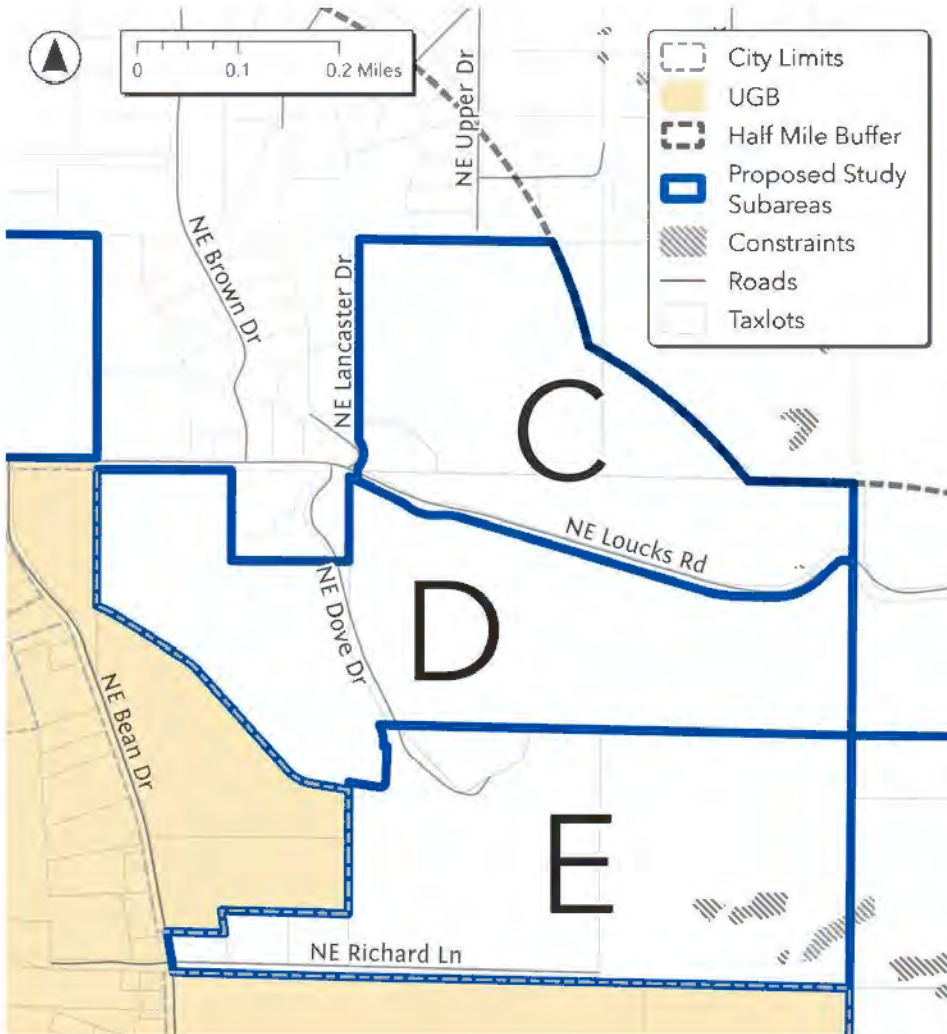


Exhibit 20. Study Subareas F and G

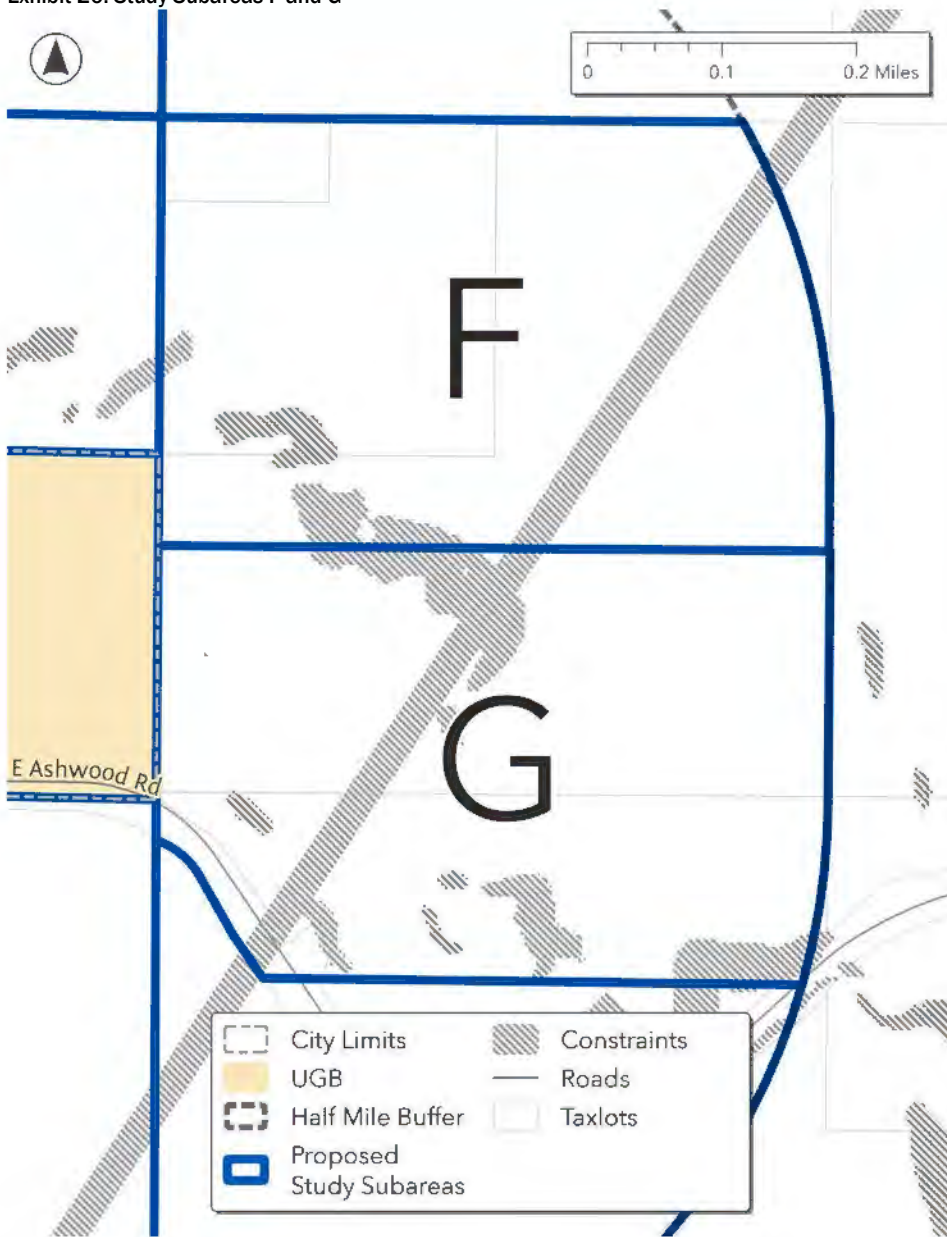


Exhibit 21. Study Areas H and I

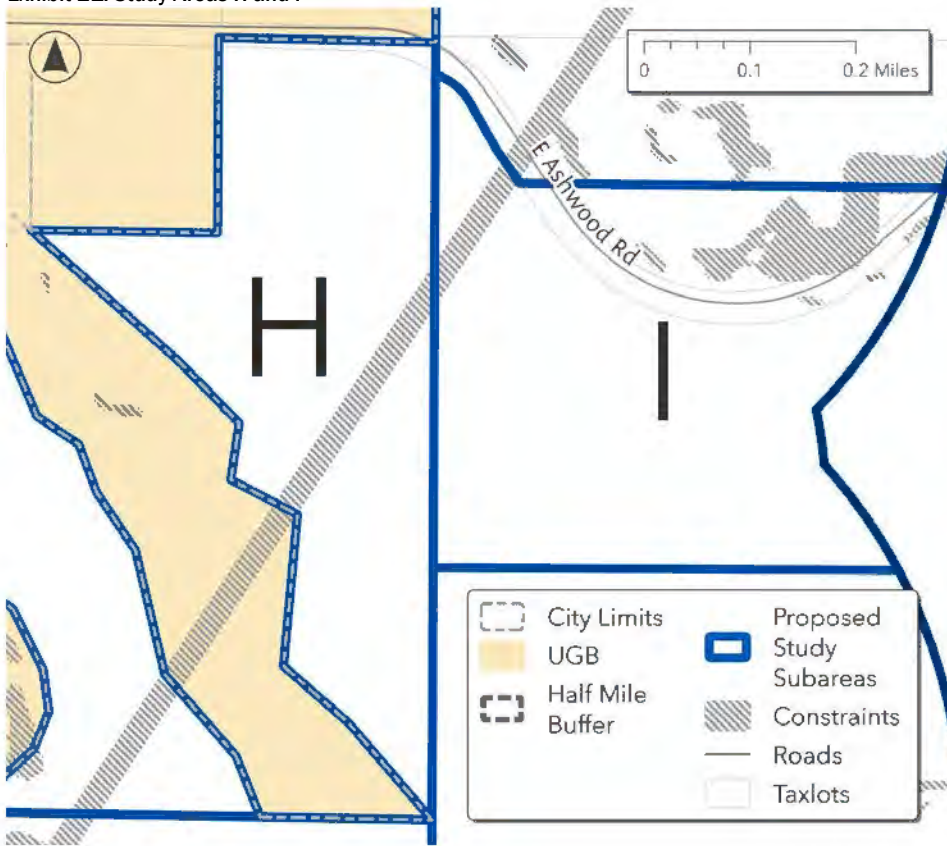


Exhibit 22. Study Subarea J

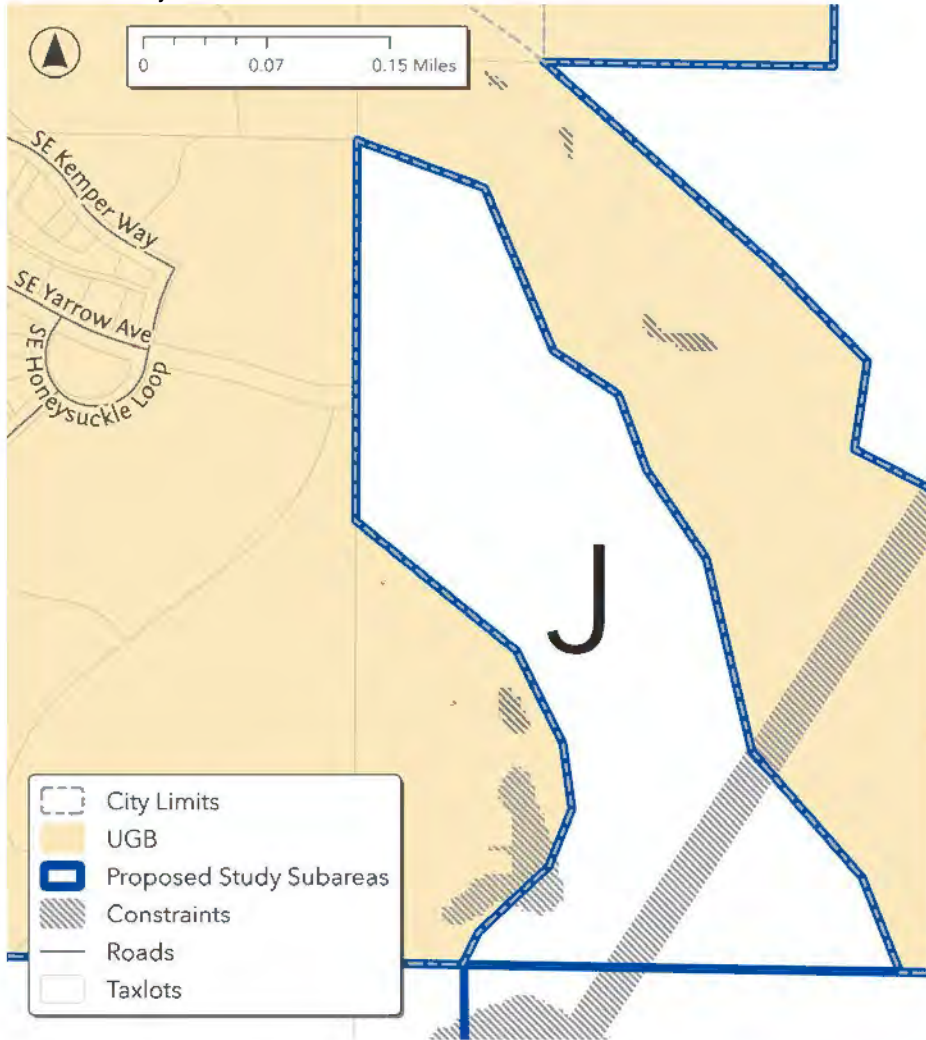


Exhibit 23. Study Subareas K and L

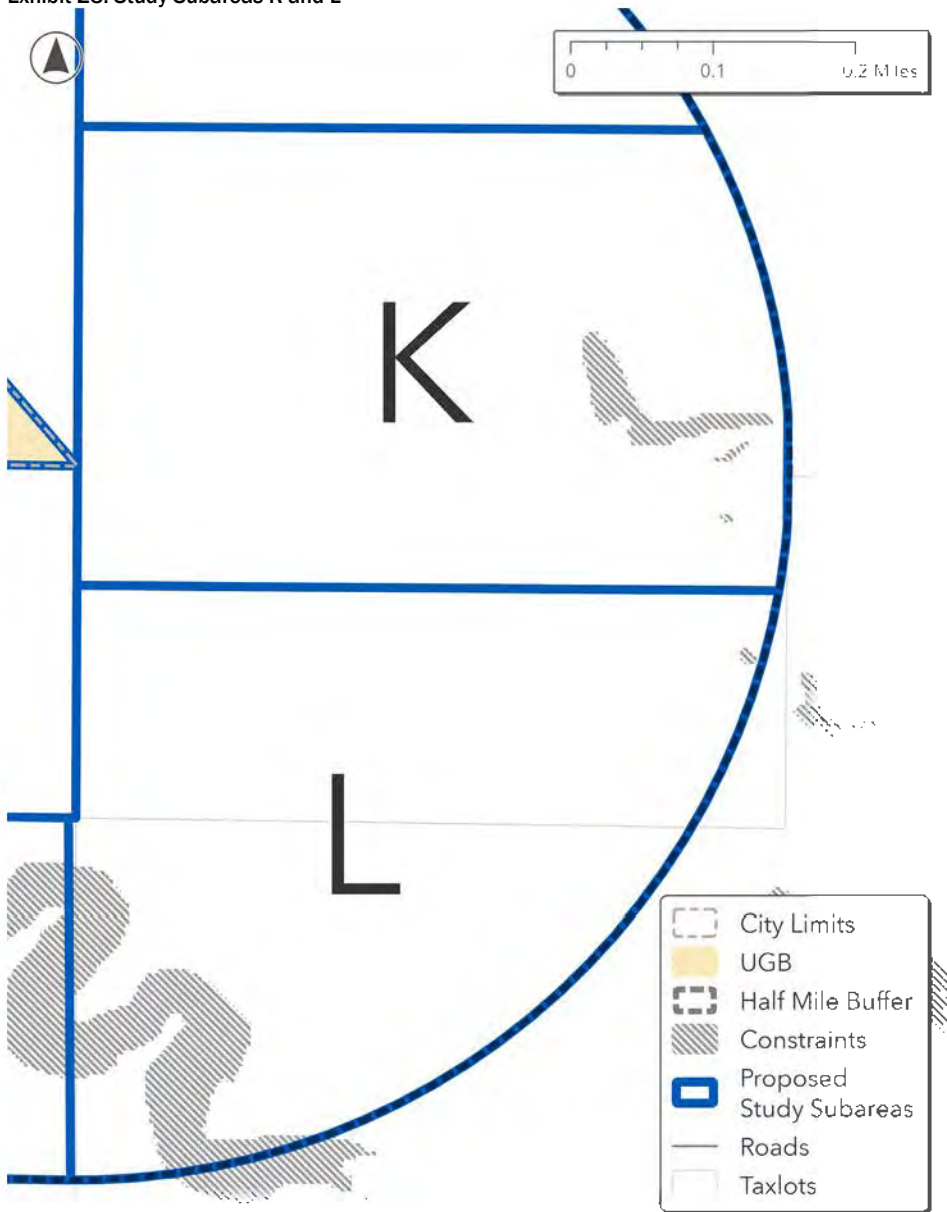


Exhibit 24. Study Subareas M and N

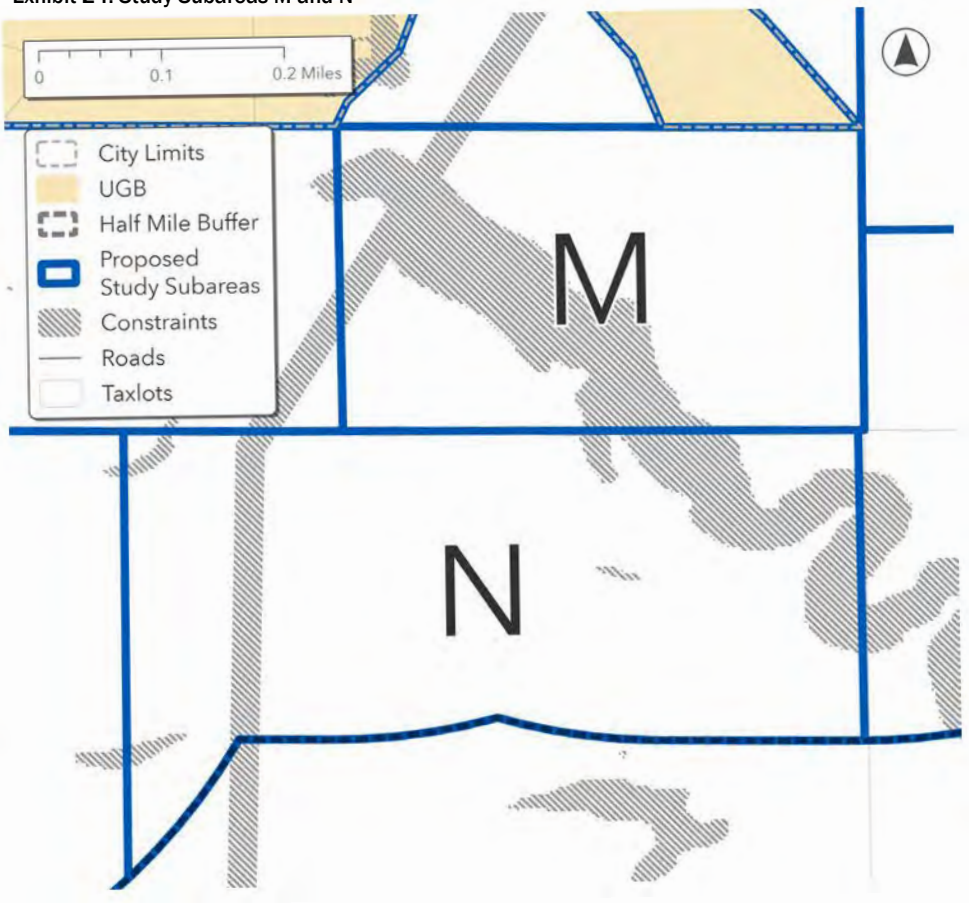


Exhibit 25. Study Subareas O and P

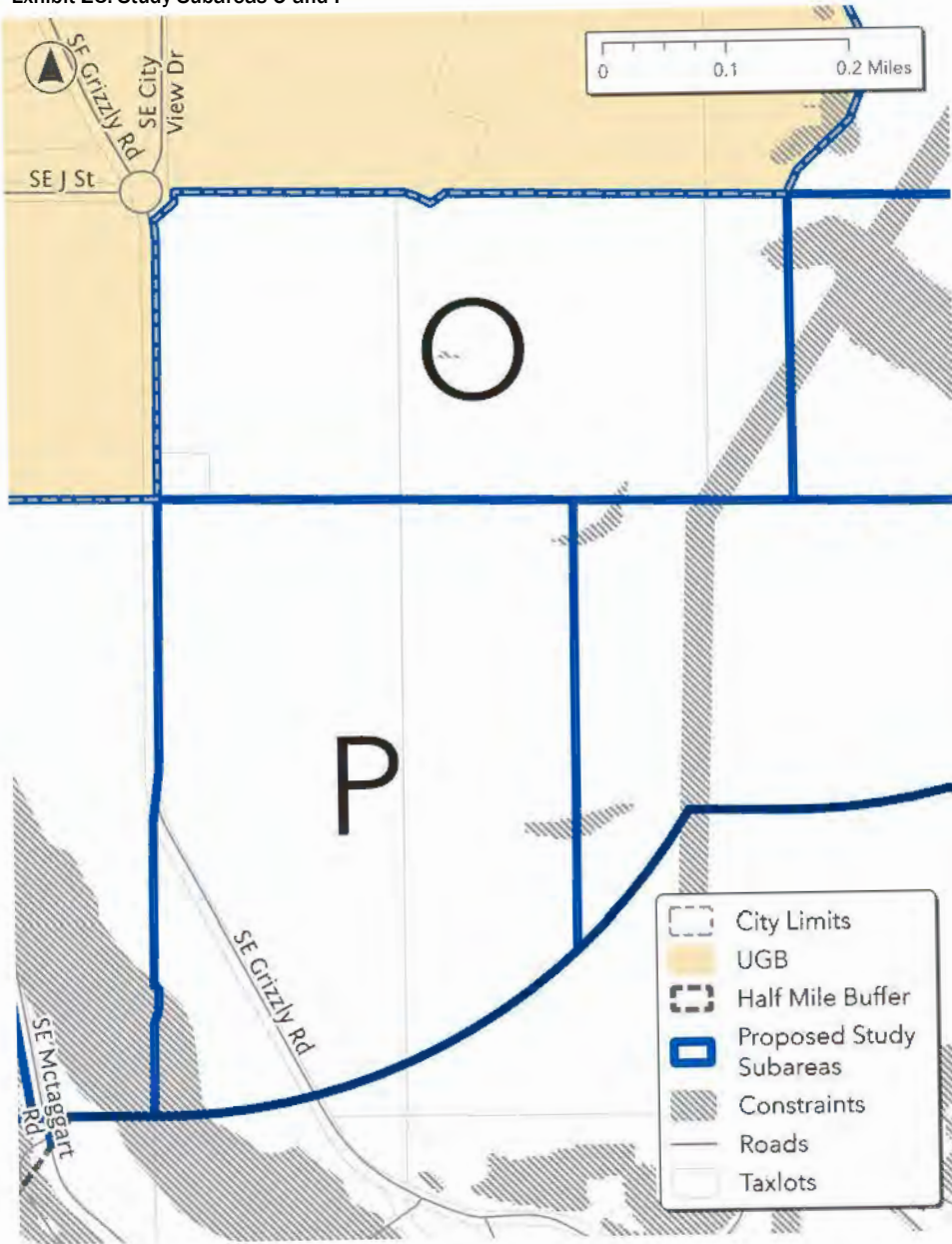


Exhibit 26. Study Subareas Q, R and S

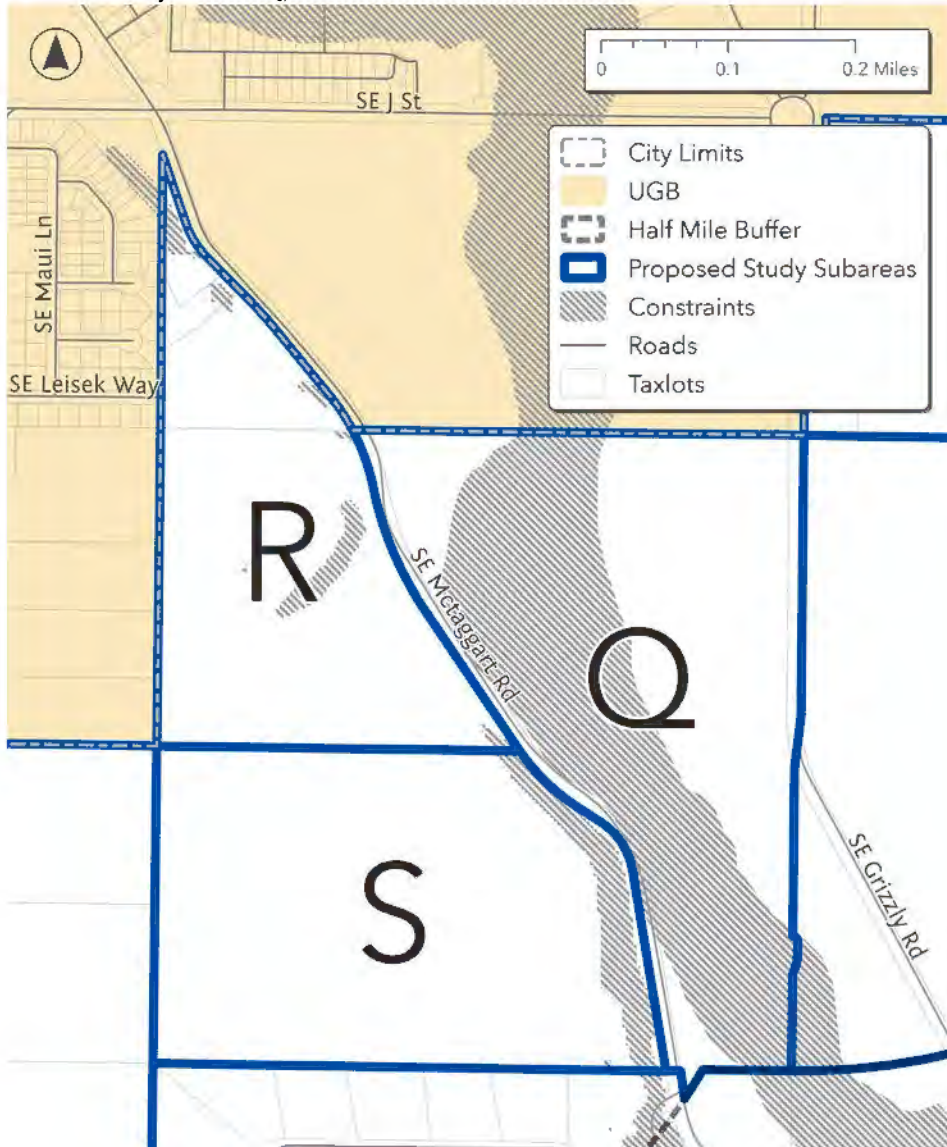


Exhibit 27. Study Subarea T

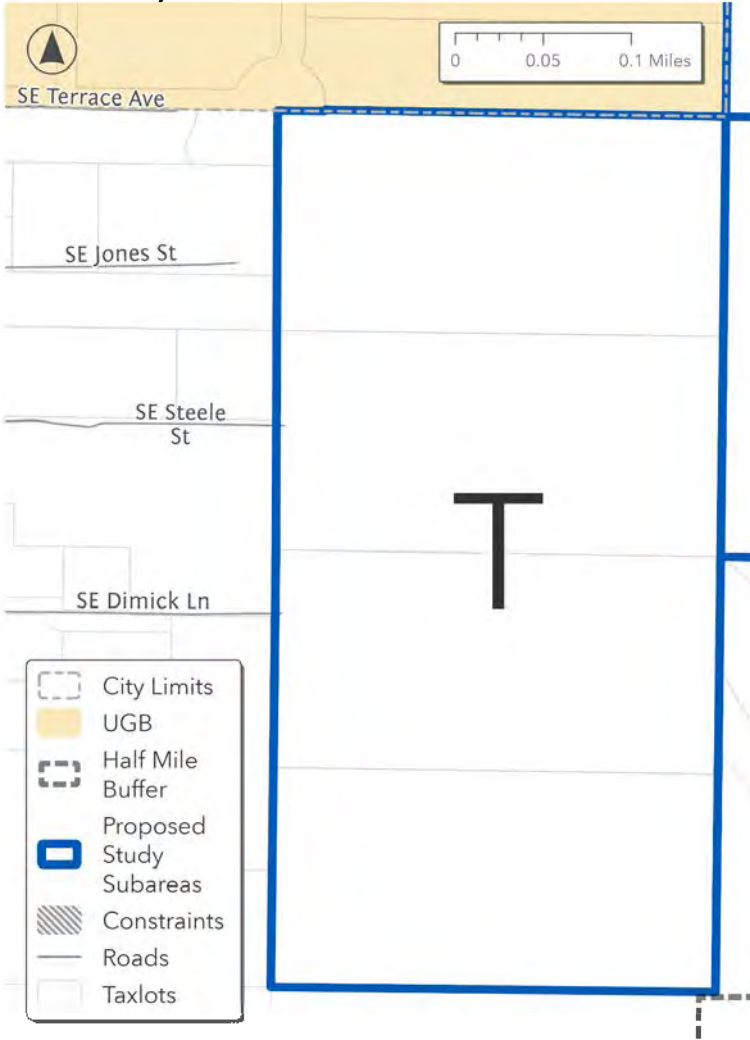
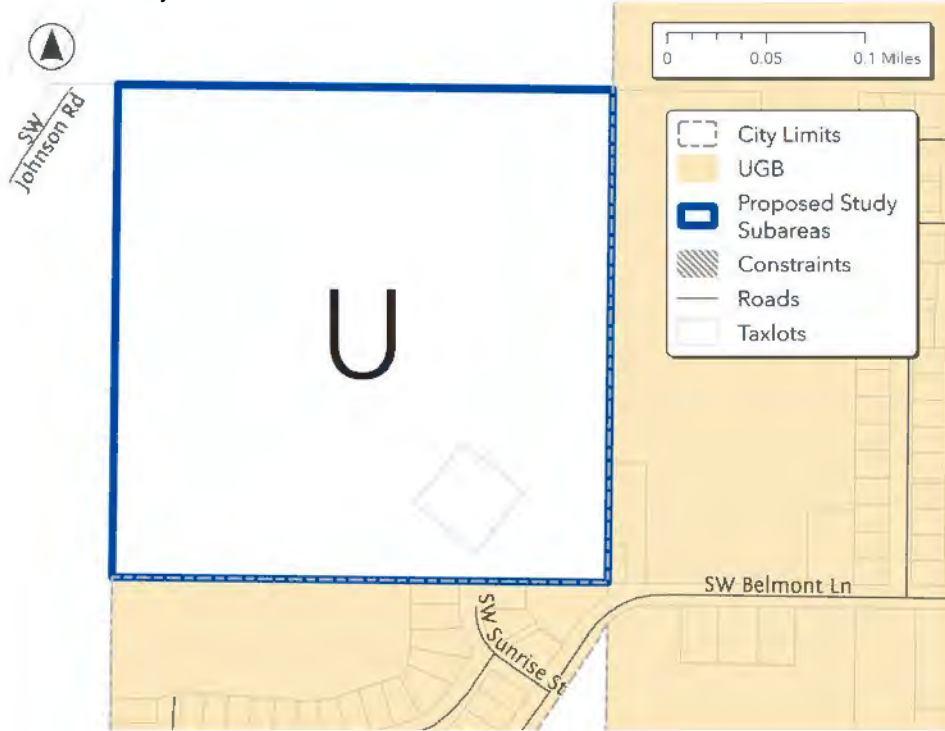


Exhibit 28. Study Subarea U



4. Goal 14 Locational Factors

Chapter 4 includes additional findings demonstrating compliance Goal 14 locational factors. Goal 14 establishes four boundary location factors that must be considered when reviewing alternative boundaries:

The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197A.320 and with consideration of the following factors:

- (1) Efficient accommodation of identified land needs;*
- (2) Orderly and economic provision of public facilities and services;*
- (3) Comparative environmental, energy, economic and social consequences; and*
- (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.*

The following sections provide an evaluation of the proposed lands, with the proposed land exchange area of subarea J.

Findings demonstrating consistency with Goal 14 Location Factors 1-4

The four Goal 14 location factors are: (1) Efficient accommodation of identified land needs; (2) Orderly and economic provision of public facilities and services; (3) Comparative environmental, energy, economic and social consequences; and (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

The following sections provide findings showing consideration of the Goal 14 locational factors.

Factor 1: Efficient accommodation of identified land needs

Factor 1 includes characteristics such as: efficient urban development opportunities, ability to meet needs for identified housing types, and good urban form to allow for integration with the existing city.

Exhibit 29. Evaluation of Factor 1 Characteristics

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
A	<ul style="list-style-type: none"> • Two parcels. • All parcels are over 5 acres. • The study area is not adjacent to the UGB. It is about 650 feet from the existing UGB. • No local road connection. It is about 900 feet from the closest local road, NE Jask St. • No improved roads within subarea. • Free of constraints. 	<p>Subarea A is about a 650 foot distance from the Madras UGB. It if was brought into the UGB, it would create an “island” in the UGB above subarea B. This would have a negative impact on Madras’ urban form and would not efficiently accommodate residential land needs.</p>
B	<ul style="list-style-type: none"> • Six parcels. • 93% of land is in parcels 5 acres or larger. • One parcel is long and narrow, spanning vertically across the entire subarea and splitting off about 1/3rd of the western portion. • Area is adjacent to UGB. • Area is adjacent to NE Loucks Rd. • No improved roads within subarea. • Minimal constraints include small portion of steep slopes and small lake/pond. 	<p>Subarea B is adjacent to the UGB and would provide an opportunity for extension of existing neighborhood development, along NE Lakeside Dr. There are no direct connection between Subarea B and Madras’ existing development. This subarea would not provide substantial connections to existing and developing neighborhoods within the Madras UGB.</p>
C	<ul style="list-style-type: none"> • Four parcels. • 97% of land is in parcels 5 acres or larger. • Not adjacent to UGB. It is about 1,400 feet from the existing UGB. • Adjacent to NE Lancaster Dr and NE Loucks Rd. • No significant constraints. 	<p>Subarea C is 1,400 feet distance from the Madras UGB. It if was brought into the UGB, it would create an “island” in the UGB for Sub-area D. This would have a negative impact on Madras’ urban form and would not efficiently accommodate residential land needs.</p>
D	<ul style="list-style-type: none"> • Two parcels. • All parcels are larger than 5 acres. 	<p>Subarea D is adjacent to the UGB but that land is zoned by the City as Open Space. This subarea would not provide substantial connections to existing and developing</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • Easternmost parcel split horizontally by subarea boundary. • Adjacent to UGB. • NE Dove Dr runs vertically through area, splitting off about 1/3rd of the western portion. • Adjacent to NE Loucks Rd. • Free of constraints. 	<p>neighborhoods within the Madras UGB. Additionally, this subarea would create an extension to the UGB without connection with the rest of the UGB. It would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
E	<ul style="list-style-type: none"> • Six parcels. • About 90% of land is in parcels 5 acres or larger. • Oddly shaped parcel under 5 acres to the north of NE Dove Dr. • Easternmost parcel split horizontally by subarea boundary. • Adjacent to UGB. • Direct road connection for UGB by way of NE Bean Dr and NE Richard Ln. • NE Dove Dr continues into this subarea. • 2% of land in the eastern portion constrained by steep slopes over 15%. 	<p>Subarea E is adjacent to the UGB and would provide an opportunity for extension of existing neighborhood development along NE Bean Dr. Additionally, it would fill in a small gap within the eastern UGB boundary, but a majority of the area would be adjacent to City-zoned Open Space.</p>
F	<ul style="list-style-type: none"> • Three parcels. • 95% of land is in parcels 5 acres or larger. • Easternmost parcel split horizontally by subarea boundary. • Area is only minimally adjacent to UGB. • Subarea is about 1,300 feet from the closest improved road within the UGB, E Ashwood Rd. • Subarea only has unimproved dirt roads. • 9% of land is constrained by steep slopes over 15% in the southwestern portion and in the eastern portion by a BPA easement that cuts across the area. 	<p>Subarea F is minimally adjacent to the UGB, sharing only about 350 feet of coverage between the two boundaries. Bringing this area into the UGB would create an eastward extension of the UGB without contiguous areas to the north or south. This would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
G	<ul style="list-style-type: none"> • Two parcels. • All parcels are larger than 5 acres. • Both parcels are split by subarea boundary. • Adjacent to UGB. • Southern boundary of area is adjacent to Ashwood Rd. 	<p>Subarea G is adjacent to the UGB but would further extend out a narrow branch of the UGB. The area is not close to any existing residential development and does not provide and would not efficiently accommodate residential land needs,</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • No improved roads within subarea. • 14% of land is constrained by steep slopes over 15% and a BPA easement that cuts diagonally across the area. 	therefore it would have a negative impact on Madras' urban form.
H	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel is split by area boundary. • Adjacent to UGB. • Northern boundary of area is adjacent to E Ashwood Rd. • No improved roads within subarea. • About 5% of the land is constrained by a BPA easement that runs diagonally across the area. 	Subarea H is adjacent to the UGB and its exchange into the UGB for the area that the City has requested to remove from the UGB and would only connect to the existing UGB towards the north and a bit on the northwest. The area is not close to any existing residential development and would not efficiently accommodate residential land needs. It would have a negative impact on Madras' urban form.
I	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel is split by area boundary. • Not adjacent to UGB, though area corners nearly touch. • E Ashwood Dr runs through the north section of the area. • 8% of the land is constrained, primarily by a BPA easement that runs across the northwestern portion. 	Subarea I is not adjacent to the UGB. If it was brought into the UGB, it would create an "island" in the UGB for subarea H. This would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.
J	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel is split by area boundary. • Adjacent to UGB. • Nearby access to SE Yarrow Ave. • No improved roads within subarea. • About 6% of land is constrained, primarily by a BPA easement that runs across the southern portion. 	<p>Subarea J is adjacent to the UGB and would provide an opportunity for extension of existing neighborhood development, along SE Yarrow Ave, with direction connection via that road. It is surrounded by City zone Planned Residential Development (R3) and fills in an existing gap in the UGB boundary. If brought into the UGB, the Bean Foundation plans to include it in the Yarrow Master Plan as an area for future housing development.</p> <p>Bringing this area into the UGB would have a positive impact on Madras' urban form and would efficiently accommodate residential land needs, given the proposal to include the area in the Yarrow Master Plan and the opportunities to connect with city infrastructure (documented in Exhibit 30).</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
K	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel is split by area boundary. • Not adjacent to UGB. Area is at least 2,000 feet from the UGB line, sans area that is being sought to exchange out. • No nearby road infrastructure. Closest improved road is about 1,300 feet away. • No improved roads within subarea. • 2% of land is constrained by steep slopes over 15% in eastern portion. 	<p>Subarea K is about a 2,000-foot distance from the Madras UGB once the area that the City is requesting to exchange out is removed. If it was brought into the UGB, it would create an “island” in the UGB for subareas H, J, and the area to be exchanged out. This would have a negative impact on Madras’ urban form and would not efficiently accommodate residential land needs.</p>
L	<ul style="list-style-type: none"> • Three parcels. • More than 99% of land is in parcels 5 acres or larger. • All parcels split by area boundary. • Westernmost parcel is thin and narrow strip. • Not adjacent to UGB. Area is at least 2,100 feet from the UGB line, sans area that is being sought to exchange out. • No access to local roads. The closest improved road is 3,000 feet north to E Ashwood Rd. • No improved roads within subarea. • 8% of land is constrained by steel slopes over 15% in southwestern portion. 	<p>Subarea K is about a 2,100 ft. distance from the Madras UGB once the area that the City is requesting to exchange out is removed. If it was brought into the UGB, it would create an “island” in the UGB for subareas J and M, or H and K. This would have a negative impact on Madras’ urban form and would not efficiently accommodate residential land needs.</p>
M	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Parcel split by area boundary. • Area adjacent to UGB area that City is seeking to exchange out. • No access to local roads. The closest improved road is about 2,300 feet out to SE Yarrow Ave. • No improved roads within subarea. • 24% of land is constrained by steep slopes over 15% and a BPA easement. 	<p>Subarea M would not be adjacent to the UGB once the area the City is seeking to have exchanged out is removed, though corners of both boundaries would be touching diagonally. Additionally, the area is not close to any existing residential development and would not efficiently accommodate residential land needs. This subarea is bisected by areas with slopes greater than 25%, making cohesive residential development challenging. It would have a negative impact on Madras’ urban form.</p>
N	<ul style="list-style-type: none"> • Two parcels. • All parcels are larger than 5 acres. 	<p>Subarea N is about a 1,800 ft. distance from the existing UGB boundary. If it was brought into the UGB, it would create</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • Parcels split by area boundary. • Not adjacent to UGB. Area is about 1,300 feet distance to the existing UGB boundary. • Not adjacent to local roads. The closest improved road is about 1,800 feet to the area's west at SE Grizzly Road. • No improved roads within subarea. • 14% of land is constrained by steep slopes over 15% and a BPA easement. 	<p>an "island" in the UGB for subarea J and M. This would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
O	<ul style="list-style-type: none"> • Four parcels. • 99% of land is in parcels 5 acres or larger. • Easternmost parcel split by area boundary. • Adjacent to UGB. • Western side adjacent to SE Grizzly Rd, with potential direct connection at northwest roundabout. • No improved roads within subarea. • 3% of land is constrained by steep slopes over 15% and a BPA easement. 	<p>Subarea O is adjacent to the UGB boundary and is adjacent to the City zone Planned Residential Development (R3). It is directly adjacent to SE Grizzly Road and in close proximity to a roundabout where Grizzly RD, SE J St, and SE Cityview Dr converge. However the area is not close to any existing residential development and would not provide an opportunity for the extension of existing neighborhoods. If brought into the Madras UGB, it would have a neutral impact on Madras' urban form.</p>
P	<ul style="list-style-type: none"> • Three parcels. • All parcels are larger than 5 acres. • Easternmost parcel split by area boundary. • Not adjacent to UGB, though the areas are directly diagonal at corner points. • SE Grizzly Rd cuts across the southern portion of land. • 2% of land is constrained by steep slopes over 15%, the FEMA regulatory floodway and 100-year floodplains, and the 50-foot Willow Creek riparian corridor. 	<p>Subarea P is not adjacent to the UGB, though corners of both boundaries are touching diagonally. It has a direct local road connection due to SE Grizzly Rd running across its boundary. If brought into the UGB, it would at best create a "cherry stem". This would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs</p>
Q	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Adjacent to UGB. • Adjacent to SE Grizzly Rd at the top half of the eastern side and adjacent to McTaggart Rd along the western side. 	<p>Subarea Q is adjacent to the UGB, though it is adjacent to City-zoned Open Space. The area is not close to any existing residential development and is also significantly constrained. The area is bisected by the 100 Year Floodplain and a riparian corridor, making much of the subarea into the UGB unsuitable for residential development.</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • 47% of land is constrained by the FEMA regulatory floodway and 100-year floodplains, and the 50-foot Willow Creek riparian corridor. 	<p>If brought into the UGB, it would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
R	<ul style="list-style-type: none"> • Four parcels. • 94% of land is in parcels 5 acres or larger. • Northernmost two parcels are irregular in shape and small in size. • Southernmost parcel split by area boundary. • Adjacent to UGB. • Adjacent to SE McTaggart Rd along the eastern side with a potential direct connection to Leisek Way on the western side. • No improved roads within subarea. • 5% of land is constrained by steep slopes over 15%. 	<p>Subarea R is adjacent to the UGB and would provide an opportunity for the extension of existing neighborhood development along Leisek Way, of which is zoned as Single-Family Residential (R-1). The area is also adjacent to SE McTaggart Rd. If brought into the UGB, it would have a positive impact on Madras' urban form and could accommodate residential land needs.</p>
S	<ul style="list-style-type: none"> • One parcel. • Parcel is larger than 5 acres. • Not adjacent to UGB, though the areas are directly diagonal at corner points. • Adjacent to SE McTaggart Rd along the eastern side. • No improved roads within subarea. • 7% of land is constrained by steep slopes over 15% along the eastern side. 	<p>Subarea S is not adjacent to the UGB, though corners of both boundaries are touching diagonally. The closest direct connection to the UGB is through the adjacent SE McTaggart Rd, though this road is about 1,500 ft. from the UGB. The area is not close to any existing residential development and if brought into the UGB, it would at best create a "cherry stem". Bringing this area into the UGB would have a negative impact on Madras' urban form and would not efficiently accommodate residential land needs.</p>
T	<ul style="list-style-type: none"> • Four parcels. • All parcels are larger than 5 acres. • Adjacent to UGB. • Existing road connections on western side, stemming off from SE Steele St and SE Dimick Ln. • Free of constraints. 	<p>Subarea T is adjacent to the UGB, the area of which is zoned as Single-Family Residential (R-1). This area would provide an opportunity for the extension of sparse existing residential development along SE Steele St.</p>
U	<ul style="list-style-type: none"> • Two parcels. • 97% of land is in parcel 5 acres or larger. • Parcel of 1 acre is small and irregularly placed, subsumed by the other, larger parcel. • Adjacent to UGB. 	<p>Subarea U is adjacent to the UGB and would provide an opportunity for the extension of existing neighborhood development along SW Sunrise St and SW Belmont Ln, the area of which is zoned as Single-Family Residential (R-1). If brought into the UGB, it would have a positive impact on</p>

Subarea	Efficient Urban Development Opportunities	Evaluate of Efficient Accommodation of Residential Land Needs
	<ul style="list-style-type: none"> • Potential road connections at SW Sunrise St and SW Belmont Ln. • Existing road network within area is unimproved. • Free of constraints. 	Madras' urban form and may efficiently accommodate residential land needs.

Exhibit 30 summarizes the details of Exhibit 29 to give a high-level summary of the potential of each subarea for efficiency of urban development opportunities. Each subarea is given a rating based on the following:

- **Negative:** Areas that are not adjacent to the UGB, have few if any connections to existing roads within Madras, have significant development constraints, and/or are not near existing or developing residential neighborhoods
- **Neutral:** Areas that are adjacent to the UGB but may not provide connections with existing or developing residential neighborhoods or may not provide connections with existing Madras roads
- **Positive:** Areas that are adjacent to the UGB, may fill in a “notch” in the UGB, adjacent to existing or developing residential neighborhoods, and/or have connections with existing Madras roads

Exhibit 30. Summary of Efficiency of Urban Development Opportunities (Factor 1)

Subarea	High Level Summary	Key Issues or Opportunities
A	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
B	Neutral	Little direct connections with Madras' existing neighborhoods to build on.
C	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
D	Neutral	Adjacent to UGB but would not provide substantial connections with existing or developing neighborhoods
E	Neutral	Adjacent to UGB but would not provide substantial connections with existing or developing neighborhoods
F	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
G	Negative	Adjacent to UGB but would not provide substantial connections with existing or developing neighborhoods
H	Negative	Adjacent to UGB but would not provide substantial connections with existing or developing neighborhoods
I	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
J	Positive	Adjacent to the UGB, adjacent to and an extension of the Yarrow residential development, with the Bean Foundation's plans for development of the area.
K	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
L	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
M	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
N	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB

Subarea	High Level Summary	Key Issues or Opportunities
O	Neutral	Adjacent to the UGB but distant from existing or upcoming development
P	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
Q	Negative	Adjacent to the UGB but bisected by floodplain and riparian corridor
R	Positive	Adjacent to the UGB and existing R-1 development, with connections to Madras roads
S	Negative	Not adjacent to UGB, distance from UGB, no connections to existing UGB
T	Neutral	Adjacent to the UGB but limited nearby residential development, some connections with Madras roads
U	Positive	Adjacent to the UGB and existing R-1 development, with connections to Madras roads

Factor 1 Finding

The City finds that subarea J provides the best opportunities for development at planned densities and also provides opportunities to connect to an existing R-3 zoned neighborhood.

Subareas R and U provide opportunities for development at planned densities but are adjacent to existing R-1 development.

Factor 2: Orderly and economic provision of public facilities and services

Factor 2 requires the City to consider opportunities for orderly and economic provision of public facilities and services. This section focuses on provision of roads, water, and wastewater services and evaluates the advantages and disadvantages for each subarea for these services.

Exhibit 31. Evaluation of Factor 2 Characteristics

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
A	<p>Advantages</p> <ul style="list-style-type: none"> Relatively flat, without steep slopes <p>Disadvantages</p> <ul style="list-style-type: none"> No existing roads in the subarea. ODOT not likely to grant access for local streets to connect Hwy 97. Only collector streets. Access to the subarea would require access through subarea B, creating a cherry stem to the area. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer would need to construct needed water service distribution system, increasing development costs 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing sewer collection system adjacent or in Subarea. Requires extension of sewer main from Hwy 97 and Loucks Road to Subarea, about a 1,300 ft. distance. Developer to pay for “to and through” sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
B	<p>Advantages</p> <ul style="list-style-type: none"> Subarea directly adjacent to existing Loucks Road. <p>Disadvantages</p> <ul style="list-style-type: none"> Eastern & western portion of Subarea are separated by narrower portion of Subarea in the middle, creating an area that is more difficult for new roads. Extending roads “to and through” will be challenging and limit development, which may result in 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Existing sewer main adjacent to southwest corner of Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires significant extension of sewer main from Loucks Road to Subarea. Likely requires sewer main to be extended to the east to serve eastern portion of Subarea.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	higher cost than can be accommodated by the developer, making the development financial infeasible.		<ul style="list-style-type: none"> Developer to pay for “to and through” significant sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
C	<p>Advantages</p> <ul style="list-style-type: none"> Street network not established.. <p>Disadvantages</p> <ul style="list-style-type: none"> Very little transportation planning completed in Subarea. Access to the subarea would require access through subarea D, creating a cherry stem to the area. Active irrigation canal on Subarea will need to be avoided when developed or developer to pay for piping. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires significant extension of sewer main from Loucks Road to Subarea. Developer to pay for “to and through” sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
D	<p>Advantages</p> <ul style="list-style-type: none"> Street network not established.. Existing north/south road bisects Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Street network not established.. Roundabout planned at realigned Bean Drive and Loucks Road, which would require private property dedication to the right-of-way, limiting amount of land for development and increasing the costs of the roundabout. Underground federal irrigation pipe bisects Subarea. Significant slope separates east and west areas of Subarea. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires significant extension of sewer main from Loucks Road, then south in Bean Drive to Subarea. Developer to pay for “to and through” significant sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	<ul style="list-style-type: none"> Subarea has significant frontage to Bean Drive and Loucks Road for which will need to be improved at time of development. Frontage and internal street network to be constructed by developer. 		
E	<p>Advantages</p> <ul style="list-style-type: none"> Street network not established.. <p>Disadvantages</p> <ul style="list-style-type: none"> Street network not established. Very little frontage/access to existing roads. Significant slope on eastern portion of Subarea limits development potential. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires very significant extension of sewer main from Loucks Road, then south in Bean Drive to Subarea. Developer to pay for “to and through” significant sewer extension, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
F	<p>Advantages</p> <ul style="list-style-type: none"> Existing rural street network established in Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Access to the subarea would require access through Subareas D and or E. Any significant development would require Loucks Road improvements (off-site). Existing rural street network in Subarea not likely to support urban development and needed street network. Significant slopes in subarea would increase the costs of roads. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. Significant slopes in subarea would increase the costs of municipal water. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Requires very significant extension or Ashwood Bean Drive to Subarea. Developer to pay for “to and through” sewer extension, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.. Development dependent on sewer being extended to serve Subareas E or G.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	<ul style="list-style-type: none"> No existing street network. 		<ul style="list-style-type: none"> Significant slopes in subarea would increase the costs of wastewater service.
G	<p>Advantages</p> <ul style="list-style-type: none"> Ashwood Rd. fronts Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing land in UGB to the west of Subarea is not developed. Significant slopes in subarea. The slopes in the subarea will make it more costly to extend Ashwood Road into the subarea (or build other connector roads). No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Likely can connect to Ashwood gravity main. <p>Disadvantages</p> <ul style="list-style-type: none"> Steep slopes will make serving property challenging. Development likely dependent on sewer being extended to serve Subarea H. Developer to pay for "to and through sewer extension, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible..
H	<p>Advantages</p> <ul style="list-style-type: none"> Subarea has gentle southeast to northwest slope. Few development constraints other than infrastructure not being adjacent to Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing land in UGB to the west of the Subarea has no existing infrastructure or existing development. No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. There is an existing master plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer service dependent on a costly sewer lift station planned near the northern boundary between Subareas H and I in Ashwood Road, which may take a decade or longer to build. Gravity sewer service dependent on sewer being extended from development to the west and slopes that are conducive to gravity service.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
			<ul style="list-style-type: none"> • Significant “to and through” sewer extension required, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible..
I	<p>Advantages</p> <ul style="list-style-type: none"> • Ashwood Rd. fronts Subarea. <p>Disadvantages</p> <ul style="list-style-type: none"> • Existing land in UGB to the west of Subarea is not developed. • Access to the subarea would require access through Subareas H and new street network to connect to Ashwood Road, creating a cherry stem to the area. • Subarea has gentle southeast to northwest slope. • Access to Subarea will occur through two connections to Ashwood Road on west side of Subarea and on east outside of Subarea. • No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> • Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> • No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. • Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> • Subarea not developed and wastewater collection system can be developed to serve development most efficiently. • Master Plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> • Sewer service dependent on sewer lift station planned near the northern boundary between Subareas H and I in Ashwood Road. • Gravity sewer service not likely to be feasible and the area would require expensive pump station.
J	<p>Advantages</p> <ul style="list-style-type: none"> • Yarrow Avenue terminates at western boundary of Subarea. • Can extend infrastructure into Subarea from western boundary of the Subarea. • Potential for integration with road network developed in existing neighborhood. • Subarea has gentle southeast to northwest slope. 	<p>Advantages</p> <ul style="list-style-type: none"> • Deschutes Valley Water District (DVWD) is service provider. • Opportunity to connect to the DVWD the nearby water main on Yarrow Avenue. <p>Disadvantages</p> <ul style="list-style-type: none"> • DVWD does not have any planned water distribution projects planned in Subarea. • Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> • Subarea not developed and wastewater collection system can be developed most efficiently based on existing sewer infrastructure in the nearby Yarrow development. • Master Plan to guide sewer system development, with nearby planned sewer lines. • Gravity sewer service to be minimally extended from Yarrow/Bean Drive intersection to serve Subarea. <p>Disadvantages</p>

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	<ul style="list-style-type: none"> The City's TSP includes plans for an extension to Bean Drive, which can serve the western portion of the Subarea. Disadvantages <ul style="list-style-type: none"> New street network needs to connect to existing Yarrow subdivision street network. 		<ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Master Plan to guide sewer system development. Significant "to and through" sewer extension required, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible..
K	Advantages <ul style="list-style-type: none"> Subarea has gentle southeast to northwest slope. No existing street network. Disadvantages <ul style="list-style-type: none"> Access to the subarea would require access through Subareas J and H, creating a cherry stem to the area. No existing street network. 	Advantages <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. Disadvantages <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	Advantages <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Master Plan to guide sewer system development. Disadvantages <ul style="list-style-type: none"> Sewer service dependent on sewer lift station planned near the northern boundary between Subareas H and I in Ashwood Road, about a 2,500 ft. distance. Sewer service dependent on gravity mains being extended from Subarea I to Subarea K.
L	Advantages <ul style="list-style-type: none"> Subarea mostly has gentle southeast to northwest slope. Disadvantages <ul style="list-style-type: none"> Access to the subarea would require access through Subareas K and M, creating a cherry stem to the area. 	Advantages <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. Disadvantages <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	Advantages <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Master Plan to guide sewer system development. Disadvantages <ul style="list-style-type: none"> Sewer service dependent on sewer lift station planned near the northern boundary between Subareas H and I in

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
			<p>Ashwood Road, about a 4,000 ft. distance.</p> <ul style="list-style-type: none"> • Sewer service dependent on gravity mains being extended from Subarea I and K to Subarea L.
M	<p>Advantages</p> <ul style="list-style-type: none"> • Significant slopes on at least 40% of Subarea. • No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> • Access to the subarea would require access through Subareas J and O, creating a cherry stem to the area. • Existing land in UGB to the northwest of Subarea is not developed. • No existing street network. • The steep slopes in the subarea would increase the costs of new roads substantially. 	<p>Advantages</p> <ul style="list-style-type: none"> • Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> • No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. • Developer to construct needed water service distribution system. • The steep slopes in the subarea would increase the costs of connecting to the municipal water system. 	<p>Advantages</p> <ul style="list-style-type: none"> • Subarea not developed and wastewater collection system can be developed to serve development most efficiently. • Master Plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> • Sewer service dependent on sewer service being extended to and through Subarea J, about a 2,700 ft. distance. • Significant “to and through” sewer extension required, which may result in higher cost than can be accommodated by the developer, making the development financial infeasible. • The steep slopes in the subarea would increase the costs of connecting to the municipal wastewater system.
N	<p>Advantages</p> <ul style="list-style-type: none"> • Significant slopes on at least 50% of Subarea. • No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> • Access to the subarea would require access through Subareas O and M, creating a cherry stem to the area. • Existing land in UGB to the northwest of Subarea is not developed. • No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> • Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> • No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. • Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> • Subarea not developed and wastewater collection system can be developed to serve development most efficiently. • Master Plan to guide sewer system development. <p>Disadvantages</p> <ul style="list-style-type: none"> • Sewer service dependent on sewer service being extended to and through Subareas J, M, O, or P. • Significant “to and through” sewer extension required, which may result in higher cost than can be accommodated

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
			by the developer, making the development financial infeasible.
O	<p>Advantages</p> <ul style="list-style-type: none"> Subarea fronts Grizzly Road. No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Moderate westerly slope in Subarea but eastern portion of Subarea has more significant slopes. Would require street network to be connect to Yarrow Master Plan and subdivision street networks. Existing land in UGB to the north is not developed. No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. Development likely to connect into existing sewer main in Yarrow Avenue <p>Disadvantages</p> <ul style="list-style-type: none"> Subarea outside of Yarrow Master Plan area and therefore collection system serving development does not exist. Significant “to and through” sewer extension required, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
P	<p>Advantages</p> <ul style="list-style-type: none"> Subarea fronts Grizzly Road. No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing land in UGB to the north and northwest are not developed. No existing street network. Access to the subarea would require access through Subareas O or Q, creating a cherry stem to the area. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer main serving development to connect to Yarrow Avenue sewer main. Significant “to and through” sewer extension required, , which may result in higher cost than can be accommodated by the developer, making the development financial infeasible.
Q	<p>Advantages</p> <ul style="list-style-type: none"> Subarea fronts both McTaggart and Grizzly Roads. <p>Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
	<ul style="list-style-type: none"> Street network to connect to both McTaggart and Grizzly Roads while crossing Willow Creek and the associated floodplain in several locations. Higher costs for the frontages on these streets. 	<ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. The floodplain for Little Creek creates a disadvantage for municipal water, as it would require a costly crossing of the Creek. 	<p>Disadvantages</p> <ul style="list-style-type: none"> Sewer to connect to J Street sewer main near McTaggart/J Street intersection. Requires significant sewer extension. May require City to grant easement to extend sewer across City McTaggart farm property. The floodplain for Little Creek creates a disadvantage for municipal water, as it would require a costly crossing of the Creek.
R	<p>Advantages</p> <ul style="list-style-type: none"> Subarea fronts McTaggart Road. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing developments west of Subarea that are in the city limits are not able to connect/extend streets into Subarea. Higher costs of upgrading McTaggart Road from a County to a city road. Significant slopes on 30% of Subarea. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer to connect to J Street sewer main near McTaggart/J Street intersection. Requires significant sewer extension.
S	<p>Advantages</p> <ul style="list-style-type: none"> Gentle southeast slope. Subarea fronts McTaggart Road. No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Street network to connect to street networks in Subareas R and T that do not exist today. Access to the subarea would require access through Subareas R or T, creating a cherry stem to the area. No existing street network. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer to connect to J Street sewer main near McTaggart/J Street intersection. Requires significant sewer extension. Sewer service dependent on sewer service being extended to and through Subareas Q or R.

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
T	<p>Advantages</p> <ul style="list-style-type: none"> No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Existing land in UGB to the north is not developed. No existing street network. Future street network to connect to existing roads to the west and north. 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system, likely by 1,300 feet or more. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer service dependent upon sewer being extended to and through the property in the city limits directly to the north of the Subarea or to and through Subarea R or S. Extension of the needed sanitary sewer system would be 1,300 feet or more.
U	<p>Advantages</p> <ul style="list-style-type: none"> No existing street network. <p>Disadvantages</p> <ul style="list-style-type: none"> Significant southeasterly slope on at least 40% of Subarea. No existing street network. Future street network to connect to development in city limits to the south and east of Subarea. Both are largely undeveloped. Development to would need to pay some of the costs of a to Belmont/Culver Hwy Roundabout 	<p>Advantages</p> <ul style="list-style-type: none"> Deschutes Valley Water District (DVWD) is service provider. <p>Disadvantages</p> <ul style="list-style-type: none"> No existing municipal water infrastructure and DVWD does not have any planned water distribution projects planned in Subarea. Developer to construct needed water service distribution system. 	<p>Advantages</p> <ul style="list-style-type: none"> Subarea not developed and wastewater collection system can be developed to serve development most efficiently. <p>Disadvantages</p> <ul style="list-style-type: none"> Sewer service dependent upon sewer being extended to and through the property in the city limits directly to the south. Might require increase sewer capacity for the southwest part of the city beyond existing collection system.

Exhibit 32 shows the relative costs for infrastructure development in each subarea depending on whether there are opportunities to connect to existing infrastructure or need to develop new infrastructure.

- **Low** cost is a subarea where there is existing adjacent infrastructure to connect into.
- **Middle** costs are where there is not existing adjacent infrastructure to connect into but there may be some physical constraint such as slopes that raise the costs of infrastructure development.
- **High** cost is a subarea where there is not existing adjacent infrastructure, infrastructure extension would be at least ¼ mile, and infrastructure improvements may require costly investments like roundabouts or lift stations. There may be some physical constraint such as slopes that raise the costs of infrastructure development.

Exhibit 32. Relative Costs of Infrastructure Development

Subarea	Roads	Municipal Water	Sanitary Sewer and Wastewater Services
A	High	High	High
B	Middle	Middle	Middle
C	High	High	High
D	High	High	High
E	High	High	High
F	High	High	High
G	High	High	Low
H	Low	Middle	Middle
I	High	High	High
J	Low	Low	Low
K	High	High	High
L	High	High	High
M	High	High	High
N	High	High	High
O	Middle	Middle	Middle
P	High	High	High
Q	High	High	High
R	Middle	High	High
S	High	High	High
T	High	High	High
U	High	High	High

Factor 2 Finding

The City finds that subarea J would provide the best opportunities for using existing connections to public services and is the most economical (least costly) location for Madras’ UGB land swap when considering provisions for roads, water, and wastewater services.

Factor 3: Comparative environmental, energy, economic and social consequences

Environmental consequences

Environmental consequences of residential development will be lesser on subareas adjacent to the UGB, where there is existing and developing residential neighborhoods, especially in areas outside of the floodplain, riparian areas, or other environmentally sensitive areas.

The areas that are adjacent to the Madras UGB on at least two sides are B, E, H, J, O, R, and U. Of these, subareas B, R, and U have active agricultural activity on the subareas. Areas E, H, J, and O are the areas that are likely to have lower environmental consequences for urbanization.

Subarea J will be part of the Yarrow Master Plan, which envisions planting street trees and inclusion of parks and open space within the Master Plan area.

Energy consequences

Environmental consequences of residential development will be lesser on subareas adjacent to the UGB, where there is existing and developing residential neighborhoods and infrastructure. Subareas that could connect into existing roads, water systems, and wastewater would have lower comparative energy consequences. Subarea J is best positioned to connect into existing road systems, water system, and wastewater system. The location of subarea J relative to the Yarrow Master Plan area (which is one of Madras growth areas) is positioned to require less travel and energy consumed by mechanical and pumping for water or wastewater services), compared with locating residences in areas that are further from City services. In addition, the planned city park and school near the Yarrow Master Plan provide opportunities to access some services relatively near subarea J.

Economic consequences

The economic consequences of expanding the UGB for residential uses to subarea J are positive. The areas will provide opportunity for additional housing construction, which will support the construction industry. Moreover, providing adequate housing in diverse housing types in Madras supports the City's housing policies. Subarea J is less costly to provide public services (as discussed in Exhibit 32).

Subarea J will be part of the Yarrow Master Plan, which will provide an extension of a developing neighborhood, with a mixture of lot and unit sizes, as well as potential future commercial uses. The Yarrow Master Plan envisions development of housing affordable across the income spectrum, including comparatively affordable types, such as small and medium lots, as well as multifamily housing.

Social consequences

The land exchange will provide opportunities for building a wider variety of housing types. Adding new households to the community will have positive social benefits, such as supporting

community activities and local businesses. Such impacts would presumably occur regardless of the location of new residential land, however, the proximity of subarea J relative to existing uses provides a higher level of social benefit, as part of the Yarrow Master Plan area. Subarea J provides more positive social consequences because of its planned connections with existing residential areas and positive impact on the urban form and a better connected transportation system in Madras (as discussed under Factor 2).

Factor 3 Findings

The City finds that subarea J has positive social consequences (including development as part of the Yarrow Master Plan with a range of housing types), better opportunities for energy efficiency (in connecting to existing transportation, water, and wastewater systems), positive economic consequences (from being relatively cost efficient and providing housing types that may be affordable), and lower likely environmental impacts.

Factor 4: Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the urban growth boundary

The following summarizes the compatibility of the proposed residential land exchange with nearby agricultural and forecast activities around each subarea.

- **Subarea A** is being used for carrot seed farming and portions of Subarea B are in active farm use for hay, wheat, and carrot seed. To the north of Subarea A across Highway 97, the primary use of the farmland is fallow/idle and shrubland, though alfalfa is also being grown. The proposed residential uses would not be compatible with on-going agricultural uses in Subarea B or in Subarea A. The proposed residential uses would be compatible with fallow and shrubland agricultural uses to the north of Subarea A.
- **Subarea B** is adjacent to the City. Two-thirds of this area is in active farm use primarily growing winter wheat, as well as hay and carrot seed. The proposed residential uses would not be compatible with on-going agricultural uses in Subarea B. But would be compatible with adjacent agricultural uses in Subarea A.
- **Subarea C** is primarily shrubland, with some agricultural uses on the western side for alfalfa and non-alfalfa hay. The surrounding area to the east is primarily shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea D** is primarily shrubland with some agricultural uses on the eastern side for dryland and winter wheat when irrigation water is available. The surrounding area to the east is primarily shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea E** is primarily used as range land. The area to the east of Subarea E, Subarea F, mostly contains shrubland. The proposed residential uses would preclude rangeland

use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.

- **Subarea F** is primarily used as range land. The area to the east of Subarea F mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea G** is primarily used as range land. The area to the east of Subarea F mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea H** is primarily shrubland, with a small portion being use for rangeland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea I** is primarily used as range land. The area to the east of Subarea I mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea J** is primarily shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea K** is primarily used as range land. The area to the east of Subarea K mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea L** is primarily used as range land. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea M** is primarily used as range land. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in areas of Subarea M not brought into the UGB.
- **Subarea N** is primarily used as range land. The area to the east of Subarea N mostly contains shrubland. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea O** is primarily used as range land. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible

adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.

- **Subarea P** is primarily used as range land. The proposed residential uses would preclude rangeland use where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea Q** is being actively used for agricultural using wastewater from the City's south wastewater treatment plant. The area is primarily used to grow alfalfa, as well as carrot seed. Land to the south of Subarea Q is also used for the growth of alfalfa. The proposed residential uses would preclude agricultural uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea R** its land is used for the growth of alfalfa and hay, though much of the area is shrubland. The proposed residential uses would preclude agricultural uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea S** is primarily used as range land. The proposed residential uses would preclude rangeland uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea T** has some small scale agriculture, particularly in the northern portion that lays directly adjacent to the City. This agricultural use involves the growth of wheat and alfalfa, as well as some rangeland. The proposed residential uses would preclude agricultural and rangeland uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.
- **Subarea U** is partially being used for farming wheat and alfalfa, as well as rangeland. To the west and north of Subarea W up to SW Johnson Rd, the primary use of the farmland is shrubland. The proposed residential uses would preclude agricultural and rangeland uses where the development occurs but would be a compatible adjacent on-going use in the subarea that would not brought into the UGB and adjacent subareas.

Much of the area around the subareas is in on-going agricultural uses, either through growing crops or in rangeland. Exhibit 33 summarizes the details of the discussion above about compatibility between the proposed urban use (residential development in the R-3 zone) and agricultural uses in adjacent areas. Each subarea is given a rating based on the following:

- **Negative:** Areas that are not adjacent to the UGB and would extend urban uses further from the existing UGB into areas with agricultural uses.
- **Neutral:** Areas that are adjacent to the UGB, where new residential uses would be compatible with on-going agricultural uses outside the UGB.

Exhibit 33. Evaluation of Compatibility of Proposed Urban Use with Agricultural Uses

Subarea	Summary of Potential Impact on Agricultural Uses	Key Considerations
A	Negative	Area not adjacent to the UGB
B	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
C	Negative	Area not adjacent to the UGB
D	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
E	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
F	Negative	Area not adjacent to the UGB
G	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity
H	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
I	Negative	Area not adjacent to the UGB
J	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
K	Negative	Area not adjacent to the UGB
L	Negative	Area not adjacent to the UGB
M	Negative	Area not adjacent to the UGB
N	Negative	Area not adjacent to the UGB
O	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
P	Negative	Area not adjacent to the UGB
Q	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
R	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
S	Negative	Area not adjacent to the UGB
T	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea
U	Neutral	Adjacent to the UGB, residential development would be compatible with agricultural activity outside the subarea

Factor 4 Findings

The City finds that the subareas where there is little on-going agriculture (beyond grazing animals) in the subarea, the subareas are adjacent to the UGB on at least one side, and there is less intensive active agricultural activity in adjacent areas are subareas: D, E, H, J, and O. Development in these subareas would have a lesser effect on agricultural activities on the subareas and in adjacent subareas.

Goal 14 Factor Evaluation Summary

Exhibit 34 summarizes the evaluation of Goal 14 Locational Factors 1, 2, and 4. Based on the analysis findings presented above, Subarea J is the best alternative for Madras to meet the land need for about 40 acres of buildable residential land. It would have a positive impact on Madras' urban form and would efficiently accommodate the land need for R-3 residential land, as an area for expansion of the Yarrow Master Plan. It is the area with the lowest cost of service for roads, water, and wastewater. Subarea J has potential for positive social, economic, and energy consequences. Its location adjacent to the UGB, with little agricultural activity on subarea J or around it, beyond rangeland uses, will be compatible with agricultural activities.

Exhibit 34. Summary of Evaluation of Goal 14 Locational Criteria Factors 1, 2, and 4

Subarea	Factor 1: Impact on Efficiency	Factor 2: Costs of Service	Factor 4: Potential Impact on Agricultural Uses
A	Negative	High	Negative
B	Neutral	Middle	Neutral
C	Negative	High	Negative
D	Neutral	High	Neutral
E	Neutral	High	Neutral
F	Negative	High	Negative
G	Negative	High	Neutral
H	Negative	Middle	Neutral
I	Negative	High	Negative
J	Positive	Low	Neutral
K	Negative	High	Negative
L	Negative	High	Negative
M	Negative	High	Negative
N	Negative	High	Negative
O	Neutral	Middle	Neutral
P	Negative	High	Negative
Q	Negative	High	Neutral
R	Positive	Middle	Neutral
S	Negative	High	Negative
T	Neutral	High	Neutral
U	Positive	High	Neutral

The City finds that subarea J provides the best alternative for Madras to meet the residential land needs.

5. County and City Requirements for UGB Changes

Jefferson County Comprehensive Plan

Quasi-Judicial Amendments

In order to be approved, the proposed amendment must:

1. *Comply with applicable Statewide Planning Goals, Oregon Revised Statutes and Administrative Rules, or comply with requirements for an exception to the goal(s);*

Finding: Compliance with Statewide Planning Goals is demonstrated in Section 6 of this Narrative. Compliance with applicable Oregon Revised Statutes and Administrative Rules is demonstrated in Section of this Narrative.

2. *Comply with all applicable Comprehensive Plan goals and policies; and*

Goal 1

Policy 1: Strive to maximize citizen involvement during the review and amendment of the Comprehensive Plan and implementing ordinances.

Finding: The proposed UGB land exchange was presented and discussed at public hearings of the Madras Planning Commission (1/3/2024), Madras City Council (2/13/2024), Jefferson County Planning Commission (2/8/2024), and Jefferson County Board of County Commissioners (2/28/2024). Public testimony was taken at each hearing. This criterion is met.

Policy 2: Provide maximum opportunity for citizen participation in the land use permitting process.

Finding: The proposed UGB land exchange was presented and discussed at public hearings of the Madras Planning Commission (1/3/2024), Madras City Council (2/13/2024), Jefferson County Planning Commission (2/8/2024), and Jefferson County Board of County Commissioners (2/28/2024). Public testimony was taken at each hearing. This criterion is met.

Policy 3: Information on planning processes, procedures and requirements should be readily available to the public.

Finding: Information about the proposed UGB land exchange was made available to the public at hearings of the Madras Planning Commission and Madras City Council, as well as hearings of the Jefferson County Planning Commission and Jefferson County Board of County Commissioners (. This criterion is met.

Goal 3 Agricultural Lands

Policy 1: Protect agricultural and range land which presently is under production, or has the potential to be productive.

Finding: The area proposed to be brought into the UGB (subarea J) is within Madras' Urban Reserve and is "First Priority" for inclusion into the UGB according to OAR 197A.320. This criterion is met. The land removed from the UGB will be zoned Rangeland, consistent with the zoning of surrounding areas. The agricultural potential of the exchange parcels is comparable as they are comprised of similar soils. If anything, the "squaring off" that would occur as a result of the exchange would result in more contiguous agricultural lands, which would be employed more efficiently with reduced conflicts with the residential uses contemplated in the inclusion lands. This criterion is met.

Finding: The land removed from the UGB will be zoned Rangeland, consistent with the zoning of surrounding areas. This criterion is met.

Policy 2: Recognize the importance of irrigation for crop production.

Finding: The area proposed to be brought into the UGB (subarea J), which is not irrigated. This criterion is met.

Goal 10 Housing

Policy 1: Sufficient rural residential land should be provided to meet the need to accommodate population growth and the demand for rural home sites outside city limits.

Finding: The area proposed to be brought into the UGB (subarea J) was not comprehensively planned or zoned for residential use. As a result, the proposed action does not affect supplies of rural residential land. This criterion is met.

Policy 2: Criteria for rezoning lands to Rural Residential should be established.

Finding: A rezone to Rural Residential is not proposed.

Jefferson County Zoning Ordinance

803.2 Map Amendments

An amendment to the Zoning Map may be approved if it complies with the approval criteria in this Section. The burden of proof is on the applicant to submit sufficient information to demonstrate that the application complies with the approval criteria. For instance, a traffic impact study in accordance with Section 421 may be needed to show compliance with criterion (F).

A. The zoning designation will conform to the Comprehensive Plan Map designation;

Finding: The area proposed to be brought into the UGB (subarea J) was in Jefferson County's Rangeland zone. It will be brought into the UGB and zoned Planned Residential

Development (R-3) consistent with proposed Madras Comprehensive Plan Map designation. This criterion is met.

Finding: The land removed from the UGB will be zoned Rangeland, consistent with the Jefferson County Comprehensive Plan Map designation. This criterion is met.

B. The amendment is consistent with other Zoning Ordinance requirements including, but not limited to, wildlife habitat, bird habitat and riparian protection standards;

Finding: Compliance with the Jefferson County Zoning Ordinance is addressed in this section. No physical development of either of the exchange lands is proposed at this time. The exchange lands are not otherwise subject to any Goal 5 inventories. This criterion is met.

C. The amendment will cause no significant adverse impact to other properties in the vicinity due to factors such as water quality, drainage, air quality or noise;

Finding: The proposal does not include any physical development that might potentially create the foregoing impacts. Any future development of the area proposed to be brought into the UGB (subarea J) will be developed consistent the Madras Development Code, which includes development standards that address potential adverse impacts to adjacent properties. The proposal does not present adverse impacts to adjacent County-zoned properties. This criterion is met.

Finding: The proposal does not include any physical development that might potentially create the foregoing impacts. Any future development of the land removed from the UGB will be developed consistent with Jefferson County Zoning Ordinance, which includes development standards that address potential adverse impacts to adjacent properties. This criterion is met.

D. The amendment will not force a significant change in or significantly increase the cost of farming or forest practices on surrounding resource land;

Finding: The area proposed to be brought into the UGB (subarea J) is adjacent to the city's UGB on two sides and will have the area removed from the UGB to the East (which is owned by the City of Madras). The proposed development on subarea J is compatible with surrounding rangeland uses and will not force a significant change in or significantly increase costs of farming on surrounding land. If anything, the proposal will reduce the perimeter of the Madras UGB and thus the extent of the line between urban/urbanizable uses and rural/resource uses (thereby reducing potential conflicts that might result in change or increased costs of resource uses). This criterion is met.

Finding: The land removed from the UGB will be zoned Rangeland and will cause no significant change in or significantly increase costs of farming on surrounding land. If

anything, the proposal will reduce the perimeter of the Madras UGB and thus the extent of the line between urban/urbanizable uses and rural/resource uses. This criterion is met.

E. Adequate public safety, fire protection, sanitation, water and utility facilities and services are available or will be provided to serve uses allowed in the proposed zone;

Finding: The City of Madras will provide urban services to the area proposed to be brought into the UGB (subarea J), consistent with other land in the Madras UGB. This criterion is met.

Finding: The land removed from the UGB is approximately the same number of acres as subarea J, resulting in no substantial changes to County provision of services. This criterion is met.

F. The uses allowed in the proposed zone will not significantly affect a transportation facility identified in an adopted Transportation System Plan by:

- 1. Changing the functional classification of an existing or planned transportation facility;*
- 2. Allowing types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility; or*
- 3. Reducing the performance standards of the facility below the minimum acceptable level identified in the applicable Transportation System Plan. A Traffic Impact Study in accordance with Section 421 may be required to show compliance with this standard.*

Finding: The area proposed to be brought into the UGB (subarea J) will be included in Madras TSP. The proposal is supported by a Transportation Planning Rule analysis, as discussed below, that finds none of the foregoing significant effects. This criterion is met.

Finding: The land removed from the UGB will be down zoned to Rangeland and will thus not have any of the foregoing significant effects. This criterion is met.

Madras Comprehensive Plan

GOAL 1 - *To develop a Citizen Involvement program that insures the opportunity for all citizens to be involved in all phases of the planning process.*

POLICY - The City shall insure an adequate citizen involvement in all phases of the planning process. To that end, the citizen involvement program is spelled out on Pages 14 and 15 of this plan.

The City shall publicize the opportunities for citizen involvement by the following methods:

- A. *The City shall post notices of Planning Commission meetings, outlining the date, time, place and topics to be discussed, on public bulletin boards within the City. This would include the City Hall, the County Courthouse, and local markets.*
- B. *In addition to the Oregonian and the Oregon Journal, there are two newspapers serving the area--the Madras Pioneer (a weekly), and The Bulletin (a Bend daily). Both papers have indicated a willingness to publish articles announcing meetings and general discussions of Planning Commission topics including any decisions that are rendered.*
- C. *Madras has a local television weather channel that allows placement of local notices. This is anticipated to provide an excellent method of notification go the general public.*
- D. *Local service organizations and clubs shall be informed on Planning Commission progress and discussion topics. These organizations include the Lions, Kiwanis, Chamber of Commerce, Epsilon Sigma Alpha Sorority, and the Jaycees.*
- E. *Technical assistance shall be provided to the Planning Commission and the general public by a planning consultant retained by the City. In addition, technical assistance is available from the City Manager's office. As Madras is the County Seat of Jefferson County, both the County Planner and the County Extension Agent have indicated a willingness to assist in the planning process and to provide assistance to interested citizens.*

Finding: The proposed UGB land exchange was presented and discussed at public hearings of the Madras Planning Commission (1/3/2024), Madras City Council (2/13/2024), Jefferson County Planning Commission (2/8/2024), and Jefferson County Board of County Commissioners (2/28/2024). The City posted notices of the hearings in City Hall, Jefferson Co. Library, Jefferson Co. Annex, the Madras Post Office, and Madras Pioneer Newspaper on the dates identified in Table 1 below. Public testimony was taken at each hearing. This criterion is met.

Commented [BG1]: Nick - Fill in?

Table 1. Public Meeting Notices

Hearing	Location	Date Posted	Notes
	City Hall	Dec. 6 th & 13 th , 2023	
	Jefferson Co. Library	Dec. 6 th & 13 th , 2023	
	Jefferson Co. Annex	Dec. 6 th & 13 th , 2023	
	Madras US Post Office	Dec. 6 th & 13 th , 2023	
	Madras Pioneer Newspaper	Dec. 6 th & 13 th , 2023	

GOAL 2 - To establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of the land and to insure an adequate factual base for such decisions and actions.

POLICIES -

- A. The City and County shall insure that the Comprehensive Plan serves as a basis for future land use decision.

Finding: The proposed UGB land exchange documented in this report was developed with consideration of Madras' Comprehensive Plan Policies. This criterion is met.

- B. The City and County shall be responsive to the changes in needs and conditions over time and amend the plan accordingly. The amendment process is discussed in the Land Use element.

Finding: The proposed UGB land exchange documented in this report is a needed amendment to the City's Comprehensive Plan, to allow for more efficient utilization of land and more achievable development of needed housing. This criterion is met.

- C. The land use plan map and zoning maps for properties within in the Madras Urban Growth Boundary are the same. The City and County will work to adopt common zones for land in the UGB to provide certainty for property owners regarding the intended future urban use for all lands in the boundary.

Finding: The land proposed for inclusion in the UGB documented in this report will be zoned and comprehensively planned as R-3. This criterion is met.

GOAL 3 - To preserve and maintain agricultural lands.

POLICIES -

- A. To establish an Urban Growth Boundary to separate rural lands from urbanizable lands.
- B. Encourage establishment of exclusive farm use zoning outside the established Urban Growth Boundary.

Finding: The land proposed for inclusion in the UGB documented in this report will be zoned R-3, separating rural land from urbanizable land. The proposal decreases the perimeter of the UGB and thus more efficiently separates rural lands from urban/urbanizable lands.

GOAL 10 - To provide for the housing needs of the citizens of the City.

POLICIES - The City shall:

- A. Provide buildable land for a variety of housing types. So that a reasonable housing balance can be provided and that a mix of housing types on a variety of lot sizes are available for both

existing and future area residents, the City shall encourage the development of a range of housing types including “middle housing.” “Middle housing” is slightly denser than a detached single dwelling surrounded by a yard, but less dense than an apartment building. It can take several forms depending on the neighborhood or district context, including one to four dwelling units on a single lot—attached or detached—townhouses, cottage clusters, tiny homes, stacked flats, garden apartments, and boarding houses. It can occur in infill, redevelopment, conversions, and new subdivisions.

Finding: The proposed UGB land exchange will provide more achievable opportunities for development of a variety of housing types, as part of the Yarrow Master Plan area, including single-family housing (in a range of lot sizes), townhouses, and multifamily housing. This criterion is met.

B. Encourage development of suitable housing to satisfy all income levels. With the addition of more allowable housing types and the removal of barriers to middle housing, more development of attainable housing for low-, moderate- and middle-income residents will be permissible, and the City will grow into a more diverse, vibrant community.

Finding: The proposed UGB land exchange will provide more achievable opportunities for development of a variety of housing types, as part of the Yarrow Master Plan area, including single-family housing (in a range of lot sizes) and multifamily housing. The land being removed from the UGB was planned to be developed predominantly with larger lot single-family housing built around a golf course. The wider variety of housing sizes and types in subarea J will provide more variety in affordability of newly built housing. This criterion is met.

GOAL 11 - *To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.*

POLICIES - The City shall:

- A. Continue to support the school district in providing adequate educational facilities.*
- B. Provide urban services as required to the urbanizing areas of the City.*
- C. Ensure the provision of urban services--streets, water and sewer--as new developments occurs.*
- D. The City shall continue coordinating the existing agreement between the City and Deschutes Valley Water District.*
- E. The City shall coordinate with ODOT in implementing its improvement program.*

Finding: The proposed UGB land exchange (subarea J) is the area that can be most efficiently serviced with City water and wastewater, as well as connecting with Madras roads, as

described in Section 4. The proposal does not detract from the City's coordination efforts with partner agencies.

GOAL 12 - *To provide and encourage a safe, convenient, and economical transportation system.*

POLICIES - The City shall maintain and improve the City's street network policies. The City shall undertake to resolve the following problems as noted in the inventories section of the Comprehensive Plan.

Finding: The proposed UGB inclusion lands (subarea J) is the area that can be most efficiently connected with Madras roads, as described in Section 4. The exchange lands are not associated with any of the identified transportation problems.

GOAL 14 - *To provide for an orderly and efficient transition from rural to urban land, and to provide for livable communities.*

POLICIES -

- A. The City, in cooperation with Jefferson County, shall establish an Urban Growth Boundary.*
- B. The City, in cooperation with Jefferson County, shall mutually agree to a management plan for the Urban Growth Boundary area.*
- C. The City, in cooperation with Jefferson County, shall establish an Urban Growth Boundary revision process to be utilized in a proposed change of the Urban Growth Boundary.*
- D. The City shall encourage the development of complete, livable communities that include characteristics such as: a variety of lot sizes, dwelling unit types and ownership types, open spaces and other recreational amenities, a mix of land uses, school and community facilities, connected streets, proximity to downtown and other employment centers, and development that is scaled to the pedestrian and creates a sense of place. New growth areas should be developed in accordance with the Master Planned Community Overlay zone, which requires generous open space and amenities, and encourages efficient use of land and public facilities and services, a variety of housing types, innovative designs and complete pedestrian-friendly communities. Physical barriers, such as highways, tend to disrupt complete communities and livability because they disconnect areas from downtown and result in an auto-oriented environment of sprawl along highway corridors.*

Finding: The proposed changes to Madras UGB by bringing subarea J into the UGB and removing the land identified in this report from the UGB will be adopted by both Madras and Jefferson County. This criterion is met.

Finding: The proposed UGB land exchange will allow for development of subarea J as a part of the Yarrow Master Plan area. It will include a wider variety of housing than was planned

for the area being removed from the UGB, with nearby parks and a school. This change will help Madras' development as a complete and livable community. This criterion is met.

Consistency with Madras and Jefferson County Urban Reserve Area Report

The Urban Reserve Area Report was adopted by Madras **DETAILS**. The report includes the following Goal 14 policies that are relevant to the proposed land exchange:

Commented [BG2]: Nick - How and when was it adopted?

E. The City, in cooperation with Jefferson County, shall give priority to land in designated urban reserve areas over other land when considering urban growth boundary amendments.

Finding: The area proposed to be brought into the UGB (subarea J) is within Madras' Urban Reserves. This criterion is met.

F. The City shall favor UGB amendments that involve land in locations that are suitable to address identified urban land needs in order to minimize buildable land supply shortages and address identified needs. Factors that will be considered when evaluating UGB additions include:

- Existing and planned capacity of the transportation system
- Existing and planned capacity of the city waste water treatment plant
- Existing and planned capacity of the city sanitary sewer conveyance system
- Existing and planned capacity of the Deschutes Valley Water District supply system
- Impacts on schools, parks, and public safety service providers
- Impacts on future operating costs for public facilities and services

Finding: Impacts on these systems were considered in the evaluation of land to bring into the UGB, as documented in Chapter 4, with additional considerations in Chapters 5 and 6. The best area for inclusion in the UGB was determined to be subarea J, as discussed in other sections of this report. The criterion is met.

H. During years when a comprehensive UGB demand and supply evaluation is not scheduled, individual applications for adding property to the UGB shall be limited to requests of less than 50 acres. UGB amendment applications must demonstrate consistency with applicable Oregon statutes and administrative rules and be accompanied by information that addresses Policy 14-J below. Applications that involve more than 25 acres also must comply with provisions of Policy 14-I.

Finding: The proposed UGB land swap is for fewer than 50 acres. Consistency with applicable Oregon Statutes and administrative rules is demonstrated throughout this document. This criterion is met.

I. The City, in cooperation with Jefferson County, shall encourage the development of complete, livable communities that include characteristics such as: a variety of lot sizes, dwelling unit types and ownership types, open spaces and other recreational amenities, a mix of land uses, school and community facilities, connected streets, proximity to downtown and other employment centers, and development that is scaled to the pedestrian and creates a sense of place. New growth areas added to the UGB should be planned and developed in accordance either with the city Master Planned Community Overlay zone, or an Area Master Plan.

1. A Master Planned Community (MPC) Overlay may apply to large multi- phased development projects where the master plan is intended to guide future development patterns and serves to regulate the site-development approval process. MPC's require generous open space and amenities, and encourage efficient use of land and public facilities and services, a variety of housing types, innovative designs and complete pedestrian-friendly communities. Physical barriers, such as highways, tend to disrupt complete communities and livability because they disconnect areas from downtown and result in an auto-oriented environment of sprawl along highway corridors.
2. An Area Master Plan (AMP) is appropriate for land added to the UGB where the approval of urban development is expected to rely on conventional urban zoning and a conventional development application and review process. An AMP must be prepared for all contiguous properties added to the UGB that are greater than 25 acres and which are not subject to a MPC overlay. An AMP shall encourage efficient use of land, zoning consistent with an identified urban land need, appropriate locations for transportation improvements, public facilities, protection for significant open space, scenic, historic, and natural resource areas. An AMP must show how planned land uses will be integrated with the existing urban development pattern.

Finding: The area proposed for inclusion in the UGB (subarea J) will need to be included in an update of the Yarrow Master Plan, consistent with Madras' development code, before subarea J is developed.

Commented [BG3]: Nick - Do you have anything to add here about when this update is expected and may be adopted.

J. All land use applications or legislative proposals to expand the Madras UGB must be accompanied by information that documents the following:

1. The proposed urban zoning or land use program for the subject properties;
2. An annexation program for subject properties;
3. Evidence that all public facilities required by OAR 660-011-000 can be provided either through planned system improvements outlined in adopted facility master plans or by supplemental improvements that augment adopted infrastructure plans;
4. Evidence that the proposed zoning or land use plan complies with requirements of OAR 660-0012-0060 either by demonstrating that the planned improvements in the Madras

Transportation System Plan (TSP) have capacity to meet transportation needs of the proposed zoning or land use plan or that supplemental transportation improvements, which augment the adopted TSP, will meet this need;

5. *Evidence that providers of other public facilities - including schools, parks and recreation, energy, health care, etc. - are able to meet the projected demand for their services;*
6. *Evidence that development on property constrained by or affected by natural hazards are protecting from such hazards;*
7. *Evidence that known or probable significant resources related to open space, scenic areas, historic places or structures, or fish and wildlife habitat with appropriate measures for protecting significant sites.*
8. *Evidence that a majority of property owners support the conversion of land to urban uses and that land use regulations and financing for development related public improvements are available that ensure the land can be developed as planned within a 20-year horizon.*

Finding: The land proposed to be included in the UGB will be simultaneously annexed into the City and assigned R-3 zoning and comprehensive plan designations. Criteria 1 and 2 are met.

Finding: Subarea J provides opportunities to connect to a water main near the subarea on Yarrow Avenue and will require minimal extension of sewer service from the Yarrow Avenue and Bean Drive intersection. Extension of these services in this area will be less costly and burdensome than other alternative area considered for the land exchange. Existing fire and police protection will be extended by the City to serve the area. Criterion 3 has been met.

Commented [BG4]: Nick - Is this enough?

Finding: The transportation analysis presented in Chapter 6 for Goal 12 concludes that the proposed land exchange does not constitute a significant effect, as defined by the TPR, if the lands were developed to their maximum reasonable level under the R-3 zoning. Criterion 4 has been met.

Finding: The City's existing public facility master plans contemplated serving the 39 acres of buildable land proposed to be removed from the UGB. The 40 acres of buildable land to be included represents a nominal increase in potential development and does not exceed capacities to provide urban services to the included lands as documented in submitted will serve letters. Criterion 5 has been met.

Commented [GC5]: Need these per criterion (5) above.

Commented [BG6R5]: Nick ?

Finding: Subarea J is less sloped and otherwise has no other substantial natural hazards, as documented in Chapters 2 and 3 of this analysis. Criterion 6 has been met.

Finding: There are no known or probable significant resources in subarea J. Criterion 7 has been met.

Finding: The land owners of subarea J and the area proposed for removal from the UGB are City of Madras in both cases. Criterion 8 has been met.

Madras Development Code

18.75.030 Quasi-judicial amendments.

(1) *Applicability, Procedure and Authority.* Quasi-judicial amendments generally refer to a plan amendment or zone change affecting a single or limited group of properties and that involves the application of existing policy to a specific factual setting. Quasi-judicial amendments shall follow the Type III procedure using the standards of approval in subsection (2) and/or (3) of this section, as applicable. Based on the applicant's ability to satisfy the approval criteria, the application may be approved, approved with conditions, or denied.

Finding: The proposal applies to specific parcels of land and is thus subject to the quasi-judicial procedures set out in this section. It is thus subject to quasi-judicial procedures.

- (2) *Criteria for Quasi-Judicial Comprehensive Plan Map Amendments.* The applicant shall submit a written narrative which explains how the approval criteria will be met. A recommendation or a decision to approve, approve with conditions, or to deny an application for a quasi-judicial amendment shall be based on all of the following criteria:
- (a) Approval of the request is consistent with the relevant Statewide Planning Goals that are designated by the Community Development Director;
 - (b) Approval of the request is consistent with the relevant policies of the Comprehensive Plan that are designated by the Community Development Director;
 - (c) The property and affected area are presently provided with adequate public facilities, services, and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided concurrently with the development of the property;
 - (d) Evidence of change in the neighborhood or community or a mistake or inconsistency in the Comprehensive Plan or Zoning Map regarding the property that is the subject of the application; and
 - (e) Approval of the request is consistent with the provisions of the Transportation Planning Rule.

Finding: The relevant statewide planning goals are addressed below. The policies of the Madras Comprehensive Plan were addressed above. The proposal includes modifications to the City's public facilities master plans for the planned provisions of urban services to the lands added to the UGB (and exclusion of the withdrawn lands from such plans). The Transportation Planning Rule is addressed below.

- (3) *Criteria for Quasi-Judicial Zone Changes. The applicant must submit a written narrative which explains how the approval criteria will be met. A recommendation or a decision to approve, approve with conditions, or to deny an application for a quasi-judicial zone change must be based on meeting the following criteria:*
- (a) *The amendment will bring the Zoning Map into conformance with the Comprehensive Plan map;*
 - (b) *The property and affected area is presently provided with adequate public facilities, services, and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided concurrently with the development of the property; and*
 - (c) *Approval of the request is consistent with the provisions of the Transportation Planning Rule.*

Finding: The proposal includes a concurrent redesignation and rezoning of the added lands to R-3, which will achieve conformance in planning and zoning. The proposal does not include modifications to the City’s public facilities master plans for the planned provisions of urban services to the lands added to the UGB (and exclusion of the withdrawn lands from such plans). Before development occurs, the applicant will be required to submit a master plan to address need for public facility changes. The Transportation Planning Rule is addressed below.

Madras Urban Reserve Area Management Agreement

The City of Madras and Jefferson County entered into the *Madras Urban Reserve Area Management Agreement*¹ (URAMA) with the purpose of establishing standards and procedures for land use actions on land in the Madras Urban Reserve Area.

OAR 660-021-0040(2)(e) and the URAMA state that:

The County shall prohibit certain uses in the URA, including plan or zoning map amendments that allow a minimum lot size less than ten acres as outlined in JCZO Section 323.3.

Finding: The land removed from the UGB will be down zoned to Rangeland, consistent with the zoning on subarea J and other adjacent land in the Urban Reserves. Jefferson County’s minimum lot size in the RL zone is 160 acres (Jefferson County Zoning Ordinance 301.8). This requirement is met.

OAR 660-021-0050(1) and the URAMA state that:

Jefferson County shall have authority and jurisdictional responsibility for current planning activities, land use decisions, building permitting, and code enforcement within the URA.

¹ The *Madras Urban Reserve Area Management Agreement* was adopted by the City of Madras and Jefferson County on 1/28/2009.

Upon inclusion of property from the URA within the Urban Growth Boundary, the property shall be subject to the Urban Growth Management Area Agreement

Finding: The land removed from the UGB will be zoned to Rangeland by Jefferson County and the area brought into the UGB (subarea J) will be concurrently annexed and zoned R-3 by the City of Madras and managed like other R-3 land within the City limits. This requirement is met.

The URAMA states that:

Designation of service responsibility, as required by OAR 660-021-0050(2) is as follows:

Service	Existing Service Provider	Future Urban Service Provider
Sanitary Trash Disposal	No Public Service Provider	No Public Service Provider
Sanitary Sewer	No Public Service Provider	City of Madras
Water	Deschutes Valley Water District	Deschutes Valley Water District
Fire Protection	Jefferson County Fire District #1	Jefferson County Fire District #1
Parks	Jefferson County	City of Madras
Recreation	Madras Aquatic Center District	Madras Aquatic Center District
Transportation	Jefferson County	City of Madras
Storm Water	Jefferson County	City of Madras

Finding: The proposal does not change the service providers applicable to lands within the urban reserve areas as set forth above.

6. Statewide Goal Consistency Analysis

This section addresses compliance with applicable Statewide Planning Goals.

Goal 1 Citizen Involvement

Goal 1 calls for the opportunity for citizens to be involved in all phases of the planning process. The public was provided the opportunity to be involved in the decision-making process regarding changes to the UGB through public meetings (in-person and by video conference), Madras Planning Commission, Madras City Council, Jefferson County Planning Commission, and Jefferson County Board of County Commissioners. Public testimony was taken at each hearing. The City of Madras notifies nearby property owners, publishes a public hearing notice and contact information in the newspaper, and facilitates public participation during public hearings.

The public has had the opportunity to be involved in decision making for issues related to the UGB land exchange analysis.

Goal 2 Land Use Planning

Goal 2 outlines the basic procedures of Oregon's statewide planning program, stating that land use decisions must be made in accordance with comprehensive plans and that effective implementation ordinances must be adopted.

Madras' acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan and implementing ordinances provide the local criteria by which the applicant's request will be reviewed. The proposed UGB land exchange area (subarea J) will require review and compliance with the applicable statewide planning goals. No exception to statewide planning goals is necessary.

Goal 2 also requires the consideration of alternatives. The City considered a range of alternatives for the UGB land exchanged, as documented in Sections 3 and 4 of this report. All pertinent documentation has been made available to all interested parties. Goal 2 has been properly addressed.

Goals 3 Agricultural Lands and 4 Forest Lands

As stated in 660-024-0020(1)(b), Goals 3 and 4 are not applicable when establishing or amending an urban growth boundary. No further analysis is required.

Goal 5 Open Spaces, Scenic and Historic Areas & Natural Resources

Goal 5 requires local governments to inventory and protect natural resources. There are no inventoried significant Goal 5 resources subarea J. No further analysis is required.

Goal 6 Air, Water and Land Resources Quality

Goal 6 requires local comprehensive plans and implementing measures to be consistent with state and federal regulations. The proposed UGB exchange will have little, if any effect on the quality of air, water and land resources of the area. By complying with applicable air, water and land resource quality policies in the Madras Comprehensive Plan, Goal 6 will be properly addressed.

Goal 7 Areas Subject to Natural Disasters and Hazards

Goal 7 requires that jurisdictions apply appropriate safeguards when planning development in areas that are subject to natural hazards such as flood hazards.

The identified natural hazards in Madras are flooding and landslide hazards. The proposed UGB exchange area (subarea J) does not have flood hazards or significant landslide hazards. The alternatives analysis considered lands within the FEMA flood hazards and areas with steep sloped, attempting to avoid expanding into areas with identified hazards. Lands included within subarea J are not subject to any known natural hazards.. Thus, Goal 7 has been properly addressed.

Goal 8 Recreation Needs

Goal 8 requires governmental organizations with responsibility for providing recreational facilities to plan for recreational facilities. The Yarrow Master Plan includes three new public parks and the existing Juniper Hills County Park is to the north of the Master Plan area. Subarea J does not itself include areas planned for parks.

Madras adopted the *Madras Parks Master Plan* in 2019. That plan inventoried existing facilities, estimates a level of service, and identified park needs. The Master Plan identified existing park improvements and new park improvements. Neither areas involved in the exchange include park land.

The land exchange proposed is for exchange of about 40 acres of land, with the area removed from the UGB and added to the UGB both zoned R-3. As a result, the proposed exchange will not significantly change Madras housing capacity or demand for new park land. Thus, Goal 8 has been properly addressed.

Goal 9 Economy of the State

Goal 9 requires jurisdictions to plan for an adequate supply of land for employment uses to further goals for economic development. There are no commercial or industrial zoned lands involved in the proposed UGB exchange. As a result, Goal 9 is not applicable.

Goal 10 Housing

The proposed UGB land exchange results in a slight increase in buildable acreage under the same R-3 zoning. Accordingly, the land exchange will result in substantially the same number of housing units. Subarea J will provide better opportunities to develop a wider range of housing types than the land being removed from the UGB. As a result, there will be little impact on the residential land supply and better opportunity to achieve the housing objectives set out in Goal 10. Goal 10 has been properly addressed.

Goal 11 Public Facilities and Services

The provision of public facilities and services was considered in the Goal 14 alternatives analysis process described above and the application is supported by will-serve letters from such providers. Subarea J provides opportunities to connect to a water main near the subarea on Yarrow Avenue and will require minimal extension of sewer service from the Yarrow Avenue and Bean Drive intersection. Extension of these services in this area will be less costly and burdensome than other alternative areas considered for the land exchange..

For the above reasons, the City finds that Goal 11 has been satisfied.

Goal 12 Transportation

Goal 12 encourages the provision of a safe, convenient and economic transportation system. This goal also implements provisions of other statewide planning goals related to transportation planning in order to plan and develop transportation facilities and services in coordination with urban and rural development (OAR 660-012-0000(1)). For the purposes of the proposed amendments, the Transportation Planning Rule (TPR) requires additional analysis if the proposed amendments would significantly affect an existing or planned transportation facility, as defined in OAR 660-001-0060(1).

The following TPR analysis by Kittleson & Associates demonstrates compliance with Goal 12 , the TPR and the provisions of City and County land use regulations that implement Goal 12 and the TPR.



1001 SW Emkay Drive, Suite 140
Bend, OR 97702
P 541.312.8300

September 21, 2023

Project# 28585

To: Nick Snead, City of Madras
Beth Goodman, ECONorthwest

From: Matt Kittelson & Julia Kuhn

RE: Madras Urban Growth Boundary Land Exchange

The proposed land exchange requires preparation of Transportation Planning Rule (TPR) analyses per Oregon Administrative Rule (OAR) 066-012-060. As summarized herein, the proposed land exchange does not constitute a significant effect, as defined by the TPR, if the lands were developed to their maximum reasonable level under the R-3 zoning. The remainder of this memorandum provides the details supporting this conclusion.

Transportation Planning Rule (TPR) Evaluation

Two sections of the TPR apply to amendments to acknowledged land use designations. Per OAR 660-012-0060(1) and (2), the first step in assessing an amendment's potential transportation impact is to compare the vehicular trip generation assuming a "reasonable worst-case" development scenario under the existing and proposed amendment. If the trip generation potential increases by more than 400 daily trips under the proposed amendment, additional analysis is required to assess whether the proposal will "significantly affect" the transportation system. Conversely, if the trip generation under the amendment is less than the thresholds defining a "significant effect," no additional quantitative analysis is necessary to support the change.

Trip Generation Comparison

To test for a significant effect, we reviewed the change in trip generation potential of the lands to be replaced versus that of the lands to be added. As noted above, the lands within the UGB today identified for removal are zoned R-3 and the lands identified to be brought into the UGB are planned for R-3 zoning. The net increase of the land exchange is one buildable acre. Per the City's Municipal Code Section 18.15.040 and analyses conducted on behalf of the City by ECONorthwest, the following represents the "reasonable worst-case" scenarios in terms of trip making under R-3:

- Single family homes developed at a density of 5.2 units per acre;
- Townhomes developed at a density of 15 units per acre;
- Duplexes, triplexes, and quadplexes developed at a density of 13.8 units per acre; and/or,
- Apartments developed at a density of 16.8 units per acre.

Table 1 presents a trip generation comparison for the net increase of one buildable acre associated with the lands to be added versus those to be removed. This comparison is based on information contained in the *Trip Generation Manual* (11th Edition, as published by the Institute of Transportation Engineers). As shown in the table, the maximum trip generation change associated with the proposed land exchange is associated with the potential development of 17 apartments. These apartments could result in a daily trip increase of 115 vehicular trips, of which 9 trips would occur during the weekday PM peak hour.

Table 1. Trip Generation Comparison Associated with One Additional Acre of R-3 Lands

Land Use	ITE Code	Size (units)	Total Daily Trips	Weekday PM Peak Hour Trips	Maximum for Analyses?
Single Family Detached	215	5	47	5	No
Townhomes	215	15	108	9	No
Duplex/Triplex/Quadplex	215	14	101	8	No
Apartments	220	17	115	9	Yes
Highest Trip Generation Potential			115	9	Apartments

In reviewing Table 1, Policy 1F.5 of the Oregon Highway Plan establishes the following thresholds for determining significance:

- Any proposed amendment that does not increase the average daily trips by more than 400 is not considered significant.
- Any proposed amendment that increases the average daily trips by more than 400 but less than 1,000 for state facilities is not considered significant where:
 - The annual average daily traffic is less than 5,000 for a two-lane highway
 - The annual average daily traffic is less than 15,000 for a three-lane highway
 - The annual average daily traffic is less than 10,000 for a four-lane highway
 - The annual average daily traffic is less than 25,000 for a five-lane highway
- If the increase in traffic between the existing plan and the proposed amendment is more than 1,000 average daily trips, then it is not considered a small increase in traffic and the amendment causes further degradation of the facility and would be subject to existing processes for resolution.

As shown, the proposed land exchange would not result in a significant impact per OHP Policy 1F.5 as it would constitute an increase of less than 400 daily trips (i.e., only an increase of 115 daily trips). We further note that neither the increase of 115 daily trips nor increase of 9 weekday PM peak hour trips meet the City’s Traffic Impact Study guidelines for necessitating a

study. Per Madras Municipal Code Section 18.25.180, a Transportation Impact Analysis is required if the land use action results in an increase of 500 or more daily trips or 50 or more PM peak hour trips. For these reasons, no quantitative analyses are needed to address the TPR nor the City's requirements.

Summary of Applicable Oregon Administrative Rule Criteria

OAR Section 660-12-0060 of the TPR sets forth the relative criteria for evaluating plan and land use regulation amendments. Table 2 summarizes the criteria in Section 660-012-0060 and the applicability to the proposed land exchange.

Table 2. Summary of Criteria in OAR 660-012-0060

Section	Criteria	Applicable?
1	Describes how to determine if a proposed land use action results in a significant effect.	Yes
2	Describes measures for complying with Criteria #1 where a significant effect is determined.	No
3	Describes measures for complying with Criteria #1 and #2 without assuring that the allowed land uses are consistent with the function, capacity and performance standards of the facility.	No
4	Determinations under Criteria #1, #2, and #3 are coordinated with other local agencies.	Yes
5	Indicates that the presence of a transportation facility shall not be the basis for an exception to allow development on rural lands.	No
6	Indicates that local agencies should credit developments that provide a reduction in trips.	No
7	Outlines requirements for a local street plan, access management plan, or future street plan.	No
8	Defines a mixed-use, pedestrian-friendly neighborhood.	No
9	A significant effect may not occur if the rezone is identified on the City's Comprehensive Plan and assumed in the adopted Transportation System Plan.	No
10	Agencies may consider measures other than vehicular capacity if within an identified multimodal mixed-use area (MMA).	No
11	Allows agencies to override the finding of a significant effect if the application meets the balancing test.	No

As shown in Table 2, there are eleven criteria that apply to Plan and Land Use Regulation Amendments. Of these, two are applicable to the proposed land exchange. These criteria are provided below in italics with our response shown in standard font.

OAR 660-12-0060(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

- (a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);
- (b) Change standards implementing a functional classification system; or
- (c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.
 - (A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;
 - (B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or
 - (C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

Response: The proposed land exchange is not anticipated to result in an increase in daily trip making that constitutes a significant effect per OHP Policy 1F.5 nor does the daily or PM peak hour trip generation potential result in an increase that would warrant a Traffic Impact Analysis per the City’s Municipal Code requirements. Further, no changes to the City’s functional street classification designations or standards are proposed or warranted by the land swap and the adjacent facilities are appropriate for the R-3 designations. We also note that the City’s Transportation System Plan identifies the future extension of Bean Drive to this area, which will benefit the connectivity provided to the Yarrow Master Plan lands.

- (4) Determinations under sections (1)–(3) of this rule shall be coordinated with affected transportation facility and service providers and other affected local governments.

Response: The Applicant is coordinating the proposed zone change with Jefferson County and ODOT.

Conclusions

As discussed herein, our review concluded that the proposed land exchange and resulting increase of one buildable acre into the City’s Urban Growth Boundary that is zoned R-3 does not constitute a significant effect as defined by the TPR and OHP Policy 1F.5. Further, neither the small increase in daily nor weekday PM peak hour trips associated with the land exchange require a Transportation Impact Analysis per the City’s requirements.

Goal 13 Energy

Goal 13 requires land and uses developed on the land to be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Energy consequences of the proposed urban growth area amendment have been considered in the Goal 14 alternatives analysis process. Therefore, Goal 13 has been adequately addressed.

Goal 14 Urbanization

Goal 14 has been complied with as demonstrated in Chapters 2 through 4 of this report.

Goal 15 through 19

Goals 15 through 19 are related to the Willamette Greenway and coastal resources. As such, these goals do not apply to the subject sites and no further analysis is required.

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Jeff Hurd, Public Works Director

Through: Will Ibershof, City Administrator

Subject: **AMENDMENT NO. 2 TO THE COMMUNITY DEVELOPMENT BLOCK GRANT FOR THE MADRAS HOMELESS SHELTER AND SERVICES CENTER**
Amends the contract to extend the project completion date to August 31, 2024

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

Council approves Amendment No. 2 to the Community Development Block Grant agreement for the Madras Homeless Shelter and Services Center

OVERVIEW:

Amendment No. 2 extends the project completion date from February 10, 2024 to August 31, 2024. The agreement updates the project budget.

STAFF ANALYSIS:

The Shelter Services Center (aka Madras Homeless Shelter and Services Center) is operational but not 100% complete. Items still remaining to complete are street paving, fencing, exterior painting, punch list items, and project closeout. CDBG has proposed extending the project until August 31, 2024 to allow additional time to complete the project. Public Works believes that is enough time needed for completion and recommends approval of the amendment.

FISCAL INFORMATION:

N/A

SUPPORTING DOCUMENTATION:

Amendment No. 2 to CDBG Contract No. IA2101

STRATEGIC GOAL:

Amendment Number 2

Project Name: Madras Homeless Shelter and Services Center

This amendment is made and entered into by and between the State of Oregon, acting by and through the Oregon Infrastructure Finance Authority of the Oregon Business Development Department (“OBDD”), and the City of Madras, Oregon (“Recipient”), and amends the Grant Contract between Recipient and OBDD, Project Number IA2101, dated 10 February 2022, (as amended, “Contract”) for the above-named Project. Capitalized terms not defined in this amendment have the meanings assigned to them by the Contract.

Recital: The purpose of this amendment is to extend the Project Completion Deadline and update the Project Budget.

The parties agree to:

1. Amend Section 1.F. of the Contract as follows (deletion in ~~strikethrough~~; addition in double underline):
 - F. Information Required by 2 CFR § 200.33212(aA)(1), attached as Exhibit F.

2. Amend Section 4.A. of the Contract as follows (deletion in ~~strikethrough~~; addition in double underline):
 - A. This Contract shall become effective on the date (“Effective Date”) this Contract is fully executed and approved as required by applicable law. The approved grant activities **must be completed within 24 months** from the Effective Date by 31 August 2024 (“Project Completion Deadline”).

3. Delete Exhibit E- Project Budget in its entirety and replace it with the following:

EXHIBIT E - PROJECT BUDGET

Line Item Activity	OBDD Funds	Estimated Other / Matching Funds
Land Acquisition/Appraisal	\$206,598	\$20,000
Architectural	\$395,195	\$34,128
Construction	\$1,357,394	\$1,560,349
Construction Contingency	\$0	\$208,000
Labor Standards	\$20,000	\$0
Environmental Review	\$19,113	\$0
Grant Administration	\$35,000	\$0
Legal	\$15,000	\$0
Audit	\$0	\$0
System Development Charges	\$0	\$30,558

Furnishings	\$0	\$140,029
Building Permits	\$35,581	\$0
BOLI Fee	\$1,387	\$1,413
Total	\$2,085,268	\$1,994,477

4. Replace Exhibit F - 2 CFR § 200.3321(A)(1) in its entirety and replace with the following:

EXHIBIT F - INFORMATION REQUIRED BY 2 CFR § 200.332(A)(1)

Federal Award Identification:

- (i) Subrecipient* name (which must match registered name in DUNS): Madras, City of
- (ii) Subrecipient's DUNS number: 025919739
- (iii) Federal Award Identification Numbers (FAIN): B-21-DC-41-0001 - \$1,019,730; and B-20-DW-41-0001 - \$480,270 from Community Development Block Grant - CARES Act (CV2) funds.
- (iv) Federal Award Date: 15 September 2021
- (v) Sub-award Period of Performance Start and End Date: from date of Contract execution to 31 August 2024
- (vi) Total Amount of Federal Funds Obligated by this Contract: \$1,500,000
- (vii) Total Amount of Federal Funds Obligated by this initial Contract and any amendments: \$1,500,000
- (viii) Total Amount of Federal Award to the pass-through entity: \$12,303,168
- (ix) Federal award project description: The FFY 2021 State Community Development Block Grant Program funds will be awarded through a competitive application process to rural communities in Oregon for the following project types: Public Works Projects, Community Facilities, Owner-occupied Housing Rehabilitation and Microenterprise Assistance. CDBG projects will meet the national objective of benefitting low- and moderate-income persons or an urgent need.
- (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity:
 - (a) Name of Federal awarding agency: U.S. Department of Housing and Urban Development
 - (b) Name of pass-through entity: Oregon Business Development Department
 - (c) Contact information for awarding official of the pass-through entity: Ed Tabor, Infrastructure and Program Services Director, 503-949-3523
- (xi) CFDA Number and Name: 14.228 Community Development Block Grant
Amount: \$1,500,000
- (xii) Is Award R&D? No
- (xiii) Indirect cost rate for the Federal award: N/A

* For the purposes of this Exhibit F, "Subrecipient" refers to Recipient and "pass-through entity" refers to OBDD.

OBDD will have no obligation under this amendment, unless within 60 days after receipt, the Recipient delivers to OBDD the following items, each in form and substance satisfactory to OBDD and its Counsel:

- (i) this amendment duly executed by an authorized officer of the Recipient; and
- (ii) such other certificates, documents, opinions and information as OBDD may reasonably require.

Except as specifically provided above, this amendment does not modify the Contract, and the Contract shall remain in full force and effect during the term thereof. This amendment is effective on the date it is fully executed and approved as required by applicable law.



STATE OF OREGON
 acting by and through its
 Oregon Infrastructure Finance Authority
 of the Business Development Department
 775 Summer Street NE Suite 200
 Salem OR 97301-1280
 Phone 971-375-8051



CITY OF MADRAS
 125 SW E Street
 Madras, OR 97741
 Phone 541-325-0309

By: _____
 Melisa Drugge, Business Services
 Director

By: _____
 The Honorable Mike Lepin,
 Mayor of Madras

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

 Not required by OAR 137-045-0050

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Jeff Hurd, Public Works Director

Through: Will Ibershof, City Administrator

Subject: **AIRPORT T-HANGAR LEASE**
Darrell Miller for Unit #1

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

Council approves the Airport T Hangar Lease between the City of Madras and Darrell Miller

OVERVIEW:

The attached T-Hangar lease is a 5-year lease to Darrell Miller for storage of his aircraft. The lease becomes effective February 1, 2024, and expires December 31, 2028. The lease rate on the unit is \$225.00 per month plus a \$13.60 a month lighting and access fee. On July 1, 2024, base rent increases to \$250.00 per month and the L/A fee escalates 3%. On July 1, 2025, and each year thereafter, rent and the L/A fee increase 3%.

STAFF ANALYSIS:

Marv Garber gave notice to vacate T-Hangar unit No. 1 to be out by the end of January 2024. The Airport has a waiting list for T-Hangar space and Darrell Miller was first on the list and was offered the space. Darrell Miller has accepted the lease terms and has signed the lease. The base rent is an increase from current rents of \$194 per month. Bend charges \$245-\$390 per month, Redmond charges \$275-\$350 per month, and Prineville charges \$350-\$400 per month. The goal is to raise rents to be comparable to other Airports at a steady rate to be customer friendly.

FISCAL INFORMATION:

Revenue from rent to the Airport -
FY 24-25 \$3,015.60
FY 25-26 \$3,268.80
FY 26-27 \$3,369.60
FY 27-28 \$3,471.60
FY 28 \$1,786.63 - Half year

SUPPORTING DOCUMENTATION:

- Airport T Hangar Lease - Darrell Miller
- Lease payment schedule

STRATEGIC GOAL:

AIRPORT T-HANGAR LEASE AGREEMENT

This Airport T-Hangar Lease Agreement (this "Lease") is dated February 13, 2024, but made effective for all purposes as of February 1, 2024 (the "Effective Date"), between City of Madras ("Landlord"), an Oregon municipal corporation, whose address is 125 SW E Street, Madras, Oregon 97741, and Darrell Miller ("Tenant"), whose address is 152 SE Dimick Ln, Madras OR 97741.

RECITALS:

A. Landlord is the owner, sponsor, and operator of the Madras Municipal Airport, a public municipal airport located in Madras, Oregon (the "Airport"). Landlord is the owner of that certain T-Hangar Building commonly known as City T-Hangars located at 2260 NW Berg Dr, Madras, Oregon 97741 (the "Building").

B. Tenant desires to lease T-hangar # 1 located in the Building commonly known as City T-Hangars consisting of approximately 915 square feet (the "Premises") to store the Aircraft (as defined below), which Premises is depicted and described on the attached Exhibit A. Subject to the terms and conditions contained in this Lease, Tenant will lease the Premises from Landlord, and Landlord will lease the Premises to Tenant.

AGREEMENT:

NOW, THEREFORE, in consideration of the parties' mutual obligations contained in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. LEASE; TERM; OCCUPANCY

1.1 Lease of Premises. Subject to the terms and conditions contained in this Lease, Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord. The term of this Lease, Tenant's right to possession of the Premises, and Tenant's obligation to pay Rent (as defined below) commenced on the Effective Date and will continue, subject to the terms and conditions contained in this Lease, until December 31, 2028 (the "Lease Term"), unless sooner terminated as provided in this Lease.

1.2 Airport Facilities. Subject to the terms and conditions contained in this Lease and the Rules and Regulations (as defined below), during the Lease Term Landlord grants Tenant a limited, revocable, non-exclusive license to use the Building's common T-hangar related facilities, including that portion of the Airport's approach areas, runways, ramps, taxiways, and aprons reasonably necessary to facilitate expeditious movements of the Aircraft to and from the runway and takeoff areas. Tenant's use of the City's common T-hanger related facilities and Airport approach areas, runways, ramps, taxiways, and aprons are for the sole purpose of the landing, takeoff, flying, taxiing, and towing of the Aircraft in connection with Tenant's use of the Premises.

1.3 Tenant's Financial Capability; Authority. Tenant represents and warrants the following to Landlord: (a) Tenant has sufficient assets and net worth to ensure Tenant's performance of this Lease and the payment of its obligations under this Lease as and when they become due; (b) Tenant has full power and authority to sign and deliver this Lease and to perform all of Tenant's obligations under this Lease; and (c) this Lease is the legal, valid, and binding obligation of Tenant, enforceable against Tenant in accordance with its terms.

1.4 No Representations or Warranties. Tenant is bound in accordance with the terms of this Lease from and after the Effective Date. Tenant has entered into this Lease on the basis of its own examination and personal knowledge of the Airport, Building, and Premises. Tenant accepts the Airport, Building, and Premises in their "AS-IS" and "WITH ALL FAULTS AND DEFECTS" condition as of the Effective Date. Tenant has not relied on any representations or warranties made by Landlord and/or Landlord's Agents (as defined below). Landlord makes no representations or warranties of any kind, whether express or implied, with respect to all or any part of the Airport, Building, and/or Premises. Landlord has made no promise or agreement to repair, alter, construct, and/or improve all or any part of the Airport, Building, and/or Premises.

2. BASE RENT; ADDITIONAL RENT; TAXES; ASSESSMENTS

2.1 Base Rent. Subject to the terms and conditions contained in this Lease, Tenant will pay Landlord guaranteed minimum monthly base rent, without offset, in the amount of \$225.00 (Base Rent"). Tenant's first payment of Rent is due and payable within 30 days of the Effective Date. Tenant will pay all other payments of Rent monthly in advance on the first day of each month. Base Rent will be prorated on a daily basis with respect to any partial month in which the Lease Term commences and ends. Base Rent will be payable to the order of Landlord at the address first shown above or any other address designated by Landlord from time to time. Commencing on July 1, 2024, Base Rent will increase to \$250.00 per month. Commencing on July 1, 2025, and continuing on the same day each year thereafter during the Lease Term, (a) Base Rent will increase (escalate) in July of each year by three percent (3%) over Base Rent for the preceding June, and (b) commencing on July 1, 2024 and continuing on the same day each year thereafter during the Lease Term, the L/A Fee (as defined below) will increase (escalate) in July of each year by three percent (3%) over L/A Fee for the preceding June.

2.2 Additional Rent.

2.2.1 Tenant will timely pay in full the following charges, costs, and expenses related to or concerning (whether directly or indirectly) the Premises (collectively, "Additional Rent"): (a) all taxes (real property and personal property, if any), general and special assessments, fuel, insurance costs, telephone charges, licenses, L/A Fee, utility charges, and all costs, expenses, and/or charges identified under Sections 2.2.2 and 2.2.3, below; (b) all costs and expenses incurred in connection with Tenant's use, occupancy, maintenance, improvement, and/or repair of the Premises; (c) all applicable Airport charges, fees, and/or assessments that may be imposed or assessed from time to time; and (d) all other sums Tenant is required to pay or reimburse Landlord or any third party under this Lease or otherwise. Additional Rent is due and payable to the applicable payee commencing on the Effective Date. All Rent payable under this Lease will be net to Landlord and all costs, expenses, and obligations imposed on Tenant under this Lease and/or arising out of Tenant's use, occupancy, maintenance, and/or repair of the Premises will be paid by Tenant. Tenant will furnish Landlord with receipts or other proof of payment of Additional Rent within ten (10) days after Landlord's written request. For purposes of this Lease, the term "Rent" means both Base Rent and Additional Rent.

2.2.2 Without otherwise limiting Section 2.2.1, Tenant will pay when due all costs, expenses, and charges for services and utilities incurred in connection with the use, lease, occupancy, operation, repair, maintenance, and/or improvement of the Premises, including, without limitation, charges and expenses for fuel, water, gas, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, internet, and janitorial services. Commencing on the Effective Date, in addition to any other fees, charges, and/or expenses provided under this Lease, Tenant will pay Landlord a right-of-way, lighting, and access fee of \$13.60 per month (the "L/A Fee"). The L/A Fee will be increased (escalated) annually in accordance with Section 2.1, above.

2.2.3 Tenant will pay before delinquency all real and personal property taxes, general and special assessments, and all other charges of every description levied on and/or assessed against the Premises, any improvements located on or about the Premises, and/or personal property and/or fixtures located on or about the Premises. Tenant will make all such payments directly to the applicable governing authority. If any such tax assessment or charges may be paid in installments, Tenant may elect to do so provided each installment together with interest is paid before it becomes delinquent.

2.3 Security Deposit. Landlord will require Tenant to deposit with Landlord the sum of \$200.00 as security for Tenant's timely payment of Rent and for the full, timely, and faithful performance of all Tenant's other obligations under this Lease (the "Security Deposit"). Landlord may commingle the Security Deposit with its funds and Tenant will not be entitled to interest on the Security Deposit. Landlord will have the right to offset against the Security Deposit any sums owing from Tenant to Landlord not paid when due, any damages caused by Tenant's default, the cost of curing any default by Tenant if Landlord elects to do so, and the cost of performing any repair or cleanup that is Tenant's obligation under this Lease. Offset against the Security Deposit will not be Landlord's

exclusive remedy but may be invoked by Landlord, at Landlord's option, in addition to any other remedy provided by law or this Lease for Tenant's breach or nonperformance of any term or condition contained in this Lease. Landlord will give written notice to Tenant each time an offset is claimed against the Security Deposit and, unless this Lease is terminated, Tenant will, within ten (10) days following Tenant's receipt of such notice, deposit with Landlord a sum equal to the amount of the offset so that the balance of the Security Deposit, net of offset, will remain constant throughout the term of this Lease. Provided Tenant is not in default under this Lease and has performed its obligations under this Lease, Landlord will return the Security Deposit (or any balance thereof), without interest, to Tenant within sixty (60) days after the date Tenant surrenders the Premises to Landlord in compliance with this Lease.

3. USE OF PREMISES

3.1 Permitted Use; Aircraft. Subject to the terms and conditions contained in this Lease, Tenant will use the Premises for the storage of the Aircraft (the "Permitted Use") and for no other purpose. No aircraft other than the Aircraft may be stored or located in the Premises. The Aircraft must be stored in a neat and orderly manner. Tenant must maintain the Aircraft in air worthy operable condition, except when the Aircraft is under repair. The Aircraft's period of repair may not exceed one hundred twenty (120) days at any one time during the Lease Term. Notwithstanding anything contained in this Lease to the contrary, Tenant will not cause or permit the storage of vehicles and/or any other personal property whatsoever in the Premises other than those tools and equipment necessary for Tenant's operation of the Aircraft; provided, however, Tenant may temporarily park his or her privately owned automobile (and/or his or her passenger's automobile) inside the Premises during a flight that originated from the Airport. Tenant may not perform any repairs and/or maintenance activities in the Premises other than those necessary for Tenant's operation of the Aircraft. For purposes of this Lease, the term "Aircraft" means the following airplane or other aeronautical equipment:

Aircraft Make and Model:	Taylorcraft BC-65
Aircraft Year:	1939
Aircraft Registration No.:	#301065 N23619
Owner (Name and Pilot License No.):	Darrell Miller #4208980
Owner's Address:	152 SE Dimick Ln, Madras OR 97741
Owner's Telephone Number:	541-325-1220
Owner's Email Address:	darrell@northwestshedworks.com

In accordance with ORS 837.040, Tenant will file and maintain the Aircraft's registration with the Oregon Department of Aviation.

3.2 Conditions, Limitations, and Restrictions. In addition to all other conditions, limitations, and/or restrictions contained in this Lease, Tenant represents, warrants, and covenants to perform and comply with the following conditions, limitations, and restrictions concerning the Premises and/or Airport:

3.2.1 Tenant will conform and comply with the Laws (as defined below). Without otherwise limiting the generality of the immediately preceding sentence, Tenant will conform and comply with the Laws in connection with Tenant's use of the Premises for the Permitted Use. Tenant will correct, at Tenant's own expense, any failure of compliance created through Tenant's fault, the Permitted Use, and/or by reason of Tenant's use of the Premises and/or Airport. Prior to the Effective Date, Tenant had the opportunity to review (and ask questions concerning) and understands all Laws. Tenant will obtain all necessary permits, licenses, reviews, studies, inspections, reports (including, without limitation, environmental reports), and approvals required under the Laws to lease, occupy, and use the Premises for the Permitted Use, including, without limitation, all reviews, studies, and approvals required under Landlord's leasing policies and regulations. For purposes of this Lease, the term "Law(s)" means all policies, rules, leases, covenants, conditions, restrictions, easements, declarations, laws, statutes, liens, ordinances, orders, codes, and regulations directly or indirectly affecting the Building, Airport, and/or Permitted Use, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), Environmental Laws (as defined below), all rules and/or regulations

promulgated by the Oregon Department of Environmental Quality, United States Environmental Protection Agency, United States Department of Transportation (“DOT”), Federal Aviation Administration (“FAA”), and/or any other federal airport authority (including, without limitation, Landlord’s Grant Assurances and requirements under 14 CFR Part 77), Landlord’s municipal code, Landlord’s policies governing agreements involving the use or disposition of Airport property for aeronautical activities, Airshow Regulations (as defined below), and Rules and Regulations (as defined below), all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

3.2.2 Tenant will store all aircraft, vehicles (if any), equipment, tools, and/or supplies on the Premises in a safe, neat, clean, and orderly manner. Tenant will store all aircraft, vehicles (if any), equipment, tools, and/or supplies wholly within the Premises. Tenant will not store any non-aeronautical related vehicles, equipment, tools, and/or supplies on or about the Premises including but not limited to recreational vehicles, boats, motorcycles, ATVs, etc. Tenant will refrain from any activity which would make it impossible to insure the Premises against casualty or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau (or its successor) allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional costs of the insurance. Tenant will refrain from any use and/or activities which would be reasonably offensive to Landlord, other users of the Airport, and/or neighboring property, and/or which would tend to create or cause fire risk, a nuisance, and/or damage the reputation of the Premises and/or Airport, all as determined by Landlord. Tenant will conduct and operate the Permitted Use and all activities at the Airport in a safe, prudent, professional, and lawful manner. Tenant will not change, alter, and/or modify Landlord’s locks for the Premises without first obtaining Landlord’s prior written consent (if Landlord’s consent is provided, Tenant will pay for all costs and expenses related to or concerning the lock change, alteration, and/or modification).

3.2.3 Tenant will not cause and/or permit any Hazardous Substances (as defined below) to be spilled, leaked, disposed of, and/or otherwise released on, under, and/or about the Premises. Without otherwise limiting the generality of the immediately preceding sentence, Tenant may use, store, and/or otherwise handle on or in the Premises only those Hazardous Substances typically used, stored, sold, and/or handled in the prudent and safe operation of the Permitted Use; provided, however, Tenant will use, store, and/or otherwise handle on or in the Premises the Hazardous Substances in a safe, neat, clean, and orderly manner consistent with applicable Laws. Upon the earlier termination or expiration of this Lease, Tenant will remove all Hazardous Substances from the Premises that have been stored, loaded, disposed, spilled, leaked, and/or otherwise released on, under, and/or about the Premises on and after the Effective Date. For purposes of this Lease, the term “Environmental Law(s)” means any federal, state, and/or local statute, regulation, and/or ordinance, or any judicial or other governmental order, pertaining to the protection of health, safety, and/or environment; the term “Hazardous Substance(s)” means any hazardous, toxic, infectious, and/or radioactive substance, waste, and/or material as defined or listed by any Environmental Law, including, without limitation, pesticides, aviation fuel, paint, petroleum oil, and their fractions.

3.2.4 Tenant will conform and comply with all rules and regulations concerning the Airport and/or Premises, which now exist or may hereafter become effective, including, without limitation, all Airport security, screening, and/or fire safety rules, regulations, and procedures (collectively, the “Rules and Regulations”). Tenant will not perform any acts or carry on any practice prohibited by the Rules and Regulations. Tenant acknowledges and agrees that Landlord is permitted to adopt new Rules and Regulations, or amend the Rules and Regulations, from time to time as Landlord determines necessary or appropriate. Any adoption or amendment to the Rules and Regulations will be effective thirty (30) days after Landlord provides Tenant notice of such adoption or amendments.

3.2.5 Tenant will not engage or permit any commercial activity to be conducted on, at, and/or from the Premises, including, without limitation, aircraft or equipment maintenance for profit, aerial spraying, charter flights, air taxi, sightseeing, aerial photography, and/or aircraft storage for profit.

3.3 Aviation Easement; Aeronautical Uses. Tenant's use of the Premises is secondary and subordinate to the operation of the Airport and Laws. Landlord reserves for itself, and for the public, a right of flight for the passage of aircraft in the airspace above the Premises together with the right to cause noise, vibration, dust, fumes, smoke, vapor, and other effects inherent in the navigation or flight operation of aircraft and/or operation of the Airport. Notwithstanding anything contained in this Lease to the contrary, Tenant will protect the Airport and Airport property for aeronautical and related uses, will not interfere or impede, and will conduct all activities in a manner that will not adversely affect or interfere with, Landlord's operations and/or those of other tenants and authorized users of the Airport or general public. Any Tenant activities that Landlord determines interfere or impede with the operation, use, and/or maintenance of the Airport, Airport property, and/or aeronautical activities is specifically prohibited and will constitute an Event of Default (as defined below) under this Lease.

3.4 Airport Operations; Security. Notwithstanding anything contained in this Lease to the contrary, Landlord reserves the right to control and regulate all Airport property, facilities, and/or operations, including, without limitation, taxiways, ramps, runways, hangars, aprons, and parking facilities. Landlord may impose certain taxi proceedings, requirements, and/or controls to promote efficient and orderly operation of other operators. Tenant acknowledges and agrees that Landlord does not provide continuous security for the Premises and/or Airport. Tenant is responsible for securing and safeguarding the Premises and all personal property located therein, including, without limitation, the Aircraft. Landlord will not be liable for any loss and/or damage to Tenant's property (including, without limitation, the Aircraft) due to theft, vandalism, and/or any other causes, including forces of nature.

3.5 Construction Activities. Tenant's use of the Premises and/or Airport may be disrupted by certain expansion, improvement, construction, development, remodeling, and/or other activities on or at the Airport, including, without limitation, runway maintenance and repairs. Landlord will not be in default under this Lease (and Tenant will not be entitled to any abatement of Rent and/or other concessions) if Tenant is disrupted (temporarily or otherwise) in the use of the Premises and/or Airport due to the aforementioned activities.

3.6 Non-Discrimination; Unfair Practices. Tenant covenants and agrees as follows: (a) if any facilities and/or improvements (including, without limitation, Alterations (as defined below)) are constructed, maintained, and/or otherwise operated on the Premises for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed under 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as amended; (b) no person on the grounds of race, color, national origin, and/or other protected classification will be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination in the use of any facilities located on the Premises; and (c) in the construction of any improvements on, over, and/or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, national origin, and/or other protected classification will be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination.

3.7 Notice of Action. Tenant will immediately notify Landlord in writing of the occurrence of any of the following events: (a) any enforcement, clean-up, removal, and/or other governmental or regulatory action is instituted, completed, and/or threatened concerning the Premises pursuant to any Environmental Laws; and/or (b) any claim is made or threatened by any person against or concerning Tenant, Tenant's activities, and/or the condition of the Premises. Tenant will provide Landlord copies of any written documentation related to the foregoing.

3.8 Subordination – United States. Notwithstanding anything contained in this Lease to the contrary, (a) this Lease is subordinate to the terms of any agreement between Landlord and the United States concerning Airport operations and/or maintenance (the terms of such agreement will supersede the terms of this Lease), and (b) during times of war or national emergency, Landlord may lease the Airport's landing area (or any part thereof) to the United States for military or naval use (and, in connection therewith, the provisions of this Lease will be suspended to the extent inconsistent with Landlord's lease with the United States).

3.9 Airshow of the Cascades. Tenant's use of the Premises and/or Airport may not interfere with the operation and/or activities of The Airshow of the Cascades (the "Airshow") during the Airshow Days (as defined below). To this end, and without otherwise limiting any other provision contained in this Lease, (a) Tenant will modify or alter its use and operations on and from the Premises and Airport during the Airshow Days (which modifications or alterations must be approved by Landlord) to accommodate Airshow activities and/or operations, (b) the Premises will be placed in (or restored to) a clean, orderly condition, and (c) the Airplane and all equipment and other personal property are securely stored inside the Premises. The Airshow of the Cascades is generally held in August of each year. Tenant is responsible for knowing the dates of the airshow through monitoring local advertising, Airshow website, etc., and will coordinate with Airshow of the Cascades concerning any reasonable measures that may be taken to minimize the disruption the Airshow may have on Tenant's operations. Tenant will maintain adequate levels of communication with the Airshow organizer and Landlord to ensure maximum cooperation and coordination between Tenant, the organizer, and Landlord concerning Tenant's activities and operations from the Premises and/or Airport during the Airshow Days. Notwithstanding anything contained in this Lease providing otherwise, Landlord will not be in default (and Tenant will not receive any Rent abatements and/or other concessions) due to Tenant's Airshow related modifications or alterations in its use and operation on and from the Premises and/or Airport. For purposes of this Lease, the term "Airshow Day(s)" means the three days immediately preceding the dates of the Airshow, the three consecutive days during which the Airshow occurs, and the three days immediately following the days during which the Airshow occurred.

3.10 Airshow Regulations. Tenant will comply with all reasonable rules and regulations concerning the Airport and/or Premises that Landlord may adopt from time to time concerning the Airshow (the "Airshow Regulations"). Tenant will not perform (or caused to be performed) any acts or carry on any practice prohibited by the Airshow Regulations. Landlord is permitted to amend the Airshow Regulations (or adopt new Airshow Regulations) from time to time as Landlord reasonably determines necessary or appropriate. Any permitted adoption or amendment to the Airshow Regulations will be effective thirty (30) days after Landlord provides Tenant notice of such adoption or amendments.

4. MAINTENANCE; ALTERATIONS.

4.1 Landlord Maintenance and Repairs. Subject to the terms and conditions contained in this Lease, Landlord will perform, at Landlord's cost and expense, structural and exterior repairs and maintenance concerning the Building (including, without limitation, the Premises), including painting the exterior of the Premises when Landlord determines necessary or appropriate, provided such structural and exterior repairs and maintenance are not caused or necessitated, directly or indirectly, by Tenant's acts or omissions. Landlord will perform any required snow removal within 20 feet of the building. Tenant will be responsible for clearing of snow and ice from the building to the area cleared by Landlord. Tenant will have no right to an abatement of Rent or any claim against Landlord for any inconvenience or disturbance resulting from Landlord's repair and/or maintenance activities. Landlord may enter and inspect the Premises to determine the necessity of any repairs and/or maintenance and/or to otherwise determine the condition of the Premises and/or Building. Except in the case of an emergency, Landlord will endeavor to provide Tenant no less than twenty-four (24) hours' prior written notice before entering the Premises. Whether or not such inspection is made, Landlord's obligation to perform any maintenance and/or repairs will not mature until a reasonable time (i.e., no less than twenty (20) days) after Landlord has received written notice from Tenant of the required maintenance and/or repairs.

4.2 Tenant Maintenance and Repairs. Tenant will maintain, at Tenant's cost and expense, the Premises in good condition, repair, working order, and appearance, and will preserve the Premises, normal wear and tear excepted, and will not commit or permit waste. Without otherwise limiting the generality of the immediately preceding sentence, Tenant will perform, at Tenant's cost and expense, the following maintenance and repairs: (a) any sweeping, mopping, trash collection and removal, and washing required to keep the Premises clean and orderly; (b) any repairs or maintenance necessitated by the negligence of Tenant and/or Tenant's Agents, including repairs and maintenance that would otherwise be Landlord's responsibility under Section 4.1; (c) any repairs, maintenance, and/or improvements required under Tenant's obligation to comply with the Laws;

and/or (d) all maintenance and repairs which Landlord is not expressly required to perform under this Lease. If Tenant fails or refuses to complete or perform any repairs and/or maintenance that is required under this Section 4.2, Landlord may make the repair or perform the maintenance and charge the actual costs of repair or maintenance to Tenant. Tenant will reimburse such expenditures on demand, together with interest at the rate of twelve percent (12%) per annum from the date of expenditure until paid in full.

4.3 Alterations. Tenant will make no interior and/or exterior additions, improvements, modifications, and/or alterations in or to the Premises of any kind or nature whatsoever, including, without limitation, the installation of any improvements, fixtures, devices, telecommunications wiring, cables, and/or conduit (individually and collectively, "Alteration(s)"), without obtaining Landlord's prior written consent. Any Alterations approved by Landlord will be made in a good and workmanlike manner, in compliance with applicable Laws, at Tenant's cost and expense, and consistent with the general appearance, quality, and décor of the Building. Alterations performed in or to the Premises by either Landlord or Tenant will be the property of Landlord; provided, however, Landlord may require, in Landlord's discretion, that Tenant remove any Alterations, at Tenant's cost and expense, and the Premises restored to its original condition as of the Effective Date upon the earlier termination or expiration of this Lease.

4.4 Signage; Encumbrances. Tenant will not be permitted to erect or maintain any signage on or about the Premises without Landlord's prior written consent. Any signage authorized by Landlord will be erected and maintained at Tenant's cost and expense. Signage installed by Tenant will be removed by Tenant, at Tenant's cost and expense, upon the expiration or earlier termination of this Lease and the sign location restored to its former state unless Landlord elects to retain all or any portion of the signage. Tenant will pay as and when due all claims for work done on and for services rendered or material furnished to the Premises and will keep the Building free from all liens and encumbrances. If Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the costs as Rent. Any amount so added will bear interest at the rate of twelve percent (12%) per annum from the date expended by Landlord and will be payable on demand. Landlord's payment of Tenant's claims or discharge of any Tenant lien will not constitute a waiver of any other right or remedy which Landlord may have on account of Tenant's default. If a lien is filed as a result of nonpayment, Tenant will, within ten (10) days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien. Tenant will indemnify, defend, and hold Landlord harmless for, from, and against any claim, loss, and/or liability arising out of Tenant's failure to comply with this Section 4.4.

5. ASSIGNMENT; INSURANCE; INDEMNIFICATION

5.1 No Transfer. Tenant will not sell, exchange, gift, assign, lease, sublease, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly, voluntarily, involuntarily, or by operation of law) all or any part of Tenant's interest in this Lease and/or in or to the Premises (collectively, "Transfer"). For purposes of this Lease, a "Transfer" includes the sale, assignment, encumbrance, and/or transfer – or series of related sales, assignments, encumbrances, or transfers – of fifty percent (50%) or more of the shares or other ownership interest of Tenant, regardless of whether the sale, assignment, encumbrance, or transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence.

5.2 Landlord and Tenant Insurance. Landlord will keep the Premises insured against fire and other risks covered under a standard fire insurance policy with an endorsement for extended coverage. Tenant will maintain, at Tenant's cost and expense, a policy of fire, extended coverage, vandalism, and malicious mischief insurance insuring the personal property, furniture, furnishings, and fixtures belonging to Tenant located in or on the Premises, including, without limitation, the Aircraft. Landlord will not be responsible for any loss or damage to Tenant's personal property, whether or not insured.

5.3 Liability Insurance. Tenant will procure, and thereafter will continue to carry, (a) general liability insurance (occurrence version) with a responsible licensed Oregon insurance company against personal injury

claims arising directly or indirectly out of Tenant's activities on, or any condition of, the Premises, whether or not related to an occurrence caused, or contributed to, by Landlord's negligence, and will insure the performance by Tenant of Tenant's indemnification obligations under this Lease, and (b) aircraft liability and pollution exposure insurance. Tenant's general liability insurance required to be carried under this Section 5.3 will have a general aggregate limit of not less than Two Million Dollars (\$2,000,000.00), a per occurrence limit of not less than One Million Dollars (\$1,000,000.00); the aircraft liability and pollution exposure insurance will have a general aggregate and per occurrence limit of not less than \$1,000,000.00. Each liability insurance policy required under this Lease will be in form and content satisfactory to Landlord and will contain a severability of interest clause. By separate endorsement, each liability insurance policy will name Landlord and Landlord's officers, employees, agents, and volunteers as additional insureds. The insurance Tenant is required to obtain under this Lease may not be cancelled without ten (10) days' prior written notice to Landlord. Tenant's insurance will be primary and any insurance carried by Landlord will be excess and noncontributing. Tenant will furnish Landlord with policy copies (including applicable endorsements) evidencing the insurance coverage, endorsements, and provisions Tenant is required to obtain under this Lease upon Tenant's execution of this Lease and at any other time requested by Landlord. If Tenant fails to maintain insurance as required under this Lease, Landlord will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Tenant immediately upon Landlord's demand. Notwithstanding anything contained in this Lease to the contrary, Landlord may increase the minimum levels of insurance Tenant is required to carry under this Lease by providing Tenant ninety (90) days' prior written notice. All policies of insurance which Tenant is required by this Lease to carry will provide that the insurer waives the right of subrogation against Landlord.

5.4 Tenant Release and Indemnification. Tenant releases and will defend, indemnify, and hold Landlord and Landlord's present and future officers, employees, contractors, representatives, and agents (collectively, "Landlord's Agents") harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of, whether directly or indirectly, the following: (a) any damage, loss, and/or injury to person or property in, on, and/or about the Premises; (b) Tenant's and/or Tenant's directors, officers, shareholders, members, managers, employees, agents, representatives, invitees, and/or contractors (collectively, "Tenant's Agents") acts and/or omissions, including, without limitation, Tenant's and/or Tenant's Agents operations at the Airport; (c) Tenant's use of the Premises and/or Airport; (d) Tenant's storage of the Aircraft; (e) any condition of the Premises caused and/or contributed by Tenant and/or Tenant's Agents; (f) the use, storage, treatment, transportation, presence, release, and/or disposal of Hazardous Substances in, on, under, and/or about the Premises; and/or (g) Tenant's breach and/or failure to perform any Tenant representation, warranty, covenant, and/or obligation under this Lease. Tenant's indemnification obligations under this Section 5.4 will survive the expiration or earlier termination of this Lease.

5.5 Reconstruction After Damage. If Tenant and/or Tenant's Agents damage or destroy the Premises (and/or other portions of the Building) during the Lease Term, whether or not covered by insurance, Tenant will promptly repair the damage and restore the Premises (and all other portions of the Building). The completed repair, restoration, and/or replacement premises (and other improvements) will be equal in value, quality, and use and will be restored to the condition of the Premises immediately before the damage or destruction. Tenant will pay all costs and expenses of repairing and restoring the Premises (and other improvements), which repairs and restoration will be completed no later than one hundred twenty (120) days after the date of the fire or other cause of damage. Tenant will not be entitled to any abatement of Rent on account of any damage to or destruction of the Premises (or other improvements), nor will any other obligations of Tenant under this Lease be altered or terminated except as specifically provided in this Lease.

5.6 Waiver of Subrogation. Neither party will be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire, or any of the risks covered by the property insurance policies required under this Lease, and in the event of insured loss, neither party's insurance company will have a subrogated claim against the other. This waiver will be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect

coverage under the policies. Each party agrees to exercise its reasonable, good faith effort to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

5.7 Estoppel Certificate. Tenant will, within thirty (30) days after notice from Landlord, execute and deliver to Landlord a certificate stating whether or not this Lease has been modified and is in full force and effect, and specifying any modifications, outstanding obligations, and alleged breaches by Landlord. The certificate will state the amount of Rent, the dates to which Rent has been paid in advance, and the amount of any prepaid Rent or other charges. Failure to deliver the certificate within the specified time will be conclusive upon Tenant that this Lease is in full force and effect and has not been modified except as represented by Landlord.

6. TERMINATION; DEFAULT; REMEDIES

6.1 Termination. Notwithstanding anything contained in this Lease to the contrary, this Lease may be terminated (a) at any time by the mutual written agreement of Landlord and Tenant, (b) by Tenant providing ninety (90) days written notice to Landlord, (c) by Landlord immediately upon notice to Tenant if Landlord reasonably determines that Tenant's acts or omissions cause or threaten loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss. Termination of this Lease will not constitute a waiver or termination of any rights, claims, and/or causes of action Landlord may have against Tenant; Tenant's obligations under this Lease, including, without limitation, Tenant's indemnification obligations under Section 5.4, will survive the termination.

6.2 Default. The occurrence of any one or more of the following events constitutes a default by Tenant under this Lease (each an "Event of Default"): (a) Tenant's failure to pay Rent and/or any other charge, cost, and/or expense payable by Tenant under this Lease when due; (b) Tenant's breach and/or failure to perform any representation, warranty, obligation, and/or covenant contained in this Lease (other than the payment of Rent or other charge, cost, and/or expense under Section 6.2(a)) within ten (10) days after written notice from Landlord specifying the nature of the failure with reasonable particularity; (c) attachment, execution, levy, and/or other seizure by legal process of any right or interest of Tenant under this Lease if not released within thirty (30) days; (d) Tenant becomes insolvent within the meaning of the United States Bankruptcy Code, as amended from time to time; a general assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant; the filing of any involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within thirty (30) days; and/or € Tenant's failure for thirty (30) days or more to occupy the Premises for the Permitted Use.

6.3 Landlord's Remedies. Upon an Event of Default, Landlord may elect any one or more of the following remedies:

6.3.1 Landlord may terminate this Lease by providing thirty (30) day written notice to Tenant. If this Lease is not terminated by Landlord, Landlord will be entitled to recover damages from Tenant for the default. If this Lease is terminated by Landlord, Tenant's liability to Landlord for damages will survive such termination, and Landlord may reenter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

6.3.2 Following reentry or abandonment, Landlord may relet the Premises, and in that connection may make any suitable alterations or refurbish the Premises (or both), or change the character or use of the Premises, but Landlord will not be required to relet the Premises for any use or purpose other than compatible uses or which Landlord may reasonably consider injurious to the Premises, or to any tenant which Landlord may reasonably consider objectionable. Landlord may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

6.3.3 Upon the happening of an Event of Default, Landlord will be entitled to recover immediately, without waiting until the due date of any future Rent or until the date fixed for expiration of this Lease, and in addition to any other damages recoverable by Landlord, the following amounts as damages: (a) the loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured; (b) the reasonable costs of reentry and reletting including, without limitation, the cost of any clean-up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Premises upon termination and leave the Premises in the required condition, including, without limitation, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs; and/or (c) any excess of the value of the Rent, and all of Tenant's other obligations under this Lease, over the reasonable expected return from the Premises for the period commencing on the earlier of the date of trial or the date the Premises are relet and continuing through the end of the Lease Term.

6.4 Cumulative Remedies; Right to Cure. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages will bar a later action for damages subsequently accruing. The foregoing remedies will be in addition to and will not exclude any other remedy available to Landlord under applicable law. Unless a shorter time is otherwise provided in this Lease, if Tenant fails to perform any obligation under this Lease Landlord will have the option to do so after ten (10) days' written notice to Tenant specifying the nature of the default. Landlord's performance of any Tenant obligation under this Lease will not waive any other remedy available to Landlord. All of Landlord's expenditures to correct the default will be reimbursed by Tenant on demand with interest at the rate of twelve percent (12%) per annum from the date of expenditure by Landlord until paid in full.

6.5 Termination Rights. Notwithstanding anything contained in this Lease to the contrary, this Lease may be terminated (a) at any time by the mutual written agreement of Landlord and Tenant, and/or (b) by Landlord immediately upon notice to Tenant if Landlord reasonably determines that Tenant's acts or omissions cause or threaten loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss. Termination of this Lease will not constitute a waiver or termination of any rights, claims, and/or causes of action Landlord may have against Tenant; Tenant's obligations under this Lease, including, without limitation, Tenant's indemnification obligations under Section 5.4, will survive the termination. Tenant will not be entitled to damages and/or any other recovery if Landlord exercises its termination right under this Section 6.5.

7. SURRENDER; HOLDOVER

7.1 Condition of Premises. Upon the earlier termination or expiration of this Lease, Tenant will deliver all keys and Airport access identification cards to Landlord and will surrender the Premises to Landlord in good condition, repair, working order, and appearance, broom-clean condition (free of debris), reasonable wear and tear excepted. Alterations completed will, at Landlord's option, be removed by Tenant, at Tenant's cost and expense, and the Premises restored to its original condition as of the Effective Date. All maintenance and repairs for which Tenant is responsible will be completed to the latest practical date prior to surrender.

7.2 Personal Property. Prior to the earlier termination or expiration of this Lease, Tenant will remove from the Premises the Aircraft and all furnishings, furniture, equipment, tools, trade fixtures, and personal property which remain its property. If Tenant fails to do so, this will constitute an abandonment of the property, and Landlord may retain the property and all rights of Tenant with respect to it will cease or, by written notice given to Tenant within ten (10) days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in storage for Tenant's account. Tenant will be liable to Landlord for the cost of removal, transportation to storage, and storage with interest at twelve percent (12%) per annum on all such expenses from the date of expenditure by Landlord until paid in full.

7.3 Holdover. If Tenant does not vacate the Premises at the time required, Landlord will have the option to treat Tenant as a tenant from month-to-month, subject to the provisions of this Lease (except the

provisions for term and extensions), except that Base Rent will be equal to one hundred fifty percent (150%) of the then applicable Base Rent. Failure of Tenant to remove the Aircraft, Alterations (if applicable), trade fixtures, furniture, furnishings, equipment, tools, and/or any other personal property which Tenant is required to remove under this Lease will constitute a failure to vacate to which this Section 7.3 will apply. If a month-to-month tenancy results from a holdover by Tenant under this Section 7.3, the tenancy will be terminable at the end of any monthly rental period on written notice from Landlord given not less than thirty (30) days prior to the termination date which will be specified in the notice.

8. MISCELLANEOUS

8.1 Non-waiver; Attorney Fees. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. Waiver by either party of strict performance of any provision of this Lease will not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. If an Event of Default occurs, Tenant will pay Landlord, within ten (10) days after Landlord's demand, all attorney fees and costs Landlord incurs to enforce the terms of this Lease. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Lease, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees, expert fees, and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

8.2 Addresses for Notices; Binding Effect. All notices or other communications required or permitted by this Lease must be in writing, must be delivered to the parties at the addresses set forth below, or at any other address that a party may designate by notice to the other parties, and will be considered delivered upon actual receipt if delivered personally, via email or facsimile (with electronic confirmation of delivery) or an overnight delivery service, or at the end of the third (3rd) business day after the date deposited in the United States mail, postage pre-paid, certified, return receipt requested. Subject to the limitations under Section 5.1 concerning a Transfer by Tenant, this Lease will be binding upon and inure to the benefit of the parties, their respective successors and assigns. This Lease (or any memorandum of this Lease) will not be recorded. Tenant will cause Tenant's Agents to conform and comply with this Lease.

Landlord:

City of Madras
Attn: Public Works Director
125 SW "E" Street
Madras, Oregon 97741

Tenant:

Darrell Miller
152 SE Dimick Ln,
Madras OR 97741

8.3 Entry for Inspection; Late Fees; Interest. Landlord may enter the Premises for the purpose of investigating compliance with the terms of this Lease, general safety inspections, and/or for any other reasonable purposes (as determined by Landlord), including, without limitation, to show the Premises to a prospective tenant. Except in the case of an emergency, Landlord will endeavor to provide Tenant not less than twenty-four (24) hours' prior written notice before entering the Premises. In addition, Landlord will have the right, at any time during the last six months of the term of this Lease, to place and maintain upon the Premises notices for leasing the Premises. If

Rent (or other payment due from Tenant) is not received by Landlord within ten (10) days after it is due, Tenant will pay a late fee equal to ten percent (10%) of the payment (a "Late Fee"). Landlord may levy and collect a Late Fee in addition to all other remedies available for Tenant's failure to pay Rent (or other payment due from Tenant). Any Rent or other payment required to be paid by Tenant under this Lease (and/or any payment made or advanced by Landlord in connection with Landlord's performance of any Tenant obligation under this Lease) will bear interest at the rate of twelve percent (12%) per annum from the due date (or, if applicable, the date of Landlord's payment) until paid by Tenant in full.

8.4 Severability; Further Assurance; Governing Law; Venue; Joint and Several. If a provision of this Lease is determined to be unenforceable in any respect, the enforceability of the provision in any other respect, and of the remaining provisions of this Lease, will not be impaired. The parties will sign such other documents and take such other actions as are reasonably necessary to further effect and evidence this Lease. This Lease is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing the Lease. If any dispute arises regarding this Lease, the parties agree that the sole and exclusive venue for resolution of such dispute will be in Jefferson County, Oregon. All parties submit to the jurisdiction of courts located in Jefferson County, Oregon for any such disputes. If Tenant consists of two or more persons, all representations, warranties, covenants, and obligations made by Tenant under this Lease are made by each person constituting Tenant on a joint and several basis. If Tenant is a corporation, limited liability company, limited partnership, or any other legal entity, Landlord may require (and Tenant will cause) one or more Landlord identified members, shareholders, partners, and/or other Tenant owners or officers to personally guaranty Tenant's timely and faithful performance of Tenant's obligations under this Lease.

8.5 Entire Agreement; Signatures; Time. This Lease contains the entire understanding of the parties regarding the subject matter of this Lease and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Lease. This Lease may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page. At the request of a party, a party will confirm a fax or email-transmitted signature page by delivering an original signature page to the requesting party. Time is of the essence with respect to Tenant's performance of its obligations under this Lease. If the date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, the date for such performance or delivery of such notice will be postponed until the next ensuing business day. For purposes of this Lease, a "business day" means a normal working day (i.e., Monday through Friday of each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas, and New Year's).

8.6 Discretion; Landlord Default. When a party is exercising any consent, approval, determination, and/or similar discretionary action under this Lease, the standard will be the party's commercially reasonable discretion, which discretion will not be unreasonably withheld, conditioned, and/or delayed. No act or omission of Landlord will be considered a default under this Lease until Landlord has received thirty (30) days' prior written notice from Tenant specifying the nature of the default with reasonable particularity. Commencing from Landlord's receipt of such default notice, Landlord will have thirty (30) days to cure or remedy the default before Landlord will be deemed in default of this Lease; provided, however, that if the default is of such a nature that it cannot be completely remedied or cured within the thirty-day cure period, there will not be a default by Landlord under this Lease if Landlord begins correction of the default within the thirty-day cure period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practical.

8.7 Additional Provisions; Attachments; Interpretation. The provisions of all exhibits, schedules, instruments, and other documents referenced in this Lease are part of this Lease. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity.

The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Lease.


[end of agreement – signature page immediately follows]

IN WITNESS WHEREOF, the undersigned have caused this Lease to be executed on the date first written above but binding and effective for all purposes as of the Effective Date.

LANDLORD:
City of Madras,
an Oregon municipal corporation

TENANT:

By: Mike Lepin, Mayor



Print: Darrell X. Miller

Exhibit A
Premises – Depiction

[attached]



T-Hangar Lease Unit #1 – Darrell Miller
EXHIBIT A

Year	Square Footage	Base Rent per Month	L/A Fee per SF	Total L/A per month	Monthly Payment	
Jan 1 -June 30 2024	915	\$ 225.00	\$ 0.0149	\$ 13.60	\$ 238.60	
July 1 24- June 30 25	915	\$ 250.00	\$ 0.0153	\$ 14.00	\$ 264.00	
July 1 25 - June 30 26	915	\$ 258.00	\$ 0.0158	\$ 14.40	\$ 272.40	
July 1 26 - June 30 27	915	\$ 266.00	\$ 0.0163	\$ 14.80	\$ 280.80	
July 1 27 - June 30 28	915	\$ 274.00	\$ 0.0168	\$ 15.30	\$ 289.30	Appraisal Year
July 1 28 - June 30 29	915	\$ 282.00	\$ 0.0173	\$ 15.80	\$ 297.80	
July 1 29 - June 30 30	915	\$ 290.00	\$ 0.0178	\$ 16.30	\$ 306.30	
July 1 30 - June 30 31	915	\$ 299.00	\$ 0.0183	\$ 16.80	\$ 315.80	
July 1 31 - June 30 32	915	\$ 308.00	\$ 0.0189	\$ 17.30	\$ 325.30	
July 1 32 - June 30 33	915	\$ 317.00	\$ 0.0194	\$ 17.80	\$ 334.80	
July 1 33 - June 30 34	915	\$ 327.00	\$ 0.0200	\$ 18.30	\$ 345.30	Appraisal Year
July 1 34 - June 30 35	915	\$ 337.00	\$ 0.0206	\$ 18.90	\$ 355.90	
July 1 35 - June 30 36	915	\$ 347.00	\$ 0.0212	\$ 19.40	\$ 366.40	
July 1 36 - June 30 37	915	\$ 357.00	\$ 0.0219	\$ 20.00	\$ 377.00	
July 1 37 - June 30 38	915	\$ 368.00	\$ 0.0225	\$ 20.60	\$ 388.60	
July 1 38 - June 30 39	915	\$ 379.00	\$ 0.0232	\$ 21.20	\$ 400.20	Appraisal Year
July 1 39 - June 30 40	915	\$ 390.00	\$ 0.0239	\$ 21.90	\$ 411.90	
July 1 40 - June 30 41	915	\$ 402.00	\$ 0.0246	\$ 22.50	\$ 424.50	
July 1 41 - June 30 42	915	\$ 414.00	\$ 0.0254	\$ 23.20	\$ 437.20	
July 1 42 - June 30 43	915	\$ 426.00	\$ 0.0261	\$ 23.91	\$ 449.91	
July 1 43 - June 30 44	915	\$ 439.00	\$ 0.0269	\$ 24.60	\$ 463.60	Appraisal Year
July 1 44 - June 30 45	915	\$ 452.00	\$ 0.0277	\$ 25.30	\$ 477.30	

Hopefully I'm retired. :)

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Jeff Hurd, Public Works Director

Through: Will Ibershof, City Administrator

Subject: **SHELTER SERVICES CENTER**
Operating Agreement and Lease Agreement

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

Council approves the Operating Agreement and Lease Agreement between Jefferson County Faith Based Network and the City of Madras.

OVERVIEW:

The attached Operating Agreement and Lease Agreement between the City and Jefferson County Faith Based network are structured in order to allow Jefferson County Faith Based Network to operate a Shelter Services Center in the City's new facility. Upon 10 years of successful operation, the Shelter Services Center will transfer to Jefferson County Faith Based network. COIC requires the building to operate per the grant for a period of 10 years. Community Development Block Grant requires the building to operate per the grant for a period of 5 years. If we fail to meet those requirements, the City can be required to pay back grant funding on a prorated rate.

STAFF ANALYSIS:

Due to the nature of the grant requirements to operate a shelter for 10 years (COIC being the more restrictive grant), the City needs to retain ownership of the property. If JCFBN is unable to continue operations, then the City can step in and continue operating the shelter either by bringing in another entity to run it or figure out how to do it themselves. Either way, in order to protect the City's financial interest, the staff has proposed the agreement as a lease instead of deeding the property over to JCFBN. The lease rate is \$1.00 a year and the City is responsible for taking care of the major components of the building such as the overall structure and certain mechanical, plumbing, and electrical components. JCFBN is responsible for taking care of interior components such as walls, painting, appliances, and furnishings. JCFBN is also responsible for maintaining their parking lot, walkways, landscaping and adjacent walks and planter strip.

The operating agreement is meant to outline the way in which JCFBN will operate the shelter to include that they satisfy the grant requirements for reporting, carrying insurance, and enter into a lease with the City.

Staff and legal counsel met with JCFBN and their legal counsel on Friday, February 2nd to work through terms of the agreement. Consensus was made at that meeting and a revised draft is going out to both parties on Tuesday the 6th. The expectation is JCFBN will approve the agreement on Monday, February 12th and deliver the agreement to City staff on February 13th. The final agreement to be approved by Council will be brought the night of the meeting. In preparation, I've attached the proposed documents sent to JCFBN for review prior to the meeting and I will discuss the changes (if any) at the February 13th meeting.

FISCAL INFORMATION:

Annual maintenance to the City is expected to be minimal since it's a new building. Public works will have costs associated with the fire system monitoring (\$35 a month), annual fire alarm testing, and HVAC servicing.

SUPPORTING DOCUMENTATION:

- Operating Agreement between the City of Madras and Jefferson County Faith Based Network
- Lease Agreement between the City of Madras and Jefferson County Faith Based Network

STRATEGIC GOAL:

SHELTER SERVICES CENTER LEASE AGREEMENT

This Shelter Services Center Lease Agreement (this "Lease") is dated February 14, 2024, but made effective for all purposes as of January 10, 2024 (the "Effective Date"), and is entered into between City of Madras ("Landlord"), an Oregon municipal corporation, whose address is 125 SW E Street, Madras, Oregon 97741, and Jefferson County Faith Based Network ("Tenant"), an Oregon nonprofit corporation, whose address is 164 SE 8th Street, Madras, Oregon 97741 and mailing address is PO Box 416, Madras, Oregon 97741

RECITALS:

A. Landlord is the owner of certain real property (and all improvements located thereon) consisting of approximately 28,749.60 square feet commonly known as 61 NW Oak Street, Madras, Oregon 97741, which real property is legally described on the attached Exhibit A (the "Real Property"). City improved the Real Property with the construction of a certain shelter services center building (the "Shelter Services Center") consisting of approximately 3,750 square feet. For purposes of this Lease, the term "Property" means the Real Property and Shelter Services Center (individually and collectively).

B. Tenant desires to operate and manage an overnight shelter and primary hub for social services designed to assist persons experiencing homelessness to move toward stability and self-sufficiency (the "Program") subject to and in accordance with this Lease and that certain Shelter Services Center Operating Agreement dated effective January 10, 2024 between Landlord and Tenant (the "Agreement").

C. Tenant obtained possession of the Property pursuant to the terms of a certain Memorandum of Understanding dated as of the Effective Date between Tenant and Landlord (the "Memorandum"). Subject to the terms and conditions contained in this Lease, Landlord leases the Property to Tenant, and Tenant leases the Property from Landlord, for the Permitted Use (as defined below).

AGREEMENT:

NOW, THEREFORE, in consideration of the parties' mutual obligations contained in this Lease and the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. OCCUPANCY.

1.1 Lease Term. Subject to the terms and conditions contained in this Lease, Landlord leases the Property to Tenant and Tenant leases the Property from Landlord. The term of this Lease and Tenant's obligation to pay Rent (as defined below) commenced on the Effective Date and will continue, subject to the terms and conditions contained in this Lease, until January 9, 2034 (the "Lease Term"), unless sooner terminated or extended as provided in this Lease. The Memorandum is deemed terminated as of the Effective Date.

1.2 Possession; AS-IS.

1.2.1 Landlord and Tenant are bound in accordance with the terms of this Lease from and after the Effective Date. There are no preconditions to the effectiveness of this Lease and/or the performance of its terms.

1.2.2 Landlord represents and warrants to Tenant that, to Landlord's actual knowledge, Landlord and the Property are in material compliance with the Governing Documents and Laws (as defined below) as of the Effective Date. Subject to the terms and conditions contained in this Lease and the Agreement, from and after the Effective Date Landlord will comply and perform its obligations under this Lease, the Agreement, and Governing Documents. Except for Landlord's express representations and warranties contained in this Lease, Landlord makes no representations or warranties, whether express or implied, including, without limitation,

warranties of habitability, merchantability, or fitness for a particular purpose, or any warranties regarding consumer products as defined in the Magnusson-Moss Warranty Act or the Uniform Commercial Code, with respect to the Property and/or Equipment. Landlord has made no promise or agreement to repair, alter, construct, and/or improve the Property and/or Equipment. For purposes of this Section 1.2.2, the phrase “Landlord’s actual knowledge” means the actual, direct, and personal knowledge of Landlord’s public works director (as of the Effective Date) concerning the particular fact or statement, without the public works director having any duty to make any investigation or evaluation with respect to the applicable subject matter.

1.2.3 Tenant represents and warrants that Tenant has entered into this Lease on the basis of its own examination and personal knowledge of the Property and Tenant has not relied on any representation and/or warranty made by Landlord, except those representations and warranties expressly made by Landlord in this Lease and the Agreement. Landlord provided Tenant possession of the Property and Equipment (as defined below) on the Effective Date. Subject to the terms and conditions contained in this Lease, Tenant accepted the Property and Equipment in its AS IS, WHERE IS, AND WITH ALL FAULTS AND DEFECTS condition as of the Effective Date.

1.3 Tenant’s Financial Capability; Authority. Tenant represents and warrants to Landlord the following: (a) as of the Effective Date, Tenant has sufficient financial resources to ensure Tenant’s performance of this Lease and payment of its obligations under this Lease as and when they become due; and (b) prior to the Effective Date, Tenant obtained all federal, state, and local agency approvals concerning or related to Tenant’s operation of the Program from the Property. Tenant will permit Landlord and Landlord’s Agents (as defined below) to inspect and copy Tenant’s books, accounts, records, and financial statements that Landlord may request from time to time. Tenant represents and warrants that Tenant’s books, accounts, records, and financial statements will (v) fairly present the financial condition of Tenant as of the dates and periods specified, (w) be prepared in accordance with sound accounting practices (e.g., generally accepted accounting practices), (x) reflect the consistent application of sound accounting practices throughout the periods involved, (y) represent actual, bona fide transactions, and (z) be maintained in accordance with sound business practices, including, without limitation, the maintenance of an adequate system of internal accounting control.

1.4 Governing Documents. Landlord received grant funds for the acquisition, development, and construction of the Shelter Services Center subject to and in accordance with the Governing Document(s) (as defined in the Agreement), which Governing Documents include the Restrictive Covenants (as defined below). Notwithstanding anything contained in this Lease to the contrary, Landlord’s lease of the Property to Tenant under this Lease is conditioned on Tenant’s timely and proper payment and performance of Tenant’s obligations arising out of or under the Agreement and each Governing Document. Without otherwise limiting the immediately preceding sentence, Tenant’s lease of the Property and operation of the Program from the Property is subject to the terms and conditions contained in that certain Declaration Creating Land Use Restrictive Covenants dated effective January 10, 2024 (the “Restrictive Covenants”) between Landlord and the State of Oregon (acting by and through its Housing and Community Services Department and COIC) recorded in the Jefferson County Official Records as Document No. _____.

1.5 Communication; Coordination. Landlord and Tenant will maintain adequate levels of communication and coordination to ensure maximum cooperation between the parties. Commencing on or about July 10, 2024, and continuing on or about the same day each year thereafter during the Lease Term, Landlord and Tenant will review this Lease, Tenant’s operations, and Tenant’s financial condition to determine whether any changes or modifications to this Lease (and/or Tenant’s operations) are necessary or appropriate. Any changes or modifications to this Lease requires the parties’ mutual written agreement.

1.6 Early Termination. Tenant’s ability to operate the Program and perform its obligations under this Lease and the Agreement is subject to Tenant’s ability to obtain funding from public and/or private sources (such as grants and charitable donations) on terms and conditions that are consistent with Tenant’s mission and acceptable to Tenant. During the Lease Term, Tenant will employ reasonable efforts in good faith to obtain and

maintain funds necessary to operate the Program. Provided Tenant is not then in default under this Lease, if Tenant reasonably determines that Tenant has insufficient funding needed to operate the Program and perform its obligations under this Lease and the Agreement, Tenant has the option (the "Termination Option") to terminate this Lease subject to the following terms and conditions: (a) Tenant will exercise the Termination Option by providing Landlord written notice (the "Termination Notice") no less than 90 days' prior to the applicable Termination Date; (b) subject to the terms and conditions contained in this Lease, upon Tenant's issuance of the Termination Notice, the termination will be effective as of the applicable Termination Date; (c) Tenant will pay and perform all Tenant obligations arising out of or under this Lease through the Termination Date; (d) termination of this Lease will not relieve Tenant of any liabilities and/or obligations that have accrued on or before the Termination Date; (e) Tenant will perform all its Hazardous Substance (as defined below) removal, cleanup, and restoration obligations under Section 3.2.6; and (f) all provisions that would reasonably be expected to survive the termination will do so, including, without limitation, Sections 6.4, 8, and 11.1.

2. RENT; UTILITIES.

2.1 Base Rent. Subject to the terms and conditions contained in this Lease, Tenant will pay Landlord guaranteed minimum annual rent, without offset, in the amount of \$1.00 ("Base Rent"). Base Rent is due and payable to Landlord commencing on the Effective Date. Base Rent will not be prorated with respect to any partial year in which the Lease Term commences and ends. Base Rent will be payable to the order of Landlord at the address first shown above or any other address designated by Landlord from time to time.

2.2 Additional Rent.

2.2.1 Tenant will timely pay in full the following charges, costs, and expenses related to or concerning (whether directly or indirectly) the Property (collectively, "Additional Rent"): (a) all taxes (real property and personal property, if any), general and special assessments, insurance costs, telephone charges, licenses, utility charges, fuel, and all costs, expenses, and/or charges identified under Sections 2.2.2, 2.2.3, and 2.2.4 below; (b) all costs and expenses incurred in connection with Tenant's use, occupancy, maintenance, improvement, and/or repair of the Property (subject to Section 5.1); and (c) all other sums Tenant is required to pay Landlord or any third party under this Lease or otherwise. Additional Rent is due and payable to the applicable payee commencing on the Effective Date. All Rent payable under this Lease will be net to Landlord and all costs, expenses, and obligations imposed on Tenant under this Lease and/or arising out of Tenant's use, occupancy, maintenance, and/or repair of the Property will be paid by Tenant. Tenant will furnish Landlord with receipts or other proof of payment of Additional Rent within 10 days after Landlord's written request. For purposes of this Lease, the term "Rent" means both Base Rent and Additional Rent.

2.2.2 Without otherwise limiting Section 2.2.1, Tenant will pay when due all costs, expenses, and charges for services and utilities incurred in connection with the use, lease, occupancy, operation, repair, maintenance, and/or improvement of the Property (subject to Section 5.1), including, without limitation, charges and expenses for fuel, connection fees, water, gas, electricity, sewage disposal, power, telephone, internet, and cleaning services (including, without limitation, all connection fees, costs, and expenses related thereto).

2.2.3 Tenant will pay before delinquency all real and personal property taxes, general and special assessments, system development charges (concerning Alterations), and all other charges of every description levied on and/or assessed against the Property, any improvements located on the Property, and/or personal property and/or fixtures located on the Property. Tenant will make all such payments directly to the applicable governing authority. If any such tax assessment or charges may be paid in installments, Tenant may elect to do so provided each installment together with interest is paid before it becomes delinquent.

2.2.4 If any utility services are provided by or through Landlord, charges to Tenant will be comparable with prevailing rates for comparable services. If any utility charges are not separately metered or stated, Landlord will apportion the charges on an equitable basis and Tenant will timely pay its apportioned share.

3. PROPERTY USE.

3.1 Permitted Use. Tenant will use the Property for Tenant's operation of the Program and other lawful incidental purposes thereto (the "Permitted Use"). Tenant will not use the Property for any use and/or purpose other than the Permitted Use. Except as expressly provided under this Lease and/or the Agreement, Landlord and/or Landlord's Agents have not made any warranties or representations, whether expressed or implied, concerning the Permitted Use.

3.2 Conditions, Limitations, and Restrictions. In addition to all other conditions, limitations, and/or restrictions contained in this Lease, Tenant represents, warrants, and covenants to perform and comply with the following conditions, limitations, and restrictions concerning the Property, Program, and/or Permitted Use:

3.2.1 Tenant will ensure the safety and security of all Shelter Services Center residents, Landlord (and Landlord's invitees), and neighboring businesses and residences by providing appropriate security and supervision at the Property at all times. Tenant will implement any reasonable additional safety and security measures that Landlord and Tenant mutually and reasonably identify from time to time. Tenant will ensure that no Shelter Services Center illumination and/or audio devices interfere with neighboring properties. Subject to and except as otherwise required under the Laws (as defined below), Tenant will ensure that no animal is brought or placed onto the Property.

3.2.2 Tenant will conform and comply with the Laws. Without otherwise limiting the generality of the immediately preceding sentence, Tenant will conform and comply with the Laws in connection with Tenant's use of the Property for the Permitted Use. Tenant will correct, at Tenant's own expense, any failure of compliance created through Tenant's fault, the Permitted Use, and/or by reason of Tenant's use of the Property. Prior to the Effective Date, Tenant had the opportunity to review (and ask questions concerning) and understands all Laws. Landlord will not be liable for any loss and/or damage to Tenant's property due to theft, vandalism, and/or any other causes, including forces of nature.

3.2.3 Tenant will obtain and maintain all necessary permits, licenses, reviews, studies, inspections, reports (including, without limitation, environmental reports), and approvals required under the Laws to lease, occupy, and use the Property for the Permitted Use. For purposes of this Lease, the term "Law(s)" means all policies, rules, leases, covenants, agreements, conditions, restrictions, easements, declarations, laws, statutes, liens, ordinances, orders, codes, and regulations directly or indirectly affecting the Property, Shelter Services Center, Program, and/or Permitted Use, including, without limitation, the Governing Documents, fire and/or building codes (including those imposed and/or enforced by the State Fire Marshal), the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), and Environmental Laws (as defined below), all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

3.2.4 Tenant will store or locate all vehicles, equipment, tools, and/or supplies inside the Property in a safe, neat, clean, and orderly manner. Tenant will refrain from any activity which would make it impossible to insure the Property against casualty or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau (or its successor) allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional costs of the insurance.

3.2.5 Tenant will refrain from any use and/or activities which would be offensive to Landlord and/or neighboring property, and/or which would tend to create or cause fire risk, a nuisance, and/or damage the reputation of the Property, all as determined by Landlord. Tenant will conduct and operate the Permitted Use and all activities in a safe, prudent, professional, and lawful manner.

3.2.6 Tenant will not cause and/or permit any Hazardous Substances (as defined below) to be spilled, leaked, disposed of, and/or otherwise released on, under, and/or about the Property. Upon the earlier termination or expiration of this Lease, Tenant will properly remove and dispose of all Hazardous Substances

located on the Property. For purposes of this Lease, the term “Environmental Law(s)” means any federal, state, and/or local statute, regulation, and/or ordinance, or any judicial or other governmental order, pertaining to the protection of health, safety, and/or environment; the term “Hazardous Substance(s)” means any hazardous, toxic, infectious, and/or radioactive substance, waste, and/or material as defined or listed by any Environmental Law, including, without limitation, pesticides, aviation fuel, paint, petroleum oil, and their fractions

3.2.7 Tenant will ensure that Shelter Services Center operations will not interrupt the safe and orderly movement of traffic. If necessary, Tenant will provide traffic control. Tenant will prohibit the use and/or consumption of alcohol, illegal drugs, and/or drug paraphernalia on or about the Property, including, without limitation, needles, pipes, and/or spoons. Tenant will ensure that any Shelter Services Center resident who poses a risk to him/herself and/or others is immediately removed from the Property.

3.2.8 No person will, on the grounds of race, color, national origin, and/or other protected classification, be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination in the use and/or access of the Shelter Services Center and/or Property.

3.3 Notice of Action. Tenant will immediately notify Landlord in writing of the occurrence of any of the following events: (a) any criminal, governmental, and/or regulatory action is instituted, completed, and/or threatened against and/or concerning Tenant, the Program, and/or Property; and/or (b) any claim, demand, and/or cause of action is made or threatened by any person against or concerning Tenant, the Program, and/or Property. Tenant will provide Landlord copies of any written documentation related to the foregoing.

4. ALTERATIONS; FURNITURE.

4.1 Alterations (General). Tenant will not make any additions, improvements, modifications, and/or alterations in or to the Property (including the Shelter Services Center) (individually and collectively, “Alteration(s)”), without Landlord’s prior written consent. Any Alterations approved by Landlord will be made in a good and workmanlike manner, in compliance with applicable Laws, at Tenant’s cost and expense.

4.2 Construction of Alterations. Tenant will pay all costs, expenses, and/or charges concerning completion of the Alterations, including, without limitation, charges for labor and materials, and will be responsible for keeping the Property free from all Encumbrances (as defined below). Tenant will obtain, at Tenant’s cost and expense, all building permits, licenses, applications, inspections, and/or approvals necessary, appropriate, and/or otherwise required for the Alterations.

4.3 Ownership; Removal. Alterations will be the property of Landlord when installed, unless the applicable Landlord consent specifically provides otherwise. Alterations completed will, at Landlord’s option, be removed by Tenant, at Tenant’s cost and expense, and the Property restored to its original condition as of the Effective Date.

4.4 Landlord Equipment and Furnishings. On the Effective Date, Landlord provided Tenant those items of equipment and furnishings identified in the attached Schedule 4.4 (the “Equipment”). Subject to the terms and conditions contained in this Lease, Tenant may use the Equipment in connection with its use of the Property for the Permitted Use (and for no other purposes). Tenant will, at Tenant’s cost and expense, maintain the Equipment in good working order and condition, safe for operation, in accordance with all applicable manufacturer repair and/or operating guidelines and requirements and will promptly repair or replace any Equipment that is inoperable, lost, stolen, damaged, and/or destroyed. Except for any express representations or warranties made by Landlord under this Lease, (a) Landlord makes no representations or warranties, whether express or implied, with respect to the Equipment, (b) Landlord has made no promise or agreement to repair, alter, and/or improve the Equipment, and (c) Tenant accepts the Equipment in its AS IS, WITH ALL FAULTS AND DEFECTS condition as of the Effective Date. Tenant must securely maintain all Shelter Services Center keys Landlord provides Tenant. If any Landlord provided keys are lost or destroyed, Tenant will pay Landlord a lost key fee and, if Landlord requires, costs associated with changing the locks.

5. MAINTENANCE AND REPAIRS.

5.1 Landlord Maintenance or Repair Obligations. Subject to the terms and conditions contained in this Lease, Landlord will perform and complete the following repair obligations concerning the Property, which repairs and maintenance will be completed at Landlord's cost and expense:

5.1.1 Repair and maintain the Shelter Services Center's roof and gutters, exterior walls (including painting due to normal wear and tear), siding, load bearing walls, structural members, and the foundation.

5.1.2 Repair the Shelter Services Center's exterior water, sewage, gas, and electrical services to the meter if and provided such repairs are necessary due to defects in materials or workmanship.

5.1.3 Repair the following systems if and provided such repairs are necessary due to defects in materials or workmanship: parking lot lights, streetlights, plumbing system (including plumbing fixtures), electrical system (including all electrical panels, fuse boxes, and in-wall circuitry), and HVAC system.

5.1.4 Repair the Shelter Services Center's windows, lighting fixtures, fired or unfired pressure vessels, fire hose connections, fire sprinkler and/or sand pipe and hose, and/or other automatic fire extinguishing system, including, without limitation, the Shelter Services Center's fire alarm and/or smoke detection systems and equipment.

5.1.5 Repair the Property's sidewalks, curbs, and parking areas which may be required due to defects in materials or workmanship (provided, however, Landlord will not repair any sidewalks, curbs, and/or the parking area due to trees, landscaping, irrigation, and/or normal wear and tear). Landlord will perform the annual fire testing required under the Laws and cover the costs of annual inspections.

Notwithstanding anything contained in this Lease providing otherwise, Landlord will not have any obligation to repair an item identified in this Section 5.1 if the repair is necessary due to Tenant's acts or omissions, including, without limitation, Tenant's failure to properly maintain the identified item in accordance with this Lease. Landlord's obligation to perform any maintenance and/or repairs identified in this Section 5.1 will not mature until a reasonable time (based on the particular facts and circumstances, including the particular repair required) after Landlord has received written notice from Tenant of the required maintenance and/or repairs. If Landlord fails or refuses to timely perform the required maintained and/or repairs under this Section 5.1, Tenant may declare Landlord in default under this Lease in accordance with Section 7.

5.2 Tenant's Obligations. Tenant will maintain, at Tenant's cost and expense, the Property in good order, repair, and condition and will preserve the Property and will not commit nor permit waste. To this end, Tenant will have the following repair and maintenance obligations, which Tenant will complete at Tenant's cost and expense:

5.2.1 Repair and maintain all interior walls (including, without limitation, drywall and the painting of all interior walls), ceilings, and doors of the Shelter Services Center (including all associated hardware). Repair and maintain the Property's irrigation system, including, without limitation, having the system timely blown out each year.

5.2.2 Repair and maintain the carpet (including carpet cleaning), interior trim, walls, and windows. Repair, maintain, and/or replace (as necessary) lightbulbs, appliances (e.g., dishwashers, fridges, ovens, microwaves, etc.), and lockers.

5.2.3 Maintain the Property (including landscaping, sidewalks, driveways, parking area, curbs, and all other areas immediately surrounding the Shelter Services Center, including sidewalks and landscaping adjacent to the Property within public rights-of-way) in good order and repair and in broom-clean condition,

including, without limitation, parking lot striping. All sweeping, mopping, trash collection and removal, and washing required to keep the Property clean and orderly, including, without limitation, snow and ice removal concerning the Property and adjacent sidewalks in accordance with the Laws.

5.2.4 Any repairs or maintenance necessitated by the negligence of Tenant and/or Tenant's Agents (as defined below), except as provided in Section 6.5 dealing with waiver of subrogation, but including repairs and maintenance that would otherwise be the responsibility of Landlord under Section 5.1.

5.2.5 Any repairs or alterations required under Tenant's obligation to comply with the Laws.

5.2.6 All other repairs, alterations, and/or maintenance obligations to the Property which Landlord is not expressly required to make under this Lease.

If Tenant fails or refuses to comply with this Section 5.2, Landlord may make the repair or perform the maintenance and charge the actual costs and expenses of repair or maintenance to Tenant. Tenant will reimburse such expenditures on demand, together with interest at the rate of twelve percent (12%) per annum from the date of expenditure until paid in full. Without otherwise limiting Landlord's right to perform Tenant's repair or maintenance obligations in accordance with this paragraph, if Tenant fails or refuses to timely perform the required maintained and/or repairs under this Section 5.2, Landlord may declare Tenant in default under this Lease in accordance with Section 7.

5.3 Signage; Encumbrances.

5.3.1 Tenant will not be permitted to erect or maintain any signage on or about the Property without Landlord's prior written consent. Any signage authorized by Landlord will be erected and maintained at Tenant's cost and expense. Signage installed by Tenant will be removed by Tenant, at Tenant's cost and expense, upon the expiration or earlier termination of this Lease and the sign location restored to its condition as of the Effective Date unless Landlord elects to retain all or any portion of the signage.

5.3.2 Tenant will keep the Property free from all Encumbrances. Tenant will pay as and when due all claims for work done on and for services rendered or material furnished to the Property. If Tenant fails to pay any such claims to discharge any Encumbrance, Landlord may do so and collect the costs as Rent. Any amount so added will bear interest at the rate of 12% per annum from the date expended by Landlord and will be payable on Landlord's demand. Landlord's payment of Tenant's claims or discharge of any Tenant Encumbrance will not constitute a waiver of any other right or remedy which Landlord may have on account of Tenant's default. If an Encumbrance is filed due to nonpayment, Tenant will, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge the Encumbrance plus any costs, attorney fees, and other charges that are incurred by Landlord due to a foreclosure or sale under the Encumbrance. Tenant will indemnify, defend, and hold Landlord harmless for, from, and against all claims, losses, and/or liabilities arising out of Tenant's failure to comply with this Section 5.3.2. For purposes of this Lease, the term "Encumbrance(s)" means any liens, mortgages, pledges, security interests, reservations, restrictions, adverse claims, and/or other encumbrances.

6. ASSIGNMENT; INSURANCE; INDEMNIFICATION.

6.1 Transfer. Notwithstanding anything contained in this Lease to the contrary, Tenant will not sell, assign, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly, voluntarily, involuntarily, and/or by operation of law) all or any part of Tenant's rights and/or interests in or to this Lease and/or Property (including, without limitation, any Alterations).

6.2 Tenant Insurance. Landlord will keep the Shelter Services Center insured against fire and other risks covered under a standard fire insurance policy with an endorsement for extended coverage, at Tenant's cost and expense. Tenant will maintain, at Tenant's cost and expense, a policy of fire, extended coverage, vandalism,

and malicious mischief insurance insuring the Equipment and Tenant's personal property, furniture, furnishings, and fixtures located in or on the Property. Landlord will not be responsible for any loss or damage to Tenant's personal property, whether or not insured.

6.3 General Liability Insurance. Tenant will procure, and thereafter will continue to carry, general liability insurance (occurrence version) with a responsible licensed Oregon insurance company against personal injury claims arising out of Tenant's activities on, or any condition of, the Property, whether or not related to an occurrence caused, or contributed to, by Landlord's negligence, and will insure the performance by Tenant of Tenant's indemnification obligations under this Lease. Tenant's general liability insurance will have a general aggregate limit of no less than \$2,000,000.00 and a per occurrence limit of no less than \$1,000,000.00 (which aggregate coverage may be satisfied through an umbrella policy). The liability insurance policy will be in form and content satisfactory to Landlord and will contain a severability of interest clause. By separate endorsement, the liability insurance policy will name Landlord and Landlord's officers, employees, agents, and volunteers as additional insureds. The insurance Tenant is required to obtain under this Lease may not be cancelled without 10 days' prior written notice to Landlord. Tenant's insurance will be primary and any insurance carried by Landlord will be excess and noncontributing. Tenant will furnish Landlord with policy copies (including applicable endorsements) evidencing the insurance coverage, endorsements, and provisions Tenant is required to obtain under this Lease upon Tenant's execution of this Lease and at any other time requested by Landlord. If Tenant fails to maintain insurance as required under this Lease, Landlord will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Tenant immediately upon Landlord's demand. Notwithstanding anything contained in this Lease to the contrary, Landlord may increase the minimum levels of insurance Tenant is required to carry under this Lease as Landlord determines necessary or appropriate to ensure Tenant's coverage limits at least equal the applicable Oregon Tort Claims Act liability limits for state or local agencies by providing Tenant 90 days' prior written notice. All policies of insurance which Tenant is required by this Lease to carry will provide that the insurer waives the right of subrogation against Landlord.

6.4 Tenant Indemnification. Tenant releases and will defend, indemnify, and hold Landlord and Landlord's present and future officers, employees, contractors, members, volunteers, representatives, and agents (collectively, "Landlord's Agents") harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) Tenant's and/or Tenant's directors, officers, employees, agents, representatives, invitees, volunteers, and/or contractors (collectively, "Tenant's Agents") acts and/or omissions, including, without limitation, Tenant's and/or Tenant's Agents operations at the Property; (b) Tenant's use of the Property and/or Equipment; (c) Tenant's maintenance, repair, use, and/or operation of the Shelter Services Center and/or Program; (d) Tenant's and/or Tenant's Agents use, storage, treatment, transportation, presence, release, and/or disposal of Hazardous Substances in, on, under, and/or about the Property; and/or (e) Tenant's breach and/or failure to perform any Tenant representation, warranty, covenant, and/or obligation under this Lease. Tenant's indemnification obligations under this Section 6.4 will survive the expiration or earlier termination of this Lease.

6.5 Landlord Indemnification. Subject to the Oregon Tort Claims Act, to the fullest extent permitted under applicable law, Landlord will defend, indemnify, and hold Tenant and Tenant's Agents harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of Landlord's breach and/or failure to perform any Landlord representation, warranty, covenant, and/or obligation under this Lease. Landlord's indemnification obligations under this Section 6.5 will survive the expiration or earlier termination of this Lease.

6.6 Waiver of Subrogation. Neither party will be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire, or any of the risks covered by the property insurance policies required under this Lease, and in the event of insured loss, neither party's insurance company will have a subrogated claim against the other. This waiver will be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies.

7. DEFAULT; REMEDIES.

7.1 Default. Subject to Section 7.2, the occurrence of any one or more of the following events constitutes a default by under this Lease (each an "Event of Default"): (a) Tenant fails to pay Rent and/or any other charge, cost, and/or expense under this Lease when due; (b) a party breaches and/or otherwise fails to perform any of the party's representations, warranties, obligations, and/or covenants contained in this Lease (other than the payment of Rent or other charge, cost, and/or expense under Section 7.1(a)) within 20 days after written notice from the non-defaulting party specifying the nature of the breach and/or failure to perform with reasonable particularity; provided, however, in the case of Tenant, if Tenant's breach and/or failure to perform causes or threatens loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss, Tenant must cure or remedy such breach and/or failure to perform immediately upon receipt of written notice from Landlord; (c) attachment, execution, levy, and/or other seizure by legal process of any right or interest of the party under this Lease if not released within 30 days; (d) a party dissolves, becomes insolvent within the meaning of the United States Bankruptcy Code, as amended from time to time; (e) Tenant's failure for 60 days or more to occupy the Property for the Permitted Use; and/or (f) a party's breach and/or failure to perform any of the party's obligations under the Agreement and/or Governing Documents.

7.2 Remedies.

7.2.1 Upon an Event of Default, the non-defaulting party may elect any one or more of the following remedies: (a) terminate this Lease and/or the Agreement by written notice to the other party; and/or (b) pursue all other rights and remedies provided under this Lease and/or the Agreement. Termination of this Lease will not constitute a waiver or termination of any rights, claims, and/or causes of action the non-defaulting party may have against the other party; the defaulting party's obligations under this Lease, including, without limitation, the defaulting party's indemnification obligations under Section 6, will survive the termination. Tenant acknowledges that one of the primary purposes for requiring Tenant's compliance with the Laws is to ensure Tenant's compliance with the Governing Documents. To this end, Tenant acknowledges and agrees that for any Tenant breach of the provisions hereof, in addition to all other remedies provided by law and/or in equity, Landlord will be entitled to specifically enforce Tenant's obligations under this Lease in a state court of competent jurisdiction.

7.2.2 Without otherwise limiting the remedies identified under Section 7.2.1, if Tenant causes an Event of Default, Landlord may reenter, take possession of the Property, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages. In connection therewith, Landlord will be entitled to recover immediately upon Landlord's written demand Landlord's reasonable costs of reentry and reletting including, without limitation, the cost of any demolition, construction, clean-up, refurbishing, removal of Tenant's property and fixtures, and/or any other expense occasioned by Tenant's failure to quit the Property upon termination and leave the Property in the required condition, including, without limitation, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs.

7.2.3 Tenant will not be entitled to damages and/or any other recovery if Landlord exercises its termination rights under this Lease. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages will bar a later action for damages subsequently accruing. The foregoing remedies will be in addition to and will not exclude any other remedy available to the non-defaulting party under applicable law.

8. SURRENDER; HOLDOVER.

8.1 Improvements and Alterations.

8.1.1 In addition to all other Tenant obligations required under this Lease, upon the earlier termination or expiration of this Lease, Tenant will, at Tenant's cost and expense, pay and perform the following: (a) perform all maintenance and repairs for which Tenant is responsible under this Lease; (b) deliver all keys to

Landlord; and (c) surrender the Property to Landlord in good condition, repair, working order, and appearance, free of waste and debris, in the condition the Property existed as of the Effective Date, reasonable wear and tear excepted. Alterations will, at Landlord's option, be removed by Tenant, at Tenant's cost and expense, and the Property restored to its original condition as of the Effective Date unless Landlord specifically directs otherwise.

8.1.2 Upon the expiration or earlier termination of this Lease, Tenant will surrender to Landlord those items of Equipment identified in the attached Schedule 4.3 that must remain on the Property in good working order and condition, safe for operation, in the condition such Equipment existed as of the Effective Date, reasonable wear and tear excepted.

8.1.3 If Tenant fails to timely surrender the Property in accordance with this Section 8.1, the following will apply: (a) by written notice given to Tenant within 10 days after Tenant's surrender obligations were required to be performed, Landlord may elect to hold Tenant to its surrender obligations under this Section 8.1; (b) Landlord may cause Tenant's surrender obligations to be performed in accordance with this Section 8.1, at Tenant's cost and expense; and/or (c) Landlord may treat Tenant as a holdover tenant under Section 8.3. Tenant is liable to Landlord for all costs and expenses Landlord incurs to cause the Property to be surrendered in accordance with this Section 8.1.

8.2 Tenant Personal Property Removal Obligations. In addition to all other Tenant obligations required under this Lease, upon the earlier termination or expiration of this Lease, Tenant will remove from the Property all furnishings, furniture, equipment, tools, trade fixtures, and personal property which remain its property, including all resulting waste and/or debris. If Tenant fails to timely remove the furnishings, furniture, equipment, tools, trade fixtures, personal property, and all resulting waste and/or debris, the following will apply: (a) at Landlord's election, Tenant will be deemed to have abandoned the property, and Landlord may retain the property and all rights of Tenant with respect to the property will cease; (b) by written notice given to Tenant within 10 days after removal was required, Landlord may elect to hold Tenant to its removal obligations (provided, however, if Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in storage for Tenant's account); (c) Landlord may cause the property to be removed in accordance with this Section 8.2, at Tenant's cost and expense; and/or (d) Landlord may treat Tenant as a holdover tenant under Section 8.3. Tenant is liable to Landlord for all costs and expenses Landlord incurs to cause the property's removal and/or storage with interest at 12% per annum on all such expenses from the date of expenditure by Landlord until paid in full.

8.3 Holdover. If Tenant does not vacate and surrender the Property in accordance with Sections 8.1 and 8.2 at the time required, Landlord will have the option to treat Tenant as a tenant from month-to-month, subject to the provisions of this Lease (except the provisions for term), except that Base Rent will be equal to the fair market rental value of the Property. Failure of Tenant to timely surrender the Property and remove its trade fixtures, furniture, furnishings, equipment, tools, and/or any other personal property in accordance with this Lease will constitute a failure to vacate to which this Section 8.3 will apply. If a month-to-month tenancy results from a holdover by Tenant under this Section 8.3, the tenancy will be terminable at the end of any monthly rental period on written notice from Landlord given not less than 30 days prior to the termination date which will be specified in the notice.

9. DAMAGE; DESTRUCTION.

9.1 Partial Damage. If the Shelter Services Center is partially damaged and Section 9.2 does not apply, Landlord will, within a reasonable amount of time after the date of damage and subject to the availability of insurance proceeds, repair and restore the Shelter Services Center to as near the same condition as the Shelter Services Center existed prior to such damage if such damage is not caused through the fault of Tenant and/or Tenant's Agents. Landlord will have no liability to Tenant for any inconvenience, loss of business, and/or annoyance arising from any loss by fire (or any other casualty) and/or by any repair of any portion of the Property.

9.2 Destruction. If the Shelter Services Center is destroyed or damaged such that the cost of repair or replacement exceeds fifty percent (50%) of the replacement value of the Shelter Services Center before the damage, Landlord will so notify Tenant in writing and either party may elect to terminate this Lease as of the date of the damage or destruction by written notice given to the other no more than 30 days following the date of Landlord's notice to Tenant. In such event, all rights and obligations of the parties will cease as of the date of termination, subject to the terms and conditions contained in this Lease. If neither party elects to terminate, Landlord will proceed to restore the Shelter Services Center to substantially the same form as prior to the damage or destruction.

10. EMINENT DOMAIN.

10.1 Partial Taking. If a portion of the Property is condemned and Section 10.2 does not apply, this Lease will continue on the following terms: (a) Landlord will be entitled to all proceeds of condemnation; (b) Tenant will have no claim against Landlord due to the condemnation; and (c) Landlord will proceed as soon as reasonably possible to make repairs and alterations to the Property necessary to restore the remaining Property to a condition as comparable and reasonably practicable to that existing at the time of the condemnation.

10.2 Total Taking. If a condemning authority takes all the Property, or a portion sufficient to render the remaining portion of the Property reasonably unsuitable for the Permitted Use, this Lease will terminate as of the date title vests in the condemning authorities. Termination of this Lease pursuant to this Section 10.2 will have the same effect as termination by Landlord under Section 9.2. Landlord will be entitled to all proceeds of condemnation and Tenant will have no claim against Landlord due to the condemnation. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power of eminent domain will be treated for the purposes of this Section 10.2 as a taking by condemnation.

11. MISCELLANEOUS.

11.1 Non-waiver; Attorney Fees. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. Waiver by either party of strict performance of any provision of this Lease will not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Lease, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees, expert fees, and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

11.2 Addresses for Notices; Binding Effect. All notices or other communications required or permitted by this Lease must be in writing, must be delivered to the parties at the addresses set forth above, or at any other address that a party may designate by notice to the other parties. Any notice will be considered delivered upon actual receipt if delivered personally, via email or facsimile (with electronic confirmation of delivery), or an overnight delivery service, or at the end of the third business day after the date deposited in the United States mail, postage pre-paid, certified, return receipt requested. Subject to the limitations under Section 6.1 concerning the Transfer of this Lease by Tenant, this Lease will be binding upon and inure to the benefit of the parties, their respective successors and assigns. This Lease (or any memorandum of this Lease) will not be recorded. Tenant will cause Tenant's Agents to conform and comply with this Lease.

11.3 Entry for Inspection; Interest. Upon 24 hours' prior notice, Landlord may enter the Property for the purpose of investigating compliance with the terms of this Lease, general safety inspections, and/or for any other reasonable purposes (as determined by Landlord); provided, however, in the case of an emergency, Landlord may immediately enter the Property. Any payment required to be paid by Tenant under this Lease (and/or any payment made or advanced by Landlord in connection with Landlord's performance of any Tenant obligation

under this Lease) will bear interest at the rate of 12% per annum from the due date (or, if applicable, the date of Landlord's payment) until paid by Tenant in full.

11.4 Severability; Further Assurance; Governing Law; Venue. If a provision of this Lease is determined to be unenforceable in any respect, the enforceability of the provision in any other respect, and of the remaining provisions of this Lease, will not be impaired. The parties will sign such other documents and take such other actions as are reasonably necessary to further effect and evidence this Lease. This Lease is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing the Lease. If any dispute arises regarding this Lease, the parties agree that the sole and exclusive venue for resolution of such dispute will be in Jefferson County, Oregon. All parties submit to the jurisdiction of courts located in Jefferson County, Oregon for any such disputes.

11.5 Entire Agreement; Signatures; Time. This Lease contains the entire understanding of the parties regarding the subject matter of this Lease and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Lease. This Lease may be signed in counterparts. Time is of the essence with respect to each party's performance of its obligations under this Lease. If the date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, the date for such performance or delivery of such notice will be postponed until the next ensuing business day. For purposes of this Lease, a "business day" means a normal working day (i.e., Monday through Friday of each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas, and New Year's).

11.6 Discretion; Additional Provisions; Interpretation. When a party is exercising any consent, approval, determination, and/or similar discretionary action under this Lease, the standard will be the party's commercially reasonable discretion, which discretion will not be unreasonably withheld, conditioned, and/or delayed. The provisions of all exhibits, schedules, instruments, and other documents referenced in this Lease are part of this Lease. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Lease.

11.7 Legal Representation. The parties agree and acknowledge that the law firm of Bryant, Lovlien & Jarvis, P.C. has served as legal counsel to Landlord in the preparation of this Lease and does not represent any other party in connection with this Lease. Tenant agrees and acknowledges that Tenant has consulted with Tenant's own legal counsel or has knowingly waived Tenant's right to do so. The rule of construction that a written instrument is construed against the party preparing or drafting such agreement will specifically not be applicable in the interpretation of this Lease.

IN WITNESS WHEREOF, the undersigned have caused this Lease to be binding and effective for all purposes as of the Effective Date.

LANDLORD:
City of Madras,
an Oregon municipal corporation

TENANT:
Jefferson County Faith Based Network,
an Oregon nonprofit corporation

By: Mike Lepin, Mayor

By: Gary Buss, President

Exhibit A
Real Property

The Real Property is legally described as follows:

Parcel 1 of Partition Plat No. 1991-11, being located in the Northeast quarter of the Southeast quarter of the Southeast quarter of section 2, Township 11 south, Range 13 East of the Willamette Meridian, Jefferson County Oregon.

Schedule 4.4
Equipment

[attached]

SCHEDULE 4.4
MADRAS SHELTER FF&E PURCHASED LIST

Updated: 1/17/2024

Room #	Room Description	Quantity	Item Description	Vendor	Make/Model	Unit Cost	Total Cost	Notes	Needs to stay with Building
102	Laundry Room	2	Laundry Cart	Uline	H-5238	\$352.00	\$704.00		Yes
104	Reception hall	1	Whiteboard - North wall	Amazon	Quartet Magnetic Porcelain 4 x 6	\$319.00	\$319.00		Yes
105	Office	1	Whiteboard - West wall	Amazon	Quartet Magnetic Porcelain 3 x 4	\$217.00	\$217.00		Yes
105	Reception	1	Office Chair	Office Depot	WorkPro Oceanic Mesh/Fabric Ergonomic High Back chair	\$249.99	\$249.99		Yes
105	Reception IT	1	Laptop	Walmart	Acer Aspire 5 15.6 touch screen Windows 11	\$559.99	\$559.99		Yes
105	Reception IT	1	Printer (color capable)	Walmart	Epson ET-3850 Eco tank ink, for printing brochures thick paper	\$349.99	\$349.99		Yes
106	Restroom	1	Corner Cabinet	Amazon	Spirich Home Floor Corner Cabinet	\$75.99	\$75.99		Yes
107	Office	1	Whiteboard - East wall	Amazon	Quartet Magnetic Porcelain 3 x 4	\$217.00	\$217.00		Yes
107	Office (IT)	1	iPad	Amazon	10.9" Apple iPad with WiFi 256GB	\$499.99	\$499.99	Delivery expected 1/16 or 1/17	Yes
107	Office	1	Office Chair	Office Depot	WorkPro Oceanic Mesh/Fabric Ergonomic High Back chair	\$249.99	\$249.99		Yes
107	Office (IT)	1	Laptop	Walmart	Acer Aspire 5 15.6 touch screen Windows 11	\$559.99	\$559.99		Yes
107	Office (IT)	1	Printer (color capable)	Walmart	Epson ET-3850 Eco tank ink, for printing brochures thick paper	\$349.99	\$349.99		Yes
108	Sleeping Room	1	Standing lamp	Walmart	TaoTronic LED Floor Lamp black	\$30.99	\$30.99		Yes
108	Sleeping Room	1	Twin Bed mattress	Walmart	MLILY Ego Blue 10 Inch Twin mattress in a box	\$199.00	\$199.00		No
110	Community Room	1	75" TV	Amazon	Samsung 75 inch	\$797.99	\$797.99	Delivery expected on 1/18	Yes
110	Community Room	1	Electric fireplace with mantel white	Amazon	Belleze Modern 70" Electric fireplace in white	\$439.00	\$439.00		Yes
110	Community Room	4	End Tables	Amazon	Simplihome Acadian 19" square table	\$79.99	\$319.96		Yes
110	Community Room	1	Wall mount for 75" tv	Amazon	USX Mount full motion	\$48.99	\$48.99		Yes
110	Community Room	1	Toddler booster seat	Amazon	Ingenuity SmartClean Toddler Booster Seat for Dining Table with 3-Point Harness Straps, 1 Count (Pack of 1)	\$29.99	\$29.99		Yes
110	Community Room	1	High Chair	Amazon	KUB 3-in-1 Foldable Baby High Chair with Removable Seat & Tray, Adjustable Height & Recline, Locking Wheels	\$179.99	\$179.99		Yes
110	Community Room	3	Stools	Amazon	MAHANCNIS Bar Stools, Set of 2 Bar Chairs, Kitchen Breakfast Bar Stools with Footrest, 25.8" Dining Stools, Rectangular Industrial Bar Chairs, for Dining Room, Kitchen, Rustic Brown BÄHR01012	\$45.99	\$137.97		Yes
110	Community Room	2	Love Seat (vinyl)	Butler	Rio Love Seat Brown	\$1,551.75	\$3,103.50		yes
110	Community Room	2	Arm chairs (vinyl)	Butler	Rio Chairs Brown	\$1,122.00	\$2,244.00		yes
110	Community Room	6	Barstools	Butler	Bistro Bar Stools 42"	\$244.50	\$1,467.00		Yes
110	Community Room		Butler Shipping Fee	Butler			\$2,600.00		
110	Community Room	1	Folding chair cart	Uline	H-2789	\$525.00	\$525.00		Yes
110	Community Room	1	Folding round table cart	Uline	H-3698	\$450.00	\$450.00		Yes
110	Community Room	6	60" Folding Round Tables (plastic)	Uline	H-4843	\$185.00	\$1,110.00		yes
110	Community Room	6	6" rectangle plastic tables	Uline	H-2750FOL	\$105.00	\$630.00		yes
110	Community Room	40	Folding chairs (stackable and rackable) Black	Uline	H-3016	\$48.00	\$1,920.00		yes
110	Community Room	2	Standing lamps	Walmart	Natsyswan 72" Red/Brown	\$52.98	\$105.96		Yes
112	Kitchen	1	Whiteboard - East wall	Amazon	Quartet Magnetic Porcelain 2 x 3	\$144.00	\$144.00		
112	Kitchen	1	BBQ	Home Depot	Dyna-Glo 5-burner propane gas grill in Matte Black with TriVantage Multifunctional Cooking System	\$449.00	\$449.00		Yes
112	Kitchen	1	Microwave	Home Depot	Panasonic 2.2 cu	\$279.00	\$279.00	Delivery expected 1/17	Yes
112	Kitchen		Various Cooking Items	Webstaurant	See Webstaurant spreadsheet for detailed items		\$3,758.16		
112	Kitchen	2	Standing Freezers	Curtis	Reach-In Freezer Artic Air Model No. AF49	\$3,350.00	\$6,700.00		Yes
112	Kitchen	2	Standing Refrigerator	Curtis	Reach-In Refrigerator Artic Air Model No. AR49	\$2,600.00	\$5,200.00		Yes
121	Restroom	1	Cabinet, free standing	Amazon	Tangkula bathroom floor cabinet	\$79.99	\$79.99		Yes
122	Shower room	1	Cabinet, free standing	Amazon	Tangkula bathroom floor cabinet	\$79.99	\$79.99		Yes
122	Shower room	1	Laundry Basket	Amazon	DOKEHOM 29-Inches Enlarged Slim Laundry Basket with Removable Wash Bag on Wheels, Collapsible Rolling Laundry Hamper, Foldable Narrow Corner Clothes Storage Bins (Beige)	\$23.99	\$23.99		yes
122	Shower room	1	Shower products dispenser	Walmart	Homemazx shower shampoo dispenser	\$29.99	\$29.99	Ordered, not delivered	yes
125	Men's Dorm	14	Twin Beds	Shelter Outfitters	Series 600 Single Bed	\$285.00	\$3,990.00		Yes
125	Men's Dorm	14	Twin bed mattress	Shelter Outfitters	HDIS-1 Heavy Duty Inverted Seam Mattress	\$259.00	\$3,626.00		No
131	Supportive Care Dorm	3	Twin Beds	Shelter Outfitters	Series 600 Single Bed	\$285.00	\$855.00		Yes
131	Supportive Care Dorm	3	Mattress for Twin beds	Shelter Outfitters	HDIS-1 Heavy Duty Inverted Seam Mattress	\$259.00	\$777.00		No
131	Supportive Care Dorm	2	Wheelchair, 19" seat	Walmart	Equate Folding transport wheelchair	\$125.00	\$250.00		Yes
132	Restroom	1	Corner Cabinet	Amazon	Spirich Home Floor Corner Cabinet	\$75.99	\$75.99		Yes
134	Restroom	1	Cabinet, free standing	Amazon	Tangkula bathroom floor cabinet	\$79.99	\$79.99		Yes
135	Shower room	1	Cabinet, free standing	Amazon	Tangkula bathroom floor cabinet	\$79.99	\$79.99		Yes
135	Shower room	1	Laundry Basket	Amazon	DOKEHOM 29-Inches Enlarged Slim Laundry Basket with Removable Wash Bag on Wheels, Collapsible Rolling Laundry Hamper, Foldable Narrow Corner Clothes Storage Bins (Beige)	\$23.99	\$23.99		yes

135	Shower room	1	Shower products dispenser	Walmart	Homemaxz shower shampoo dispenser	\$29.99	\$29.99	Ordered, not delivered	yes
136	Women's & Family Dorm	10	Twin Beds	Shelter Outfitters	Series 600 Single Bed	\$285.00	\$2,850.00		yes
136	Women's & Family Dorm	10	Twin bed mattress	Shelter Outfitters	HDIS-1 Heavy Duty Inverted Seam Mattress	\$259.00	\$2,590.00		no
n/a	Sleeping Dorms	27	Totes	Home Depot	Commander Large 27 gallon	\$10.98	\$296.46		no
n/a	Outdoor	1	8 x 12 lockable shed	Old Hickory			\$5,191.00	Ordered 1/17 or 1/18	yes
n/a	Shipping Fees		Beds and mattresses	Shelter Outfitters			\$1,317.69		
n/a	Restroom, shower room and laundry room trashcans	3	13 Gallon trash bags, white, 400 per case	Uline	S-15583	\$68.00	\$204.00		no
n/a	Community Room and Sleeping Dorms	3	23 Gallon Trash bags, 500 count	Uline	S-7320	\$67.00	\$201.00		no
n/a	Offices, and sleeping room small black	2	8 Gallon trash bags, white, 400 per case	Uline	S-23041	\$51.00	\$102.00		no
n/a	Restroom, shower room and laundry room trashcans	6	Rubbermaid 10 gallon	Uline	S-13527	\$16.00	\$96.00		no
n/a	Offices, and sleeping room small black	3	Rubbermaid 7 gallon	Uline	S-9970	\$10.00	\$30.00		no
n/a	Community Room and Sleeping Dorms	5	Rubbermaid Hands-Free Trash Can 23 gallon Beige	Uline	H-2445	\$125.00	\$625.00		no
n/a	Kitchen	2	Slim Jim Trash can 23 Gallon	Uline	H-2894	\$62.00	\$124.00		no
n/a	Kitchen	3	Slim Jim Trash can liners, 200 count	Uline	S-22445	\$69.00	\$207.00		no
n/a	Shipping Fees			Uline			\$313.42		
n/a	Sleeping Dorms	70	Pillows	Walmart	Mainstays Comfort Complete Bed Pillow (2 packs)	\$15.76	\$1,103.20		no
n/a	Shower Rooms	50	Towels	Walmart	Hotel Style Egyptian Cotton Bath towel white 2 pack	\$21.44	\$1,072.00		no
n/a	Sleeping Dorms	2	Twin bed blanket	Walmart	Imr Usa Inc. Waffle Weave Thermal Bed Blanket Twin Size 66x90 Sky Blue 10 pack	\$198.99	\$397.98		no
n/a	Sleeping Dorms	10	Twin bed blanket	Walmart	Bedsure 100% Cotton Blankets Twin-XL White - Waffle Weave Blankets for All Seasons, 66x90 inches (white)	\$27.99	\$279.90		no
n/a	Sleeping Dorms	12	Microfiber twin sheet set	Walmart	NC Home Fashions (purple)	\$11.96	\$143.52		no
n/a	Sleeping Dorms	30	Twin bed mattress cover/waterproof	Walmart	Mainstays waterproof mattress protector, twin	\$7.74	\$232.20		no
n/a	Shower Rooms	1	Washcloths	Walmart	Washcloths 60 pack	\$34.99	\$34.99		no
n/a	Sleeping Dorms	12	Microfiber twin sheet set	Walmart	NC Home Fashions (Serenity blue)	\$11.96	\$143.52		no
n/a	Sleeping Dorms	12	Microfiber twin sheet set	Walmart	NC Home Fashions (white)	\$11.96	\$143.52		no
n/a	Sleeping Dorms	12	Microfiber twin sheet set	Walmart	NC Home Fashions (green)	\$11.96	\$143.52		no
n/a	Sleeping Dorms	12	Microfiber twin sheet set	Walmart	NC Home Fashions (gray)	\$11.96	\$143.52		no
n/a	Sleeping Dorms	12	Microfiber twin sheet set	Walmart	NC Home Fashions (mustard)	\$11.96	\$143.52		no
N/A	IT	1	UPS power supply	Amazon		\$524.99	\$524.99		yes
n/a	IT		WAPs	Amazon		\$0.00	\$3,752.03		yes

\$69,630.31

SCHEDULE 4.4 CONT
Kitchen/Webstaurant Store

Quantity	Item	Description	Item/Model Number	Item Price	Total Price	Notes	Needs to Stay with Building
3	Baking Sheet	18" x 26" baking sheet pan in rim aluminum	Choice 407BUNFULL	\$5.49	\$16.47		yes
3	Baking Sheet	13" x 18" baking sheet pan in rim aluminum	Choice 407BUNHALF	\$4.29	\$12.87		yes
1	Blender	Ava Mix BL2T482J 2 hp Commercial Blender with toggle control and two 48 oz Tritan Containers	AvaMix 928BL2T482J	\$169.99	\$169.99	Ordered but not delivered	yes
4	Bus Tub	Choice 20" x 15" x 7" Gray	Choice 176BT20157GY	\$3.78	\$15.12		yes
3	Cake Pan	18" x 12" x3" Winco non-stick aluminized steel cake pans	Winco 407HRCP1812	\$18.68	\$56.04		yes
2	Cake Pan	13" x 9" x 2 1/4" Winco nonstick rectangular aluminized cake pan	Winco 407HRCP1309	\$12.70	\$25.40		yes
4	Chafing Dish	Choice Economy 8 qt Full Size Stainless Steel Chafer with Holding Frame	#92299850	\$49.98	\$199.92		yes
1	Coffee Maker	Bunn 13300.0003 VP17-3 Low Profile Pourover Coffee Brewer with 3 Warmers	Bunn 234133000003	\$457.00	\$457.00		yes
1	Countertop Induction Range	Avantco IC18DB Double Countertop Induction Range / Cooker - 120V, 1800W	#177IC18DB	\$173.95	\$173.95		Yes
1	Cutting Board	Choice 3 piece 1/2 thick cutting board set	Choice 407305WHKIT	\$39.99	\$39.99		Yes
4	Dish cloth	Chef Revival 12 x 13 striped waffle weave 100% cotton dish cloth	#16751411	\$7.49	\$29.96		no
4	Dish towels	Chef Revival 15: x 25: Green tripe 44 Oz cotton terry oversized chef towel	#167HTI15GS	\$20.49	\$81.96		no
1	Electric Kettle	STAY by Cuisinart WCK170S Stainless Steel 1.7 liter kettle	#WCK170S	\$32.99	\$32.99		Yes
1	Food Storage Containers	Vigor 2 qt Clear Square Polycarbonate Food Storage Container and Green Lid 6 pack	Vigor 247S2CLKT6	\$31.36	\$31.36		Yes
1	Food Storage Containers	Vigor 4 qt Clear Square Polycarbonate Food Storage Container and Green Lid 6 pack	Vigor 247S4CLKT6	\$42.41	\$42.41		Yes
1	Food Storage Containers	Vigor 6 qt Clear Square Polycarbonate Food Storage Container and Green Lid 4pack	Vigor 247S6CLKT4	\$40.83	\$40.83		Yes
2	Fry Pans	Teflon coated set 8" 10" 12"	Vollrath 922FRY3CGWVH	\$139.99	\$279.98		Yes
1	Fry Pans	16" stainless steel nonstick fry pan	Vigor 473SSFRY16X	\$87.28	\$87.28		Yes
2	Glass Decanter	Bunn Black Handle	Bunn 234424000101	\$10.49	\$20.98		Yes
1	Glass Decanter	Bunn Orange Handle	Bunn 234424010101	\$10.49	\$10.49		Yes
1	Knives	Dexter Russell 21009 SofGrip 7-piece Black Handle Slant Knife Block Set	Dexter Russell 21021009	\$154.49	\$154.49		no
1	Knives	Mercer Culinary M14804 3 1/2" Japanese Steel Multi-Purpose Shears	Mercer Culinary 470M14804	\$19.08	\$19.08		no
1	Ladles	Stainless steel ladles, 1 oz	Choice 407OPL1	\$0.74	\$0.74		no
1	Ladles	Stainless steel ladles, 4 oz	Choice 407OPL4	\$1.37	\$1.37		no
1	Ladles	Stainless steel ladles, 6 oz	Choice 407OPL6	\$1.65	\$1.65		no
1	Ladles	Stainless steel ladles, 8 oz	Choice 407OPL8	\$1.83	\$1.83		no
2	Measuring Spoons/Cups	Vollrath 47118 4 piece Stainless Steel Round Measuring Spoon Set	Vollrath 92247118	\$5.59	\$11.18		no
1	Measuring Spoons/Cups	Anchor Hocking 3-Piece Glass Measuring Cup Set	Anchor Hocking 5505517KIT	\$18.09	\$18.09		no
1	Measuring Spoons/Cups	Choice 4-Piece Stainless Steel Measuring Cup Set with Wire Handles	Choice 4074PCHDMC	\$5.40	\$5.40		no
1	Mixer	Kitchen Aid Mixer 8 qut bowl countertop mixer	#519KSM8990OB	\$799.95	\$799.95		yes
1	Mixing Bowls	Choice Stainless Steel Standard Mixing Bowl Set with Silicone Bottom - 5 set	Choice 407MXBSBKT5	\$43.99	\$43.99		yes
1	Roaster Pan	28 quart Choice Aluminum double roaster 24 x 18 x 8 1/2	Choice 471ALRP2418K	\$151.91	\$151.91	returned due to broken lid	yes
1	Rolling Utility Cart	Regency 22" x 39"	Regency 600CT2239WD8	\$419.99	\$419.99		yes

6	Serving Utensils	Acopa Edgeworth 8 3/4" Stainless Steel Extra Heavy Weight Slotted Spoon	Acopa 267750817	\$3.19	\$19.14		no
6	Serving Utensils	Acopa Edgeworth 11 1/4" Stainless Steel Extra Heavy Weight Slotted Spoon	Acopa 267750818	\$2.99	\$17.94		no
4	Spatulas	Choice 10" Heat-Resistant Silicone Spatula	Choice 40710HSPTULA	\$1.37	\$5.48		no
2	Spatulas	Choice 14" Heat-Resistant Silicone Spatula	Choice 40714HSPTULA	\$3.22	\$6.44		no
1	Strainer	Choice 10" Coarse China Cap Strainer	Choice 176S5012C	\$18.50	\$18.50		no
1	Toaster	Avantco THD 1800 Medium Duty 4 slice Commercial Toaster	#184THD1800	\$182.01	\$182.01		Yes
1	Tongs	Choice 9 1/2" black coated handle stainless steel scalloped tongs	Choice 407CUT9BK	\$2.06	\$2.06		no
1	Tongs	Choice 12" black coated handle stainless steel scalloped tongs	Choice 407CUT12BK	\$2.45	\$2.45		no
1	Tongs	Choice 16" black coated handle stainless steel scalloped tongs	Choice 407CUT16BK	\$3.50	\$3.50		no
2	Whisks	Oxo Good Grips 2-piece Silicone Piano Whip/Whisk Set with Rubber Handles	OXO 29711332100	\$22.99	\$45.98		no

\$3,758.16

SHELTER SERVICES CENTER OPERATING AGREEMENT

This Shelter Services Center Operating Agreement (this “Agreement”) is dated February 14, 2024, but made effective for all purposes as of January 10, 2024 (the “Effective Date”), and is entered into between City of Madras (“City”), an Oregon municipal corporation, whose address is 125 SW E Street, Madras, Oregon 97741, and Jefferson County Faith Based Network (“FBN”), an Oregon nonprofit corporation, whose address is 164 SE 8th Street, Madras, Oregon 97741 and mailing address is PO Box 416, Madras, Oregon 97741.

RECITALS:

A. City is the owner of certain real property (and all improvements located thereon) consisting of approximately 28,749.60 square feet commonly known as 61 NW Oak Street, Madras, Oregon 97741, which real property is legally described on the attached Exhibit A (the “Real Property”). City improved the Real Property with the construction of a certain shelter services center building consisting of approximately 3,750 square feet (the “Shelter Services Center”). For purposes of this Agreement, the term “Property” means the Real Property and Shelter Services Center (individually and collectively).

B. City received grant funds for the acquisition, development, and construction of the Shelter Services Center subject to and in accordance with the following:

1. Community Development Block Grant Program Grant Contract dated February 10, 2022 (Contract No. IA2101) between City and State of Oregon (“State”), acting through the Oregon Infrastructure Finance Authority of the Oregon Business Development Department, as amended by that certain Amendment No. 1 dated on or about September 13, 2022 (collectively, the “CDBG Agreement”). Grant funds obtained by City under the CDBG Agreement are 2021-2022 State of Oregon Community Development Block Grant program funds. The CDBG Agreement is attached as Exhibit B.

2. Coronavirus State Fiscal Recovery Fund Grant Agreement (Contract No. 8217) dated June 23, 2022 between City and State of Oregon, acting through the Oregon Department of Administrative Services (the “DAS Agreement”). The DAS Agreement is attached as Exhibit C.

3. Grant Agreement – State of Emergency Due to Homelessness (Contract No. OR-503) dated April 21, 2023 between State of Oregon, acting through the Housing and Community Services Department, and Central Oregon Intergovernmental Council (“COIC”), as amended by that certain Amendment No. 1 dated July 11, 2023 (collectively, the “HCSD Agreement”). COIC’s obligations under the HCSD Agreement have been passed through to City pursuant to the terms and conditions of that certain Subrecipient Agreement (Contract No. EO 23-02-005) dated August 14, 2023 between COIC and City (the “Subrecipient Agreement”). The HCSD Agreement and Subrecipient Agreement are attached as Exhibit D. For purposes of this Agreement, the term “Governing Document(s)” means the CDBG Agreement, DAS Agreement, HCSD Agreement, Subrecipient Agreement, and Restrictive Covenants (as defined below).

C. FBN desires to operate and manage the Program (as defined below) from the Property. This Agreement (together with the Lease (as defined below)) is intended to be the “operating agreement” City and FBN must enter into according to certain requirements contained in the Governing Documents.

AGREEMENT:

NOW, THEREFORE, in consideration of the parties’ mutual covenants and obligations contained in this Agreement and the Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. LEASE AGREEMENT; EARLY TERMINATION.

1.1 Program Operations. Subject to the terms and conditions contained this Agreement and the Lease, FBN will operate and manage an overnight shelter and primary hub for social services designed to assist persons experiencing homelessness to move toward stability and self-sufficiency from and on the Property (the “Program”).

1.2 Governing Documents.

1.2.1 City represents and warrants to FBN that, to City’s actual knowledge, City and the Property are in material compliance with the Governing Documents and Laws (as defined below) as of the Effective Date. Subject to the terms and conditions contained in this Agreement, from and after the Effective Date City will comply and perform its obligations under this Agreement, the Lease, and Governing Documents. For purposes of this Section 1.2.1, the phrase “City’s actual knowledge” means the actual, direct, and personal knowledge of City’s public works director (as of the Effective Date) concerning the particular fact or statement, without the public works director having any duty to make any investigation or evaluation with respect to the applicable subject matter.

1.2.2 FBN will operate and manage the Program subject to and in accordance with the Laws, this Agreement, the Lease, and Governing Documents. Without otherwise limiting the immediately preceding sentence, FBN will comply with those permitted use and change of use requirements, restrictions, and conditions contained in Section 8 of Exhibit A to the CDBG Agreement and Section 5 of Exhibit A to the HCSD Agreement, which includes the obligation to operate the Program from the Property for a period no less than 10 years, commencing from the Effective Date.

1.2.3 At FBN’s cost and expense, FBN will assist City with (a) City’s production and submission of all reports, documents, and information that City may be required to complete and submit under the Governing Documents; and/or (b) any audits and/or reviews that may be conducted the State of Oregon (including its agencies and/or departments) and/or COIC under the Governing Documents.

1.3 Lease Agreement. Subject to the terms and conditions contained in this Agreement, commencing on the Effective Date City will lease the Property to FBN for the purpose of operating and managing the Program and for no other purposes. City will lease the Property to FBN subject to the terms and conditions of that certain Shelter Services Center Lease Agreement dated as of the Effective Date between City and FBN (the “Lease”). A default by either party under the Lease and/or any Governing Document constitutes an Event of Default (as defined below) by the party under this Agreement.

1.4 Early Termination. FBN’s ability to operate the Program and perform its obligations under this Agreement and the Lease is subject to FBN’s ability to obtain funding from public and/or private sources (such as grants and charitable donations) on terms and conditions that are consistent with FBN’s mission and acceptable to FBN. During the term of this Agreement, FBN will employ reasonable efforts in good faith to obtain and maintain funds necessary to operate the Program. Provided FBN is not then in default under this Agreement, if FBN reasonably determines that FBN has insufficient funding needed to operate the Program and perform its obligations under this Agreement and the Lease, FBN has the option (the “Termination Option”) to terminate this Agreement subject to the following terms and conditions: (a) FBN will exercise the Termination Option by providing City written notice (the “Termination Notice”) no less than 90 days’ prior to the applicable Termination Date; (b) subject to the terms and conditions contained in this Agreement, upon FBN’s issuance of the Termination Notice, the termination will be effective as of the applicable Termination Date; (c) FBN will pay and perform all FBN obligations arising out of or under this Agreement through the Termination Date; (d) termination of this Agreement will not relieve FBN of any liabilities and/or obligations that have accrued on or before the Termination Date; and (e) all provisions that would reasonably be expected to survive the termination will do so, including, without limitation, Sections 1.5, 2.5, 4.1, and 4.3.

1.5 Books and Records. During the term of this Agreement, and for a period of three years thereafter (or such longer period as may be required under the Laws), FBN will maintain adequate books, records,

and files concerning the Shelter Services Center, Program, and this Agreement, including, without limitation, those required under the Governing Documents. If requested by City or State, FBN will permit City and/or State to review all FBN books, records, documentation, and/or information City and/or State reasonably determine necessary or appropriate to ascertain FBN's compliance with this Agreement. FBN will cooperate with City and State in conducting any inspection and/or audit. FBN will keep all its books, records, documentation, and/or information at its office located at 164 SE 8th Street, Madras, Oregon 97741. FBN covenants that all books, accounts, and records will be accurate, reflect actual transactions, and be maintained in accordance with sound business practices, including, without limitation, the maintenance of an adequate system of internal accounting control.

1.6 No Representations or Warranties. FBN represents and warrants that FBN has entered into this Agreement on the basis of its own examination and personal knowledge of the Property, Governing Documents, and/or Program and, except for those City representations and warranties expressly made by City in this Agreement and the Lease, FBN has not relied on any representation and/or warranty made by City and/or any other person. FBN has had the opportunity to review the Governing Documents and ask questions and receive answers concerning the Governing Documents, including, without limitation, FBN's reporting obligations under the Governing Documents. FBN is satisfied with its review of the Governing Documents in all respects.

1.7 Restrictive Covenants. FBN's operation of the Program from the Property is subject to the terms and conditions contained in that certain Declaration Creating Land Use Restrictive Covenants dated effective January 10, 2024 (the "Restrictive Covenants") between City and the State of Oregon (acting by and through its Housing and Community Services Department and COIC) recorded in the Jefferson County Official Records as Document No. _____.

2. CENTER OPERATIONS; COMPLIANCE WITH LAWS.

2.1 Operating Procedures; Coordination and Communication. FBN will establish general operating policies, procedures, rules, and/or regulations concerning the operation of the Program from the Property (the "Rules and Regulations"). The Rules and Regulations will be consistent with, and subject to, this Agreement, the Governing Documents, and Laws. FBN will consult with and advise City on all matters concerning the Program and Shelter Services Center reasonably requested by City from time to time.

2.2 Compliance with Laws. FBN will operate and manage the Program subject to and in accordance with the Laws. FBN will correct, at FBN's own expense, any failure of compliance created through FBN's fault and/or by reason of FBN's use of the Property. FBN will obtain all necessary permits, licenses, reviews, studies, inspections, reports (including, without limitation, environmental reports), and approvals required under the Laws to occupy and use the Property for operation of the Program. For purposes of this Agreement, the term "Law(s)" means all policies, rules, leases, covenants, agreements, conditions, restrictions, easements, declarations, laws, statutes, liens, ordinances, orders, codes, and regulations directly or indirectly affecting the Property and/or Program, including, without limitation, the Governing Documents, fire and/or building codes (including those imposed and/or enforced by the State Fire Marshal), the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), and environmental laws, all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

2.3 No Transfer. FBN will not sell, assign, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly, voluntarily, involuntarily, and/or by operation of law) all or any part of FBN's rights and/or interests in or to this Agreement, the Lease, and/or the Property.

2.4 Maintenance; Insurance. Each party will perform the party's Property repair and maintenance obligations contained in the Lease. Each party will obtain and maintain the insurance required under the Lease.

2.5 Indemnification.

2.5.1 FBN will defend, indemnify, and hold City and City's present and future officers, employees, contractors, representatives, volunteers, and agents harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of FBFBN's breach and/or failure to perform any FBN representation, warranty, covenant, and/or obligation contained in this Agreement and/or the Lease. FBN's indemnification obligations provided under this Section 2.5.1 will survive the expiration or earlier termination of this Agreement.

2.5.2 Subject to the Oregon Tort Claims Act, City will defend, indemnify, and hold FBN and FBN's present and future directors, officers, employees, contractors, representatives, volunteers, and agents harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of City's breach and/or failure to perform any City representation, warranty, covenant, and/or obligation contained in this Agreement and/or the Lease. FBN's indemnification obligations provided under this Section 2.5.2 will survive the expiration or earlier termination of this Agreement.

3. TERM; DEFAULT; REMEDIES.

3.1 Term. Subject to the terms and conditions contained in this Agreement, the term of this Agreement commenced on the Effective Date and will remain in full force and effect until the later of January 9, 2034 or the date upon which all obligations arising out of or under the Governing Documents have been performed in full, unless sooner terminated or extended as provided in this Agreement.

3.2 Event of Default. Subject to Section 3.3, either party may terminate this Agreement immediately upon notice to the other party upon the occurrence of any of the following events (each an "Event of Default"): (a) the other party breaches and/or otherwise fails to perform any of the other party's representations, warranties, obligations, and/or covenants contained in this Agreement and/or the Lease when due; (c) in the case of FBN, the attachment, execution, levy, and/or other seizure by legal process of any rights and/or interests of FBN under this Agreement if not released within 30 days; (d) the other party dissolves and/or becomes insolvent within the meaning of the United States Bankruptcy Code, as amended from time to time; and/or (e) in the case of FBN, FBN's failure for 30 days or more to use the Property for Program operations.

3.3 Prior Notice of Default. Prior to any party's termination of this Agreement under Section 3.2, the non-defaulting party will provide the alleged defaulting party prior written notice of the alleged default (the "Default Notice"), which Default Notice will specify with reasonable particularity the default the non-defaulting party believes exists. Commencing on the alleged defaulting party's receipt of the Default Notice, the alleged defaulting party will have 20 days within which to cure or remedy the alleged default(s) (the "Cure Period"); provided, however, in the case of FBN, if FBN's breach and/or failure to perform causes or threatens loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss, FBN must cure or remedy such breach and/or failure to perform immediately upon receipt of written notice from City. Notwithstanding anything contained in this Agreement to the contrary, a non-defaulting party is not required to provide, and the alleged defaulting party is not entitled to receive, a Default Notice upon the alleged defaulting party's commitment of a default under this Agreement for which the alleged defaulting party has previously received a Default Notice within the immediately preceding twelve (12) months (commencing from the date of the previous default).

3.4 Remedies. Upon an Event of Default, the non-defaulting party may elect any one or more of the following remedies: (a) terminate this Agreement and the Lease by providing the other party prior written notice; and/or (b) pursue all other rights and remedies provided under this Agreement and/or the Lease. Termination of this Agreement will not constitute a waiver or termination of any rights, claims, and/or causes of action the non-defaulting party may have against the other party; the defaulting party's obligations under this Agreement, including, without limitation, the defaulting party's indemnification obligations under Section 2.5, will survive the termination. FBN acknowledges that one of the primary purposes for requiring FBN's compliance with the Laws is

to ensure FBN's compliance with the Governing Documents. To this end, FBN acknowledges and agrees that for any FBN breach of the provisions hereof, in addition to all other remedies provided by law and/or in equity, City will be entitled to specifically enforce FBN's obligations under this Agreement in a state court of competent jurisdiction.

4. MISCELLANEOUS.

4.1 Non-waiver; Attorney Fees. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. Waiver by either party of strict performance of any provision of this Agreement will not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees, expert fees, and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

4.2 Addresses for Notices; Binding Effect. All notices or other communications required or permitted by this Agreement must be in writing, must be delivered to the parties at the addresses set forth above, or at any other address that a party may designate by notice to the other parties. Any notice will be considered delivered upon actual receipt if delivered personally, via email or facsimile (with electronic confirmation of delivery), or an overnight delivery service, or at the end of the third business day after the date deposited in the United States mail, postage pre-paid, certified, return receipt requested. Subject to the limitations under Section 2.3 concerning the transfer of this Agreement by FBN, this Agreement will be binding upon and inure to the benefit of the parties, their respective successors and assigns. Each party will cause its directors, officers, employees, volunteers, contractors, and agents to conform and comply with this Agreement.

4.3 Severability; Further Assurance; Governing Law; Venue. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect, and of the remaining provisions of this Agreement, will not be impaired. The parties will sign such other documents and take such other actions as are reasonably necessary to further effect and evidence this Agreement. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing the Agreement. If any dispute arises regarding this Agreement, the parties agree that the sole and exclusive venue for resolution of such dispute will be in Jefferson County, Oregon. All parties submit to the jurisdiction of courts located in Jefferson County, Oregon for any such disputes.

4.4 Entire Agreement; Signatures; Time. This Agreement (and the Lease) contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement. This Agreement may be signed in counterparts. Time is of the essence with respect to each party's performance of its obligations under this Agreement. If the date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, the date for such performance or delivery of such notice will be postponed until the next ensuing business day. For purposes of this Agreement, a "business day" means a normal working day (i.e., Monday through Friday of each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas, and New Year's).

4.5 Discretion; Additional Provisions. When a party is exercising any consent, approval, determination, and/or similar discretionary action under this Agreement, the standard will be the party's commercially reasonable discretion, which discretion will not be unreasonably withheld, conditioned, and/or delayed. The provisions of all exhibits, schedules, instruments, and other documents referenced in this Agreement are part of this Agreement. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular

includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. This Agreement does not create an agency relationship between City and FBN and does not establish a joint venture or partnership between City and FBN. FBN does not have the authority to bind City or represent to any person that FBN is an agent of City.

4.6 FBN Authority. In addition to any other FBN representation, warranty, and/or covenant made in this Agreement, FBN represents, warrants, and covenants to City as follows: (a) FBN is duly organized, validly existing, and in good standing under applicable Oregon law; (b) FBN has full power and authority to sign and deliver this Agreement and the Lease and to perform all FBN's obligations arising under this Agreement and/or the Lease; (c) this Agreement and the Lease are the legal, valid, and binding obligations of FBN, enforceable against FBN in accordance with its terms; and (d) FBN's signing and delivery of this Agreement and the Lease and performance by FBN of all FBN's obligations under this Agreement will not (i) breach any agreement to which FBN is a party, or give any person the right to accelerate any obligation of FBN, (ii) violate any law, judgment, and/or order to which FBN is subject, and/or (iii) require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be effective for all purposes as of the Effective Date.

CITY:
City of Madras,
an Oregon municipal corporation

FBN:
Jefferson County Faith Based Network,
an Oregon nonprofit corporation

By: Mike Lepin, Mayor

By: Gary Buss, President

DUNS No. _____
SAM Registration No. _____

Exhibit A
Legal Description

The Real Property is legally described as follows:

Parcel 1 of Partition Plat No. 1991-11, being located in the Northeast quarter of the Southeast quarter of the Southeast quarter of section 2, Township 11 south, Range 13 East of the Willamette Meridian, Jefferson County Oregon.

Exhibit B
CDBG Agreement

[attached]

STATE OF OREGON
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
GRANT CONTRACT

“Madras Homeless Shelter and Services Center”

This Contract, number IA2101, dated as of the Effective Date (as defined below), is made by the State of Oregon, acting by and through its Oregon Infrastructure Finance Authority of the Oregon Business Development Department (“OBDD”), and the City of Madras, Oregon (“Recipient”).

The parties agree as follows:

SECTION 1 - CONTRACT

This Contract shall include the following, which are by this reference incorporated herein and which, in the event of inconsistency between any of the terms, are to be interpreted in the following order of precedence:

- A. This Contract without any Exhibits;
- B. Special Conditions of Award, attached as Exhibit A;
- C. Recipient’s Certification of Compliance with State and Federal Laws and Regulations and Certification Regarding Lobbying, attached as Exhibit B and Exhibit C, respectively;
- D. A description of the project approved by OBDD (the “Project”), attached as Exhibit D;
- E. Approved Project budget showing breakdown of sources of funds, attached as Exhibit E, which supersedes any prior drafts of the Project budget, including, but not limited to, the Project budget that is in Recipient’s application dated 30 July 2021 (“Application”); and
- F. Information Required by 2 CFR § 200.331(a)(1), attached as Exhibit F.

SECTION 2 - GRANT

In reliance upon Recipient’s Application and Certification of Compliance with State and Federal Laws and Regulations and Certification Regarding Lobbying as described in Exhibit B and Exhibit C, respectively, and subject to the terms and conditions of this Contract, OBDD agrees to provide Recipient funds in the amount of **\$1,500,000** (“Grant Funds”), the use of which is expressly limited to the Project and the activities described in Exhibit D. The use of these funds is also limited to the approved Project budget in Exhibit E and subject to the Special Conditions of Award in Exhibit A. The Grant Funds are comprised of \$1,019,730 from the Community Development Block Grant program and \$480,270 from the Community Development Block Grant - CARES Act (CV2) program.

Subject to the terms and conditions of this Contract, including, but not limited to, the Pre-Expenditure Authorization required under Section 3 below, OBDD shall disburse the Grant Funds to Recipient on an expense-reimbursement basis after OBDD’s receipt and approval of disbursement requests from Recipient, each on a disbursement request form provided by OBDD.

SECTION 3 - PRE-EXPENDITURE AUTHORIZATION

Before Recipient makes any expenditure or incurs any obligation for the Project on account of which it intends to seek reimbursement under Section 2, Recipient must first obtain OBDD’s written authorization to make the expenditure or incur the obligation (“Pre-Expenditure Authorization”).

SECTION 4 - EFFECTIVE DATE; PROJECT COMPLETION DEADLINE

- A. This Contract shall become effective on the date (“Effective Date”) this Contract is fully executed and approved as required by applicable law. The approved grant activities **must be completed within 24 months** from the Effective Date (“Project Completion Deadline”).
- B. By the Project Completion Deadline, all Project activities must be completed (except for the submission of the Project completion report on a form provided by OBDD), and all disbursement requests (except disbursement requests for audit costs, if applicable) must be submitted. Unless exempt from federal audit requirements, the audit for the final fiscal year of the Project shall be submitted to OBDD as soon as possible after it is received by Recipient, but in any event no later than December 31 after the Project Completion Deadline.

SECTION 5 - RECIPIENT’S COVENANTS - COMPLIANCE WITH LAWS

- A. Recipient agrees to comply, and cause its agents, contractors and subgrantees to comply, with all applicable state and federal laws, regulations, policies, guidelines and requirements with respect to the use of and the administration, distribution and expenditure of the funds provided under this Contract, including but not limited to the following as they may be amended from time to time:
- (1) Title I of the Housing and Community Development Act of 1974, 42 U.S.C. §§5301-5321 (1994) (the “Act”) and with all related applicable laws, rules and regulations, including but not limited to Sections 109 and 110 of the Act.
 - (2) Section 104(d) of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §5304(d) (1994), and the regulations promulgated pursuant thereto, and 12 U.S.C. §1735b (1994).
 - (3) Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. §1701u (1994) (employment opportunities to lower income people in connection with assisted projects), and the regulations promulgated pursuant thereto, 24 C.F.R. §135.38 (1997). For Section 3 covered construction projects receiving more than \$200,000 under this Contract, Recipient shall cause or require the Section 3 clause in 24 C.F.R. §135.38 (1997) to be inserted in full in all contracts and subcontracts exceeding \$100,000.
 - (4) Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970, 42 U.S.C. §§4601-4655 (2005), and the regulations promulgated pursuant thereto, 49 C.F.R. §§24.1-24.603 (2005);
 - (5) Davis-Bacon Act, as amended, 40 U.S.C. §§3141 to 3144, 3146 and 3147 (2002); 42 U.S.C. §5310 (1994) (applicable to the rehabilitation of residential property by laborers and mechanics in the performance of construction work only if such property contains not less than eight (8) units); and the Contract Work Hours and Safety Standards Act, 40 U.S.C. §§3704-3708 (1994), and all regulations promulgated pursuant thereto and all other applicable federal laws and regulations pertaining to labor standards.
 - (6) ORS 279C.815 that in certain cases requires the higher of either the state prevailing wage rates or federal Davis-Bacon Act rates be paid to workers on projects in Oregon. Recipient will obtain applicable rates to be paid to workers and other requirements of ORS 279C.815 from the Oregon Bureau of Labor and Industries.
 - (7) Hatch Act, 5 U.S.C. §§7321-7326 (1994) (limiting the political activity of some employees).
 - (8) Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d (1994), and the regulations promulgated pursuant thereto, 24 C.F.R. §§1.1-1.10 (1997). Recipient will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is

provided or improved with the aid of federal financial assistance extended to Recipient, this assurance shall obligate Recipient, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

- (9) Title VIII of the Civil Rights Act of 1968, as amended, popularly known as the Fair Housing Act, 42 U.S.C. §§3601-3631 (1994), *as amended by* Pub. L. 104-76, §§1-3 109 Stat. 787 (1995); Pub. L. 104-66, Title I, §1071(e), 109 Stat. 720 (1995); Pub. L. 90-284, Title VIII, §814A, as added Pub. L. 104-208, Div. A, Title II, §2302(b)(1), 110 Stat. 3009-3421 (1996); Pub. L. 104-294, title VI, §604(b)(15), (27), 110 Stat. 3507, 3508 (1996).
 - (10) Exec. Order No. 11,063, 46 F.R. 1253 (1962), *reprinted as amended in* 42 U.S.C. §1982 (1994) and the regulations promulgated pursuant thereto, 24 C.F.R. §§107.10-107.65 (1997).
 - (11) Exec. Order No. 11,246, 30 F.R. 12319 (1965), *as amended by* Exec. Order No. 11,375, 32 F.R. 14303 (1967), *reprinted in* 42 U.S.C. §2000e (1994), and the regulations promulgated pursuant thereto, 41 C.F.R. §§60-1.1 to 60-999.1 (1997)
 - (12) Age Discrimination Act of 1975, 42 U.S.C. §§6101-6107 (1994).
 - (13) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (1994).
 - (14) Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. §4822 (1994), and the regulations promulgated pursuant thereto, 24 C.F.R. §§35.80-35.98 (1997).
 - (15) Architectural Barriers Act of 1968, 42 U.S.C. §§4151-4156 (1994).
 - (16) Copeland Anti-Racketeering Act, 18 U.S.C. §1951 (1997).
 - (17) ORS 294.305-294.565 and other applicable state laws for county and municipal administration.
 - (18) Special program and grant administration requirements imposed by OBDD related to the acceptance and use of funds provided under this Contract (which requirements have been approved in accordance with the procedures set forth in the Grant Management Handbook, and OBDD's 2021 Program Guidelines (Method of Distribution), which includes requirements regarding "Outcome Performance Measurement Reporting" by Recipient.
 - (19) Economic benefit data requested by OBDD from Recipient on the economic development benefits of the Project, from the Effective Date of this Contract until six (6) years after the Project Completion Deadline. Upon such request by OBDD, Recipient shall, at Recipient's expense, prepare and file the requested data within the time specified in the request. Data shall document specific requested information such as any new direct permanent or retained jobs resulting from the Project and other information to evaluate the success and economic impact of the Project.
- B. When procuring property or services to be paid for in whole or in part with Community Development Block Grant ("CDBG") funds, Recipient shall comply with the Oregon Public Contracting Code (ORS Chapters 279A, 279B, and 279C, as applicable), Chapter 137 (Divisions 046, 047, 048 and 049) of the Oregon Administrative Rules, and ORS Chapter 244, as applicable. The State of Oregon model rules for public bidding and public contract exemptions shall govern procurements under this Contract if Recipient or its public contract review board does not adopt those, or similar, rules. If Recipient or its public contract review board has adopted similar rules, those rules shall apply.

All employers, including Recipient, that employ subject workers in the State of Oregon must comply with ORS 656.017 and provide the required Worker' Compensation coverage, unless such

employers are exempt under ORS 656.126. Recipient shall insure that each of its contractors and subgrantees complies with these requirements.

C. Federal audit requirements. The grant is federal financial assistance, and the Catalog of Federal Domestic Assistance (“CFDA”) number and title is “14.228 Community Development Block Grant.” Recipient is a subrecipient.

(1) If Recipient receives federal funds in excess of \$750,000 in the Recipient’s fiscal year, it is subject to audit conducted in accordance with the provisions of 2 C.F.R. part 200, subpart F. Recipient, if subject to this requirement, shall at its own expense submit to OBDD a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Contract and shall submit or cause to be submitted to OBDD the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of Recipient responsible for the financial management of funds received under this Contract.

(2) Audit costs for audits not required in accordance with 2 C.F.R. part 200, subpart F are unallowable. If Recipient did not expend \$750,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, costs for performance of that audit shall not be charged to the funds received under this Contract.

(3) Recipient shall save, protect and hold harmless OBDD from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Contract. Recipient acknowledges and agrees that any audit costs incurred by Recipient as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between Recipient and the State of Oregon.

SECTION 6 - OTHER COVENANTS OF RECIPIENT

A. The Recipient’s activities funded by this grant must meet one of three national objectives established by the U.S. Congress. Recipient covenants the activities it will undertake with the Grant Funds will meet the following national objective (check one):

- (1) Activities primarily benefitting low- and moderate-income persons;
(24 C.F.R. 570.483(b))
- (2) Activities which aid in the prevention or elimination of slums and blight;
(24 C.F.R. 570.483(c))
- (3) Activities designed to meet community development needs having a particular urgency;
(24 C.F.R. 570.483(d))

B. No employee, agent, consultant, officer, or elected or appointed official of Recipient, or any subrecipient receiving CDBG funds who exercises or has exercised any functions or responsibilities with respect to CDBG activities assisted by the grant made pursuant to this Contract or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have, shall have any interest, direct or indirect, in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, for themselves or those with whom they have family or business ties, during his or her tenure or for one year thereafter.

Recipient shall also establish safeguards to prohibit employees from using their position for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

C. Recipient shall incorporate, or cause to be incorporated, in all purchase orders, contracts or subcontracts regarding the procurement of property or services paid for in whole or in part with

CDBG funds any clauses required by federal statutes, executive orders and implementing regulations.

Recipient shall, and shall cause all participants in lower tier covered transactions to include in any proposal submitted in connection with such transactions the certification that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction.

- D. Recipient shall insert a clause in all documents prepared with the assistance of Grant Funds acknowledging the participation of federal and state CDBG funding.
- E. Recipient shall maintain all fiscal records relating to this Contract in accordance with generally accepted accounting principles for state and municipal corporations established by the National Committee on Governmental Accounting in a publication entitled "Governmental Accounting, Auditing and Financial Reporting (GAAFR)." In addition, Recipient shall maintain any other records pertinent to this Contract in such a manner as to clearly document Recipient's performance. For fair housing and equal opportunity purposes, and as applicable, Recipient's records shall include data on the racial, ethnic and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program. Recipient acknowledges and agrees that OBDD and the Oregon Secretary of State's Office and the federal government (including but not limited to U.S. Department of Housing and Urban Development ("HUD"), the Inspector General, and the General Accounting Office) and their duly authorized representatives shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits in order to perform examinations and audits and make excerpts and transcripts. Recipient shall retain and keep accessible all such books, accounts, records, reports, files, and other papers, or property for a minimum of three (3) years from closeout of the grant hereunder, or such longer period as may be required by applicable law, or until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever date is later.

Recipient shall provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with state and local requirements concerning the privacy of personal records.

- F. This grant and the activities funded by the Grant Funds shall be conducted and administered in conformity with the Civil Rights Act of 1964, 42 U.S.C. §§2000a-2000e (1994), and the Fair Housing Act, and Recipient will affirmatively further fair housing.
- G. Recipient will not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
- (1) such funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under the Act; or
 - (2) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, Recipient certifies to HUD that it lacks sufficient CDBG funds to comply with the requirements of (1).
- H. Recipient will assume all of the responsibilities for environmental review, decision-making and action pursuant to the National Environmental Policy Act of 1969, 42 U.S.C. §4321-4370(d) (1994) ("NEPA"), and such other provisions of law that the applicable regulations specify that would otherwise apply to HUD federal projects, in accordance with Section 104(g) of the Act, 42 U.S.C. §5304(g) (1994). Recipient shall provide such certification as required by the Secretary of HUD.

Recipients will perform reviews in accordance with 24 C.F.R. §58.1 et seq. (2003) and the other federal authorities listed at 24 C.F.R. §58.5 (2003).

- I. All non-exempt Project activities must be reviewed for compliance with 36 C.F.R. §§800.1-800.16 (Protection of Historic Properties) and Exec. Order No. 11,988, 42 Fed. Reg. 26951 (1997), *reprinted as amended in* 42 U.S.C. §4321 note (1994) (Floodplain Management), and Exec. Order No. 11,990, 42 Fed. Reg. 26961 (1997), *reprinted as amended in* 42 U.S.C. §4321 note (1994) (Protection of Wetlands).
- J. Recipient has adopted and will enforce (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations and (2) a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction in accordance with Section 104(l) of the Act.
- K. Recipient shall execute, and shall cause its first tier contractors or subrecipients receiving subcontracts exceeding \$100,000 to execute and file with Recipient, the certification set forth in Exhibit C hereof.
- L. No lead-based paint will be used in residential units.
- M. Recipient shall provide to OBDD documentation of Recipient's efforts and results in meeting the performance measures contained in OBDD's 2021 Program Guidelines (Method of Distribution). Recipient's accomplishment of such performance measures or its failure to do so will be considered by OBDD when awarding future grants.
- N. Indemnity. To the extent authorized by law, Recipient shall defend (subject to ORS chapter 180), indemnify, save and hold harmless OBDD and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability, costs, expenses, attorneys fees and cost awards resulting from, arising out of or related to any actual or alleged act or omission by Recipient, or its officers, employees, agents, contractors or subrecipients; however, the provisions of this Section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.

SECTION 7 - DETERMINATION

OBDD has made the determination that Recipient is a subrecipient, in accordance with 2 CFR §200.330. Recipient agrees to monitor any local government or non-profit organization subrecipient to whom it may pass funds.

SECTION 8 - TERMINATION

- A. OBDD reserves the right to terminate this Contract immediately upon notice to Recipient:
 - (1) if Recipient fails to perform or breaches any of the terms of this Contract; or
 - (2) if Recipient is unable to commence the Project within four (4) months following the Effective Date of this Contract; or
 - (3) if OBDD or the Oregon Community Development Block Grant Program fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to carry out the terms of this Contract; or
 - (4) if federal or state laws, regulations or guidelines are modified or interpreted in such a way that either this grant or the disbursement of Grant Funds are prohibited.

- B. OBDD may impose sanctions on Recipient for failure to comply with provisions of this Contract or OAR Chapter 123, Division 80. When sanctions are deemed necessary, OBDD may withhold unallocated funds, require return of unexpended funds, require repayment of expended funds, or cancel the Contract and recover all funds released prior to the date of notice of cancellation.

SECTION 9 - MISCELLANEOUS

- A. OBDD's obligations are subject to receiving, **within 60 days of receipt**, this Contract, duly executed by an authorized officer of Recipient, and such certificates, documents, opinions and information that OBDD may reasonably require.
- B. OBDD and Recipient are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, 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 Contract.
- C. Notices and Communication. Except as otherwise expressly provided in this Contract, any communication between the parties or notices required or permitted must be given in writing by personal delivery, email, or by mailing the same, postage prepaid, to Recipient or OBDD at the addresses set forth on the signature page of this Contract, or to such other persons or addresses that either party may subsequently indicate pursuant to this Section.

Any communication or notice by personal delivery will be deemed effective when actually delivered to the addressee. Any communication or notice so addressed and mailed will be deemed to be received and effective five (5) days after mailing. Any communication or notice given by email becomes effective 1) upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system or 2) the recipient's confirmation of receipt, whichever is earlier. Notwithstanding this provision, the following notices may not be given by email: notice of default or notice of termination.

- D. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Contract, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This Section applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This Section is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- E. This Contract and attached exhibits (which are by this reference incorporated herein) constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Contract. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties and all necessary state approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and

for the specific purpose given. The failure of OBDD to enforce any provision of this Contract shall not constitute a waiver by OBDD of that or any other provision.

Recipient, by the signature below of its authorized representative, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through its
Oregon Infrastructure Finance Authority
of the Oregon Business Development
Department

CITY OF MADRAS

775 Summer Street NE Suite 200
Salem OR 97301-1280

125 SW E Street
Madras, OR 97741

By: _____
Chris Cummings, Assistant Director for
Economic Development

By: 
The Honorable Richard Ladeby Mayor

Date: _____

Date: February 8, 2022

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

/s/ Wendy Johnson per email dated 24 January 2022
Wendy Johnson, Senior Assistant Attorney General

- Exhibit A: Special Conditions of Award
- Exhibit B: Certification of Compliance
- Exhibit C: Certification Regarding Lobbying
- Exhibit D: Project Description
- Exhibit E: Project Budget
- Exhibit F: Information Required by 2 CFR § 200.331(a)(1)

EXHIBIT A: SPECIAL CONDITIONS OF AWARD: COMMUNITY FACILITY GRANT

Special conditions for a CDBG grant are set forth below, applicable as determined by the nature of the Project.

1. NOT APPLICABLE
2. All matching funds must be secured in writing within four (4) months following the Effective Date of this Contract or the Contract may be terminated. In any case, OBDD will not disburse CDBG funds until Recipient provides OBDD with evidence that all Project matching funds have been received by Recipient.
3. All Project-related contracts must be received by OBDD ten (10) days before they are signed. This includes all Project-related contracts between Recipient and any person or entity who will be administering the grant or performing services under a personal services contract. All Project-related bid documents must be received by OBDD at least ten (10) days before they are advertised.
4. Where the approved Project budget includes local funds and CDBG funds for a specific line item activity, those local funds must be expended before Recipient can request CDBG funds for the activity, unless otherwise authorized by OBDD.
5. Any local funds remaining in an approved non-construction budget line item when that line item activity is completed shall be transferred to the construction line item and shall be expended in accordance with paragraph 4 hereof.
6. Prior to the approval of the first drawdown of grant funds for this Project, Recipient shall provide the following to OBDD:
 - a. Copy of an adopted Fair Housing resolution and evidence that this resolution has been published within six (6) months prior to the grant drawdown.
 - b. Copy of a completed self-evaluation checklist required by Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (1994) or the Americans with Disabilities Act of 1990, 42 U.S.C. §§12111-12213 (1994).
 - c. Fair Housing Resolution affidavit of publication. Publication must be no more than six months prior to submission of Recipient's first disbursement request. Attach a copy of the published Fair Housing Resolution. Recipient must also undertake at least one additional activity to promote fair housing opportunities in its jurisdiction prior to final draw of Grant funds.
 - d. A detailed grant administration plan, substantially in the form of Exhibit 1A in the current Grant Management Handbook, which must be approved by OBDD.
7. Prior to approval of the first disbursement of grant funds for a construction line item of this Project, Recipient shall provide the following to OBDD:
 - a. Evidence that all contractors have been informed of the applicable labor standards requirements for this Project. If the Project has a general contractor, notes or minutes of the preconstruction conference or meeting signed by the general contractor will be required. If Recipient is acting as general contractor and no preconstruction conference is held, Recipient shall submit a preconstruction checklist signed by each specialty contractor.
 - b. Notice of the Start of Construction which includes the Project name and location, date of bid opening, date of award, name of general contractor, and the number of the applicable federal Davis-Bacon wage decision included in the construction contract. If there is no general contractor, a notice shall be completed for each specialty contract.

- c. Copies of the required certified payroll reports from the general contractor and subcontractors whose work is covered by the disbursement request on a form provided by OBDD.

8. a. Change of Use Requirements.

The following condition shall be in effect until five (5) years following the date of issuance by OBDD of a Certificate of Completion for this Project:

- (1) The real property or facility acquired or improved in whole or in part under this Contract shall be operated and maintained for the purposes described in Exhibit E or for other purposes which meet one of the national objectives of the Community Development Block Grant Program and which are eligible under Section 105 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §5305 (1994).
- (2) Any change in use of the facility or disposition of property acquired or improved with CDBG funds must be made in accordance with the standards provided in 24 C.F.R. 570.489(j) (1997).
- (3) In the case where Recipient is not and will not be the owner of the real property or facility being improved with grant funds hereunder, Recipient is responsible for ensuring that the owner of the real property or facility complies with paragraphs 8.a.(1) and (2) above. As a condition of using grant funds under this Contract to improve any such real property or facility, Recipient shall cause the owner of such real property or facility to duly execute and record a trust deed against such real property in favor of Recipient, which trust deed shall be in form and substance satisfactory to OBDD.

- b. The following language must be included in any contract which transfers the property from Recipient to another party:

“It is understood and agreed that this conveyance is made and accepted, and the realty is transferred, on and subject to the covenant, condition, restriction, and reservation that the realty must continue to be used for Homeless Shelter and Services or for another eligible use under Title I of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §§5301-5321 (1994).

This covenant, condition, restriction, and reservation shall apply to and run with the conveyed land. If the realty is not used for the above purposes, then all the right, title, and interest in and to the described property and to the improvements on such property, shall revert to and revest in [Recipient NAME] or its successors and assigns, as fully and completely as if this instrument had not been executed.

No reversion shall render invalid or operate in any way against the lien of any mortgage or deed of trust given with respect to the conveyed realty in good faith, and for value; and on any such reversion [Recipient NAME] shall take title to the conveyed realty subject to any such mortgage or deed of trust. Provided, however, that should any such mortgage or deed of trust be foreclosed, then the title acquired by such foreclosure, and the person or persons who thereby and thereafter become the owner or owners of the conveyed realty, shall be subject to and bound by all the restrictions contained in this instrument; and further provided, that [Recipient NAME] may enforce any covenant, condition, and restriction by any other appropriate action at its sole option.”

- c. The following language must be included in any deed that transfers the property from Recipient to another party:

“This deed is subject to all covenants, restrictions, and agreements of record that are made a part of this deed by reference, including the [INSERT NAME OF DOCUMENT OF SALE OR TRANSFER] which by this reference is incorporated herein, as though such covenants, restrictions, and agreements were fully set forth in this deed. Should any mortgage or deed of trust be foreclosed on the property to which this instrument refers, then the title acquired by such foreclosure, and the person or persons who thereby and thereafter become the owner or owners of such property, shall be subject to and bound by all the restrictions, conditions, and covenants set forth in this instrument.”

9. Recipient shall obtain as-built drawings for buildings that will be available for use by the public.
10. Recipient shall collect and maintain documentation satisfactory to OBDD that the community facility meets the national objective of principal benefit to low- and moderate-income persons. Such documentation shall be:
 - a. Evidence that shows that the primary use of the facility is by persons who are presumed under HUD regulations for the Community Development Block Grant Program to be principally low and moderate income (e.g., elderly or handicapped persons, abused children, battered spouses, homeless persons, illiterate persons or migrant farm workers), or
 - b. Data showing the size and annual income of the immediate family of each person benefitting from the facility so that it is evident that at least 51 percent of the clientele are low and moderate income, or
 - c. Income eligibility requirements which limit the benefits of the facility exclusively to low- and moderate-income persons, or
 - d. Evidence that the benefits of the facility are available to ALL the residents in a particular area and that at least 51 percent of those residents are low and moderate income.
11. Recipient shall expend matching funds in the amount specified in the Project budget, if any. All matching funds must be secured in writing no later than 30 days after the execution of this contract or this contract may be terminated. No CDBG-CV funds may be drawn down unless all Project matching funds are secured. CDBG-CV funds will be drawn prior to drawing any CDBG funds.
12. CDBG-CV shall not be used to pay for eligible costs that have already been paid for, or will be paid for, by another federal program, insurance or other sources.

**EXHIBIT B - RECIPIENT'S CERTIFICATION OF COMPLIANCE
WITH STATE AND FEDERAL LAWS AND REGULATIONS**

Funds for the Oregon Community Development Block Grant Program are provided through a grant to OBDD from the U.S. Department of Housing and Urban Development, under Title I of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §5301 (1994). These funds are subject to various federal statutes and regulations as well as state laws and administrative rules.

Recipient hereby represents, warrants and certifies that:

1. it has complied with all relevant federal and state statutes, regulations, executive orders, policies, guidelines and requirements with respect to the application for and acceptance and use of Oregon Community Development Block Grant funds, including but not limited to the Act;
2. it possesses legal authority to apply for and accept the terms and conditions of the Grant and to carry out the proposed Project;
3. its governing body has duly authorized the filing of the application, including all understandings and assurances contained therein;
4. the person identified as the official representative of Recipient in the application and the Contract is duly authorized to act in connection therewith and to provide such additional information as may be required. Recipient's official representative has sufficient authority to make all certifications on its behalf;
5. the Contract does not and will not violate any provision of any applicable law, rule, regulation or order of any court, regulatory commission, board or administrative agency applicable to Recipient or any provision of Recipient's organic laws or documents; and
6. the Contract has been duly executed by Recipient's highest elected official and delivered by Recipient and will constitute the legal, valid and binding obligations of Recipient, enforceable in accordance with their terms.

Recipient further represents, warrants and certifies that it is following a detailed citizen participation plan which:

1. provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blighted areas and of areas in which funds are proposed to be used;
2. provides citizens with reasonable and timely access to local meetings, information, and records relating to Recipient's proposed use of funds, as required by applicable regulations, and relating to the actual use of funds under the Act;
3. furnishes citizens information concerning the amount of funds available in the current fiscal year and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income, and the proposed activities likely to result in displacement and the plans of Recipient for minimizing displacement of persons as a result of activities assisted with such funds and for relocating persons actually displaced as a result of such activities;
4. provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals, with the level and type of assistance to be determined by Recipient;

5. provides for a minimum of two public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after reasonable notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
6. identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate;
7. provides reasonable advance notice of and opportunity to comment on proposed activities in a grant application to OBDD or as to grants already made substantial changes from Recipient's application to OBDD to activities; and
8. provides the address, phone number and times for submitting complaints and grievances and provides for a timely written answer to written complaints and grievances, within 15 working days where practicable.

Recipient represents, warrants and certifies that:

1. it has complied with its obligations as described in Section 6.F of this Contract; and
2. it is following the State of Oregon Residential Antidisplacement and Relocation Assistance Plan unless it adopts and makes public its own plan which complies with 24 C.F.R. §42.325 (1997). Recipient also certifies that it will minimize the displacement of persons as a result of activities assisted with Oregon CDBG funds.

Recipient further represents, warrants and certifies that:

1. the grant will be conducted and administered in conformity with the Civil Rights Act of 1964, 42 U.S.C. §§2000a-2000e (1994), and the Fair Housing Act, and Recipient will affirmatively further fair housing; and
2. no lead-based paint will be used in residential units.

Recipient further represents, warrants and certifies that:

1. it has carried out its responsibilities as described in Section 6.H of the Contract;
2. the officer executing this certification is its chief executive officer (or other designated officer of Recipient who is qualified under the applicable HUD regulations);
3. such certifying officer consents to assume the status of a responsible federal official under NEPA and other laws specified by the applicable HUD regulations, 24 C.F.R. §§58.1-58.77 (2003); and
4. such certifying officer is authorized and consents on behalf of Recipient and himself/herself to accept the jurisdiction of the federal courts for the purpose of enforcement of his/her responsibility as such an official.


	City of Madras
Signed	 _____
Title	Mayor _____
Date	2/8/22 _____

EXHIBIT C - CERTIFICATION REGARDING LOBBYING (CDBG Awards exceeding \$100,000)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

City of Madras


Signed 
Title Mayor
Date 2/8/2022

EXHIBIT D - PROJECT DESCRIPTION

The Recipient shall purchase real property and construct a year-round homeless services center. The project entails construction of an approximately 3,200 – 3,800 sq. foot facility that will include shelter space, kitchen, common area, office space and reception area.

The Recipient will manage the property acquisition and construction project; a grant administrator has been selected to support the Recipient and to take on environmental review and labor standards compliance. The Recipient will procure an architect for design, will conduct the construction bid process and engage a construction contractor to construct the homeless services center.

EXHIBIT E - PROJECT BUDGET

Line Item Activity	OBDD Funds	Other / Matching Funds
Land Acquisition	211,525	-
Engineering	164,406	-
Architectural	131,525	
Construction	777,404	969,000
Construction Contingency	99,640	-
Labor Standards	20,000	-
Environmental Review	20,000	-
Grant Administration	35,000	-
Legal	5,500	-
System Development Charges	0	31,000
Furnishings	0	49,029
Audit	5,000	-
Building Permits	30,000	-
BOLI Fee	0	971
Total	\$1,500,000	\$1,050,000

EXHIBIT F - INFORMATION REQUIRED BY 2 CFR § 200.331(A)(1)

Federal Award Identification:

- (i) Subrecipient* name (which must match registered name in DUNS): Madras, City of
- (ii) Subrecipient's DUNS number: 025919739
- (iii) Federal Award Identification Numbers (FAIN): B-21-DC-41-0001 - \$1,019,730; and B-20-DW-41-0001 - \$480,270 from Community Development Block Grant - CARES Act (CV2) funds.
- (iv) Federal Award Date: 15 September 2021
- (v) Sub-award Period of Performance Start and End Date: 24 months from Contract execution
- (vi) Total Amount of Federal Funds Obligated by this Contract: \$1,500,000
- (vii) Total Amount of Federal Funds Obligated by this initial Contract and any amendments: \$1,500,000
- (viii) Total Amount of Federal Award to the pass-through entity: \$12,303,168
- (ix) Federal award project description: The FFY 2021 State Community Development Block Grant Program funds will be awarded through a competitive application process to rural communities in Oregon for the following project types: Public Works Projects, Community Facilities, Owner-occupied Housing Rehabilitation and Microenterprise Assistance. CDBG projects will meet the national objective of benefitting low- and moderate-income persons or an urgent need.
- (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity:
 - (a) Name of Federal awarding agency: U.S. Department of Housing and Urban Development
 - (b) Name of pass-through entity: Oregon Business Development Department
 - (c) Contact information for awarding official of the pass-through entity: Ed Tabor, Programs & Incentives Manager, 503-949-3523
- (xi) CFDA Number and Name: 14.228 Community Development Block Grant
Amount: \$1,500,000
- (xii) Is Award R&D? No
- (xiii) Indirect cost rate for the Federal award: N/A

* For the purposes of this Exhibit F, "Subrecipient" refers to Recipient and "pass-through entity" refers to OBDD.

Exhibit C
DAS Agreement

[attached]

**CORONAVIRUS STATE FISCAL RECOVERY FUND
GRANT AGREEMENT**

Contract Number: 8217

This grant agreement (“Contract”), dated as of the date the Contract is fully executed, is between the State of Oregon, acting through its Oregon Department of Administrative Services (“DAS”), and City of Madras (“Recipient”). This Contract becomes effective only when fully signed and approved as required by applicable law (“Effective Date”). Unless extended or terminated earlier in accordance with its terms, this Contract shall expire **October 1, 2024**.

This Contract includes Exhibit A - Contact Information, Use of Funds/Project Description and Reporting Requirements, Exhibit B – Subcontract Insurance Requirements and Exhibit C - Federal Award Identification.

Pursuant to Oregon Laws 2021, chapter 669, section 74, DAS is authorized to distribute grant funds from funds received by the State of Oregon under the federal American Rescue Plan Act Coronavirus State Fiscal Recovery Fund (codified as 42 U.S.C. 802) for the purpose of Jefferson County Housing - Disadvantage Community Shelter as more particularly described in Exhibit A.

SECTION 1 - KEY GRANT TERMS

The following capitalized terms have the meanings assigned below.

Grant Amount: \$750,000.00.

Completion Deadline: June 30, 2024.

SECTION 2 - FINANCIAL ASSISTANCE

DAS shall provide Recipient, and Recipient shall accept from DAS, a grant (the “Grant”) in an aggregate amount not to exceed the Grant Amount.

DAS’s obligations are subject to the receipt of the following items, in form and substance satisfactory to DAS and its Counsel:

- (1) This Contract duly signed by an authorized officer of Recipient; and
- (2) Such other certificates, documents, opinions and information as DAS may reasonably require.

SECTION 3 - DISBURSEMENT

A. Full Disbursement. Upon execution of this Contract and satisfaction of all conditions precedent, DAS shall disburse the full Grant to Recipient.

B. Financing Availability. DAS’s obligation to make, and Recipient’s right to request disbursement under this Contract terminate on the Completion Deadline.

C. Conditions to Disbursements. DAS has no obligation to disburse Grant funds unless:

- (1) DAS has sufficient funds currently available for this Contract; and
- (2) DAS has received appropriations, limitations, allotments or other expenditure authority sufficient to allow DAS, in the exercise of its reasonable administrative discretion, to make payment, and notwithstanding anything in the Contract, occurrence of such contingency does not constitute a

default.

SECTION 4 - USE OF GRANT

As more particularly described in Exhibit A, Recipient will use the Grant to Jefferson County Housing - Disadvantage Community Shelter (the "Project"). Recipient may only use Grant funds to cover Project costs incurred during the period beginning March 3, 2021 and ending on the Completion Deadline ("Eligible Costs"). Recipient must disburse the entire Grant Amount on Eligible Costs no later than the Completion Deadline.

SECTION 5 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

Recipient represents and warrants to DAS as follows:

A. Organization and Authority.

- (1) Recipient is a public body validly organized and existing under the laws of the State of Oregon.
- (2) Recipient has all necessary right, power and authority under its organizational documents and applicable Oregon law to execute and deliver this Contract and incur and perform its obligations under this Contract.
- (3) This Contract has been authorized by an ordinance, order or resolution of Recipient's governing body if required by its organizational documents or applicable law.
- (4) This Contract has been duly executed by Recipient, and when executed by DAS, is legal, valid and binding, and enforceable in accordance with their terms.

B. Compliance with Coronavirus State Fiscal Recovery Fund. Recipient will comply with the terms, conditions and requirements of the federal Coronavirus State Fiscal Recovery Fund (codified at 42 U.S.C. 802) from which the Grant is funded, including all implementing regulations (31 CFR 35.1 *et seq.*) and other guidance promulgated by the U.S. Department of the Treasury (collectively, the "CSFRF").

C. Full Disclosure. Recipient has disclosed in writing to DAS all facts that materially adversely affect the Grant, or the ability of Recipient to perform all obligations required by this Contract. Recipient has made no false statements of fact, nor omitted information necessary to prevent any statements from being misleading. The information contained in this Contract, including Exhibit A, is true and accurate in all respects.

D. Pending Litigation. Recipient has disclosed in writing to DAS all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Grant or the ability of Recipient to perform all obligations required by this Contract.

SECTION 6 - COVENANTS OF RECIPIENT

Recipient covenants as follows:

A. Notice of Adverse Change. Recipient shall promptly notify DAS of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient related to the ability of Recipient to perform all obligations required by this Contract.

B. Compliance with Laws.

- (1) Recipient will comply with the requirements of all applicable federal, state and local laws, rules, regulations, and orders of any governmental authority, except to the extent an order of a governmental authority is contested in good faith and by proper proceedings.
- (2) Recipient is responsible for all federal or state tax laws applicable to its implementation of the Project and its use of the Grant or compensation or payments paid with the Grant.

C. Federal Audit Requirements. The Grant is federal financial assistance, and the associated Assistance Listings number is 21.027. Recipient is a subrecipient.

- (1) If Recipient receives federal funds in excess of \$750,000 in Recipient's fiscal year, it is subject to audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. Recipient, if subject to this requirement, shall at its own expense submit to DAS a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Contract and shall submit or cause to be submitted to DAS the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of Recipient responsible for the financial management of funds received under this Contract.
- (2) Audit costs for audits not required in accordance with 2 CFR part 200, subpart F are unallowable. If Recipient did not expend \$750,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, costs for performance of that audit shall not be charged to the funds received under this Contract.
- (3) Recipient shall save, protect and hold harmless DAS from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Contract. Recipient acknowledges and agrees that any audit costs incurred by Recipient as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between Recipient and the State of Oregon.
- (4) Recipient is authorized to use the Grant to pay itself for those administrative costs that are eligible costs under the CSFRF to implement the Project. DAS's approval of Recipient's administrative costs does not preclude the State of Oregon from later recovering costs from Recipient if the U.S. Department of the Treasury disallows certain costs after an audit.

D. System for Award Management. Recipient must comply with applicable requirements regarding the federal System for Award Management (SAM), currently accessible at <https://www.sam.gov>. This includes applicable requirements regarding registration with SAM, as well as maintaining current information in SAM.

E. Employee Whistleblower Protection. Recipient must comply, and ensure the compliance by subcontractors or subrecipients, with 41 U.S.C. 4712, Program for Enhancement of Employee Whistleblower Protection. Recipient must inform subrecipients, contractors and employees, in writing, in the predominant language of the workforce, of the employee whistleblower rights and protections under 41 U.S.C. 4712.

F. Compliance with 2 CFR Part 200. Recipient must comply with all applicable provision of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, including the Cost Principles and Single Audit Act requirements.

G. Federal Funds. DAS's payments to Recipient under this Grant will be paid by funds received by DAS from the United States Federal Government. Recipient, by signing this Grant certifies neither it nor its employees, contractors, subcontractors or subrecipients who will administer this Contract are currently employed by an agency or department of the federal government.

- H. Insurance. Recipient shall maintain, or cause to be maintained, insurance policies with responsible insurers, insuring against liability, in the coverages and amounts described in Exhibit B.
- I. Return of Undisbursed Grant Funds. Recipient must return to DAS any Grant funds not disbursed by the Completion Deadline.
- J. Financial Records. Recipient will cooperate with DAS to provide all necessary financial information and records to comply with CSFRF reporting requirements, as well as provide DAS the reporting required in Exhibit A. Recipient will keep proper books of account and records on all activities associated with the Grant, including, but not limited to, invoices, cancelled checks, payroll records, instruments, agreements and other supporting financial records documenting the use of the Grant. Recipient will maintain these books of account and records in accordance with generally accepted accounting principles and will retain these books of account and records until five years after the Completion Deadline or the date that all disputes, if any, arising under this Contract have been resolved, whichever is later.
- K. Inspection. Recipient shall permit DAS, and any party designated by DAS, the Oregon Secretary of State's Office, the federal government and their duly authorized representatives, at any reasonable time, to inspect and make copies of any accounts, books and records related to the administration of this Contract. Recipient shall supply any Contract-related information as DAS may reasonably require.
- L. Notice of Event of Default. Recipient shall give DAS prompt written notice of any Event of Default, or any circumstance that with notice or the lapse of time, or both, may become an Event of Default as soon as Recipient becomes aware of its existence or reasonably believes an Event of Default is likely.
- M. Contribution and Recipient Subcontracts.

(1) Contribution.

(i) If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third-Party Claim") against a party (the "Notified Party") with respect to which the other party ("Other Party") may have liability, the Notified Party must promptly notify the Other Party in writing of the Third-Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third-Party Claim. Either party is entitled to participate in the defense of a Third-Party Claim, and to defend a Third-Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this paragraph and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third-Party Claim with counsel of its own choosing are conditions precedent to the Other Party's liability with respect to the Third-Party Claim.

(ii) With respect to a Third-Party Claim for which DAS is jointly liable with Recipient (or would be if joined in the Third-Party Claim), DAS shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of DAS on the one hand and of Recipient on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of DAS on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. DAS's contribution amount in any

instance is capped to the same extent it would have been capped under Oregon law if DAS had sole liability in the proceeding.

(iii) With respect to a Third-Party Claim for which Recipient is jointly liable with DAS (or would be if joined in the Third-Party Claim), Recipient shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by DAS in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of DAS on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of DAS on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

(2) Recipient Subcontracts. Recipient may enter into agreements with contractors or subcontractors (collectively, "Subcontracts") for performance of the Project.

(i) Recipient shall take all reasonable steps to cause its contractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Recipient's contractor or any of the officers, agents, employees or subcontractors of the contractor ("Claims"). It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the contractor from and against any and all Claims.

(ii) Recipient shall require its first-tier contractor(s) that are not units of local government as defined in ORS 190.003, if any, to: i) obtain insurance of the types and in the amounts specified in Exhibit B and meeting the requirements under ADDITIONAL INSURED, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before the contractors perform under its Subcontracts, and ii) maintain the insurance in full force throughout the duration of the Subcontracts. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to DAS. Recipient shall not authorize contractors to begin work under the Subcontracts until the insurance is in full force. Thereafter, Recipient shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. Recipient shall incorporate appropriate provisions in the Subcontracts permitting it to enforce contractor compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. Examples of "reasonable steps" include issuing stop work orders (or the equivalent) until the insurance is in full force or terminating the Subcontracts as permitted by the Subcontracts or pursuing legal action to enforce the insurance requirements. In no event shall Recipient permit a contractor to work under a Subcontract when Recipient is aware that the contractor is not in compliance with the insurance requirements. As used in this section, a "first tier" contractor is a contractor with which Recipient directly enters into a contract. It does not include a subcontractor with which the contractor enters into a contract.

N. Representations and Covenants Regarding Prevailing Wage.

- (1) The prevailing wage rate requirements that may apply to the Project are set forth in ORS 279C.800 through 279C.870, the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) and Oregon Laws 2021, chapter 678, section 17 (collectively, state “PWR”), or, if applicable, 40 U.S.C. 3141 et seq. (federal “Davis-Bacon Act”). If applicable, Recipient shall:
 - a) comply with PWR, require its contractors and subcontractors to pay the applicable PWR or Davis-Bacon Act rates, as applicable, and to comply with all other Oregon Bureau of Labor and Industries (“BOLI”) requirements pursuant to the PWR, including on all contracts and subcontracts and in filing separate public works bonds with the Construction Contractors Board;
 - b) pay to BOLI, within the required timeframe and in the appropriate amount, the project fee required by OAR 839-025-0200 to 839-025-0230, including any additional fee that may be owed upon completion of the Project; and
 - c) unless exempt under Section 17(2) of Oregon Laws 2021, chapter 678, if Recipient is a “public body” and the Project is a “qualified project,” as those terms are defined in Section 17(3) of Oregon Laws 2021, chapter 678, Recipient shall require each contractor in a contract with an estimated cost of \$200,000 or greater to:
 - i. Enter into a project labor agreement that, at a minimum, provides for payment of wages at or above the prevailing rate of wage;
 - ii. Employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations perform under the contract, in a manner consistent with the apprentices’ respective apprenticeship training programs;
 - iii. Establish and execute a plan for outreach, recruitment and retention of women, minority individuals and veterans to perform work under the contract, with the aspirational target of having at least 15 percent of total work hours performed by individuals in one or more of those groups; and
 - iv. Require any subcontractor engaged by the contractor to abide by the requirements set forth in subparagraphs (i), (ii) and (iii) above, if the work to be performed under the subcontract has an estimated cost of \$200,000 or greater.
- (2) Recipient represents and warrants that it is not on the BOLI current List of Contractors Ineligible to Receive Public Works Contracts and that it will not contract with any contractor on this list.
- (3) Pursuant to ORS 279C.817, Recipient may request that the Commissioner of BOLI make a determination about whether the Project is a public works on which payment of the prevailing rate of wage is required under ORS 279C.840.

SECTION 7 - DEFAULT

- A. Recipient Default. Any of the following constitutes an “Event of Default” of Recipient:
- (1) Misleading Statement. Any materially false or misleading representation is made by or on behalf of Recipient, in this Contract or in any document provided by Recipient related to this Grant.
 - (2) Failure to Perform. Recipient fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Contract, other than those referred to in subsection A of this section, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by DAS. DAS may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.
- B. DAS Default. DAS will be in default under this Contract if it fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Contract.

SECTION 8 - REMEDIES

- A. DAS Remedies. Upon the occurrence of an Event of Default, DAS may pursue any remedies available under this Contract, at law or in equity. Such remedies include, but are not limited to, termination of DAS’s obligations to make the Grant or further disbursements, return of all or a portion of the Grant Amount, payment of interest earned on the Grant Amount, and declaration of ineligibility for the receipt of future awards from DAS. If, as a result of an Event of Default, DAS demands return of all or a portion of the Grant Amount or payment of interest earned on the Grant Amount, Recipient shall pay the amount upon DAS’s demand. DAS may also recover all or a portion of any amount due from Recipient by deducting that amount from any payment due to Recipient from the State of Oregon under any other contract or agreement, present or future, unless prohibited by state or federal law. DAS reserves the right to turn over any unpaid debt under this Section 8 to the Oregon Department of Revenue or a collection agency and may publicly report any delinquency or default. These remedies are cumulative and not exclusive of any other remedies provided by law.
- B. Recipient Remedies. In the event of default by DAS, Recipient’s sole remedy will be for disbursement of Grant funds for Eligible Costs of the Project, not to exceed the total Grant Amount, less any claims DAS has against Recipient.

SECTION 9 - TERMINATION

In addition to terminating this Contract upon an Event of Default as provided in Section 8, DAS may terminate this Contract with notice to Recipient under any of the following circumstances:

- A. If DAS anticipates a shortfall in applicable revenues or DAS fails to receive sufficient funding, appropriations, or other expenditure authorizations to allow DAS, in its reasonable discretion, to continue making payments under this Contract.
- B. There is a change in federal or state laws, rules, regulations, or guidelines so that the uses of the Grant are no longer eligible for funding.

This Contract may be terminated at any time by mutual written consent of the parties.

SECTION 10 - MISCELLANEOUS

- A. No Implied Waiver. No failure or delay on the part of DAS to exercise any right, power, or privilege under this Contract will operate as a waiver thereof, nor will any single or partial exercise of any right, power, or privilege under this Contract preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.
- B. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Contract, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- C. Notices and Communication. Except as otherwise expressly provided in this Contract, any communication between the parties or notices required or permitted must be given in writing by personal delivery, email, or by mailing the same, postage prepaid, to Recipient or DAS at the addresses listed in Exhibit A, or to such other persons or addresses that either party may subsequently indicate pursuant to this Section.

Any communication or notice by personal delivery will be deemed effective when actually delivered to the addressee. Any communication or notice so addressed and mailed will be deemed to be received and effective five (5) days after mailing. Any communication or notice given by email becomes effective 1) upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system or 2) the recipient's confirmation of receipt, whichever is earlier. Notwithstanding this provision, the following notices may not be given by email: notice of default or notice of termination.

- D. Amendments. This Contract may not be altered, modified, supplemented, or amended in any manner except by written instrument signed by both parties.
- E. Severability. If any provision of this Contract will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision.
- F. Successors and Assigns. This Contract will be binding upon and inure to the benefit of DAS, Recipient, and their respective successors and assigns, except that Recipient may not assign or transfer its rights, obligations or any interest without the prior written consent of DAS.
- G. Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.


- H. Integration. This Contract (including all exhibits, schedules or attachments) constitutes the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.
- I. No Third-Party Beneficiaries. DAS and Recipient are the only parties to this Contract and are the only parties entitled to enforce the terms of this Contract. Nothing in this Contract gives or provides, or is intended to give or provide, to third persons any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract.
- J. Survival. The following provisions, including this one, survive expiration or termination of this Contract: Sections 6 (excepting 6.H, Insurance), 7, 8, 10.B, 10.C, 10.L and 10.M.
- K. Time is of the Essence. Recipient agrees that time is of the essence under this Contract.
- L. Attorney Fees. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Contract will be entitled to recover from the other its reasonable attorney fees and costs and expenses at trial, in a bankruptcy, receivership or similar proceeding, and on appeal. Reasonable attorney fees shall not exceed the rate charged to DAS by its attorneys.
- M. Public Records. DAS's obligations under this Contract are subject to the Oregon Public Records Laws.

Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
 acting by and through its
 Department of Administrative Services

CITY OF MADRAS

By: 
 George Naughton
 DAS Chief Financial Officer

By: 
 Authorized Representative Signature
Richard Ladebay Mayor
 Authorized Representative Name and Title

Date: 6/23/22

Date: June 14, 2022

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

s/ Samuel B. Zeigler 2/24/2022
 Samuel B. Zeigler, Senior Assistant Attorney General

EXHIBIT A
CONTACT INFORMATION, USE OF FUNDS/ PROJECT DESCRIPTION AND REPORTING REQUIREMENTS

Contact Information:

DAS

State of Oregon, acting by and through its
 Department of Administrative Services
 155 Cottage St. NE
 Salem, OR 97301-3966

Contract Administrator: Jacqueline Kemp

Telephone: 971-374-3310

Email: statefiscal.recoveryfund@das.oregon.gov

Recipient

City of Madras

125 SW E Street
 Madras, Oregon 97741-1346

Contact: Andrew Spreadborough, Neighbor Impact

Telephone: 541-323-6508

Email: andrews@neighborimpact.org

Use of Funds/ Project Description:

The recipient shall complete a complete the Madras Homeless Services Center construction on a 3,200 to 3,800 square foot facility which will provide shelter for up to 25 individuals per night.

Reporting Requirements:

Schedule

Report Name	Frequency	Due Dates
Project Performance Plan	One-Time	45 days after the Effective Date
Quarterly Report	Quarterly	April 15 th , July 15 th , October 15 th , January 15 th
Annual Report	Annually	July 15 th

Project Performance Plan

Recipient shall submit to DAS, using a template and instructions provided by DAS, the following information in the Project Performance Plan:

1. Problem Statement
2. Goal
3. Rationales
4. Assumptions
5. Resources
6. Activities
7. Outputs
8. Short-Term Outcomes
9. Intermediate Outcomes
10. Long-Term Outcomes

Quarterly Reports

Recipient shall submit Quarterly Reports to DAS which shall include such information as is necessary for DAS to comply with the reporting requirements established by 42 U.S.C. 802, guidance issued by the U.S. Treasury, and 2 CFR Part 200 (known as the “Super Circular”). The reports shall be submitted using a template provided by DAS that includes the following information:

1. Expenditure Report
 - a) Quarterly Obligation Amount
 - b) Quarterly Expenditure Amount
 - c) Projects
 - d) Primary Location of Project Performance
 - e) Detailed Expenditures (categories to be provided by DAS)
2. Project Status Update
 - a) Status of project: not started, completed less than 50 percent, completed 50 percent or more, completed.
 - b) Progress since last update including project outputs and achieved outcomes.
 - c) Identify barriers/risks to outcomes and describe actions taken to mitigate delays/risks to the overall project goal.
 - d) Optional: Share with DAS community outreach/engagement or other positive local news stories.

Annual Reports

Recipient shall submit to DAS a report annually on the following, as applicable, using a template provided by DAS:

1. How the Project is Promoting Equitable Outcomes, if applicable
2. How the Project is Engaging with the Community, if applicable

Administrative Costs

Recipient shall also deliver to DAS no later than July 15, 2024, an accounting of all of its direct administrative costs paid by this Grant accompanied by a certification statement that all such costs comply with the CSFRF. Grant funds may not be used to pay for any costs incurred after the Completion Deadline. For any unexpended Grant funds that were allocated for administrative costs as provided in the not-to-exceed amount above, DAS will direct Recipient on how to return or expend any such funds.

EXHIBIT B – SUBCONTRACT INSURANCE REQUIREMENTS

Recipient shall require each of its first-tier contractors that are not units of local government as defined in ORS 190.003 (each a “Contractor”) to obtain, at the Contractor’s expense, the insurance specified in this Exhibit B before performing under this Contract and to maintain it in full force and at the Contractor’s own expense throughout the duration of this Contract, as required by any extended reporting period or continuous claims made coverage requirements, and all warranty periods that apply. Contractors shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to DAS. Coverage shall be primary and non-contributory with any other insurance and self-insurance, with the exception of Professional Liability and Workers’ Compensation. Contractors shall pay for all deductibles, self-insured retention and self-insurance, if any. Recipient shall require and ensure that each of its Contractors complies with these requirements and maintains insurance policies with responsible insurers, insuring against liability, in the coverages and amounts identified below.

WORKERS’ COMPENSATION & EMPLOYERS’ LIABILITY

All employers, including Contractors, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Recipient shall require and ensure that each of its Contractors complies with these requirements. If a Contractor is a subject employer, as defined in ORS 656.023, the Contractor shall also obtain employers' liability insurance coverage with limits not less than \$500,000 each accident. If the Contractor is an employer subject to any other state’s workers’ compensation law, Contractor shall provide workers’ compensation insurance coverage for its employees as required by applicable workers’ compensation laws including employers’ liability insurance coverage with limits not less than \$500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

As applicable, each Contractor shall obtain coverage to discharge all responsibilities and liabilities that arise out of or relate to the Jones Act with limits of no less than \$5,000,000 and/or the Longshoremen’s and Harbor Workers’ Compensation Act.

COMMERCIAL GENERAL LIABILITY:

Required **Not required**

Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the State. This insurance shall include personal and advertising injury liability, products and completed operations, contractual liability coverage for the indemnity provided under this contract, and have no limitation of coverage to designated premises, project or operation. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000.

AUTOMOBILE LIABILITY INSURANCE:

Required **Not required**

Automobile Liability Insurance covering each Contractor’s business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than \$1,000,000 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Use of personal automobile liability insurance coverage may be acceptable if evidence that the policy includes a business use endorsement is provided.

A. Automobile Liability Broadened Pollution Liability Coverage Endorsement

If a Contractor is transporting any type of **hazardous materials** to implement the Project, then endorsements CA 99 48 or equivalent and MSC-90 (if the Contractor is a regulated motor carrier) are required on the Automobile Liability insurance coverage.

PROFESSIONAL LIABILITY:

Required **Not required**

Professional Liability covering any damages caused by an error, omission or any negligent acts related to the services to be provided under this Contract by Contractor and the Contractor's subcontractors, agents, officers, or employees in an amount not less than \$1,000,000 per claim. Annual aggregate limit shall not be less than \$2,000,000. If coverage is on a claims-made basis, then either an extended reporting period of not less than 24 months shall be included in the Professional Liability insurance coverage, or the Contractor shall provide continuous claims made coverage as stated below.

EXCESS/UMBRELLA INSURANCE

Umbrella insurance coverage in the sum of \$2,000,000 shall be provided and will apply over all liability policies, without exception, including but not limited to Commercial General Liability, Automobile Liability, and Employers' Liability coverage. The amounts of insurance for the insurance required under this Contract, including this Excess/Umbrella insurance requirement, may be met by the Contractor obtaining coverage for the limits specified under each type of required insurance or by any combination of underlying, excess and umbrella limits so long as the total amount of insurance is not less than the limits specified for each type of required insurance added to the limit for this excess/umbrella insurance requirement.

ADDITIONAL INSURED:

All liability insurance, except for Workers' Compensation, Professional Liability, and Network Security and Privacy Liability (if applicable), required under this Contract must include an additional insured endorsement specifying the State of Oregon, its officers, employees and agents as Additional Insureds, including additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to a Contractor's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of your ongoing operations must be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations must be on ISO form CG 20 37 07 04 or equivalent.

WAIVER OF SUBROGATION:

Each Contractor shall waive rights of subrogation which the Contractor or any insurer of the Contractor may acquire against the DAS or State of Oregon by virtue of the payment of any loss. Each Contractor will obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the DAS has received a waiver of subrogation endorsement from the Contractor or the Contractor's insurer(s).

CONTINUOUS CLAIMS MADE COVERAGE:

If any of the required liability insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, then the Contractor shall maintain continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of this Contract, for a minimum of 24 months following the later of:

- (i) The Contractor's completion and DAS's acceptance of all Services required under the Contract, or
- (i) DAS or Recipient termination of this Contract, or
- (ii) The expiration of all warranty periods provided under this Contract.

CERTIFICATE(S) AND PROOF OF INSURANCE:

Upon request, each Contractor shall provide to DAS Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. The Certificate(s) shall also include all required endorsements or copies of the applicable policy language effecting coverage required by this Contract. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance DAS has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Contract.

NOTICE OF CHANGE OR CANCELLATION:

Each Contractor or its insurer must provide at least 30 days' written notice to DAS before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

INSURANCE REQUIREMENT REVIEW:

Recipient agrees to periodic review of insurance requirements by DAS under this Contract and to provide updated requirements as mutually agreed upon by Recipient and DAS.

STATE ACCEPTANCE:

All insurance providers are subject to DAS acceptance. If requested by DAS, Recipient shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to DAS's representatives responsible for verification of the insurance coverages required under this Exhibit B.

EXHIBIT C
FEDERAL AWARD IDENTIFICATION
(REQUIRED BY 2 CFR 200.332(A)(1))

(i) Subrecipient* Name: <i>(must match name associated with UEI)</i>	City of Madras
(ii) Subrecipient's Unique Entity Identifier (UEI):	C1V2KNTZ3FY1
(iii) Federal Award Identification Number (FAIN):	SLFRP4454
(iv) Federal award date: <i>(date of award to DAS by federal agency)</i>	July 23, 2021
(v) Grant period of performance start and end dates:	Start: March 3, 2021 End: June 30, 2024
(vi) Grant budget period start and end dates:	Start: March 3, 2021 End: June 30, 2024
(vii) Amount of federal funds obligated by this Grant:	\$750,000.00
(viii) Total amount of federal funds obligated to Subrecipient by pass-through entity, including this Grant:	\$
(ix) Total amount of the federal award committed to Subrecipient by pass-through entity**: <i>(amount of federal funds from this FAIN committed to Recipient)</i>	\$750,000.00
(x) Federal award project description:	Coronavirus State Fiscal Recovery Fund
(xi) a. Federal awarding agency:	U.S. Department of the Treasury
b. Name of pass-through entity:	Oregon Department of Administrative Services
c. Contact information for awarding official of pass-through entity:	Stephanie Tyrer, COVID Fiscal Relief Mgr. statefiscal.recoveryfund@das.oregon.gov
(xii) Assistance listings number, title and amount:	Number: 21.027 Title: Coronavirus State and Local Fiscal Recovery Funds Amount: \$2,648,024,988.20
(xiii) Is award research and development?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(xiv) a. Indirect cost rate for the federal award:	
b. Is the 10% de minimis rate being used per 2 CFR § 200.414?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

* For the purposes of this Exhibit C, "Subrecipient" refers to Recipient and "pass-through entity" refers to DAS.

** The total amount of federal funds obligated to the Subrecipient by the pass-through entity is the total amount of federal funds obligated to the Subrecipient by the pass-through entity during the current state fiscal year.

CERTIFICATE OF COVERAGE

Agent
 PayneWest Insurance, a Marsh & McLennan
 Agency LLC-Madras
 212 SW 4th St, Ste 308
 Madras, OR 97741

This certificate is issued as a matter of information only and confers no rights upon the certificate holder other than those provided in the coverage document. This certificate does not amend, extend or alter the coverage afforded by the coverage documents listed herein.



Named Member or Participant
 City of Madras
 125 SW E St
 Madras, OR 97741

Companies Affording Coverage
 COMPANY A - CIS
 COMPANY B - National Union Fire Insurance Company of Pitts, PA
 COMPANY C - RSUI Indemnity
 COMPANY D - Federal Insurance Company

LINES OF COVERAGE

This is to certify that coverage documents listed herein have been issued to the Named Member herein for the Coverage period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the coverage afforded by the coverage documents listed herein is subject to all the terms, conditions and exclusions of such coverage documents.

	Type of Coverage	Company Letter	Certificate Number	Effective Date	Termination Date	Coverage	Limit
X X X X	General Liability Commercial General Liability Public Officials Liability Employment Practices Occurrence	A	21LMAD	7/1/2021	7/1/2022	General Aggregate: Each Occurrence:	\$15,000,000 \$5,000,000
X X X	Auto Liability Scheduled Autos Hired Autos Non-Owned Autos	A	21LMAD	7/1/2021	7/1/2022	General Aggregate: Each Occurrence:	None \$5,000,000
X X X	Auto Physical Damage Scheduled Autos Hired Autos Non-Owned Autos	A / C	21APDMAD	7/1/2021	7/1/2022		
X	Property	A / C	21PMAD	7/1/2021	7/1/2022		Per Filed Values
X	Boiler and Machinery	D	21BMAD	7/1/2021	7/1/2022		Per Filed Values
	Excess Liability						
X	Excess Crime	B	21ECMAD	7/1/2021	7/1/2022	Per Loss:	\$750,000
	Excess Earthquake						
	Excess Flood						
	Excess Cyber Liability						
	Difference in Conditions						

Description:

Contract Number 8217

State of Oregon, its officers, employees and agents are included as additional insured as required by written contract

Certificate Holder:

State of Oregon
 PO Box 14140
 Salem, OR 97309-5052

CANCELLATION: Should any of the coverage documents herein be cancelled before the expiration date thereof, CIS will provide 30 days written notice to the certificate holder named herein, but failure to mail such notice shall impose no obligation or liability of any kind upon CIS, its agents or representatives, or the issuer of this certificate.

By: **Gunn, Mandy (MMA)**
Digitally signed by Gunn, Mandy (MMA)
 DN: cn=Gunn, Mandy (MMA), ou=MDM
 Date: 2022.06.22 07:43:19 -07'00'

Date:



Oregon Workers' Compensation Certificate of Insurance

Certificate holder:

STATE OF OREGON
PO BOX 14140
SALEM, OR 97309-5052

The policy of insurance listed below has been issued to the insured named below for the policy period indicated. The insurance afforded by this policy is subject to all the terms, exclusions and conditions of such policy; this policy is subject to change or cancellation at any time.

Insured City of Madras 125 SW E St Madras, Or 97741-1346	Producer/contact Marsh & McLennan Agency LLC PayneWest Ins, A Mma Co of Madras 541.325.7247 mgunn@paynewest.com
Issued 06/22/2022 Policy 14855 Period 07/01/2021 to 07/01/2022	Limits of liability Bodily Injury by Accident \$500,000 each accident Bodily Injury by Disease \$500,000 each employee Body Injury by Disease \$500,000 policy limit

Description of operations/locations/special items

Waiver of subrogation effective 07/01/2021 for persons and/or organizations with whom the insured-employer is required by written contract to waive subrogation rights.

Important

This certificate is issued as a matter of information only and confers no rights to the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies above. This certificate does not constitute a contract between the issuing insurer, authorized representative or producer and the certificate holder.

Authorized representative

Chip Terhune
President and CEO

Exhibit D
HCSD Agreement

[attached]

SUBRECIPIENT AGREEMENT

This Subrecipient Agreement (this "Agreement") is entered into between Central Oregon Intergovernmental Council, an Oregon entity organized under ORS Chapter 190 ("COIC"), and City of Madras, a municipal corporation of the State of Oregon. This Agreement is dated August 14, 2023, but made effective for all purposes as of the Effective Date (as defined below).

BACKGROUND

The Parties acknowledge the following background related to this Agreement:

On January 10, 2023, Governor Tina Kotek issued Executive Order 23-02 (the "EO"), which declared a state of emergency due to homelessness. The EO is necessary to rapidly expanding the State's low-barrier shelter capacity, to rehouse people experiencing unsheltered homelessness, and to prevent homelessness to the greatest extent possible. All executive state agencies are authorized, upon further direction from Governor Kotek and the Governor's office, to take any actions authorized under the provisions set forth in ORS 401.168 through ORS 401.192. The EO took immediate effect and remains in effect until January 10, 2024, unless extended or terminated earlier by the Governor.

During the 2023 Session of the Oregon Legislature, the Housing and Community Services Department ("OHCS") was awarded funding from House Bill 5019, subject to passage and approval. OHCS was appropriated funding for both the Biennium ending on June 30, 2023, and the Biennium beginning on July 1, 2023. OHCS will grant funding from this bill through a variety of agreements to further the objectives of Executive Order 23-02, including by granting funds under this Agreement.

Further details on the state of emergency in Oregon can be found at:

<https://www.oregon.gov/oem/Pages/housing-emergency-executive-orders.aspx>
<https://www.coic.org/eo2302/>

AGREEMENT:

By execution of this Agreement, Subrecipient agrees to perform the Services (as defined in Schedule 1.1, *aka* Scope of Work) in accordance with the terms and conditions contained in this Agreement.

WHEREAS, COIC has applied for and received funds from the State of Oregon, acting by and through its Housing and Community Services Department, under EO 23-02; and

WHEREAS, COIC wishes to engage the Subrecipient to assist in utilizing such funds;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Services

- 1.1 Subrecipient shall provide all services identified in Schedule 1.1 (and any other necessary or appropriate tasks and/or services customarily provided by Subrecipient in connection with its performance of those services as described in Schedule 1.1) (collectively, the "Services").

- 1.2 Related to its obligations stated throughout this Section 1, Subrecipient agrees to be bound to timely achieve the goals assigned to it that are stated in the agreement between the State of Oregon and COIC, attached hereto as Exhibit C.
- 1.3 **Standards.** Subrecipient will (i) consult with and advise COIC on all matters concerning the Services reasonably requested by COIC, (ii) devote such time and attention to the performance appropriate for the expeditious and prudent performance of the Services in accordance with Section 1.1, (iii) perform the Services to the best of Subrecipients ability, and (iv) according to industry standards. (*See also* Section 5.1, below)
- 1.4 **Schedule of Services.** Subrecipient will timely perform the Services. Subrecipient's timely performance of each and every subrecipient obligation under this Agreement, including, without limitation, subrecipient performance of the Services, is of the essence.
- 1.5 **Quantity of Work throughout Contract.** The goals, objectives, services and quantities specified within this Agreement are requirements for this funding. COIC retains the right to revise the goals, objective, services, and quantities, and thereby the contract amount as goals and/or objectives change subject to an equitable adjustment in the scope of work, fees, and schedule for completion. COIC shall give Subrecipient 30-day notice of any such change.
- 1.6 **Effective Date and Duration.** The effective date of this agreement is May 17, 2023, ("Effective Date"), and shall remain in effect until and including January 10, 2024 ("Expiration Date") unless terminated or extended as provided in this Agreement. Expenses incurred between January 10, 2023, and the Expiration Date are allowable expenses for grant funds reimbursement, so long as the expenses are incurred pursuant to the performance of the Scope of Work set forth in Schedule 1.1.

2. COMPENSATION

- 2.1 **Eligible Costs and Expenses.** COIC will pass through to Subrecipient no more than \$1,060,536.00 in EO funds for eligible incurred costs and expenses as applicable to the Scope of Work set forth in Schedule 1.1. At its sole discretion and for good cause, COIC may disburse to Subrecipient up to 100% of the total contract price in advance of, or before the completion of performance by Subrecipient of its obligations herein.
- 2.2 **No Benefits.** COIC will not provide any benefits to Subrecipient, and Subrecipient will be solely responsible for obtaining Subrecipient's own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans.
- 2.3 **No Reimbursement of Expenses.** Expenses incurred by Subrecipient and not included in Section 2.1 in connection with the performance of the Services will not be reimbursed by COIC.
- 2.4 **Availability of Funds.** COIC's obligation to pay any amounts and otherwise perform its duties under this Agreement is conditioned upon COIC receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow COIC, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement. Nothing in this Agreement may be construed as permitting any violation of

Article XI, section 7 of the Oregon Constitution or any other law limiting the activities, liabilities, or monetary obligations of COIC.

2.5 Expenditure Restrictions

The following additional expenditure restrictions apply to the Subrecipient Budget as found in Schedule 2.1

- 2.5.1 **Expenditure Period.** The period of performance – the time during which expenditures may be incurred – is January 10th, 2023 through January 10th, 2024 unless otherwise extended at COIC’s discretion.
- 2.5.2 **Cost Reimbursement.** This agreement is based on a cost-reimbursement method of payment.

2.6 Expenditure Considerations. On full execution of the Agreement, the amount of \$1,060,536.00 will be made available based on Schedule 2.1 Section B for expenditures having had occurred between the period of January 10, 2023, and June 30, 2023. After July 1, 2023, and following expenditure of initial funding, the remaining Grant Funds will be available for Authorized Expenses incurred from July 1, 2023, to January 10, 2024, based on Schedule 2.1. The total Grant Funds amount will equal the initial funding amount available prior to June 30, 2023, plus the funding amount available for expenditures following July 1, 2023.

2.7 Budget Line Flexibility. Budget Line Flexibility applies separately to each fund shown within the budget. Any requested exceptions to the following limitations require prior approval and budget modification or waiver:

- 2.7.1 Expenditures by Fund may not exceed Fund budget total(s).
- 2.7.2 No single personnel line item may be over-expended.
- 2.7.3 Over-expenditure of indirect costs are not allowable.
- 2.7.4 Expenditures by cost category (ex. Personnel, operating costs, participant costs) may not exceed cost category budget totals.
- 2.7.5 With the exception of personnel, indirect and support services, which cannot go over budget with approval and budget modification, line items within a cost category (ex. Operating costs, participant costs) may be over or under budget as long as the category in total does not exceed budget.

2.8 Any grant funds disbursed to Subrecipient under this Agreement that exceeded the amount to which Subrecipient is entitled or are expended in violation or contravention of one or more of the provisions of this Agreement, or that remain unexpended on the earlier of termination or expiration of this Agreement must be returned to COIC unless otherwise agreed to by COIC in writing.

3. RELATIONSHIP

3.1 Taxes. COIC will not withhold any taxes from any payments made to Subrecipient, and Subrecipient will be solely responsible for paying all taxes arising out of or resulting from Subrecipient's performance of the Services, including, without limitation, income, social security, workers' compensation, and employment insurance taxes.

3.2 Licenses. Subrecipient will be solely responsible for obtaining any and all licenses, approvals, and/or certificates necessary or appropriate to perform the Services.

3.3 No Agency Relationship. The agreement does not create an agency relationship between COIC and Subrecipient and does not establish a joint venture or partnership between COIC and Subrecipient. Subrecipient does not have any authority to bind COIC or represent to any person that Subrecipient is an agent of COIC.

3.4 Oregon Public Contract Provisions. The contract is subject to the Oregon Public Contract Provisions in Exhibit B. These provisions are updated periodically, and new applicable provisions shall be applied.

3.5 Conflicts. In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence shall control. The precedence of each of the documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: Schedule 1.1, Schedule 1.2, Schedule 2.1, this Agreement without Exhibits, Exhibit A, Exhibit B and Exhibit C.

4. REPRESENTATIONS AND WARRANTIES.

In addition to any other representations or warranties made in this Agreement, each party represents and warrants to the other party as follows:

4.1 Authority and Binding Obligation. The party is duly organized, validly existing, and in good standing under applicable Oregon law. The party has full power and authority to sign and deliver this Agreement and to perform all the party's obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of the party, enforceable against the party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

4.2 No Conflicts. The signing and delivery of this Agreement by the party and the performance by the party of all the party's obligations under this Agreement will not (i) breach any agreement to which the party is subject, or give any person the right to accelerate any obligation of the party, (ii) violate any law, judgement, or order to which the party is subject, or (iii) require the consent, authorization, or approval of any person, including, without limitation, any governmental body.

4.3 Licenses. Prior to the party's execution of this Agreement, the party obtained any and all licenses, approvals, and/or certificates necessary or appropriate to perform the Services (or pass through the EO funds in case of COIC).

5. COVENANTS

5.1 Quality of Service. Subrecipient will perform Services in accordance with industry standards and to the standard of care that other similar municipalities would perform the same work, in the same locality, at the same time, and under the same conditions. Subrecipient will proceed diligently, without delay, in good faith, in a professional manner, and in accordance with this Agreement.

5.2 Insurance. Subrecipient will refer to Exhibit A, attached and incorporated herein, for insurance specifications.

5.3 Workers' Compensation Insurance. Subrecipient will comply with Workers' Compensation Insurance referenced in Exhibit A.

5.4 Compliance with Laws. Subrecipient will comply with any and all applicable federal, state, and local laws, regulations, and ordinances. Subrecipient will obtain and maintain any and all licenses, permits, registrations, and other governmental authorizations required to conduct Subrecipient's business and perform the Services.

5.5 Indemnification. Subrecipient will defend and indemnify COIC, and each present and future employee, director, officer, agent, board member, and authorized representative of COIC, for, from, and against any and all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, reasonable attorneys' fees, resulting from or arising out of, whether directly or indirectly, (i) state or federal anti-trust violations, (ii) damages to person or property caused directly or indirectly by the intentional misconduct, recklessness or negligence of Subrecipient and/or Subrecipient's Representatives (as defined below), and/or (iii) Subrecipient's failure to pay any tax arising out of or resulting from the performance of the Services. Subrecipient's indemnification obligation provided herein will survive the termination of this agreement.

Subrecipient shall indemnify, defend, save and hold harmless State of Oregon and its officers, employees, and agents from and against all claims, actions, liabilities, damages, losses, or expenses, including attorney's fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or intentionally wrongful acts or omissions of the Contractor, or any of its officers, agents, employees, or subcontractors ("Claims")

Neither Subrecipient, nor subcontractor(s), nor any attorney engaged by Subrecipient or its subcontractors, shall defend any claim in the name of the State or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that any part is prohibited from defending State or that any party is not adequately defending State's interests, or that an important government principle is at issue or that it is in the best interests of the State to do so. State reserves all rights to pursue claims it may have against Subrecipient if State elects to assume its own defense.

6. DOCUMENTATION AND RECORD KEEPING

6.1 Records. Subrecipient shall maintain complete and accurate records concerning all services performed. Subrecipient shall establish and maintain records sufficient to enable COIC to (i) determine whether the Subrecipient has complied with this agreement, applicable local, State, and Federal statutes and regulations and the terms and conditions of the funding and (ii) satisfy recordkeeping requirements applicable to the Subrecipient.

6.2 Access and Retention. Subrecipients records concerning the Services, including, without limitation, Subrecipients time and billing records, will be made available to COIC for inspection, copying, and/or audit immediately upon COIC's request. The Subrecipient shall allow COIC, and other authorized representatives of the state and federal government,

access to any books, documents, papers, and records of the Subrecipient that are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions. All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of six years after final audit for the project unless a longer period is required to resolve audit findings or litigation. In such case, it will be requested for a longer period of retention.

6.3 Remedies. With or without inspecting or auditing Subrecipient’s records, documents, etc. as provided for in subsection 6.2 and with or without first terminating this agreement, if COIC determines that Subrecipient has misused, misapplied, or misappropriated funds disbursed to it under this agreement, Subrecipient, upon COIC’s demand to do so, shall immediately return to COIC any or all funds disbursed under this agreement.

7. WARRANTY

[this section intentionally left blank]

8. CONFIDENTIALITY AND NONDISCLOSURE.

8.1 Maintain Confidential Information. [this section intentionally left blank]

9. TERMINATION

9.1 Termination of Agreement. This Agreement may be terminated at any time by the mutual written agreement of COIC and Subrecipient.

9.2 Immediate Termination for Cause. Notwithstanding anything contained in this Agreement to the contrary, COIC may terminate this Agreement immediately upon notice to Subrecipient upon the occurrence of any of the following events: (i) Subrecipient engages in any form of dishonesty or conduct involving moral turpitude related to Subrecipient’s independent contractor relationship with COIC or that otherwise reflects adversely on the reputation or operations of COIC; (ii) Subrecipient fails to comply with any applicable federal, state, or local law, regulation, or ordinance; (iii) problems occur in connection with Subrecipient’s performance of the Services due to Subrecipient’s breach of its obligations under this Agreement; (iv) Subrecipient breaches or otherwise fails to perform any Subrecipient representation, warranty, covenant, and/or obligation contained in this Agreement; and/or COIC determines that Subrecipient has misused, misapplied or misappropriated funds disbursed to it under this agreement.

9.3 Consequences of Termination. Upon termination of this Agreement as set forth in Section 9.2, COIC will not be obligated to reimburse or pay Subrecipient for any continuing contractual commitments to others or for penalties or damages arising from the cancellation of such contractual commitments. Within a reasonable period of time after termination of this Agreement (but in no event greater than ten (10) days after termination), Subrecipient will deliver all materials and documentation, including raw or tabulated data and work in progress, to COIC. Termination of this Agreement by COIC will not constitute a waiver or termination of any rights, claims, and/or causes of action COIC may have against Subrecipient. COIC will pay Subrecipient for services (referenced in Schedule 2.1) performed up to termination, upon detailed invoicing from Subrecipient to COIC. If previous amounts paid to Subrecipient exceed the amount due to Subrecipient under this Agreement, Subrecipient shall promptly pay any excess to COIC.

9.4 Remedies. If a party fails to perform any of its terms, covenants, conditions, or obligations under this Agreement, the non-defaulting party may, in addition to any other remedy provided to the non-defaulting party under this Agreement, pursue any and all remedies available to the non-defaulting party at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

9.4.1 Neither Party shall be liable for any indirect, incidental, consequential, or special damages under this Agreement or for any damages of any sort arising solely from the termination of this Agreement in accordance with its terms.

9.4.2 Subrecipient shall not incur obligations or liabilities after Subrecipient receives proper Notice of termination.

9.5 Default. Subrecipient will be in default under this Agreement upon occurrence of any of the following events:

9.5.1 Subrecipient fails to perform, observe, or discharge any of its covenants, agreement, or obligations under this Agreement, including, but not limited to failure to perform Grant Activities or satisfy performance measures as set forth in Schedule 1.1 and such failure is not remedied within thirty (30) days following notice from COIC specifying such failure; or

9.5.2 Any representation, warranty, or statement made by Subrecipient in this Agreement or in any documents or reports submitted by Subrecipient in connection with this Agreement, concerning the expenditure of Grant Funds or Subrecipient's performance of any of its obligations under this Agreement, is untrue in any material respect when made; or

9.5.3 Subrecipient fails to incur expenses, or to satisfy performance measures, at a rate or in a manner that would result in complete expenditure of Grant Funds in accordance with this Agreement, or successful completion of all performance measures under this Agreement, on or before January 10, 2024, as determined by COIC in its sole discretion.

9.6 Default Remedies. In the event Subrecipient is in default under Section 9.5, COIC may, at its option, pursue any or all of the remedies available under this Agreement and at law or in equity, including, but not limited to: (i) termination of this Agreement under Section 9, (b) reducing, withholding or recovering payment of Grant Funds for activities that Recipient has failed to perform in accordance with this Agreement, (c) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, or (d) exercise of its right of recover of overpayments under Section 2 and Section 6 of this Agreement or setoff, or both.

9.7 Notice of Default. Prior to any termination of this Agreement by COIC pursuant to Section 9, COIC will provide Subrecipient with a written notice of such default and will include in such notice an offer to meet with the senior manager of Subrecipient who has primary responsibility for oversight of the Grant Activities to provide Subrecipient an opportunity to explain the reasons for the default and to present a proposal for curing the default within a time period that is acceptable to COIC. Subrecipient shall have 5 days to accept such offer. If Subrecipient does not accept such offer within such 5-day period, COIC may terminate this Agreement upon 10 days' written notice as provided in Section 9.1 or exercise any other remedies available to COIC under this Agreement unless Subrecipient

has fully cured such default prior to the expiration of such 10-day notice period. If Subrecipient accepts such offer, the meeting must be held within 14 days of such acceptance or at such other time as agreed by COIC. Following the meeting, COIC shall make a determination, in its reasonable discretion, of whether to accept Subrecipient's proposal, with such modifications as are mutually acceptable to the Parties, and shall give written notice of such determination to Subrecipient. If COIC's written notice states that COIC does not agree to such proposal, or if COIC accepts such proposal but Subrecipient does not satisfy the terms of the proposal, COIC may terminate this Agreement upon 10 days of written notice as provided in Section 9.1 or exercise any other remedies available to COIC under this Agreement unless Subrecipient has fully cured such default prior to the expiration of such 10-day notice period.

10. MISCELLANEOUS

10.1 Severability. Each provision contained in this agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein.

10.2 Notices. Unless otherwise specified in this Agreement, any Notice required under this Agreement must be in writing. Any notice will be deemed given when personally delivered or delivered by facsimile transmission (with electronic confirmation of delivery), or will be deemed given three business days following delivery of the notice by U.S. mail, postage prepaid, by the applicable party to the address of the other party shown below (or any other address that a party may designate by notice to the other party), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day.

To COIC:
 Central Oregon Intergovernmental Council
 Attn: Contracts
 1250 NE Bear Creek Road
 Bend, OR 97701
contracts@coic.org

To Subrecipient:
 Michele Quinn
 216 NW B St.
 Madras, OR 97741
mquinn@ci.madras.or.us

10.3 Waiver. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by COIC and Subrecipient. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof.

10.4 Entire Agreement. This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter of this Agreement and contains all of the terms and conditions of the Parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. Subrecipient has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Agreement.

10.5 Assignment and Binding Effect. Subrecipient will not assign any of Subrecipient's rights or obligations under this Agreement to any person without the prior written consent of COIC, which consent COIC may withhold in its sole discretion. Subject to the above-stated limitations on Subrecipient's assignment of any of Subrecipient's rights or obligations under this Agreement, this Agreement will be binding on the Parties and their respective heirs, executors, administrators, successors, and permitted assigns and will inure to their benefit.

10.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Oregon, and venue for any action concerning this Agreement will lie in Deschutes County, Oregon.

10.7 Amendment. The Agreement may be amended only by a written agreement signed by each party.

10.8 Further Assurances. At any time upon the request of COIC, Subrecipient will execute all documents or instruments and will perform all lawful acts COIC considers necessary or appropriate to secure its rights hereunder and carry out the intent of this Agreement.

10.9 Additional Provision and Attachments. All exhibits, schedules, instruments, and other documents referenced in this Agreement are part of this Agreement. All capitalized terms contained in such exhibits, schedules, instruments, and documents not otherwise defined therein will have the respective meanings assigned to them in this Agreement.

10.10 Attorney Fees. In the event litigation or arbitration is instituted to enforce or determine the Parties' rights or duties arising out of the terms of this Agreement, the prevailing party will recover from the losing party reasonable attorney fees incurred in such proceeding to the extent permitted by the judge or arbitrator, in arbitration, at trial, on appeal, or in any bankruptcy proceedings.

10.11 Binding Arbitration. In the event any claim, dispute, or controversy arising out of or related to this Agreement occurs (a "Dispute"), COIC and Subrecipient will exert their best efforts to seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, the Dispute will be settled by arbitration before a single arbitrator in Bend, Oregon. If the Parties agree on an arbitrator, the arbitration will be held before the arbitrator selected by the Parties. If the Parties do not agree on an arbitrator, each party will designate an arbitrator and the arbitration will be held before a third arbitrator selected by the designated arbitrators. Each arbitrator will be an attorney knowledgeable in the area of business law. The arbitration will be conducted in accordance with the then-current rules of the Arbitration Service of Portland, Inc. The resolution of any controversy or claim as determined by the arbitrator will be binding on the Parties and judgment upon the award rendered may be entered in any court having jurisdiction. A party may seek from a court an order to compel arbitration, or any other interim relief or provisional remedies, pending an arbitrator's resolution of any controversy or claim. The prevailing party in the arbitration will be entitled to recover from the other party all expenses incurred in connection with the arbitration, including reasonable attorneys' fees.

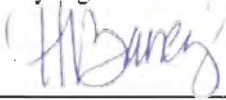
10.12 Person and Interpretation. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein, and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular, or plural, as the identity of the Parties may require. The singular includes the plural, and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting.

10.13 Signatures. This Agreement may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page. At the request of a party, the other party will confirm a fax or email transmitted signature page by delivering an original signature page to the requesting party.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above but effective as the effective date.

COIC:

Central Oregon Intergovernmental Council
an Oregon entity organized under ORS Chapter 190

Signature:  _____

By: Tammy Baney
Its: Executive Director

Subrecipient:

City of Madras
a municipal corporation of the State of Oregon

Signature:  _____

By: Mike Lepin
Its: Mayor

Schedule 1.1

Scope of Work
Description of Services

1. **See attached pdf.** Subrecipient EO 23-02 Funding Application.
2. **Reporting Requirements.**
 - a. **Shelter Bed Capacity Reporting.** If Subrecipient uses funds under this Agreement to add new shelter bed capacity, a narrative update must be provided to COIC by the 15th day of the month following the period billing, but no less frequently than monthly. Narrative update shall include milestones, success measures, outcomes, obstacles, and impacts of the project. Reporting required for all periods in which shelter bed capacity is being added.
 - b. **Homeless Management Information System.** Subrecipient must enter all appropriate and necessary data into Homeless Management Information System (“HMIS”) at the time of client intake, if applicable, or at such other times required. Exceptions are only allowed with prior written approval provided from State via COIC.
 - c. **Data Collection and Evaluation.** Subrecipient is required to report client-level data, such as the number of persons served and their demographic information, in a Homeless Management Information System (HMIS). HMIS is an electronic data collection system that facilitates the collection of information on persons who are homeless or at risk of becoming homeless and is managed and operated locally. Subrecipients are required to review this Agreement and ensure data standards are implemented in HMIS specifically for participants as applicable to the EO and this funding. Data requirement specifics shall be made available to Subrecipients upon request.
 - d. **Additional Reporting.** Subrecipient shall provide additional reports and shall cooperatively attend meetings as reasonably requested by COIC or State.

Project Contact Name:

Enter the name of the individual responsible for responding to questions about the application.

Michele Quinn, Public Works Coordinator

Organization:

Enter the name of the organization submitting the supplication.

City of Madras

Contact Email:

Enter the email address of the individual responsible for responding to questions about the application.

mquinn@ci.madras.or.us

Contact Phone Number:

Enter the phone number of the individual responsible for responding to questions about the application.

+15414752344

Entity Type:

Please select your organization's entity type.

Government

State Where Registered:

Where is your legal entity registered?

Oregon

HMIS:

Your organization will contribute information to the Homeless Management Information System

true

Universal Data Elements:

Your organization agrees to input all of the [Universal Data Elements](#) for each client involved in your program

true

Low Barrier:

Your organization agrees to abide by low-barrier principles for its clients. *Low Barrier means a program that does not require any of the following for a client to participate in one of the programs: (i) criminal background checks, (ii) credit checks or income verification, (iii) program participation, (iv) sobriety, or (v) identification. Low Barrier programs may enforce safety requirements for self, staff, place, and/or others.*

true

Client-Centered, Housing First:

Your organization agrees to provide client-centered, housing-first case management supports. A client-centered case management approach ensures that the person who has experienced homelessness has a major say in identifying goals and service needs, and that there is shared accountability. Case management must focus on housing assessment, placement and housing stability.

true

Provide Information and Report:

In order to assist COIC in meeting the State's Reporting Requirements, you agree to supply COIC with any and all requested information related to meeting contractual obligations under EO 23-02. *Reporting expectations can be found on page 20 of the State's draft contract language:*

<https://www.coic.org/wp-content/uploads/2023/03/EO-23-02-Grant-Template-Final-2023-03-21.docx>

true

Project Complete by 1/10/2024:

The deadline to have a project up and running is January 10, 2024. Your organization agrees that the project will be complete and operating at full capacity by January 10th, 2024.

true

Project Goal:

Select the goal your project will address.

Creating 111 New Shelter Beds

Project Overview:

Please provide an overview of your proposed project and explain how your project will make and measure impact towards the goal by January 10th, 2024. Go into as much detail as possible to explain your full project concept. Please include a section that specifically explains how your project will make a measurable impact toward one of the two goals above.

OVERVIEW: The City of Madras proposes to bring a new shelter online in Madras by January 10, 2024. Construction of the Madras Homeless Services Center began on May 1, 2023, and is scheduled to be completed on December 31, 2023. The project will result in the construction of a 3,760 square foot facility located on City-owned land (61 NW Oak Street, Madras). When completed, the facility will have a total of 29 new shelter beds (14 in a men's dorm, 12 in a women's/family dorm, and 3 in a supportive care room). The facility will be owned by the City of Madras and will be operated by the Jefferson County Faith Based Network (JCFBN).

The City has contributed \$300,000 to the project, and also secured funding from the Oregon Community Development Block Grant (CDBG) program through Business Oregon, and ARPA COVID funding through the Oregon Department of Administrative Services under Senator Lynn Findley's sponsorship. However, EO 23-02 funds are needed in order to fill a budget deficit that has emerged recently due to higher than anticipated construction costs, and due to a street redesign and improvement that is required for the project to proceed.

Project milestones completed to date include:

- City has reached agreement with the Jefferson County Faith Based Network (JCFBN) to operate the Homeless Services Center.
- Property has been purchased by the City of Madras; environmental clearance achieved through a Finding of No Significant Impact on the Environment.
- Facility design has been completed by BLRB Architects.
- Construction bid process is complete, and the City has awarded the construction contract to 2KG Contractors, Inc.
- Construction start date: May 1, 2023 (construction is under way)
- Completion Date: December 31, 2023

FUNDING REQUEST: The City is requesting \$1,060,536 from the COIC EO 23-02 funds. This amount constitutes the current budget deficit for the construction phase, and breaks down as follows:

- \$344,567 for construction base bid. This is the amount above budget of the lowest responsive bid through the construction bid process (March, 2023).
- \$500,000 for additional design/construction work for required site access, roadway and sidewalks. This additional work is necessary due to a required change to the City's planned vacation of NW Oak Street between NW 3rd and NW 4th. The vacation was proposed in order to provide for a private access/entry to the Homeless Services Center property. However, the road vacation is not allowable due to the need to build out Oak Street between NW 3rd and 4th as a local city street in order to accommodate future planned annexation of county-owned land north and west of the site. The additional design and construction work will modify the access from a planned private entry way to a city street with reconfigured access and parking. This is a required modification to the project per City code and standards, and the project cannot be completed without this work.
- \$15,696 for geo tech analysis for the required roadway construction.
- \$100,000 for a construction management contract in order to ensure the project is completed

on time and on budget. This expenditure is necessary because the City staff is at capacity managing other planning and capital projects.

- \$100,000 for furnishings, fixtures and equipment to ensure the facility can open at 100% capacity by January 10, 2024.

PROJECT NEED: The JCFBN recently completed their fifth year of providing seasonal winter warming shelter to people experiencing houselessness in Jefferson County. The shelter operates during the cold weather months (approximately November through March), and the shelter location rotates through various donated spaces. Approximately 100 individuals annually have benefited from the opportunity for safe and warm overnight accommodations during the winter, including men, women and children (in families). In the most recent shelter season (11/15/22 through 3/15/23), a total of 123 unduplicated individuals were served at the cold weather warming shelter.

Although JCFBN has successfully provided high-quality shelter services, the current approach and service level does not adequately meet the year-round needs of people experiencing houselessness.

Problem #1: The JCFBN lacks an adequate and stable shelter facility location. The current winter warming shelter location at the National Grasslands building will no longer be available in 2023-2024 due to the planned commercial redevelopment of the site. Returning to a rotating shelter approach is not a viable option; a shelter for those experiencing houselessness is not ideal for many locations due to neighbor conflicts and lack of safe pedestrian access to temporary/borrowed facilities. Additionally, the locations in which the winter warming shelter have been housed often do not include kitchen access (meals must be delivered), laundry services, and in some cases, restrooms (“porta-potties” have been used).

Problem #2: The population experiencing houselessness, and specifically high acuity individuals who need more intensive services, are increasing in Jefferson County. Services are needed year-round; providing limited winter warming shelter assistance is not adequate. Those experiencing homelessness require support services year-round, as opposed to winter only.

PROPOSED DESIGN AND SERVICE LEVEL: The Madras Homeless Services Center will be constructed with a residential look and feel (not institutional). The facility will include:

- Men’s dorm with 14 beds
- Women’s/family dorm with 12 beds
- Isolation/recuperative care dorm with 3 beds
- Lockers, sized appropriately to store backpacks
- Separate men’s and women’s restrooms, with showers
- Staff restroom
- Kitchen, equipped for meal preparation and food storage
- Site manager office, and reception area
- Common area with bookshelves, seating, charging stations, dining tables
- Clothing storage
- Exterior patio
- Janitorial closet

While the facility design will accommodate full time, year-round shelter at some point in the future, services will be limited in year #1 to a winter warming shelter and summer cooling shelter due to budget and capacity constraints. Overnight shelter will be available in winter months (approximately 130 nights per year – 35.6% of the year).

However, the City and JCFBN consider this project an investment in the future of the Madras community, and acknowledgment that shelter services will need to expand over time, potentially up to and including full time, year-round shelter operations. In order for year-round shelter to be provided, additional funding must be secured (specifically state and federal funding investments), and the JCFBN will need to be in a position to staff up and sustain an increased service level.

While shelter nights will be limited to winter months, the Homeless Services Center will operate year-round. The initial operational plan is as follows:

1. Operate a 4 to 4.5 month, seven (7) days per week cold weather shelter, capable of housing up to 29 individuals, including men, women, and children (in families) annually, between late October and April.
2. Operate a three (3) month, five (5) days per week daytime (4-5 hours per day) “cooling center” operation between the months of July and September, to allow persons experiencing houselessness to escape extreme heat, have a lunch meal and be sufficiently hydrated.
3. Deploy a part-time (30 hour per week) caseworker assistant year-round to provide client support to individuals experiencing houselessness, including client referral to other social service providers with expertise in various supportive services (mental and substance abuse counseling, medical/dental services, spiritual care, housing, etc.).
4. Offer year-round “personal care” services, (laundry services, haircuts, showers, foot care, hygiene kits, clothing distribution).
5. Offer once a week (1x/week) dinner meals between April and July to support ongoing nutrition and mitigate hunger.

The JCFBN will operate the Homeless Services Center and shelter as a “low barrier” facility, meaning there are no requirements for background checks, sobriety, or mandatory participation in programs or religious activities.

Community support for the Madras Homeless Services Center, as evidenced by letters of support on file, includes St. Charles Madras, the Bean Foundation, Mosaic Medical, Best Care Treatment Services, the Homeless Leadership Coalition, the Jefferson County Fair Complex, Columbia Bank, the Madras Gospel Mission (provider of long-term care for men with addictions), Living Hope Christian Center, Madras Free Methodist Church, Metolius Friends Community Church, Cornerstone Baptist Church, New Life Christian Fellowship, and NeighborImpact.

Number of Clients or Units:

Enter the number of clients your project will serve/units your project will make available. This question helps us ensure we meet the goals of the funding allocation.

29

Detailed Project Budget:

Submit a detailed project budget that outlines your expected costs through the grant term. Please be sure to include funding from outside sources if it will be utilized.

https://api.typeform.com/responses/files/4c360527f03dc231c323a96df4282ba06f1e76ba319b31ca4fe705cca9adc437/Project_Budget_Madras_Homeless_Services_Center_EO2302.xlsx

Maximum Amount of Funding Requested:

Enter your funding request for this opportunity here.

1060536

Budget Contingency:

We can't guarantee that all applicants will be granted their full funding request. Can your project be scaled down if your full request cannot be awarded? If so, please describe what parts of your request are able to be scaled down, if any.

The proposed project has a fixed construction cost since site construction is under way, limiting the project's scalability. By awarding the construction contract prior to obtaining 100% funding for the project the City has accepted risk that EO 23-02 funds may not be sufficient to fill the entire budget gap. While scaling the project may be challenging, the City understands that the full funding gap may not be awarded through the EO 23-02 process. If partial EO 23-02 funding is approved, the City will fill the remaining funding gap and complete the project on schedule through a combination of fundraising and value engineering.

Grant Experience:

Does your organization have experience with government grants? If yes, please provide details about your grant experience.

As a local government, the City of Madras has extensive experience securing and managing state and federal grants and contract funding, and completing projects on schedule, within budget and in accordance with state and federal funder requirements and expectations.

City staff is experienced in segregating grant revenue and expenses within a cost center, and preparing and submitting financial reports as requested by grant funders. The City understands principles of grant management, including allocating costs to grant funding sources, determining if expenses are eligible for grant reimbursement based on contract requirements, maintaining and submitting source documentation, and preparing and submitting grant reimbursement requests.

A partial list of grants received and managed over the past five years includes:

- Oregon CDBG – Water Distribution Line Upgrade Design and Construction, 2020-2023, \$2.5M
- Bel Air and Herzberg Heights Sewer Expansion project - funded with DEQ Clean Water State Revolving Loan Fund (federal). Contract executed April 11, 2017, and project completed November 2018. \$1.7 M.
- Madras Municipal Airport Taxiway Rehabilitation Project Design - funded by Federal Aviation Administration. Spring 2018. \$263,000.
- Madras Municipal Airport Taxiway Rehabilitation Project Construction - funded by Federal Aviation Administration. Completed August, 2019. \$3.1 M.
- City of Madras Sewer Main Extension Design and Construction - funded by DEQ Clean Water Revolving Loan Fund. Grant award of \$650,000.

Financial Reporting:

We want to ensure that you are prepared to satisfy the financial reporting requirements of this funding opportunity. Please explain how you will meet the financial reporting requirements.

The City will modify the shelter operating agreement to require JCFBN to comply with all financial and client reporting requirements as specified in the EO 23-02 grant agreement template, including report submission frequency and due dates. JCFBN is experienced in the use of HMIS for reporting client data. JCFBN has two licensed HMIS users currently who collect and report user data. JCFBN staff works closely with the NeighborImpact regional HMIS support team.

Other financial reports will be compiled and submitted by the City's project lead Michele Quinn, Public Works Coordinator, with the support of the City's CDBG Administrator. Specific reports will include:

- Monthly Housing Inventory
- Quarterly Aggregated Activity Reports
- Biannual System Performance Reports
- Requests for funds, via the OPUS system
- Narrative updates regarding new shelter bed capacity

The City and JCFBN will provide additional reports and cooperatively attend meetings with COIC and OHCS as requested.

Additional Funding:

Is your project intended to be solely funded through Executive Order funding, or will you seek/have you sought funding elsewhere?

We have secured funding from elsewhere.

Additional Funding Secured:

If you have secured other funding, how much additional funding has been secured?

City of Madras: \$300,000 Business Oregon CDBG: \$2,085,268 DAS ARPA (Senator Findley): \$750,000

Project Sustainability:

We are hopeful that projects awarded under this one-time funding opportunity will maintain operations after January 10th, 2024. Please tell us your plan for sustaining operations after this funding has expired.

The City of Madras will own the facility and contract for operations with the Jefferson County Faith-Based Network (JCFBN). The JCFBN has a five-year track record of funding and operating the winter warming shelter in Madras. Sufficient funds have been raised annually to cover staffing and operational expenses for the winter warming shelter, and significant amounts of food, clothing and other supplies have been regularly donated each year. Since the first year of the JCFBN winter shelter, organizations and individuals have volunteered to prepare and serve three meals per day throughout the shelter season. Taken together, this significant community support has enabled JCFBN, a small sized faith-based social services entity, to effectively operate a winter shelter on a lean financial budget.

From 2018 to 2020 the JCFBN cold weather shelter was housed at a variety of church and other loaned locations, rent-free and without utility costs. Since the 2020-2021 cold weather shelter season, JCFBN has operated out of a vacant privately-owned "Grasslands Building," for which JCFBN was responsible for facility repairs prior to occupancy, ongoing building maintenance and janitorial operations, and general liability insurance increases because of this building. To accomplish this, JCFBN identified and worked with qualified, licensed and insured contractors to provide \$6,000 in facility repairs and maintenance. JCFBN secured funding to absorb these expense increases and ended the program year with a positive net income in the program. It is expected that JCFBN will draw on the assistance of these local contractors to maintain the new facility post-construction and has used its recent experience as well as industry standards data to appropriately build OM&R expenses into the Homeless Services Center operational budget.

The JCFBN created a fundraising and development plan in 2022. Sources of funding identified in the annual development plan will initially follow historic funding pools: individual donors, church organizations, business donors, grant opportunities, with the introduction of an annual fundraiser.

Transition from a cold weather shelter operator to a year-round provider of comprehensive services for persons experiencing homelessness will increase annual program expenses by approximately 100%. Expanding the program revenue by this amount is achievable given the history of community support which has resulted in positive net income each of the first three years, absent a focused fundraising plan. The increases in required funding will be realized by:

- The annual identification of fundraising pledges totaling 50% of the annual Homeless Services Center budget.
- An annual organizational fundraiser from which a portion of donated funds will be specifically allocated to the homeless services center.
- Targeted quarterly communications to donors with an opportunity to contribute to homeless services center operations at least two quarters per year.
- Increasing grant writing activities to a targeted list of philanthropic organizations
- The diversification of funding streams to include federal, state, and local funding as available and appropriate.

In addition to fundraising efforts by JCFBN, the homeless services center will be eligible for continued funding through state and federal homeless services programs operated by NeighborImpact via funding from Oregon Housing and Community Services (OHCS). These funding sources include Emergency

Solutions Grant (ESG), State Homeless Assistance Program (SHAP), and other dedicated funding for homeless shelter operations (Out of the Cold programs, SB5512 funding, etc.). The JCFBN winter warming shelter received:

- \$45,000 for the 22-23 winter
- \$15,000 for the 21-22 winter
- \$15,000 for the 20-21 winter
- \$10,000 for the 19-20 winter
- \$20,000 in 2018-2019 winter

Applications for the 2023-2024 funding programs will be accepted by NeighborImpact after the beginning of the new state biennium (July, 2023). While specific funding amounts are unknown, NeighborImpact's Director of Housing Stabilization has indicated that OHCS continues to prioritize funding for homeless shelters, and specifically for winter warming shelter operation. It is highly likely that JCFBN will be subgranted shelter operational dollars on an annual basis for the foreseeable future. The JCFBN has complied with all funding requirements as a Subrecipient, and is in good standing financially.

Client Eligibility:

Explain how you will implement client eligibility requirements. For instance, this funding is intended to support low-barrier beds; explain how you will ensure low-barrier principles are centered in your program offerings. As another example, list the criteria clients must meet to be eligible for the program

The Madras Homeless Services Center Shelter will be operated as a low-barrier shelter. While no eligibility criteria will be applied to those seeking shelter, JCFBN staff will conduct an intake with each shelter guest to establish their housing status and document if the shelter guest is literally homeless.

Shelter guests will not be drug screened as a condition of service, and those who are under the influence of drugs or alcohol will be allowed to stay (though guests cannot use or possess illegal substances while staying at the shelter).

The shelter will not serve unaccompanied youth, primarily for safety reasons. If an unaccompanied youth requests shelter services JCFBN staff will connect the youth to providers that are able to serve youth. Typically this means connecting the youth to J Bar J Youth Services in order to develop an alternative shelter plan (motel vouchers or arranging for transportation to the youth shelter in Bend).

Coordinated Entry:

Explain how you envision sourcing clients from [Coordinated Entry](#) in your program. Maximizing the number of providers utilizing Coordinated Entry is recognized as a Best Practice, and projects that prioritize clients from Coordinated Entry will receive priority in funding decisions.

The JCFBN is familiar of the Coordinated Entry process, and has participated in case conferencing through the Coordinated Entry system. If Coordinated Entry referrals are received by JCFBN, the referred client will be prioritized for shelter and other support services.

The JCFBN is working toward developing a trained Coordinated Entry assessor in order to expand the ability to assess clients who stay at the shelter repeatedly and to help move them toward new housing opportunities as appropriate.

Impact on Disproportionately Affected Populations:

Early in the MAC process, the group identified subpopulations that are disproportionately more likely to experience unsheltered homelessness in Central Oregon. Please tell us if your project will impact any of these subpopulations.

BIPOC, LGBTQ+ Youth, Medically Vulnerable, Veterans

Targeting Subpopulations:

If your project will specifically impact one or more identified subpopulations, explain how exactly you will target that subpopulation and what steps you will take to ensure that the services provided are relevant, appropriate, and aligned with the desired outcome. Consider things like - staff hiring, training, outreach, program evaluation, and provision of culturally responsive services

The JCFBN and City of Madras support federal “equal access” regulations. Procedures will be developed to support these regulations, including:

- Shelter services will be provided in accordance with an individual’s gender identity, and in a manner that affords equal access to the individual’s family.
- Access to shelter will conform with and adhere to an individual’s self-expressed gender identity.
- Families seeking shelter will not be split up. Family units are able to self-identify, and no proof of familial status will be requested.
- Disabled and medically fragile guests will have access to the supportive care room.

JCFBN will expand partnerships with service providers to conduct outreach in the community to ensure subpopulations that are disproportionately more likely to experience unsheltered homelessness are welcomed and have access to all services at the Homeless Services Center. Specific areas of focus include partnering with organizations serving veterans, BIPOC and LGBTQ+ populations to ensure outreach is effective and comprehensive.

Additionally, through its newly implemented case management function, JCFBN will better be positioned to determine the specific needs of these populations and to respond with targeted interventions. Staff training programs focusing on the provision of culturally specific services will be implemented.

JCFBN seeks in its transition to a year-round provider of more comprehensive services for those experiencing homelessness in Jefferson County to become a more data and trauma informed service provider.

Region Served:

This question helps us keep track of the regions in Central Oregon that are served through the funding. What region(s) will you serve?

Madras, Rural Jefferson County (outside City limits)

Partnerships:

We encourage partnerships to ensure the greatest impact. Please let us know who your project will partner with and what services they will provide. Explain if your partnerships are established (MOUs, IGAs, Contracts, etc) or still being discussed

The City of Madras will partner with the JCFBN for operations of the shelter. An operating agreement between the City and JCFBN has been established. The agreement defines roles and responsibilities for management of the shelter facility and operation of shelter services.

The JCFBN is under contract with NeighborImpact to receive state and federal operations funding for winter warming shelter operations. A new contract will be developed early in the upcoming biennium.

Additionally, the JCFBN intends to develop MOUs with partner entities that will provide services on site at the Madras Homeless Services Center (e.g. Mosaic Medical, Best Care Treatment Center).

Prior Project Experience:

Please explain your organization's experience with what has been proposed in your application. If your experience in an area is limited, please speak to other relevant experience that shows your ability to execute your proposed project effectively. This could be lived experience, experience utilizing a program, or experience creating similar programs in other areas.

The City of Madras has experience in constructing, owning and managing facilities, and has a skilled financial and operations staff available to support the project. With construction under way, the City and their contracted construction manager will ensure timely progress on construction to achieve center opening by January 10, 2024.

Facility operator Jefferson County Faith Based Network was incorporated in 2013 as a coordinator of agencies and volunteers with the purpose of serving the basic needs of Jefferson County residents. The winter warming shelter was launched by JCFBN for the 2018-2019 winter season, and completed its fifth year of operation in March of 2023. In doing so, JCFBN has become a leading community based organization (CBO) serving persons experiencing homelessness, and has engaged churches, businesses, other CBOs and diverse individuals throughout Jefferson County to collaborate in caring for these vulnerable County residents.

The JCFBN informs and transforms the community with Christian compassion, through convening and supporting collaboration among churches and community partners, and through delivery of services to those in need. JCFBN works to develop and maintain community sensitivity toward those less fortunate, and to support the most vulnerable through providing a path toward stability and self-sufficiency. Current JCFBN programs include: Community Food Network (food distribution program), LINC Madras (emergency assistance and referral to community resources), winter warming shelter, Pearson's Crossing (a refuge of hope for women seeking transformation and life recovery/rest), Healing Light (Christian parent/family development and mentoring program), and the annual "Our Community" event which brings together service providers and those in need, and monthly network meetings for community

collaboration.

The proposed project is an extension of current services, so existing staff and volunteers are positioned to implement shelter operations at the Madras Homeless Services Center upon opening on January 1. Recruitment for the new staff position will begin in Fall of 2023.

Expected Challenges:

We know that this project will not be easy. Please explain areas you are expecting challenges with your project and explain your plan(s) for overcoming expected challenges.

The most significant challenge for this project is securing sufficient operating revenues to support ongoing shelter operations annually, including potential future expansion to year-round shelter services. The current operations budget model is reliant on unpredictable funding, including state/federal shelter operations funding, as well as community support, fundraising and grant writing.

The plan to overcome this challenge includes:

- Partnering with the Homeless Leadership Coalition, COIC and NeighborImpact to advocate for increased/stable shelter operations funding to support expanded capacity funded through EO 20-23.
- Continue to grow the JCFBN donor base, grant writing capacity and overall development plan.
- Explore and develop enhanced partnerships for service delivery, in order to defray JCFBN direct costs.

A secondary challenge is growing the capacity for JCFBN to operate and expand services. In order to implement year-round Homeless Services Center operations, the JCFBN will need to hire an additional staff person, develop facility policies, and implement operations and maintenance procedures in order to ensure appropriate maintenance of the shelter facility. The plan to address this challenge will include technical support from the City of Madras and from NeighborImpact, and JCFBN staff training in facility management and operations.

Success Measures, Outcomes, and Impacts:

Explain what success will look like, for you, in your project.

Short term success is defined as completion of the shelter construction project and launch of services on or before January 10, 2024.

Longer terms success is defined as:

- Bringing online a safe, accessible and welcoming shelter and support service environment for those experiencing houselessness.
- Services that are designed for and accessed by all populations, including BIPOC, veterans, LGBTQ+, and other subpopulations that are disproportionately more likely to experience unsheltered homelessness in Madras and Jefferson County.
- The Homeless Services Center serves as a foundation to continue to improve services for struggling populations, potentially including year-round shelter services and/or transitional housing/rehousing of homeless individuals and families.

- That the Madras Homeless Services Center services and programs are a key component of the Central Oregon region's homelessness response.

Relevant Milestones:

Please review the list of milestones and system improvements actions starting on page 15 of the following document and explain how your project will help contribute to their success:

<https://www.coic.org/wp-content/uploads/2023/04/EO-23-02-Submission-2023-03-31.pdf>

City and JCFBN will contribute to the Action Plan milestones in a number of ways:

- Implementing a project that will help meet the goal of 111 shelter beds by increasing shelter bed capacity in Madras and surrounding rural Jefferson County (29 shelter beds).
- Participate in MAC meetings as appropriate, to share information on successful strategies and barriers.
- Active engagement in deal-making/partnership brokering as appropriate.
- Requesting TA during project as needed to ensure successful completion of project and compliance with funding expectations.
- Project completion within the EO 2302 timelines (January 10, 2024).
- Once open/operational, participation in HMIS Data Quality component, Coordinated Entry, Case Manager check-ins, and other collaborative opportunities.
- Contributing to the final report on goals met, projects complete, and lessons learned.
- Participation in efforts to secure future funding to support shelter operations and expansion.

Additional Help:

Are you interested in receiving technical assistance help with program implementation, reporting, fiscal administration, etc.?

true

Help Requested:

How would you like us to help you?

The City of Madras and Jefferson County Faith Based Network are interested in training and technical support on EO 23-02 reporting expectations, OPUS system usage, draw requests and related requirements.

The City and JCFBN are also interested in technical support in regard to developing and securing ongoing operations funding, in order to expand shelter services to meet current and future community needs.

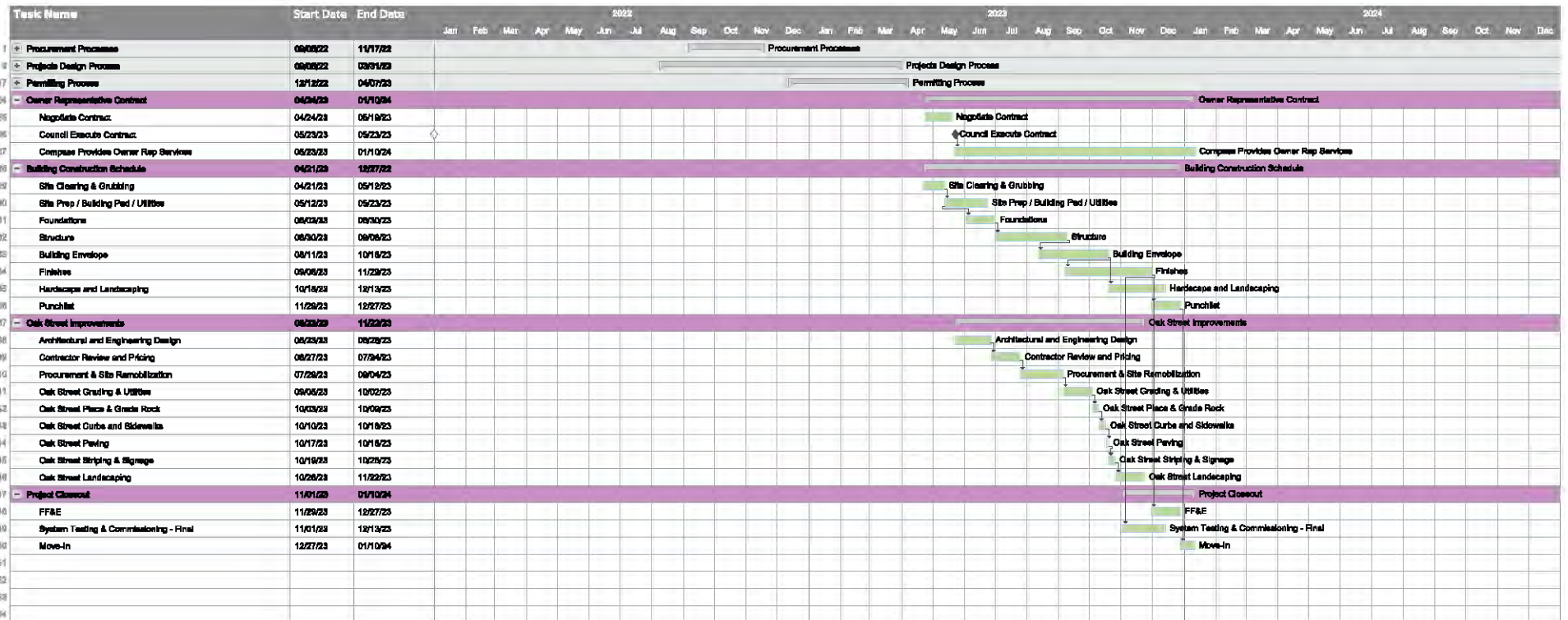
Schedule 1.2

Schedule of Services

Subrecipient will perform the Services in accordance to the following schedule:

See Attached PDF. Madras Emergency Shelter – Master Schedule

Madras Emergency Shelter - Master Schedule



Schedule 2.1

Compensation and Reporting

COIC will pay Subrecipient in accordance with the following compensation schedule:

1. Compensation.**A. Monthly Invoice**

- a. Subrecipient will submit monthly invoices to COIC concerning the Services performed by Subrecipient during the immediately preceding month (each an “Invoice”). Each Invoice will contain the following information as applicable to the project:
 - i. a summary of the Services performed by Subrecipient;
 - ii. the number of hours each person spent to perform the Services;
 - iii. the applicable hourly billing rates;
 - iv. related invoices from vendors and subcontractors; and
 - v. any other information reasonably requested by COIC.

COIC will pay the amount due under each Invoice within thirty (30) days after COIC has reviewed and approved the applicable Invoice. No compensation will be paid by COIC for any portion of the Services not performed. COIC’s payment will be accepted by Subrecipient as full compensation for performing the Services to which the applicable Invoice relates.

B. Disbursements Generally

- a. COIC shall disburse the Grant Funds upon receipt and acceptance of Grantee’s disbursement request according to the following schedule:
 - i. Grant Funds may be requested monthly for reimbursement of project costs.

C. Advancement of Funds

- a. For Subrecipients requesting cash advances, the Subrecipient must submit advance payment request to cover projected costs incurred within a reasonable time period. Subrecipient will provide a reporting of actual expenditures – separated by line item and fund source – each month, within 15 days of month end. Subsequent advances may be adjusted to reflect reconciliation of prior month advances to actual expenditures.

2. Financial Billing Requirements

- a. **Billing Due Dates.** Subrecipient shall submit to COIC’s Fiscal Contact all contract billings by the 15th day of the month following the period billing, but no less frequently than monthly. Subrecipient shall submit billing workbooks and cash request forms as created and provided by COIC for monthly and final billings, including all required signatures. The payment request shall include a reporting of actual expenditures – separated by line items and fund source.

- b. Final Billing for Close-Out.** All Contract billings shall be submitted by 30 days after end of contract. This will constitute the final contract billing request for the Contract. No charges submitted more than 30 days after end of contract will be reimbursed. COIC may, at its discretion, withhold payment of the final invoice until all close-out requirements have been met in accordance with the agreement.

- 3. See Attached PDF.** Subrecipient Budget

Madras Homeless Services Center Project

Updated: 5/8/23

Expense Category	Notes	Cost/Estimate	CDBG Grant	DAS/Sen.	City \$	Total Secured	Deficit/Gap	EO2302
			Contract Budget	Findlay Contract	Committed	funding		Request
Land Acquisition	Actual/Complete	\$206,598	\$206,598			\$206,598	\$0	\$0
Architectural	BLRB Contract Amount	\$395,195	\$395,195			\$395,195	\$0	\$0
Construction	2KG Base Bid Amount	\$2,410,000	\$1,088,862	\$750,000	\$226,571	\$2,065,433	-\$344,567	\$344,567
Additional Site Entry, Roadway and Parking Lot (Design/Const.)	Estimated	\$500,000				\$0	-\$500,000	\$500,000
Construction Contingency	10% of construction	\$280,000	\$280,000			\$280,000	\$0	\$0
Geotech Contract for Road design	Contract Amount	\$15,969				\$0	-\$15,969	\$15,969
Construction Manager	Estimated	\$100,000				\$0	-\$100,000	\$100,000
Prevailing Wage Monitoring and Enforcement	Contract amount	\$20,000	\$20,000			\$20,000	\$0	\$0
Environmental Review	Actual/Complete	\$19,113	\$19,113			\$19,113	\$0	\$0
CDBG Grant Administration	Contract amount	\$35,000	\$35,000			\$35,000	\$0	\$0
SDCs	Estimated	\$31,000			\$31,000	\$31,000	\$0	\$0
Furnishings, Fixtures and Equipment	Estimated	\$140,029			\$40,029	\$40,029	-\$100,000	\$100,000
Legal	Estimated	\$5,500	\$5,500			\$5,500	\$0	\$0
Audit	Estimated	\$5,000	\$5,000			\$5,000	\$0	\$0
Permits	Estimated	\$30,000	\$30,000			\$30,000	\$0	\$0
BOLI Fee	Actual/Complete	\$2,400			\$2,400	\$2,400	\$0	\$0
Total		\$4,195,804	\$2,085,268	\$750,000	\$300,000	\$3,135,268	-\$1,060,536	\$1,060,536

EXHIBIT A

Contractor Insurance Requirements

GENERAL.

Contractor (including its subcontractors, agents, etc.) shall i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION, and CERTIFICATES OF INSURANCE before performance under the contract commences, and ii) maintain the insurance in full force, through annually renewing policies, throughout the duration of the contract. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are reasonably acceptable to State. Contractor shall not start work described herein until the insurance is in full force.

TYPES AND AMOUNTS.

i. **WORKERS COMPENSATION.** Insurance in compliance with ORS 656.017, which requires all employers that employ subject workers, as defined in ORS 656.027, to provide workers' compensation coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Employers liability insurance with coverage limits of not less than \$500,000 per accident, \$500,000 policy limit for bodily injury by disease and \$500,000 each employee for bodily injury by disease must be included.

ii. **COMMERCIAL GENERAL LIABILITY.** Commercial General Liability Insurance covering bodily injury, death, and property damage in a form and with coverages that are reasonably satisfactory to State. This insurance shall include personal injury liability, products, and completed operations. Coverage shall be written on an occurrence form basis, with not less than the following amounts as determined by State:

Bodily Injury, Death and Property Damage: \$2,000,000 per occurrence (for all claimants for claims arising out of a single accident or occurrence), \$4,000,000 General Aggregate and \$2,000,000 Products/Completed Operations Aggregate.

iii. **AUTOMOBILE Liability Insurance:** Automobile Liability. Automobile Liability Insurance covering all owned, non-owned, and hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for "Commercial General Liability" and "Automobile Liability"). Automobile Liability Insurance must be in not less than the following amounts as determined by State: Bodily Injury, Death, and Property Damage:

\$2,000,000 per accident (for all claimants for claims arising out of a single accident or occurrence).

iv. **PROFESSIONAL LIABILITY INSURANCE.** Professional liability insurance with limits of not less than \$1,000,000 per claim, and \$2,000,000 in the aggregate.

ADDITIONAL INSURED. The Commercial General Liability Insurance, Automobile Liability and any Umbrella/Excess Liability insurance must include the Central Oregon Intergovernmental Council, its

officers, employees, and agents as Additional Insureds but only with respect to the contractor's activities to be performed under this Agreement. Coverage must be primary and non-contributory with any other insurance and self-insurance.

"TAIL" COVERAGE. If any of the required insurance policies is on a "claims made" basis, such as professional liability insurance, the Contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of this Agreement, for a minimum of 24 months following the later of: (i) the Contractor's completion and COIC's acceptance of all Services required under this Agreement or, (ii) the expiration of all warranty periods provided under this Agreement. Notwithstanding the foregoing 24-month requirement, if the Contractor elects to maintain "tail" coverage and if the maximum time "tail" coverage reasonably available in the marketplace is less than the 24-month period described above, then the Contractor may request and COIC may grant approval of the maximum "tail" coverage period reasonably available in the marketplace. If COIC approval is granted, the Contractor shall maintain "tail" coverage for the maximum period that "tail" coverage is reasonably available in the marketplace.

NOTICE OF CANCELLATION OR NON-RENEWAL. Contractor or its insurer must provide 30 days' written notice to COIC before cancellation of or non-renewal of the required insurance coverage(s).

CERTIFICATE(S) OF INSURANCE. Contractor shall provide COIC a certificate(s) of insurance for all required insurance before the Contractor performs under the Contract. The certificate(s) or an attached endorsement must specify all entities and individuals who are endorsed on the policy as Additional Insured.

Exhibit B Oregon Public Contract Provisions

1.DELIVERY: Deliveries will be F.O.B destination. Contractor shall pay all transportation and handling charges. Contractor is responsible and liable for loss or damage until final inspection and acceptance of the Goods. Contractor remains liable for latent defects, fraud, and warranties.

2.INSPECTIONS: Agency may inspect and test the Goods and related Services (collectively, Goods). Agency may reject non-conforming Goods and require Contractor to correct them without charge or deliver them at a reduced price, as negotiated. If Contractor does not cure any defects within a reasonable time, Agency may reject the Goods and cancel the PO in whole or in part. This paragraph does not affect or limit Agency's rights, including its rights under the Uniform Commercial Code, ORS chapter 72 (UCC).

3.PAYMENT: Agency shall pay Contractor within 30 days from (i) the date the Goods are delivered and accepted or (ii) the date the invoice is received, whichever is later. If Agency fails to pay within 45 days of such date, Contractor may assess overdue account charges up to a rate of 2/3% per month (8% APR) or the maximum rate allowed by law on the outstanding balance.

4.STATE PAYMENT OF CONTRACTOR CLAIMS: If Contractor does not pay promptly any claim that is due for Goods or Services furnished to the Contractor by any subcontractor in connection with this PO, the State may pay such claim and charge that payment against any payment due to the Contractor under this PO. The State's payment of a claim does not relieve the Contractor or its surety, if any, from their obligations for any unpaid claims.

5.REPRESENTATIONS AND WARRANTIES: Contractor represents and warrants that: (a) the Goods are new, current, and fully warranted by the manufacturer; (b) Delivered Goods will comply with specifications and be free from defects in labor, material and manufacture; (c) Contractor shall comply with the tax laws of this state and all political subdivisions; and (d) Contractor has no undisclosed liquidated and delinquent debt owed to the State or any department or agency of the State. All UCC implied and expressed warranties are incorporated in this PO. Contractor shall transfer all warranties to the State.

6.TERMINATION: (i) The Parties may terminate this PO by mutual agreement. (ii) Agency may terminate this PO at any time with written notice to Contractor. Upon receipt of the written notice, Contractor shall stop performance, and Agency shall pay Contractor for Goods delivered and accepted. (iii) Agency may terminate this PO at any time if Agency fails to receive funding, appropriations, or other expenditure authority. (iv) If Contractor breaches any PO provision, including the representations and warranties related to liquidated and delinquent debt, or is declared insolvent, Agency may terminate this PO for cause with written notice to Contractor, and Contractor shall be liable for all incidental and consequential damages resulting from its breach, including all damages as provided in the UCC.

Failure to comply with the tax laws of this state or any political subdivision or violation of Contractor's warranties related to compliance with the tax laws of this state and any political subdivision of this state also constitutes a material breach of this PO. Any violation entitles Agency to terminate this PO, to pursue and recover any and all damages that arise from the breach and the termination of this PO, and to pursue any or all of the remedies available under this PO, at law, or in equity, including but not limited to: termination of this PO in whole or in part; collection by administrative offset or garnishment, if applicable, or withholding amounts otherwise due and owing to Contractor without penalty.

7.HOLD HARMLESS: *Contractor shall indemnify, defend, and hold harmless the State and its agencies, their divisions, officers, employees, and agents, from all claims, suits or actions of any nature arising out of or related to the intentional misconduct, recklessness or negligent activities of Contractor, its officers, subcontractors, agents, or employees under this PO.*

8.GOVERNING LAW, JURISDICTION, VENUE: This PO is governed by Oregon law, without resort to any other jurisdiction's laws. Any claim, action, suit, or proceeding between the State and the Contractor that relates to this PO (Claim) must be heard exclusively in the Circuit Court of Marion County for the State of Oregon. If the Claim must be brought in a federal forum, then it must be heard exclusively in the US District Court for the District of Oregon. Contractor consents to the *in personam* jurisdiction of these courts. *Neither this Section nor any other provision of this PO is a waiver by the State of any form of defense, sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the US Constitution, or other immunity, from any Claim or consent to the jurisdiction of any court.*

9.FORCE MAJEURE: Neither party is responsible for delay or default caused by an event beyond its reasonable control. Agency may terminate this PO without liability to

Contractor upon written notice after determining the delay or default reasonably prevents performance of this PO.

10.ASSIGNMENT/SUBCONTRACT/SUCCESSORS: Contractor shall not assign, transfer, or subcontract rights (Subcontract) or delegate responsibilities under this PO in whole or in part, without the prior written approval of Agency. This PO's provisions are binding upon and inure to the benefit of the Parties to the PO and their respective successors and assigns.

11.ACCESS TO RECORDS: Contractor shall maintain all accounting records relating to this PO according to GAAP and any other records relating to Contractor's performance ("Records") for six (6) years from termination or as otherwise required. Contractor shall grant the State and its agencies, the Secretary of State Audits Division, the federal government, and their duly authorized representatives, access to the Records, including reviewing, auditing, copying, and making transcripts.

12.COMPLIANCE WITH APPLICABLE LAWS: Contractor shall comply with all applicable federal, state and local laws, regulations, executive orders, and ordinances, as amended (Rules), including: (i) Titles VI and VII of Civil Rights Act of 1964; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990; (iv) Executive Order 11246; (v) The Age Discrimination in Employment Act of 1967, and the Age Discrimination Act of 1975; (vi) The Vietnam Era Veterans' Readjustment Assistance Act of 1974; (vii) ORS Chapter 659; (viii) ORS 279B.020, , and 279B.270; (ix) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations; (x) all federal and state laws governing the handling, processing, packaging, storage, labeling, and delivery of food products; and (xi) all regulations and administrative rules established pursuant to the foregoing laws. Agency's performance is conditioned upon Contractor's compliance with, 279B.220, 279B.225, 279B.230, and 279B.235, as applicable. All applicable Rules are incorporated by reference in this PO.

13.WORKERS' COMPENSATION: Contractor shall comply with ORS

656.017 and provide the required workers' compensation coverage, unless exempt under ORS 656.126(2). Contractor shall ensure that its Subcontractors, if any, comply with these requirements.

14.SAFETY AND HEALTH REQUIREMENTS: Contractor represents and warrants that the Goods comply with all federal and Oregon safety and health requirements.

15.MATERIAL SAFETY DATA SHEET: Contractor shall provide Agency with a Material Safety Data Sheet for any Goods which may release, or otherwise result in exposure to, a hazardous chemical under normal conditions of use (OAR 437- 002-0360 and 29 CFR 1910.1020). Contractor shall label, tag or mark such Goods.

16.RECYCLABLE PRODUCTS: Unless otherwise required, Contractor shall use recycled and recyclable products to the maximum extent economically feasible in the performance of the PO. These products shall include recycled paper, recycled PETE products, other recycled products (ORS 279A.010(1)(gg),(hh),(ii)), and other recycled plastic resin products.

17.AMENDMENTS: All amendments to this PO must be in writing, signed by Agency.

18.SEVERABILITY: If a court of competent jurisdiction declares any provision of this PO to be invalid, the other provisions and the rights and obligations of the Parties remain in effect.

19.WAIVER: Agency's failure to enforce any provision of this PO is not a waiver or relinquishment by Agency of its rights to such performance in the future or to enforce any other provisions.

20.AWARD TO FOREIGN CONTRACTOR: If Contractor is not registered to do business or has no office in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State Corporation Division all information required by those agencies relative to this PO. Agency may withhold final payment under this PO until Contractor has met this requirement.

21.TAX CERTIFICATION: Contractor hereby certifies under penalty of perjury: (a) the number shown on this form is the correct Federal Employer Identification Number; (b) it is not subject to backup withholding because (i) it is exempt from backup withholding, (ii) it has not been notified by the IRS that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified Contractor that it is no longer subject to backup withholding; and (c) it is not in violation of any Oregon tax laws.

Exhibit C

1. **See Attached PDF.** State of Emergency Due to Homelessness Agreement No. OR-503
2. **See Attached PDF.** Central Oregon Executive Order 23-02 Community Plan Overview.

Grant Agreement

State of Emergency Due to Homelessness

This Agreement (this “Agreement”) is by and between the State of Oregon (“State”), acting by and through its Housing and Community Services Department (“Agency”), and Central Oregon Intergovernmental Council (“Recipient”), each individually a “Party,” and collectively the “Parties.”

1. Effective Date and Duration

This Agreement shall become effective upon full execution by the Parties and, if required, approval by the Oregon Department of Justice, and shall expire on January 10, 2024, unless extended or terminated or sooner under the provisions identified within this Agreement. Expiration or termination of this Agreement will not prejudice Agency’s right to exercise remedies under this Agreement with respect to any breach that has occurred prior to expiration or termination.

2. Background and Definitions

The Parties acknowledge the following background related to this Agreement:

- a. On January 10, 2023, Governor Tina Kotek issued Executive Order 23-02 (the “EO”), which declared a state of emergency due to homelessness. The EO is necessary to rapidly expand the State’s low-barrier shelter capacity, to rehouse people experiencing unsheltered homelessness, and to prevent homelessness to the greatest extent possible. All executive state agencies are authorized, upon further direction from Governor Kotek and the Governor’s office, to take any actions authorized under the provisions set forth in ORS 401.168 through ORS 401.192. The EO took immediate effect and remains in effect until January 10, 2024, unless extended or terminated earlier by the Governor.
- b. During the 2023 Session of the Oregon Legislature, Agency was awarded funding from House Bill 5019, subject to passage and approval. Agency was appropriated funding for both the Biennium ending on June 30, 2023, and the Biennium beginning on July 1, 2023. Agency will grant funding from this bill through a variety of agreements to further the objectives of Executive Order 23-02, including by granting funds under this Agreement.
- c. All references to “days” in this Agreement shall mean calendar days.

3. Consideration

Agency agrees to pay Recipient, from available and authorized funds, the amount of actual expenses incurred by Recipient in performing the grant activities referenced below in Section 4 of this Agreement (“Authorized Expenses”), but not to exceed \$13,874,565.00 (the “Grant Funds”), as follows:

- 3.1 On full execution of this Agreement by the Parties and, when required, approval by the Oregon Department of Justice, Agency will issue a Notice of Allocation (“NOA”) to Recipient,

pursuant to which Recipient will submit a request for funds and Agency will make a lump-sum payment to Recipient in the amount of \$3,661,343.54 (the “Initial Payment”), which Recipient will expend in accordance with the NOA. Recipient may use such funds to reimburse Authorized Expenses that were incurred by Recipient at any time during the period from January 10, 2023 to January 10, 2024 (the “Performance Period”).

3.2 After July 1, 2023, and following expenditure of the Initial Payment by Recipient and submission to Agency of a report detailing such expenditures in such form as is satisfactory to or required by Agency, Agency will reimburse Recipient for additional Authorized Expenses up to the amount of \$10,213,221.46 (the “Additional Allotment”), following receipt of requests by Recipient for such reimbursement. The total Grant Funds amount will equal the Initial Payment amount plus the Additional Allotment amount. Funds from the Additional Allotment will only be used to reimburse Authorized Expenses incurred from July 1, 2023 until the end of the Performance Period (January 10, 2024). Each such reimbursement request will be made following, and in accordance with, a NOA issued by Agency to Recipient, including, but not limited to any allocation of Grant Funds in the applicable NOA to specific expense categories. Recipient will submit requests for reimbursement under this Section 3.2 at least quarterly and in such form and manner as is satisfactory to or required by Agency. Agency and Recipient may, by mutual agreement, modify or terminate a NOA at any time. In the event of a conflict between any NOA and the terms of this Agreement, including, but not limited to the not-to-exceed amount set forth under this Agreement, the terms of this Agreement will prevail.

4. Grant Activities

Recipient will use Grant Funds to conduct the grant activities set forth in Exhibit A (the “Grant Activities”), which is attached to and incorporated into this Agreement. Recipient’s receipt of Grant Funds is conditioned on Recipient’s compliance with Exhibit A, including, but not limited to any performance measures set forth in Exhibit A.

5. Authorized Representatives

5.1 Agency’s Authorized Representative is:

Mike Savara
725 Summer Street NE, Suite B
Salem, OR 97301
Mike.Savara@hcs.oregon.gov

5.2 Recipient’s Authorized Representative is:

Scott Aycock
1250 NE Bear Creek Rd
Bend, OR 97701
scotta@coic.org

5.3 A Party may designate a new Authorized Representative by written notice to the other Party.

6. Online Systems

- 6.1** Recipient and its subrecipients must enter all appropriate and necessary data into OPUS (a web-based application developed by Agency), Homeless Management Information System (HMIS), Procorem or any other Agency-approved system designated by Agency (collectively, the “Sites”) at the time of client intake, if applicable, or at such other times required by Agency. Exceptions are only allowed with prior written approval by Agency.
- 6.2** As a condition of use of the Sites, Recipient and its subrecipients (collectively, “User”) agree to all terms and conditions contained in this Agreement, notices on the Sites, or other directives by Agency regarding use of the Sites. User agrees to not use the Sites for any unlawful purpose. Agency reserves the right, in its sole discretion, to update or revise the terms and conditions for use of the Sites.
- 6.3** Use of the Sites for additional reported “local” program data is at the Recipient’s and subrecipients’ own risk. Agency will not modify or otherwise create any screen, report, or tool in the Sites to meet needs related to this local data.
- 6.4** Recipient hereby grants and will require and cause any subrecipient to grant Agency the right to reproduce, use, display, adapt, modify, distribute, and promote the content on the Sites in any form and disclose, to the extent permitted by law, any or all of the information or data furnished to or received by Agency directly or indirectly resulting from this Agreement. Recipient also shall use and shall require and cause its subrecipients to use appropriate client release forms and privacy policy forms in connection with obtaining and transmitting client data.
- 6.5** Recipient understands and agrees, and shall require its subrecipients to agree, that all materials, information, software, products, and services included in or available through the Sites (the “Content”) are provided “as is” and “as available” for use. The Content is provided without warranties of any kind, either express or implied, including, but not limited to, implied warranties of merchantability, fitness for a particular purpose, or non-infringement. Agency does not represent or warrant that: (1) the Content is accurate, reliable, or correct; (2) the Sites will be available at any particular time or location; (3) any defects or errors in the Content will be corrected; or (4) the Content is free of viruses or other harmful components. Use of the Sites is solely at the User’s risk. User hereby accepts the risk of its use of the Sites, and of the use of the Sites by its subrecipients.
- 6.6** Recipient agrees that under no circumstances will Agency be liable for any direct, indirect, punitive, incidental, special, or consequential damages that result from the use of, or inability to use the Sites. This limitation applies whether the alleged liability is based on contract, tort, negligence, strict liability, or any other basis, even if Agency has been informed of the possibility of such damage.

7. Headings

The headings or captions in this Agreement are for convenience only and in no way define, limit, or describe the intent of any provisions of this Agreement.

8. Amendments

The terms of this Agreement shall not be modified, supplemented, or amended in any manner whatsoever, except in writing by Agency.

9. Nonexclusive Remedies Related to Funding

Agency may withhold any and all undisbursed Grant Funds from Recipient if Agency, in its sole discretion, determines that Recipient has failed to timely satisfy any material obligation arising under this Agreement or otherwise. Recipient's material obligations include, but are not limited to, providing complete, accurate and timely reports satisfactory to Agency about Recipient's performance under this Agreement as well as timely satisfying all Agreement obligations relating to any Grant Funds.

If Grant Funds are not obligated for reimbursement by Recipient in a timely manner as determined by Agency in its sole discretion, Agency may reduce Recipient's funding as it determines to be appropriate in its sole discretion and redistribute such Grant Funds to other parties or retain such Grant Funds for other use. This remedy is in addition to any other remedies available to Agency under this Agreement or otherwise.

10. Independent Contractor Relationship

The Parties agree and acknowledge that their relationship is that of independent contracting parties and that neither Recipient, nor any of its directors, officers, employees or agents, is an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265 or otherwise.

11. Access to Records

Recipient shall maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Recipient shall maintain any other records, books, documents, papers, plans, records of shipments and payments and writings of Recipient, whether in paper, electronic or other form, that are pertinent to this Agreement in such a manner as to clearly document Recipient's performance. All financial records, other records, books, documents, papers, plans, records of shipments and payments and writings of Recipient, whether in paper, electronic or other form, that are pertinent to this Agreement, are collectively referred to as "Records." Recipient acknowledges and agrees that Agency and the Oregon Secretary of State's Office and their duly authorized representatives will have access to all Records to perform examinations and audits and make excerpts and transcripts. Recipient shall retain and keep accessible all Records for a minimum of six (6) years, or such longer period as may be required by applicable law, following termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later. Subject to the foregoing minimum records retention requirement, Recipient shall maintain Records in accordance with the records retention schedules set forth in OAR Chapter 166.

12. Compliance with Law

In connection with their activities under this Agreement, the Parties shall comply with all applicable law.

13. Contribution

13.1 If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (a “Third Party Claim”) against a Party (the “Notified Party”) with respect to which the other Party (the “Other Party”) may have liability, the Notified Party shall promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party, along with the written notice, a copy of the claim, process and all legal pleadings with respect to the Third Party Claim that have been received by the Notified Party. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section and a meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party’s contribution obligation under this Section 13 with respect to the Third Party Claim.

13.2 With respect to a Third Party Claim for which Agency is jointly liable with Recipient (or would be if joined in the Third Party Claim), Agency shall contribute to the amount of expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of Agency on the one hand and of Recipient on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Agency on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines, or settlement amounts. Agency’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if the State had sole liability in the proceeding.

13.3 With respect to a Third Party Claim for which Recipient is jointly liable with Agency (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Agency in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of Agency on the other hand in connection with the events that resulted in such expenses, judgments, fines, or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of Agency on the other hand shall be determined by reference to, among other things, the Parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines, or settlement amounts. Recipient’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

13.4 Recipient shall take all reasonable steps to cause its contractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents (“Indemnatee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys’ fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Recipient’s contractor or any of the officers, agents, employees or subcontractors of the contractor (“Claims”). It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by the contractor from and against any and all Claims. Any defense obligations to Indemnatee are subject to compliance with applicable provisions of ORS chapter 180.

14. Recipient Default

Recipient will be in default under this Agreement upon the occurrence of any of the following events:

14.1 Recipient fails to perform, observe, or discharge any of its covenants, agreements, or obligations under this Agreement, including, but not limited to failure to perform Grant Activities or satisfy performance measures as set forth in Exhibit A and such failure is not remedied within thirty (30) days following notice from Agency to Recipient specifying such failure; or

14.2 Any representation, warranty or statement made by Recipient in this Agreement or in any documents or reports submitted by Recipient in connection with this Agreement, concerning the expenditure of Grant Funds or Recipient’s performance of any of its obligations under this Agreement, is untrue in any material respect when made; or

14.3 Recipient fails to incur expenses, or to satisfy performance measures, at a rate or in a manner that would result in complete expenditure of the Grant Funds in accordance with this Agreement, or successful completion of all performance measures under this Agreement, on or before January 10, 2024, as determined by Agency in its sole discretion.

15. Agency Default

Agency will be in default under this Agreement if Agency fails to perform, observe, or discharge any of its covenants, agreements, or obligations under this Agreement.

16. Remedies

16.1 In the event Recipient is in default under Section 14, Agency may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to: (a) termination of this Agreement under Section 18, (b) reducing, withholding or recovering payment of Grant Funds for activities that Recipient has failed to

perform in accordance with this Agreement, (c) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, or (d) exercise of its right of recovery of overpayments under Section 17 of this Agreement or setoff, or both.

All of the above remedies in this Section 16.1 are cumulative to the extent the remedies are not inconsistent, and Agency may pursue any remedy or remedies singly, collectively, successively, or in any order whatsoever.

16.2 Prior to any termination of this Agreement by Agency pursuant to Section 18.2.3, Agency will provide Recipient with a written notice of such default and will include in such notice an offer to meet with the senior manager of Recipient who has primary responsibility for oversight of the Grant Activities to provide Recipient an opportunity to explain the reasons for the default and to present a proposal for curing the default within a time period that is acceptable to Agency. Recipient shall have 5 days to accept such offer. If Recipient does not accept such offer within such 5-day period, Agency may terminate this Agreement upon 10 days' written notice as provided in Section 18.2.3 or exercise any other remedies available to Agency under this Agreement unless Recipient has fully cured such default prior to the expiration of such 10-day notice period. If Recipient accepts such offer, the meeting must be held within 14 days of such acceptance or at such other time as agreed by Agency. Following the meeting, Agency shall make a determination, in its reasonable discretion, of whether to accept Recipient's proposal, with such modifications as are mutually acceptable to the Parties, and shall give written notice of such determination to Recipient. If Agency's written notice states that Agency does not agree to such proposal, or if Agency accepts such proposal but Recipient does not satisfy the terms of the proposal, Agency may terminate this Agreement upon 10 days written notice as provided in Section 18.2.3 or exercise any other remedies available to Agency under this Agreement unless Recipient has fully cured such default prior to the expiration of such 10-day notice period.

16.3 In the event Agency is in default under Section 15 and whether or not Recipient elects to exercise its right to terminate this Agreement under Section 18, or in the event Agency terminates this Agreement under Sections 18.2.1, 18.2.2, or 18.2.4, Recipient's sole remedy will be a claim for reimbursement of expenses incurred in accordance with this Agreement, less any claims Agency has against Recipient. In no event will Agency be liable to Recipient for any expenses related to termination of this Agreement or for anticipated profits or loss. If previous amounts paid to Recipient exceed the amount due to Recipient under this Section 16.2, Recipient shall promptly pay any excess to Agency.

17. Recovery of Overpayments; Withholding of Funds

17.1 If payments to Recipient under this Agreement, or any other agreement between Agency and Recipient, exceed the amount to which Recipient is entitled, Agency may, after notifying Recipient in writing, withhold from payments due Recipient under this Agreement, such

amounts, over such periods of times, as are necessary to recover the amount of the overpayment.

17.2 Agency may withhold any and all undisbursed Grant Funds from Recipient if Agency determines, in its sole discretion, that Recipient has failed to timely satisfy any material obligation arising under this Agreement, including, but not limited to providing complete, accurate, and timely reports in a form satisfactory to Agency, or if Agency determines that the rate or scale of requests for Grant Funds in any expenditure category materially deviates from an applicable NOA or is unsubstantiated by related documentation.

18. Termination

18.1 This Agreement may be terminated at any time by mutual written consent of the Parties.

18.2 Agency may terminate this Agreement as follows:

18.2.1 Immediately upon written notice to Recipient, if Agency fails to receive funding, appropriations, limitations, or other expenditure authority at levels sufficient, in Agency's reasonable administrative discretion, to perform its obligations under this Agreement;

18.2.2 Immediately upon written notice to Recipient, if federal or state laws, rules, regulations, or guidelines are modified or interpreted in such a way that Agency's performance under this Agreement is prohibited or Agency is prohibited from paying for such performance from the planned funding source;

18.2.3 If Recipient is in default under this Agreement and such default remains uncured for a period of 10 days following completion of the process outlined in Section 16.2 ; or

18.2.4 As otherwise expressly provided in this Agreement.

18.3 Recipient may terminate this Agreement immediately upon written notice to Agency, if Agency is in default under this Agreement and such default remains uncured 15 days after written notice to Agency.

18.4 Upon receiving a notice of termination of this Agreement, Recipient will immediately cease all activities under this Agreement, unless Agency expressly directs otherwise in such notice.

19. Insurance

19.1 Recipient shall insure, or self-insure, and be independently responsible for the risk of its own liability for claims within the scope of the Oregon Tort Claims Act (ORS 30.260 through 30.300).

19.2 Recipient shall require its first-tier contractor(s) that are not units of local government as defined in ORS 190.003, if any, to obtain the insurance specified in Exhibit C.

20. Availability of Funds

Agency's obligation to pay any amounts and otherwise perform its duties under this Agreement is conditioned upon Agency receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow Agency, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement. Nothing in this Agreement may be construed as permitting any violation of Article XI, section 7 of the Oregon Constitution or any other law limiting the activities, liabilities, or monetary obligations of Agency.

21. Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Oregon, without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "claim") between Recipient and Agency or the State of Oregon that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon, provided that in the event that a claim must be brought in a federal forum, the claim shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. Recipient consents to the exclusive jurisdiction of such courts. Nothing in this Agreement constitutes consent by the State of Oregon to the jurisdiction of any court or a waiver by the State of Oregon of any defense or immunity, including, but not limited to sovereign immunity and immunity under the Eleventh Amendment to the United States Constitution.

22. Notice.

Except as otherwise expressly provided in this Agreement, any notices to be given relating to this Agreement must be given in writing by email, personal delivery, or postage prepaid certified or registered mail, with return receipt, to a Party's Authorized Representative at the physical address or email address set forth in Section 5 of this Agreement, or to such other addresses as either Party may indicate pursuant to this Section 22. Any notice so addressed and mailed becomes effective five days after mailing. Any notice given by personal delivery becomes effective when actually delivered. Any notice given by email becomes effective upon the sender's receipt of confirmation of delivery, either by return email or by demonstrating through other technological means that the email has been delivered to the Recipient's email address.

23. Survival

All rights and obligations of the Parties under this Agreement will cease upon termination of this Agreement, other than those rights and obligations that by their express terms survive termination of this Agreement or would reasonably be expected to survive termination of this Agreement; provided, however, that termination of this Agreement will not prejudice any rights or obligations accrued to the Parties under this Agreement prior to termination.

24. Intended Beneficiaries

Agency and Recipient are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement provides, is intended to provide, or may be construed to provide any direct or indirect benefit or right to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of this Agreement.

25. Assignment

Recipient may not assign or transfer its interest in this Agreement without the prior written consent of Agency and any attempt by Recipient to assign or transfer its interest in this Agreement without such consent will be void and of no force or effect. Agency's consent to Recipient's assignment or transfer of its interest in this Agreement will not relieve Recipient of any of its duties or obligations under this Agreement. The provisions of this Agreement will be binding upon and inure to the benefit of the Parties hereto, and their respective successors and permitted assigns.

26. Subcontracts

Recipient shall notify Agency prior to entering into any subcontracts for any of the activities required of Recipient under this Agreement. Agency's receipt of notice of any subcontract will not relieve Recipient of any of its duties or obligations under this Agreement. For purposes of this Agreement, including, but not limited to any exhibits incorporated into this Agreement, "subcontract" means any agreement pursuant to which Recipient compensates another party to carry out any activities under this Agreement, whether by contract for goods or services, grant agreement, or otherwise. For avoidance of doubt, the term "subcontractor" includes any subgrantee or subrecipient to which Recipient awards any funds received by Recipient under this Agreement.

27. Merger; Waiver

This Agreement and all exhibits and attachments, if any, constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver or consent under this Agreement binds either Party unless in writing and signed by the applicable Party. Such waiver or consent, if made, is effective only in the specific instance and for the specific purpose given.

28. Counterparts

This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of the Agreement so executed constitutes an original.

[The remainder of this page intentionally left blank.]

29. Signatures

Oregon Housing & Community Services

DocuSigned by:
Sandra Flickinger
4641B29D2A0B49F...

Signature

Sandra Flickinger, Desig Proc Officer

Printed Name & Title

4/21/2023

Date

Central Oregon Intergovernmental Council

DocuSigned by:
Scott Aycock
779C985BA4A1459...

Signature

Scott Aycock, CED Director

Printed Name & Title

4/20/2023

Date

Exhibit A

Grant Activities

1. Description.

On January 10, 2023, Governor Tina Kotek declared a homelessness state of emergency in response to the 80% rise in unsheltered homelessness in emergency areas since 2017. The Governor directed state agencies to prioritize efforts to reduce homelessness and established a statewide housing production advisory council. In addition to these efforts on the part of the state government, Agency will play a major role in the delivery of the Governor's early investment package that was awarded through House Bill (HB) 5019 during the 2023 Session of the Oregon Legislature. Most of these resources will be delivered to local emergency response regional planning bodies, including Continuums of Care ("CoC") within the areas that are included within the emergency declaration as determined by Agency. Agency will support communities in deploying these funds, including, but not limited to support pursuant to this Agreement, in a coordinated effort to accomplish the following statewide objectives:

1. Prevent homelessness for 8,750 households statewide;
2. Increase shelter capacity, quality, and utilization in emergency areas by 600 beds; and
3. Rehouse at least 1,200 households experiencing unsheltered homelessness in emergency areas.

Agency is deploying Grant Funds pursuant to a Homelessness Emergency Response Program designed to accomplish objectives 2 and 3 identified above (the "Program"). Objective 1 identified above will be accomplished through other agreements.

2. Grant Activities.

- A. Regional Unsheltered Homelessness Emergency Response Plan.** Prior to eligibility for funding, Recipient submitted a Regional Unsheltered Homelessness Emergency Response Plan ("Plan") to Agency that specifies, among other things: current local, state, federal, and other resources allocated to emergency shelter services, rehousing services, and housing stabilization services; and current service levels and gaps in services and resources in emergency response areas specifically impacting people experiencing unsheltered homelessness. The Plan is attached to and incorporated into this Agreement as Exhibit B and, together with this Exhibit A, defines the scope of grant activities ("Grant Activities") authorized for the purposes of this Agreement.
- B. Compliance with Agreement.** Recipient shall and shall cause and require by written agreement that its subcontractors comply with and perform all Grant Activities in accordance with the terms of this Agreement, including but not limited to all exhibits to this Agreement. The provisions of this Section 2 are supplemental to and do not limit the obligations of Recipient or its subcontractors arising under any other provision of this Agreement.

- C. Housing Focused.** All activities conducted under this Agreement must be Housing Focused. “Housing Focused” activities are defined as activities that seek to lower barriers for people experiencing homelessness or housing instability. Activities conducted under this Agreement may not screen participants out solely on the basis of certain behavioral, psychological, physiological, citizenship or immigration status or economic preconditions. Housing Focused services must ensure that the safety and support of both staff and clients are paramount. This is accomplished through a focus on ensuring safety by managing behaviors that pose a risk to health and safety rather than implementing blanket exclusions based on a past diagnosis or current behavioral health symptoms that do not pose a direct risk to community safety. Furthermore, Recipient must actively coordinate services and supports for helping people exit homelessness and make efforts to reduce the barriers to re-housing individuals and families in their community.
- D. No Supplanting of Other Funds.** Recipient may not use funds under this Agreement to supplant other funds available for the same purpose. Furthermore, Recipient agrees that during the term of this Agreement, the funding available for homeless services from sources other than this Agreement will not be reduced from the levels outlined in the Plan, and that in the event of any such reduction, Agency may exercise any of the remedies available to it under this Agreement or at law or in equity. Recipient also agrees to comply with reporting requirements as outlined in Section 3 of this Exhibit A (Program Specific Reporting) to demonstrate the levels of funding from other sources as outlined in the Plan are sustained throughout the term of this Agreement and that no reductions to such funding are made. Failure by Recipient to comply with this Section 2(D) is a material breach of this Agreement, and entitles Agency to exercise any remedies available to it under this Agreement or at law or in equity.
- E. Client Evaluation.** Recipient shall conduct an initial evaluation of clients in accordance with local CoC requirements applicable at the time of client evaluation. For the purposes of client eligibility, Recipient must determine which category of housing status each household meets. Eligibility based on housing status shall be determined based upon the initial engagement with the client.

The eligibility categories are as follows:

Category 1: Literally Homeless—Individual or family that lacks a fixed, regular, and adequate nighttime residence, meaning:

- Living in a primary nighttime residence that is a public or private place not designed for human habitation (including, but not limited to, a car, park, abandoned building, bus or train station, airport or camping ground);
- Living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional shelter, and hotels or motels paid for by charitable organizations or by federal, state or local government programs); or

- Exiting an institution where the individual or family has resided for 90 days or less AND who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 2: Imminent Risk of Homelessness—Individual or family that will lose their primary nighttime residence provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; AND
- The individual or family lacks the resources or support networks (e.g., family, friends, faith-based or other social networks) needed to obtain other permanent housing.

Category 3: Homeless Under Other Federal Statutes—Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under another category, (literally homeless, imminent risk of homelessness or fleeing/attempting to flee domestic violence) but who:

- Are defined as homeless under other listed federal statutes;
- Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the Program assistance eligibility determination;
- Have experienced persistent instability as measured by two moves or more during the preceding 60 days; AND
- Can be expected to continue in such status for an extended period of time due to special needs or barriers.

Category 4: Fleeing/Attempting to Flee Domestic Violence—Individual or family that:

- Is fleeing, or is attempting to flee, domestic violence;
- Has no other safe residence; AND
- Lacks the resources or support networks to obtain other permanent housing.

Category 5: Unstably Housed—Individual or family that:

- Is at risk of losing their housing, and does not otherwise qualify as homeless under Categories 1-4 listed above, provided that:
- Has been notified to vacate current residence or otherwise demonstrate high risk of losing current housing; AND

- Lack the resources or support networks to obtain other permanent housing.

Category 6: Unsheltered Homelessness—Individual or family that is living in a primary nighttime residence that is a public or private place not designed for human habitation (including, but not limited to, a car, park, abandoned building, bus or train station, airport or camping ground).

Client eligibility criteria for each of the above categories are as follows:

- Rapid Re-housing Client Eligibility Criteria:
 - Household must meet the following Housing Status Criteria at time of initial engagement:
 - **Category 6: Unsheltered Homelessness**
- Shelter and Street Outreach Client Eligibility Criteria:
 - Household must meet the following Housing Status Criteria:
 - **Category 1: Literally Homeless**
 - **Category 2: Imminent Risk of Homelessness**
 - **Category 3: Homeless Under Other Federal Statutes**
 - **Category 4: Fleeing/Attempting to Flee Domestic Violence**
 - **Category 6: Unsheltered Homelessness**
- Grant Funds under this Agreement are not allowed to be used for households meeting Category 5, Unstably Housed. Prevention funding will be deployed to local communities through other agreements.

F. Low Barrier Shelter Requirement. Funding under this Agreement for shelter acquisition, operation and construction must only be utilized to create new shelter bed capacity that meets the following definition of Low Barrier Shelter:

Low Barrier Shelters: Low and no barrier policies allow homeless individuals and households to access shelter, housing, and services without preconditions such as sobriety, compliance with treatment plan, no pets, or agreement to participate in specific programs, activities, or classes. These policies allow those most in need to have access to shelter and housing. These additional emergency shelter beds must be low barrier, focus on assessment and triage, and intentionally link to permanent housing resources so that people move through to housing quickly. Recipient may request

technical assistance from the Agency to modify shelter policies to meet this definition.

In order to meet minimum standards as a Low Barrier shelter, the following three conditions must be met:

- Sobriety* and treatment are voluntary;
- No required documentation of identification, custody, citizenship, or gender. Furthermore, shelters must meet the Department of Housing and Urban Development's Equal Access Rule, 81 FR 64763, to ensure services are available to all individuals and families regardless of sexual orientation, gender identity, or marital status; and
- Shelter accommodates pets and belongings.

*Note: Low-barrier shelters may establish requirements that limit the use of drugs and alcohol in common or shared areas of the facility. In addition, facilities may establish behavioral expectations that limit disruptive or violent behavior resulting from intoxication. However, the requirement to abstain completely from alcohol or drug use is not a component of low-barrier shelters.

Furthermore, Agency is recommending the adoption of the following best practices as key indicators of a successful Low Barrier Shelter:

- Shelter has minimal expectations or requirements of people seeking shelter;
- Shelter focuses on addressing disruptive or dangerous behaviors rather than compliance to rules or case plans;
- Shelter welcomes self-defined family and kinship groups to seek shelter together;
- Shelter can identify financial resources that can support the adoption of low barrier policies and practices and supports extended or flexible hours and adapted service-delivery models;
- Shelter accommodates pets and belongings;
- Shelter's intake process and housing navigation services coordinate closely with community-based outreach services and coordinated entry;
- Shelter creates flexible and predictable access for people seeking shelter;

- No charge to individuals or families for stays, meals, or services at the low barrier shelter; and
- Shelter does not exclude people with criminal convictions, poor credit, or eviction histories.

Recipient may fund shelters that require sobriety or drug and alcohol treatment services, but otherwise meet the definition of Low Barrier as outlined in this Agreement in order to provide access to the special needs of people who are in recovery from drugs and alcohol. For example, a facility that meets the definition of Alcohol and Drug Free Community housing as outlined in ORS 90.243 may qualify for funding. Such use of funds for shelters that require sobriety or drug and alcohol treatment services must be as outlined in the Plan (Exhibit B). Notwithstanding any other provision of this Agreement, no more than 30% of the shelter bed capacity created in each community under this Agreement is permitted to be subject to required sobriety or drug and alcohol treatment services.

G. New Shelter Bed Requirement. New shelter bed capacity is defined as beds that are added to a local region as a direct result of funding under this Agreement. Beds may be counted if the building requires rehabilitation prior to the shelter being operational or put into use, if needed. It also may include beds that are added to existing shelters through expansion. If a bed is not available in a local region due to lack of operational funding and has not been previously operational, Grant Funds may be used to bring the bed into active use and the bed would count as added shelter capacity for purposes of this Agreement. Shelter funds may not be used to supplant existing resources, consistent with Section 2(D) of this Exhibit A. Shelter beds may not be counted toward the goal of new shelter beds as outlined in this Agreement unless new beds are being added into an existing shelter or an entirely new shelter facility is brought online as a result of funding under this Agreement.

H. Habitability Requirements. Shelters, whether congregate or non-congregate, must meet habitability requirements that include minimum safety, sanitation, and privacy standards as outlined in 24 CFR § 576.403, regardless of whether 24 CFR § 576.403 independently applies to such shelters apart from this Agreement. Shelters must be structurally sound. Tents and other structures without hardened surfaces that do not meet these minimum standards are unallowable. Recipient must document habitability requirements for all shelters funded under this Agreement. Agency will provide technical assistance reasonably requested to ensure compliance with habitability requirements.

Shelter units may be in the form of Non-Congregate Free-Standing Units if they provide the following amenities:

- Heat
- Electricity
- The ability to close and lock a door
- Showers and restrooms onsite

- Hard-surface walls and roofing
- Food preparation facilities available onsite or with an action plan to provide meals to shelter residents

I. Use of Grant Funds. Consistent with the Plan as well as any applicable NOA, Grant Funds may be utilized for the following purposes:

- A. Acquisition, construction, conversion, or rehabilitation of shelters that increase the shelter bed capacity in accordance with the terms of this Agreement, including but not limited to Sections 2(F), 2(G) and 2(H) of this Exhibit A.
- i. **Acquisition** means acquiring property through purchase, donation, trade, or any other method for the purposes of utilization as an emergency shelter.
 - ii. **Conversion** means the process of changing or causing to change from one form to another; changing the function of a piece of property from one use to another.
 - iii. **Rehabilitation** means action taken to return a property to a useful state by means of repair, modification, or alteration.
- B. Shelter operations, services and supports for shelter beds that increase capacity as determined in accordance with the terms of this Agreement.
- C. Street outreach services, including housing navigation and placement services
- D. Sanitation services
- E. Rapid-rehousing services, including landlord incentives to secure available units, through block-leasing strategies or other means, for people exiting homelessness. Rental assistance commitments, when utilized under rapid-rehousing services, may be issued for up to a 12-month period of time after client move in and may also be issued in the form of an upfront payment to the landlord. Rental assistance commitments may include pre-paid costs to encourage landlord participation. Costs may also include paying for damages or past due housing debt to secure new units or resources. Supportive housing services may be provided for block-leased units and for households that are rehoused pursuant to this Agreement to ensure participants are able to stay securely housed and landlords are supported with various needs.

For all clients who are re-housed utilizing Grant Funds, Recipient is required to provide landlord with documentation showing that the landlord participated in the Program to ensure Agency can provide further guarantees of financial

assistance through the Landlord Guarantee Program. Agency shall provide templates that Recipient may use for this purpose.

- F. Administrative costs up to the limit outlined in the Plan (Exhibit B) including, but not limited to:
- i. Senior executive management personnel salaries and benefits (unless they are directly involved in Program operations), administrative staff travel costs;

General services such as accounting, budget development, personnel, contracting, marketing, agency audit, agency insurance;
 - ii. Board expenses (excluding meals);
 - iv. Planning and implementation of MAC group infrastructure
 - v. Organization-wide membership fees and dues specific to the Program;
 - vi. General agency facilities costs (including those associated with executive positions), such as rent, depreciation expenses, and operation and maintenance (as part of the organization's direct or indirect cost allocation plan); and
 - vii. Equipment rental/purchase, insurance, utilities, and IT costs that are not specific to the Program but relate to the administration of the Recipient as a whole.

Recipient may also utilize Grant Funds to address the specific needs of various homeless subpopulations as set forth in the Plan. Targeting of funds must not violate the Fair Housing Act or other applicable anti-discrimination requirements.

3. Program Specific Reporting.

Recipient shall and shall cause and require its subcontractors by written agreement to submit to Agency all reports as required in this Agreement. Recipient shall and shall cause and require its subcontractors by written agreement to ensure that data collection and reporting, which may include personally identifiable information, be conducted through the use of Agency-approved systems including HMIS or HMIS-Comparable systems for Victim Service Providers. Recipient shall utilize existing systems of Agency (OPUS for fiscal management, and HMIS for Program outcome management, Procorem for reporting submission) for all funding under this Agreement in accordance with applicable policies and procedures of Agency. Recipient shall provide service provider technical assistance to users in Recipient's region and may request additional assistance from Agency as needed.

Recipient may request a reporting deadline extension. An extension must be approved, in writing by Agency in Agency's sole discretion. Requests must be emailed to HCS.REPORTING@hcs.oregon.gov prior to the submission deadline.

The following reports and other documents shall be submitted to Agency throughout the Performance Period and for any additional period as required to include all reportable activities performed during, the Performance Period and all other reportable information relating to the Performance Period:

- (1) Monthly disaggregated data using the SAP Business Objects (the HMIS reporting tool) System Query Report. Report is due 20 days following the end of each month and uploaded into Procorem. The System Query data may be submitted by the HMIS administrator for all OHCS funded HMIS Participating Agencies/Providers in the HMIS instance.
- (2) Monthly Housing Inventory (HIC) Bed/Unit Inventory updates must be 20 days following the end of each month. This can be reported using the HIC report in SAP Business Objects or an Excel spreadsheet of the CoC's Housing Inventory (complete), maintained outside of HMIS. Reports must be emailed to HCS.REPORTING@HCS.oregon.gov.
- (3) Quarterly Aggregated Activity Reports using the SAP Business Objects OHCS Quarterly Report are due 20 days following the end of each quarter. Reports must be emailed to HCS.REPORTING@HCS.oregon.gov. The Quarterly Aggregated Activity Report may be submitted by the HMIS administrator for all OHCS funded HMIS Participating Agencies/Providers in the HMIS instance.
- (4) Biannual System Performance Measure Reports (SPMs) for the CoC and for All-in funded projects (Reporting Group) are due 20 days following the end of each month. These are "canned" reports found in WellSky Community Services (ServicePoint) Report Module: System Performance Measures. Instructions on how to format and share these reports will be provided by Agency. Reports must be emailed to HCS.REPORTING@HCS.oregon.gov.
- (5) Requests for funds through the OPUS system must be submitted within 60 days of the end of each quarter. A final request for funds must be submitted for all fiscal year expenses within 60 days of each fiscal year end. Backup documentation for expenditures made from the Initial Payment must be submitted to Agency within 30 days of June 30, 2023. Backup documentation for expenditures made from the Additional Allotment must be submitted through Agency's OPUS system.
- (6) If Recipient uses funds under this Agreement to add new shelter bed capacity, Grantee must submit a narrative update in a manner prescribed by Agency within 20 days of the end of each month during which such new shelter bed capacity is being added.
- (7) Recipient shall provide additional reports and shall cooperatively attend meetings with Agency, as reasonably requested by Agency.

4. Performance Measures

Recipient shall and shall cause and require its subcontractors by written agreement to conduct the Grant Activities in a manner consistent with the requirements of this Agreement and to achieve the following performance goals, as well as the performance goals that are outlined in the Plan:

- A. Increased housing stability as measured by the number of individuals who were successfully re-housed and who met eligibility criteria as outlined in this Agreement before the end of the performance period (January 10, 2024) unless otherwise stated.
- B. Increased shelter availability and utilization in boundary area of the Continuum of Care or identified sub-region as defined in the Plan as measured by a percentage increase in the number of new shelter beds as defined in this Agreement available and operational in the region referenced above by the end of the Performance Period (January 10, 2024), unless otherwise stated.

5. Restrictive Covenants for Shelter Facilities

Recipient shall operate the shelter facilities acquired, converted, renovated or rehabilitated pursuant to the Grant Activities (the “Facilities”) and provide such related services as are required under the Grant Activities and other provisions of this Agreement for the restrictive use period as provided below (the “Restrictive Use Period”).

Recipient must place a Declaration of Restrictive Covenants on the Facilities restricting the use of the Facilities to provide the housing and services as described in this Agreement. The Declaration of Restrictive Covenants shall be in such form as required by Agency and shall be filed, at the Recipient’s expense, in the real property records of each county in which the Facilities are located. Notwithstanding any provision of this Agreement, the obligations set forth in the Declaration of Restrictive Covenants shall continue in full force and effect throughout the entire Restrictive Use Period and until the expiration of such obligations under the terms of the Declaration of Restrictive Covenants. Recipient acknowledges and agrees that such obligations will survive the expiration or termination of this Agreement. Recipient shall execute all other documents reasonably required by Agency in connection with the Declaration of Restrictive Covenants. Agency may waive any of the requirements pertaining to Facility restrictive covenants at its sole discretion.

Restrictive Use Period

The Restrictive Use Period for all Facilities that are acquired or constructed by Recipient through the use of Grant Funds is 10 years.

The Restrictive Use Periods for Facilities that are placed in service following rehabilitation or conversion of an existing structure are as set forth in the table below. The Restrictive Use Period runs from December 31 of the year the Facility is placed in service until December 31 of the final year of the Restrictive Use Period. Recipient must agree to certify compliance with this

requirement and submit that certification to Agency on an annual basis, or upon request of Agency, throughout the Restrictive Use Period.

Before Recipient uses any Grant Funds to construct, rehabilitate or convert a Facility to be located on leased property, Recipient shall request prior written approval of Agency. Agency may approve or disapprove of such use of Grant Funds in its sole discretion and any such Agency approval may include modifications to the Restrictive Use Period as determined by Agency in its sole discretion.

Rehabilitation and Conversion Minimum Period of Use		
Type of Activity	Definition	Minimum Period of Use
Minor Rehabilitation	The cost of the rehabilitation of an existing emergency shelter is 75% or less of the value of the building before rehabilitation*	3 Years
Major Rehabilitation	The cost of the rehabilitation of an existing emergency shelter exceeds 75% of the value of the building before rehabilitation*	10 Years
Minor Conversion	The cost of the conversion of a building to an emergency shelter is 75% or less of the value of the building after conversion*	3 Years
Major Conversion	The cost of the conversion of a building to an emergency shelter exceeds 75% of the value of the building after conversion*	10 Years

* The value of each shelter building is the fair market value of the building, as determined by an independent real estate appraiser approved by Agency or by an Agency-approved process.

Transferring Property Ownership

Within the Restrictive Use Period, Recipient may not transfer, repurpose, sell, assign, bequeath, or dispose of any interest in the Facilities or the underlying real property to any person, entity or

other assignee, without obtaining the prior written consent of Agency. Agency may condition any such consent on the agreement of the transferee to assume all obligations of Recipient under this Agreement for the duration of the Restrictive Use Period. The proposed use of any monies gained from the transaction must be pre-approved by Agency.

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Exhibit B
Regional Plan

Regional Planning Template and Funding Request



OR-503 (Central Oregon CoC)

Contents:

- [Overview](#)
- [Process](#)
- [Data Collection](#)
- [Community Analysis](#)
- [Goal Setting](#)

Overview

On January 10, 2023, Governor Tina Kotek declared a state of emergency in response to a 63% rise in homelessness since 2016. Oregon’s Departments of Emergency Management (OEM) and Housing and Community Services (OHCS) have partnered to lead this work with the Office of the Governor.

The initial priority in this crisis is to target funding in a coordinated, three-prong effort to 1) **prevent homelessness** for at least 8,750 households statewide, 2) **increase shelter capacity** in emergency areas by 600 units, and 3) **rehouse** at least 1,200 **households** statewide this year.

The Oregon Housing and Community Services Department will deliver \$130,000,000 in funding to seven of Oregon’s Continuums of Care (CoCs) deemed emergency areas. OEM and OHCS will lead this work and coordinate state agency support for local implementation. Over the course of the year, state partners will support regional and community partners in the emergency areas to:

Phase 1: January-February

- Determine additional state funding opportunities for unsheltered homeless services
- Establish and begin managing MAC (multi-agency coordination) teams

- Determine regional impact and needs
- Gather community priorities
- Project this year’s progress and possibility
- Set goals and milestones
- Confirm draft regional plan

Phase 2: February-March

Phase 3: March-April

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- Determine local capacity for approved plan
- Identify outstanding support and resource needs
- Develop local implementation plans

Phase 4: April-December

- Monitor systems improvement
- Iterate on regional plan and strategies

- Support continuous quality improvement

Phase 5: August-December

- Document lessons learned
- Determine regional impact for 2023 and 2024 needs
- Celebrate and build on successes for 2024 planning

This **Regional Planning Template and Funding Request** is the framework for Phase 2 and is designed to support regional planning and streamline the state’s funding process for homeless services under EO-23-02.

Process

In February 2023, OHCS and OEM will convene regional and local leaders to provide an overview of Phase 2: Regional Planning and Funding Requests. This document covers the three steps of Phase 2:

- 1) Data Collection
- 2) Community Analysis
- 3) Goal Setting

This document can be used as a guide throughout Phase 2 and as a repository for qualitative data and community decisions and plans. State partners have attached an editable spreadsheet to this document, which will serve to collect data and automate calculations and projections necessary to the planning and funding process. Phase 2 is outlined below with items captured in the spreadsheet noted with an *.

Data Collection

- Partners*
- Population*
- Services*

Community Analysis

- Stakeholder Engagement
- Data Review
- Impact Analysis

- Community Priorities
- Unmet Needs

Goal Setting

- Priority Strategies
- Projections*
- Confirm Goals
- Milestones



Data Collection

Early in this phase of work, MAC teams and CoCs are encouraged and can be supported in seeking input from people with lived expertise and/or experience of homelessness (people who have or who are currently experienced of homelessness). This input should be prioritized in discussion and decision-making. State agencies and technical assistance providers are available to support this coordination as needed upon request through MAC teams. The region’s spreadsheet* should be used to capture a comprehensive list of partners and expertise engaged in Phase 2.

The data collection work outlined below requires the accompanying spreadsheet where MAC teams will collect the data necessary to inform local projections, analysis, and priorities. Use of the spreadsheet is noted with an asterisk (*) throughout this template.

Partners

MAC teams will work with Continuums of Care to identify key partners in regional and local strategic planning for unsheltered homeless services to inform stakeholder engagement from the beginning of the regional process. Given the critical systems operations and service provision already underway, communities may elect to have representatives to this process to share information for and with multiple stakeholders and coalitions.

The initial data and impact analysis* offered by state partners should inform whether and which additional partners should be invited to the table, particularly those representing communities and subpopulations who are disproportionately impacted by unsheltered homelessness in each region.

During the data collection process in Phase 2, MAC teams and CoCs should prioritize community engagement efforts identify preexisting connections or plan for outreach to culturally specific service providers, identity- and interest-based community groups, community organizers, and other formal and informal representatives of disproportionately impacted groups across the region.

This engagement and partnership should be prioritized over the quantitative data outlined below in early in Phase 2 because their specific perspectives will significantly improve the efficacy of the community’s strategies given the disparate impact of the crisis on their communities and their resulting expertise.

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Population

State partners have documented* each CoC’s 2022 Point-in-Time data as well as each CoC’s census data to better understand the impact of unsheltered homelessness at the subpopulation level in each region. Through the contracting process, MAC teams will be asked to coordinate HDX 2.0 access for state agencies to establish more accurate baselines and projections using annual rather than point-in-time data.

Subpopulation data is captured here based on the following publicly available demographic data for the general population as well as data specific to those experiencing homelessness: household makeup (individual/family), age or service (youth and veterans), and race and ethnicity. This initial data analysis* is intended to highlight which subgroups in the region are at a disproportionately high risk of experiencing unsheltered homelessness. During Phase 2, there is no additional data input or quantitative data analysis required.

The region’s data and impact analysis should be shared with partners engaged in the regional planning and funding request process. As information is gathered about the specific challenges, opportunities, and efforts already underway, MAC teams will document and build on that information to inform the region’s priority strategies and goals.

Services

All In is focused on three core components of our statewide response to unsheltered homelessness: rehousing people experiencing unsheltered homelessness, preventing unsheltered homelessness, and shelter.

MAC teams will gather and input data* to capture the relevant types of services, units, availability, and costs across the region. This will include all federal, state, local, and philanthropic contributions and funding for shelter, rehousing, and targeted homelessness prevention.

As communities identify priority strategies for each of these three areas, partners will refer to this data to identify capacity restraints and opportunities to invest in additional capacity. State agencies will also use this data to better understand and support communities in navigating unstable funding streams during and preceding the COVID-19 pandemic.



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*Community Analysis**Part 1: Community Engagement and Data Review*

- 1) Please summarize your community engagement processes and the efforts made to ensure that the perspectives of people experiencing homelessness, frontline service providers, and groups at a high risk of experiencing homelessness inform regional priorities throughout Phase 2. Please list decision making processes and track community engagement efforts here as well.

The MAC Group has 24 members representing the following agencies across the tri-county region:

- Local jurisdictions (homelessness and EM staff)
- Public housing authority
- Community Action Agency
- Local homelessness agencies
- Rapid rehousing service providers
- Shelter developer/operator
- Behavioral Health Providers
- Healthcare/Federally Qualified Health Center
- Continuum of Care Leadership
- Encouraging MAC members to share the surveys within their networks. We've also encouraged MAC members to help channel feedback in a constructive way, by sharing information from meetings within their networks and soliciting feedback and elevating that to the broader MAC group.
- Informal Vertical Feedback (similar to Lane County)

New website (www.coic.org/EO2302/) –

- EO 23-02 language
- MAC roster
- Zoom links to attend MAC meetings, links to meeting materials, and recordings of MAC meetings
- Regional Planning Template
- All in Workbook
- Google Surveys
- Contact information for COIC Staff

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Google Surveys – sent to 700+ people throughout Central Oregon to capture information on Community Priorities and Goal Setting.

- Over 150 responses to Community Priorities Survey
- Over 35 responses to Project Concepts Survey

The MAC is also leveraging information collected in past outreach efforts, like information gleaned from the comprehensive Emergency Homelessness Task Force (Deschutes County) process in 2021, which you can learn more about here: <https://www.houselessindeschutes.org/>. The Emergency Homelessness Task Force informed a strategic plan, which can be found here: <https://www.houselessindeschutes.org/our-plan-to-solve-homelessness>. Redmond Service Providers, with partnership with Rogue Retreat, collected input from Service Providers in 2021, which was considered as well. The Continuum of Care does regular outreach and receives feedback from culturally and population-specific providers, which was considered in this process. The Oregon Homeless Youth Needs Assessment and System Modeling was also considered.

- 2) MAC teams and CoCs will seek input from disproportionately impacted groups and communities in an ongoing effort to develop a shared understanding of individual and regional challenges facing people experiencing unsheltered homelessness. Please add any additional qualitative or quantitative data or information that was shared to better understand the impact of unsheltered homelessness on their communities.

HMIS Data, State-provided PIT Data, McKinney-Vento Youth Homelessness Data, Census Data

Discussions with and feedback from subpopulation specific providers – J Bar J, COVO, Latino Community Association, Council on Aging

Part 2: Impact Analysis

- 3) How many people experiencing unsheltered homelessness did your Continuum of Care region house in 2022?
HMIS

111 people reported their last living situation was an unsheltered situation, before entered a program, and then moved into permanent housing.

36 head of households, who have experienced unsheltered homelessness became housed through an EHV.

29 of the head of households were housed through an EIIV in 2022.

2 housed EHV holders who had experienced unsheltered homelessness returned to homelessness in 2022 and 2023.

- 4) Based on quantitative data and qualitative community input, these three groups have a disproportionately high risk of experiencing unsheltered homelessness:

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Context: In 2022, our Continuum saw 1096 people engage with the homelessness response system who were experiencing unsheltered homelessness (living in a place not meant for habitation)

- a. Subpopulation 1: BIPOC, specifically Black, Pacific Islander, and Indigenous peoples
- b. Subpopulation 2: Medically-Vulnerable individuals
- c. Subpopulation 3: LGBTQ+ Youth

5) What percentage of people experiencing unsheltered homelessness who exit to permanent housing, return to homelessness within 6 months?

6% (2022 System Performance Measures)

6) What percentage of people experiencing unsheltered homelessness who exit to permanent housing, return to homelessness within 6-12 months?

6% (2022 System Performance Measures)

7) On average, how many people experiencing unsheltered homelessness does your Continuum of Care region exit to permanent housing each month?

9 People

8) What culturally specific services are available and accessible to each of the three groups of people experiencing unsheltered homelessness in your Continuum of Care region?

- a. Subpopulation 1: Latino Community Association, Warm Springs Street Outreach and Emergency Shelter, Oregon Worker Relief Fund
- b. Subpopulation 2: Central Oregon Council on Aging, Assisted Living Facilities, Mosaic Medical Community Health Workers
- c. Subpopulation 3: J Bar J Youth Services

9) What specific services or supports are available for individuals in these groups to access and sustain mainstream (education, health care, Social Security, etc.) services and community connections once people are housed?

- a. Subpopulation 1: Latino Community Association, Warm Springs Navigation Center, The Father’s Group, Mosaic Community Health Workers, Best Care, Oregon Human Development Corporation, NeighborImpact, Thrive
- b. Subpopulation 2: Central Oregon Council on Aging, Assisted Living Facilities, Mosaic Community Health Workers, Thrive Central Oregon, Abilitree, NeighborImpact, Thrive
- c. Subpopulation 3: J Bar J Youth Services, Deschutes County Mental Health Youth and Young Adults, FAN, Best Care, Rimrock, NeighborImpact, Thrive

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Part 3: Community Priorities

10) Please select **all** local needs that are immediate and major barriers to your Continuum of Care's efforts to support people experiencing unsheltered homelessness in regaining housing, safety, and stability. (25% or more of respondents selected the following answers as their top priorities)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Housing Affordability | <input type="checkbox"/> Project-based rental assistance |
| <input checked="" type="checkbox"/> Emergency Shelter Shortage | <input checked="" type="checkbox"/> Housing Choice Vouchers |
| <input checked="" type="checkbox"/> Street Outreach Services | <input type="checkbox"/> Targeted subsidies |
| <input checked="" type="checkbox"/> Affordable Housing Landlord Engagement | <input checked="" type="checkbox"/> Rent buy-down |
| <input checked="" type="checkbox"/> Substance Use Disorder Care and Services | <input type="checkbox"/> Family reunification transportation assistance |
| <input checked="" type="checkbox"/> Mental Health Care and Services | <input checked="" type="checkbox"/> Flexible emergency funding |
| <input checked="" type="checkbox"/> Rapid Rehousing Projects | <input type="checkbox"/> Food security payments |
| <input checked="" type="checkbox"/> Service Providers – Organizational Capacity | <input type="checkbox"/> Marketing materials |
| <input checked="" type="checkbox"/> Service Providers – Staff/Salary | <input checked="" type="checkbox"/> Operating costs |
| <input type="checkbox"/> Service Providers – Specific Expertise | <input type="checkbox"/> Other flexible forms of financial assistance |
| <input checked="" type="checkbox"/> Medical Care | <input type="checkbox"/> Other renovations |
| <input checked="" type="checkbox"/> Skilled Nursing Facility Care | <input checked="" type="checkbox"/> Peer support Services |
| <input type="checkbox"/> Nursing Home Shortage | <input type="checkbox"/> Planning and development |
| <input type="checkbox"/> Manufactured Housing | <input checked="" type="checkbox"/> Project management |
| <input checked="" type="checkbox"/> Housing Development | <input type="checkbox"/> Repairing damages |
| <input type="checkbox"/> Flexible System Funding/Costs | <input type="checkbox"/> Room and board payments |
| <input type="checkbox"/> Cleaning or maintenance (e.g., hoarding prevention) | <input checked="" type="checkbox"/> Security deposits |
| <input checked="" type="checkbox"/> Housing-focused Case Management | <input checked="" type="checkbox"/> Service coordination and integration |
| <input checked="" type="checkbox"/> Housing problem-solving assistance | <input type="checkbox"/> Signing bonuses |
| <input checked="" type="checkbox"/> Conflict mediation Services | <input checked="" type="checkbox"/> Staffing |
| <input checked="" type="checkbox"/> Housing Navigation Services | <input type="checkbox"/> Transportation assistance |
| <input type="checkbox"/> Tenant-based rental assistance | |

11) For each of the three subpopulations identified above as **disproportionately likely** to experience unsheltered homelessness in your region, please identify which of these needs most significantly and specifically impact their ability to regain and retain housing.

- Subpopulation 1: BIPOC - Peer Support, Service Coordination/Integration, Housing Problem-Solving Assistance, Flexible Emergency Funding, Street Outreach, Housing Affordability
- Subpopulation 2: Medically Vulnerable - Medical Care, Skilled Nursing, Flexible Emergency Funding, Housing Affordability
- Subpopulation 3: LGBTQ+ Youth - Emergency Shelter Shortage, Rapid Rehousing, Street Outreach, Housing Affordability, Conflict Mediation Services, Peer Support, Housing Focused Case Management, Mental Health, Medical Care, Flexible Emergency Funding

12) Please list the region’s five most urgent and critical (important but not immediately time sensitive) unmet needs, choosing from the selected list above.

1. Most Urgent: Housing Affordability (77.9% of Respondents)
2. Urgent and Critical: Mental Health Care and Services (68.8% of Respondents)
3. Time Sensitive and Very Important: Emergency Shelter Shortage (59.7% of Respondents)
4. Not Time Sensitive but Very Important: Substance Use Disorder Care and Services (55.8% of Respondents)
5. Important: Rapid Rehousing Projects (39.6% of Respondents)

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Goal Setting

Each region will determine priority strategies that will target its All In investments across its three goals. MAC teams and CoCs will rely on the data and community analysis above to inform which of these strategies to prioritize. MAC teams and CoCs may gather additional data to better understand what local capacity and limitations should guide these investments.

Based on the supports most needed and the services currently available in your region, please check **only** the boxes for the investment strategies that would **most benefit** your community’s efforts to rehouse people experiencing unsheltered homelessness.

Part 1: Strategies to prevent unsheltered homelessness

Technical assistance and support to integrate **housing problem-solving into street outreach.**

Offering **flexible housing-related funding for institution-involved families, youth, and single adults** who formerly exited or are currently exiting a publicly funded child welfare and foster care, juvenile and adult corrections, long-term care, health, and mental health and substance use treatment facility by providing flexible funding that to reduce housing instability. Eligible activities include:

- Housing-focused case management
- Service coordination and integration
- Targeted subsidies
- Flexible emergency funding
- Room and board payments
- Transportation assistance
- Food security payments
- Other flexible forms of financial assistance

Offering **flexible housing-related funding for older adults and people with disabilities** – including people with mental health conditions and/or substance use disorders –to reduce housing instability by providing access to housing-related home- and community-based services. Eligible activities include:

- Housing-focused case management
- Service coordination and integration
- Targeted subsidies

- Flexible emergency funding
- Room and board payments
- Transportation assistance
- Food security payments
- Other flexible forms of financial assistance

Funding encampment-specific prevention and shelter diversion to permanent housing or family reunification (if safe and appropriate) to prevent people that have been placed into permanent housing from losing their housing and falling back into unsheltered homelessness. Eligible activities include:

- Housing-focused outreach
- Housing-focused case management
- Family reunification transportation assistance
- Housing problem-solving assistance
- Flexible emergency funding

Expand or establish geographically robust street outreach efforts that provide access to the full menu of services available in your community. Eligible activities include:

- Service coordination and integration
- Harm reduction training
- Peer support
- Housing problem-solving assistance
- Conflict mediation
- Family reunification transportation assistance

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Part 2: Strategies to increase shelter capacity for individuals and families experiencing unsheltered homelessness

Technical assistance and support to re-evaluate current emergency shelter rules that may unnecessarily punish, divert, harm, or discourage people from staying in emergency shelter and seek unsheltered respite.

- Related soft costs
- Replacement reserve

Expand non-congregate shelter through acquisition and development through the following eligible activities:

- Acquisition of existing structure or vacant land
- Demolition costs
- Development hard costs
- Site improvements

Expand emergency shelter bed capacity through the following eligible activities:

- Major rehabilitation
- Conversion
- Other renovation

Part 3: Strategies to rapidly rehouse individuals and families experiencing unsheltered homelessness

Technical assistance and support to establish or strengthen your Continuum of Care region’s relationship with Public Housing Authorities to coordinate on securing available voucher resources to rehouse individuals and families experiencing unsheltered homelessness.

Technical assistance and support to develop and implement an encampment strategy to focus rehousing efforts and reduce the number of encampments.

Technical assistance and support to examine, revise or strengthen your Continuum of Care region’s coordinated entry prioritization policies and practices to rapid rehouse individuals and families experiencing unsheltered homelessness.

Expand or develop a landlord incentive package to establish a pool of units with reduced or eliminated tenancy screening criteria to rehouse people experiencing unsheltered homelessness. Eligible activities include:

- Planning and development
- Marketing materials
- Holding fees
- Signing bonuses
- Security deposits
- Rent buy-down

Technical assistance and support to analyze your Continuum of Care region’s funding portfolio to identify braided funding opportunities to increase its capability to rapidly rehouse individuals and families experiencing unsheltered homelessness.

Repairing damages

Develop and implement a **housing surge** and/or **housing fair**. Eligible activities include:

- Staffing
- Admin
- Project management
- Fiscal Agent
- Tenant-based rental assistance
- Housing-focused case management
- Third-party inspection services

Develop and implement a **master leasing program**. Eligible activities include:

- Staffing
- Admin
- Project management
- Fiscal Agent
- Project-based rental assistance
- Housing-focused case management
- Third-party inspection services
- Operating costs

Goals

Please identify what goals your Continuum of Care is prepared to set and work toward this year for each area, assuming financial support from the state for implementing some or all the strategies marked above, as well as technical assistance and collaboration.

Quantify your goal to contribute towards this statewide effort and identify the number of households, beds, and/or people you will be able to serve with additional resources.

Increase shelter capacity

Our CoC Region will add a minimum emergency shelter beds by this date: 1/9/2024.

Rapidly rehouse

Our CoC Region will rapidly rehouse people experiencing unsheltered homelessness by this date: 1/9/2024.

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Milestones

Please provide a timeline of milestones your Continuum of Care region proposes to mark progress, evaluate strategies, and improve operations to achieve the identified above, contingent on funding, in partnership with OHCS and OEM.

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<p>June</p>	<ul style="list-style-type: none"> • Quarterly Check in with MAC Executive Team to measure progress towards goals (HMIS adoption, Coordinated Entry Participation, Subpopulation specific impact, etc.) • MAC Refresh • If properties need to be acquired, acquisition has happened or the process of escrow. • Funded Projects/Programs have begun to serve clients. Case Management, Operations asst. • Develop master leasing program • Develop landlord incentive program and requirements. • Operations funding deployed and some Emergency shelters up and running. • Subcontractor procurement process determined, if necessary. 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Create landlord incentive program with landlord and agency feedback. • Create master leasing program with agency feedback. • Review opportunities, barriers and progress on meeting goals. Target agencies needing additional support or Technical assistance. • Funding Reserve Assessment
<p>July</p>	<ul style="list-style-type: none"> • Subcontractor contracts in place, if necessary. • Renovations to property have started, if necessary. • New programs participating in HMIS are trained and have begun to input data into the system. • Begin implementing both landlord incentive program and master leasing program. 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment
<p>August</p>	<ul style="list-style-type: none"> • MAC Refresh • Shelters that are planning to expand capacity are functional and serving clients • Halfway point... 4 months to go. <ul style="list-style-type: none"> ○ Prevention – 100/354 individuals ○ Shelter – 30/81 beds ○ Rehousing – 50/162 households 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment • Larger scale assessment of what programs have been working and what programs need to pivot their approach.

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September	<ul style="list-style-type: none"> • Quarterly Check in with MAC Executive Team to measure progress towards goals • Ensure each community in Central Oregon has emergency cold weather sheltering options • Ensure newly funded shelter facilities are up and running 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment
October	<ul style="list-style-type: none"> • Assembling final reporting on goals met and projects complete • Assess future needs and resources • MAC Refresh • 2 months to go. <ul style="list-style-type: none"> ○ Prevention – 250/354 individuals ○ Shelter – 70/81 beds ○ Rehousing – 120/162 households 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment
November	<ul style="list-style-type: none"> • Assembling final reporting on goals met and projects complete • Assess future needs and resources • Met goals set by state: <ul style="list-style-type: none"> ○ Prevention – 354/354 individuals ○ Shelter – 81/81 beds ○ Rehousing – 162/162 households 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment
December	<ul style="list-style-type: none"> • Quarterly Check in with MAC Executive Team to measure progress towards goals • Assembling final reporting on goals met and projects complete • Assess future needs and resources • Lessons learned report • Assemble reporting for the state. Work with State on future funding. • Ensure we spend total amount and met goals established by the State. • Projects should be materially complete 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • Work with State agencies on sustainably funding programs and projects created by this funding opportunity • Work with State to assess All IN efforts when Initiative ends to determine best practices State wide, lessons learned and innovative ideas and concepts that worked or didn't.

Strategies to rehouse 162 unsheltered households

We expect this goal to be our most challenging to meet, and plan to utilize several strategies to meet the State's goals here as well. Acknowledging that Central Oregon has some of the lowest rental vacancy rates in the country, our region's main challenge is in the sheer lack of units to put people in. We are considering the following strategies at a high level to increase the impact of the region's rehousing programs:

- Master Leasing – Currently, housing navigators do not have a pool of master leased units to refer individuals to. Accordingly, there is a high administrative burden in having housing navigators scour the region for available housing. We hope that some of this executive order funding could be utilized to leverage a master lease agreement with a pool of units to increase the efficiency of the system.
- Landlord incentives
 - setting aside funding for rent buy downs,
 - renters insurance,
 - cash incentives,
 - damage repair reserves,
 - and training opportunities for property owners.
- Intensive Housing Focused Case Management to ensure that folks have the wrap around supports they need to remain stably housed.
- As mentioned in the shelter section above, we are designing the funding application to prioritize projects that address underlying disparities in the community. It will include specific questions on potential barriers to success, how projects support members of our community who are disproportionately likely to experience unsheltered homelessness, and how projects will leverage cross-sector partnerships to create the greatest impact.

The following rehousing concepts have been submitted in the project concepts survey (this is not intended to represent a list of approved or prioritized projects, Central Oregon has not officially opened up a funding application or selected sub recipients, yet):

- Purchasing apartment complex in Bend (42 units, acquisition and operating funding)
- Renovated motel in Bend (80 units, requires 5 year master lease)
- Medically Vulnerable Case Management
- Acquire Land and build tiny homes in Bend (10 units, requires acquisition and operating funding)
- Medically Vulnerable/Disabled Case Management
- Homesharing for Veterans (requires funding for renovations)
- Vehicle purchase for outreach in Redmond
- Build tiny homes for Veterans (7 units, capital funding request)
- Create landlord incentive fund
- Barrier Busting/Flexible funding to help get folks through the door
- Housing focused Case Management – moving folks from safe parking/camping into housing.

Current Services

<i>Project Type</i>	<i>Units Available</i>	<i>Total Units</i>	<i>Avg. Cost Per Unit</i>
<i>Emergency Shelter Beds – Adult Only</i>	2	425	\$10,041
<i>Emergency Shelter Beds – Adults with Children</i>	2	68	\$32,164
<i>Emergency Shelter Beds - Youth</i>	0	9	\$63,875
<i>Transitional Housing</i>	2	88	\$44,694
<i>Joint Transitional Housing/Rapid Rehousing</i>	3	4	\$19,009
<i>Rapid Rehousing</i>	1	46	\$7,755
<i>Permanent Supportive Housing</i>	2	21	\$14,584
<i>Other Permanent Housing</i>	Unavailable	14	Unavailable
<i>Housing Choice Vouchers</i>	90	1344	\$7,016

<i>Service Type</i>	<i>Slots Available</i>	<i>Total Slots</i>	<i>Avg. Cost Per Service</i>
<i>Outreach</i>	2	1826	\$1,333
<i>Rental Assistance</i>	Unavailable	672	\$2,931
<i>Case Management</i>	2	186	\$929
<i>Landlord Engagement</i>	Unavailable	Unavailable	Unavailable
<i>Housing Navigation</i>	Unavailable	205	\$2,048

Current Investments

<i>Project Type</i>	<i>City</i>	<i>County</i>	<i>State</i>	<i>Federal</i>	<i>Private</i>	<i>Total</i>
<i>Emergency Shelter Beds – Adult Only</i>	\$3,020,000	\$100,000	\$409,060	\$68,094	\$27,500	\$3,704,654
<i>Emergency Shelter Beds – Adults with Children</i>			\$77,739	\$12,500	\$27,500	\$117,739
<i>Emergency Shelter Beds – Youth</i>		\$20,000	\$210,000	\$330,000	\$25,000	\$585,000
<i>Transitional Housing</i>	\$675,000		\$150,000	\$662,000	\$238,000	\$1,725,000

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Agreement No. OR-503

<i>Joint Transitional Housing/Rapid Rehousing</i>				\$76,036		\$76,036
<i>Rapid Rehousing</i>	\$75,000		\$74,734	\$298,934		\$448,668
<i>Permanent Supportive Housing</i>			\$45,738	\$306,268		\$352,006
<i>Other Permanent Housing</i>						\$0
<i>Housing Choice Vouchers</i>				\$9,430,000		\$9,430,000
<i>Service Type</i>						\$0
<i>Outreach</i>	\$45,400		\$75,000	\$204,346	\$102,000	\$426,746
<i>Rental Assistance</i>			\$1,077,377	\$773,067	\$559,000	\$2,409,444
<i>Case Management</i>	\$50,000		\$150,000	\$175,000	\$308,900	\$683,900
<i>Landlord Engagement</i>				\$25,000		\$25,000
<i>Housing Navigation</i>				\$129,905		\$129,905
<i>Total Investments</i>	\$3,865,400.00	\$120,000.00	\$2,349,647.80	\$12,491,150.00	\$1,287,900.00	\$20,114,097.80

Exhibit C

Insurance Requirements

Risk Assessment Insurance Summary

Service Procurement

Summary Document to Assist with Insurance Requirement Template

This risk assessment insurance summary is based off of a risk assessment and is meant to be used as a guide. If a different conclusion is made, document the reasoning.

COMMERCIAL GENERAL LIABILITY:

Required

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000 .

AUTOMOBILE LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit of not less than \$1,000,000 .

PROFESSIONAL LIABILITY: (For Medical and Health Services)

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than _____ per claim. Annual aggregate limit shall not be less than _____ .

PROFESSIONAL LIABILITY: (For other than Medical & Health Services or IT Services)

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than \$ 2,000,000 per claim. Annual aggregate limit shall not be less than \$ 4,000,000 .

NETWORK SECURITY AND PRIVACY LIABILITY:

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per claim.

POLLUTION LIABILITY:

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than _____ per occurrence. Annual aggregate limit shall not be less than _____ .

DIRECTORS AND OFFICERS:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than \$2,000,000 .

CRIME PROTECTION:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than \$3,000,000 .

PHYSICAL ABUSE AND SEXUAL MOLESTATION:

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$3,000,000 .

MOTOR CARRIER AND CARGO:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

DRONE / UNMANNED AIRCRAFT SYSTEMS (UAS) / UNMANNED AERIAL VEHICLE (UAV) LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

AIRCRAFT LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

AIR CARGO LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

AIRCRAFT AERIAL APPLICATION LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

GARAGE LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

GARAGEKEEPERS LEGAL LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

BAILEE'S:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

MARINE PROTECTION LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

Risk Assessment Insurance Summary

Goods Procurement

Summary Document to Assist with Insurance Requirement Template

This risk assessment insurance summary is based off of a risk assessment and is meant to be used as a guide. If a different conclusion is made, document the reasoning.

COMMERCIAL GENERAL LIABILITY:

Required

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence.

Annual aggregate limit shall not be less than \$2,000,000 .

NOTES:

Central Oregon

Executive Order 23-02 Community Plan overview



On Jan. 10, 2023, Governor Kotek signed Executive Order 23-02, declaring a state of emergency due to unsheltered homelessness in seven Continuum of Care regions across the state. The Governor chose the regions based on the 2022 Point-in-Time Count data, which showed an increase in unsheltered homelessness of 50% or greater since 2017.

In alignment with the emergency order, the Governor proposed House Bill 5019 to provide a down payment to achieve three actionable goals by Jan. 10, 2024:



A whole-community approach

Oregon’s response to this crisis requires bold action and coordination between government agencies and service providers. That’s why Oregon created Multi Agency Coordination (MAC) Groups, which includes representatives from multiple sectors. Central Oregon Intergovernmental Council (COIC) leads the region’s MAC group. Their membership includes Central Oregon Veterans Outreach, Deschutes County Emergency Management, Crook County Emergency Management, Jefferson County Emergency Management, Deschutes County Coordinated Homeless Response Office, City of Redmond Housing Coordinator, Housing Works, Epic Property Management, LLC, NeighborImpact, Shepherd’s House, Redemption House, Deschutes County Behavioral Health, J Bar J Youth Services, Homeless Leadership Coalition, City of Bend, and Mosaic Community Health.

Executive Order 23-02 Community Plan

The Central Oregon MAC group surveyed people throughout their region to capture information on community priorities and goal setting. They also analyzed information from recent efforts to understand the needs of people experiencing unsheltered homelessness within their community and used the information gathered to develop interventions they laid out in their community plan. The MAC group will review data and amend their plan throughout the year to ensure they meet their region’s goals.

Comparison of unsheltered homelessness and overall population by race in Central Oregon

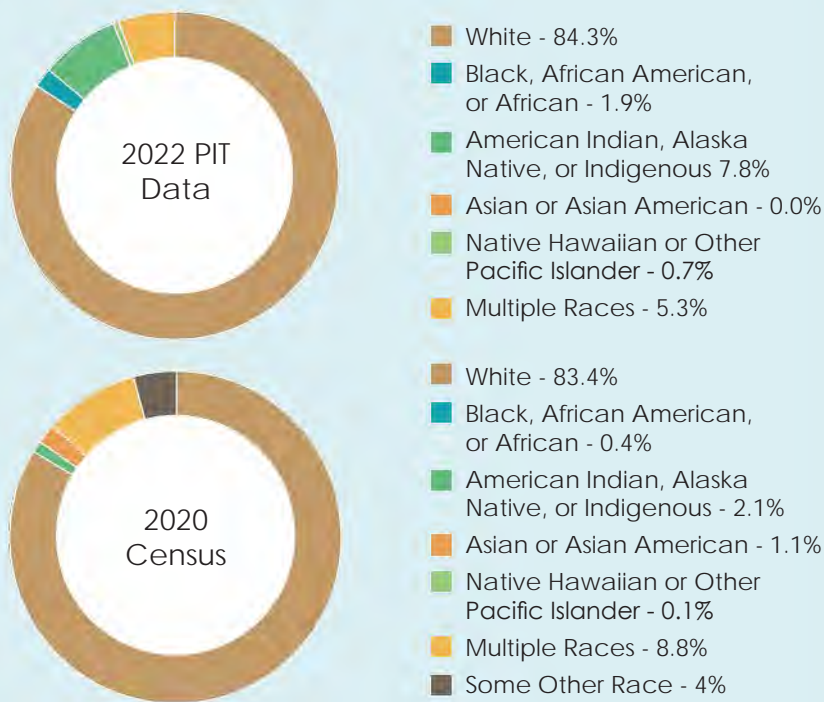
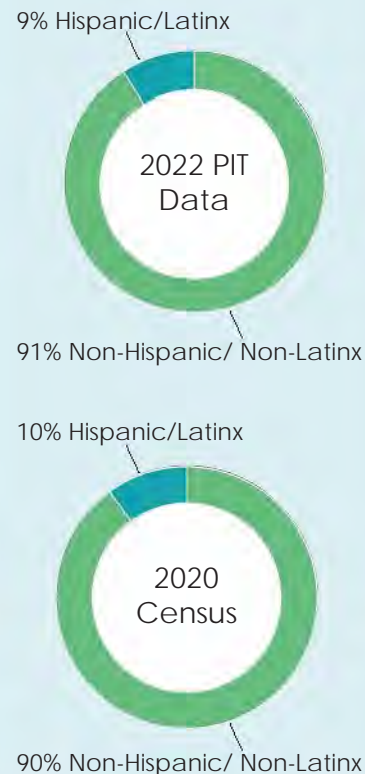


Figure A. Racial disparities within the unsheltered homeless populations in Central Oregon. In this region, 2.1% of all residents self-identify as American Indian, Alaska Native, or Indigenous, while 7.8% of the unsheltered homeless population self-identify that way. The Black, African American, or African population makes up 0.4% of all residents and 1.9% of the unsheltered homeless population. The Native Hawaiian or Other Pacific Islander population makes up 0.1% of all residents and 0.7% of the unsheltered homeless population. Additionally, one out of every 32 people who self identify as Native Hawaiian or Other Pacific Islander experience unsheltered homelessness, compared to one out of every 200 White residents.

Comparison of unsheltered homelessness and overall population by ethnicity in Central Oregon



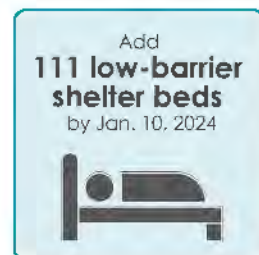
Rehousing goal

Central Oregon plans to engage in a variety of solutions to resource 161 unsheltered populations. By collaborating with housing providers in the region, they also plan to establish and lease rental units to refer individuals to. Other interventions Central Oregon is considering include unit acquisition and operation, motel conversion, Veteran homesharing, and intensive housing-focused case management to ensure that folks have the wraparound services they need to remain stably housed. Central Oregon has designed their funding application to prioritize projects that address underlying disparities in the community.



Shelter bed goal

To meet their shelter bed goal, Central Oregon is considering several strategies, including site expansion and new site acquisition. Most of the region’s current shelter is concentrated in Deschutes County, specifically Bend, and they intend to increase provider capacity in Crook and Jefferson Counties. Other strategies under consideration include medical respite beds for people to recover from illness or injury but are not ill enough to be in a hospital, congregate and non-congregate shelters for youth and families, and a youth-specific shelter in Redmond.



CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Jeff Hurd, Public Works Director

Through: Will Ibershof, City Administrator

Subject: **AGREEMENT CREATING LAND USE RESTRICTIVE COVENANTS**
Covenants between City, Central Oregon Intergovernmental Council, and Oregon Housing and Community Services

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

Council approves the agreement creating land use restrictive covenants for the Shelter Services Center

OVERVIEW:

The attached restrictive covenant's requires that the City enforce the stipulations of the grant for the Shelter Services Center for a period of 10 years. This means that the shelter must remain a shelter for 10 years and operate as such to include reporting to COIC and OHCS. The agreements between the City and JCFBN requires JCFBN to provide the reporting on the City's behalf.

STAFF ANALYSIS:

This is a requirement of accepting the grant that the covenants be recorded against the property. The covenants were drafted by COIC and reviewed by staff. Staff changed the recording County to Jefferson County. Everything else remained the same.

FISCAL INFORMATION:

Recording fees are approximately \$530

SUPPORTING DOCUMENTATION:

Agreement Creating Land Use Restrictive Covenants

STRATEGIC GOAL:

N/A

DECLARATION OF LAND USE RESTRICTIVE COVENANTS

This DECLARATION OF LAND USE RESTRICTIVE COVENANTS (this “DECLARATION”) dated February 13, 2024 but made effective for all purposes as of January 10, 2024 (the “Commencement Date”), is made by City of Madras (the “Owner”) and given as a condition precedent to the award of grant funds by the State of Oregon, acting by and through its Housing and Community Services Department (the “State”) to Central Oregon Intergovernmental Council (“Recipient”)

WITNESSETH:

WHEREAS, the Owner has constructed an emergency shelter facility, located on lands in the City of Madras, County of Jefferson, State of Oregon, as more particularly described in Exhibit A hereto (the “Project”);

WHEREAS, Recipient entered into an agreement on August 14, 2023, with the State of Oregon, acting through its Housing and Community Services Department, under which Recipient receives grant funds to carry out its Regional Unsheltered Homelessness Emergency Response Plan (the “Grant Agreement”);

WHEREAS, Owner has entered into an agreement for a grant to the Project in an amount not to exceed \$1,085,536.00 for the purposes of constructing the emergency shelter facility and to provide emergency shelter beds to unsheltered homelessness clients, as detailed in Subrecipient Agreement EO 23-02 005 (the “Funding Agreement”);

WHEREAS, Recipient has assigned certain of its duties and obligations under the Grant Agreement to the Owner under the Funding Agreement;

WHEREAS, Recipient has represented to the State that the Project will provide an emergency shelter facility with shelter beds and support services, as specified within the Funding Agreement;

WHEREAS, the Recipient has loaned the Award to the Owner under the terms described in the Funding Agreement, and under the condition that the Owner accept the terms, conditions and restrictions of this Declaration of Land Use Restrictive Covenants;

WHEREAS, the State of Oregon, acting by and through its Housing and Community Services Department (OHCS) required as a condition precedent to the awarding of grant funds that the Owner execute, deliver and record a Declaration in the official land deed records of the county in which the Project is located in order to create certain covenants running with the land for the purpose of enforcing the requirements; and

WHEREAS, the Owner, under this Declaration, intends, declares, and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy, and transfer of the Project shall be and are covenants running with the Project land for the term stated herein and binding upon all subsequent owners of the Project land for such term, and are not merely personal covenants of the Owner;

NOW, THEREFORE, in consideration of the promises and covenants herein set forth and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and Recipient agree as follows:

SECTION 1 - DEFINITIONS

All the words and phrases used in this Declaration shall have the same meaning as when used in State Administrative Policies and Program Rules, and Regulations, unless the context requires otherwise.

SECTION 2- RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

- (a) Upon execution of this Declaration, the Owner shall cause this Declaration and all amendments hereto to be recorded and filed in the official public land deed records of Jefferson County, Oregon, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall immediately transmit to the State and Recipient an executed original or certified copy of the recorded Declaration showing the date, deed book and page numbers of record.

- (b) Subject to the provisions of 5(b) below, the Owner intends, declares, and covenants, on behalf of itself and all future Owners and operators of the Project during the term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Project: (1) shall be and are covenants running with the Project land, encumbering the Project for the term of this Declaration, binding upon the Owner's successors in title and all subsequent Owners and operators of the Project; (2) are not merely personal covenants of the Owner; and (3) shall bind the Owner (and the benefits shall inure to the State and any past, present or prospective tenant of the Project) and its respective successors and assigns during the term of this Declaration. The Owner hereby agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project. For the term of this Declaration, each and every contract, deed or other instrument hereafter executed conveying the Project or a portion thereof shall expressly provide that such conveyance is subject to this Declaration, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed, or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Declaration.
- (c) The Owner covenants to obtain the consent of any prior recorded lienholder on the Project to this Declaration.

SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE OWNER

The Owner hereby represents, covenants, and warrants as follows:

- (a) The Owner (1) is duly organized under the laws of the State of Oregon and qualified to transact business under the laws of the State of Oregon; (2) has the power and authority to own properties and assets and carry on its business as now being conducted; and (3) has the full legal right, power and authority to execute and deliver this Declaration.
- (b) The execution and performance of this Declaration by the Owner: (1) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body; (2) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound; and (3) will not result in the creation or imposition of any prohibited encumbrance of any nature.
- (c) The Owner will, at the time of execution and delivery of this Declaration, have good and marketable title to the premises constituting the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Declaration, any Loan Documents relating to the Project, and all other encumbrances of record as of the effective date of this Declaration).
- (d) There is no action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.
- (e) The Project constitutes or will constitute a qualified use of grant funds as defined in applicable regulations.

SECTION 4 – RESTRICTIVE COVENANTS

- (a) The Owner, its agents, successors, and assigns shall operate the facilities acquired, converted, renovated or rehabilitated as part of the Project pursuant to the Funding Agreement and provide such related services as are required under the Grant Activities and other provisions of the Grant Agreement for the restrictive use period.
- (b) The Owner may not transfer, repurpose, sell, assign, bequeath, or dispose of any interest in the Project or Property to any person, entity or other assignee without obtaining the prior written consent of the State; provided, however, the Owner may lease the Property (and Project) to Jefferson County Faith Based Network, an Oregon nonprofit corporation, for the purpose of operating the Project. The State may condition any such consent on the agreement of the transferee to assume all obligations of Recipient and the Owner under this Agreement for the duration of the Term of Declaration. The State must approve the proposed use of any monies gained from any such transaction.

SECTION 5 - TERM OF DECLARATION

- (a) This Declaration, and the terms specified herein, apply to the Project commencing on December 31, 2024 (the "Commencement Date"). This Declaration may be enforced by the State, a designee of the State, or one or more tenants

as third-party beneficiaries of this Declaration and or funding agreement as long as this Declaration applies to the Project. This Declaration shall terminate on December 31, 2034.

SECTION 6 - ENFORCEMENT OF RESTRICTIONS

- (a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the State to inspect any books and records of the Owner regarding the Project with respect to compliance with the Restrictions in this Declaration.
- (a) The Owner shall submit any other information, documents, or certifications requested by the State which the State shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of the State's Restrictions specified in this Declaration.

SECTION 7 - ENFORCEMENT OF REQUIREMENTS

- (a) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements and applicable regulations of this Declaration. Moreover, Owner covenants to take any lawful action (including amendment of this Declaration as may be necessary, in the opinion of the State) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed from time to time pertaining to Owner's obligations under the Grant Agreement and affecting the Project.
- (b) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with restrictions provided in this Declaration is to assure the compliance of the Project and the Owner with the Funding Agreement, the Grant Agreement, and applicable regulations, and by reason thereof, the Owner in consideration for receiving Grant Funds for the Project hereby agrees and consents that the State and any tenant who meets the limitation applicable under the Grant Agreement (whether prospective, present or former occupant) shall be entitled, for any breach of the provisions hereof, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the owner of its obligations under this declaration in a state court of competent jurisdiction. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.
- (c) The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the State and all persons interested in Project compliance under the Grant Agreement and the applicable regulations.
- (d) The Owner agrees to take any and all actions reasonably required by the State to substantiate the Owner's compliance with the occupancy restrictions of the Funding Agreement and the Grant Agreement as now constituted or subsequently amended and other occupancy restrictions of the State as now constituted or subsequently adopted.
- (e) This Declaration and the Funding Agreement of which it is a part may be enforced by the State or its designee in the event the Owner fails to satisfy any of the requirements herein. In addition, this Declaration shall be deemed a contract enforceable by one or more tenants as third-party beneficiaries of the Declaration and Funding Agreement. In the event the Owner fails to satisfy the requirements of this Declaration, or the Funding Agreement and legal costs are incurred by the State or one of the tenants or beneficiaries, such legal costs, including attorney fees and court costs (including costs of appeal), are the responsibility of, and may be recovered from, the Owner.
- (f) This Declaration and the Funding Agreement of which it is a part may be enforced by the State or its designee through alternative and/or cumulative actions in contract, equity, injunctive relief, foreclosure, tort, or special proceedings, or any other manner allowed by law or equity, and the choice of any one remedy shall not preclude the State or its designee from pursuing alternative and/or cumulative remedies required to enforce the terms of this Declaration and the Funding Agreement.

SECTION 8 - MISCELLANEOUS

- (a) Severability. The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions thereof.
- (b) Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the State:

{10340836-01670892;2}

Declaration of Land Use Covenant for Central Oregon Intergovernmental Council Project

Page 3

Oregon Housing and Community Services
725 Summer St N.E., Ste. B
Salem, Oregon 97301

To the Owner:

City of Madras
125 SW E Street
Madras, Oregon 97741

To the Recipient:

Central Oregon Intergovernmental Council
1250 N.E. Bear Creek Rd.
Bend, OR 97701

The State and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

- (c) Amendment. The Owner agrees that it will take all actions necessary to effect amendment of this Declaration as may be necessary to comply with the Grant Agreement, any and all applicable rules, regulations, policies, procedures, rulings, or other pertaining official statements. The State, together with Owner, may execute and record any amendment or modification to this Declaration and such amendment or modification shall be binding on third-parties granted rights under this Declaration.
- (d) Governing Law. This Declaration shall be governed by the laws of the State of Oregon and, as applicable, the laws of the United States of America.
- (e) Survival of Obligations. The obligations of the Owner as set forth herein and in the Application shall survive the reservation of Grant funds and shall not be deemed to terminate or merge with the awarding of the funds.

IN WITNESS WHEREOF, the Owner has caused this Declaration to be signed by its duly authorized representatives, as of the day and year first written above.

OWNER:

By: Mike Lepin
Its: Mayor

RECIPIENT:

By: Central Oregon Intergovernmental Council
Its: Executive Director

STATE OF OREGON)
)ss.
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, _____, by
_____, as the managing member of CV The Old Mill, LLC.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

Exhibit “A”
(The Project)

See Attached Subrecipient Agreement EO 23-02 005.

SUBRECIPIENT AGREEMENT

This Subrecipient Agreement (this “Agreement”) is entered into between Central Oregon Intergovernmental Council, an Oregon entity organized under ORS Chapter 190 (“COIC”), and City of Madras, a municipal corporation of the State of Oregon. This Agreement is dated August 14, 2023, but made effective for all purposes as of the Effective Date (as defined below).

BACKGROUND

The Parties acknowledge the following background related to this Agreement:

On January 10, 2023, Governor Tina Kotek issued Executive Order 23-02 (the “EO”), which declared a state of emergency due to homelessness. The EO is necessary to rapidly expanding the State’s low-barrier shelter capacity, to rehouse people experiencing unsheltered homelessness, and to prevent homelessness to the greatest extent possible. All executive state agencies are authorized, upon further direction from Governor Kotek and the Governor’s office, to take any actions authorized under the provisions set forth in ORS 401.168 through ORS 401.192. The EO took immediate effect and remains in effect until January 10, 2024, unless extended or terminated earlier by the Governor.

During the 2023 Session of the Oregon Legislature, the Housing and Community Services Department (“OHCS”) was awarded funding from House Bill 5019, subject to passage and approval. OHCS was appropriated funding for both the Biennium ending on June 30, 2023, and the Biennium beginning on July 1, 2023. OHCS will grant funding from this bill through a variety of agreements to further the objectives of Executive Order 23-02, including by granting funds under this Agreement.

Further details on the state of emergency in Oregon can be found at:

<https://www.oregon.gov/oem/Pages/housing-emergency-executive-orders.aspx>
<https://www.coic.org/eo2302/>

AGREEMENT:

By execution of this Agreement, Subrecipient agrees to perform the Services (as defined in Schedule 1.1, *aka* Scope of Work) in accordance with the terms and conditions contained in this Agreement.

WHEREAS, COIC has applied for and received funds from the State of Oregon, acting by and through its Housing and Community Services Department, under EO 23-02; and

WHEREAS, COIC wishes to engage the Subrecipient to assist in utilizing such funds;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Services

- 1.1 Subrecipient shall provide all services identified in Schedule 1.1 (and any other necessary or appropriate tasks and/or services customarily provided by Subrecipient in connection with its performance of those services as described in Schedule 1.1) (collectively, the “Services”).

- 1.2 Related to its obligations stated throughout this Section 1, Subrecipient agrees to be bound to timely achieve the goals assigned to it that are stated in the agreement between the State of Oregon and COIC, attached hereto as Exhibit C.
- 1.3 **Standards.** Subrecipient will (i) consult with and advise COIC on all matters concerning the Services reasonably requested by COIC, (ii) devote such time and attention to the performance appropriate for the expeditious and prudent performance of the Services in accordance with Section 1.1, (iii) perform the Services to the best of Subrecipients ability, and (iv) according to industry standards. (*See also* Section 5.1, below)
- 1.4 **Schedule of Services.** Subrecipient will timely perform the Services. Subrecipient's timely performance of each and every subrecipient obligation under this Agreement, including, without limitation, subrecipient performance of the Services, is of the essence.
- 1.5 **Quantity of Work throughout Contract.** The goals, objectives, services and quantities specified within this Agreement are requirements for this funding. COIC retains the right to revise the goals, objective, services, and quantities, and thereby the contract amount as goals and/or objectives change subject to an equitable adjustment in the scope of work, fees, and schedule for completion. COIC shall give Subrecipient 30-day notice of any such change.
- 1.6 **Effective Date and Duration.** The effective date of this agreement is May 17, 2023, ("Effective Date"), and shall remain in effect until and including January 10, 2024 ("Expiration Date") unless terminated or extended as provided in this Agreement. Expenses incurred between January 10, 2023, and the Expiration Date are allowable expenses for grant funds reimbursement, so long as the expenses are incurred pursuant to the performance of the Scope of Work set forth in Schedule 1.1.

2. COMPENSATION

- 2.1 **Eligible Costs and Expenses.** COIC will pass through to Subrecipient no more than \$1,060,536.00 in EO funds for eligible incurred costs and expenses as applicable to the Scope of Work set forth in Schedule 1.1. At its sole discretion and for good cause, COIC may disburse to Subrecipient up to 100% of the total contract price in advance of, or before the completion of performance by Subrecipient of its obligations herein.
- 2.2 **No Benefits.** COIC will not provide any benefits to Subrecipient, and Subrecipient will be solely responsible for obtaining Subrecipient's own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans.
- 2.3 **No Reimbursement of Expenses.** Expenses incurred by Subrecipient and not included in Section 2.1 in connection with the performance of the Services will not be reimbursed by COIC.
- 2.4 **Availability of Funds.** COIC's obligation to pay any amounts and otherwise perform its duties under this Agreement is conditioned upon COIC receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow COIC, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement. Nothing in this Agreement may be construed as permitting any violation of

Article XI, section 7 of the Oregon Constitution or any other law limiting the activities, liabilities, or monetary obligations of COIC.

2.5 Expenditure Restrictions

The following additional expenditure restrictions apply to the Subrecipient Budget as found in Schedule 2.1

- 2.5.1 **Expenditure Period.** The period of performance – the time during which expenditures may be incurred – is January 10th, 2023 through January 10th, 2024 unless otherwise extended at COIC’s discretion.
- 2.5.2 **Cost Reimbursement.** This agreement is based on a cost-reimbursement method of payment.

2.6 Expenditure Considerations. On full execution of the Agreement, the amount of \$1,060,536.00 will be made available based on Schedule 2.1 Section B for expenditures having had occurred between the period of January 10, 2023, and June 30, 2023. After July 1, 2023, and following expenditure of initial funding, the remaining Grant Funds will be available for Authorized Expenses incurred from July 1, 2023, to January 10, 2024, based on Schedule 2.1. The total Grant Funds amount will equal the initial funding amount available prior to June 30, 2023, plus the funding amount available for expenditures following July 1, 2023.

2.7 Budget Line Flexibility. Budget Line Flexibility applies separately to each fund shown within the budget. Any requested exceptions to the following limitations require prior approval and budget modification or waiver:

- 2.7.1 Expenditures by Fund may not exceed Fund budget total(s).
- 2.7.2 No single personnel line item may be over-expended.
- 2.7.3 Over-expenditure of indirect costs are not allowable.
- 2.7.4 Expenditures by cost category (ex. Personnel, operating costs, participant costs) may not exceed cost category budget totals.
- 2.7.5 With the exception of personnel, indirect and support services, which cannot go over budget with approval and budget modification, line items within a cost category (ex. Operating costs, participant costs) may be over or under budget as long as the category in total does not exceed budget.

2.8 Any grant funds disbursed to Subrecipient under this Agreement that exceeded the amount to which Subrecipient is entitled or are expended in violation or contravention of one or more of the provisions of this Agreement, or that remain unexpended on the earlier of termination or expiration of this Agreement must be returned to COIC unless otherwise agreed to by COIC in writing.

3. RELATIONSHIP

3.1 Taxes. COIC will not withhold any taxes from any payments made to Subrecipient, and Subrecipient will be solely responsible for paying all taxes arising out of or resulting from Subrecipient's performance of the Services, including, without limitation, income, social security, workers' compensation, and employment insurance taxes.

3.2 Licenses. Subrecipient will be solely responsible for obtaining any and all licenses, approvals, and/or certificates necessary or appropriate to perform the Services.

3.3 No Agency Relationship. The agreement does not create an agency relationship between COIC and Subrecipient and does not establish a joint venture or partnership between COIC and Subrecipient. Subrecipient does not have any authority to bind COIC or represent to any person that Subrecipient is an agent of COIC.

3.4 Oregon Public Contract Provisions. The contract is subject to the Oregon Public Contract Provisions in Exhibit B. These provisions are updated periodically, and new applicable provisions shall be applied.

3.5 Conflicts. In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence shall control. The precedence of each of the documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: Schedule 1.1, Schedule 1.2, Schedule 2.1, this Agreement without Exhibits, Exhibit A, Exhibit B and Exhibit C.

4. REPRESENTATIONS AND WARRANTIES.

In addition to any other representations or warranties made in this Agreement, each party represents and warrants to the other party as follows:

4.1 Authority and Binding Obligation. The party is duly organized, validly existing, and in good standing under applicable Oregon law. The party has full power and authority to sign and deliver this Agreement and to perform all the party's obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of the party, enforceable against the party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

4.2 No Conflicts. The signing and delivery of this Agreement by the party and the performance by the party of all the party's obligations under this Agreement will not (i) breach any agreement to which the party is subject, or give any person the right to accelerate any obligation of the party, (ii) violate any law, judgement, or order to which the party is subject, or (iii) require the consent, authorization, or approval of any person, including, without limitation, any governmental body.

4.3 Licenses. Prior to the party's execution of this Agreement, the party obtained any and all licenses, approvals, and/or certificates necessary or appropriate to perform the Services (or pass through the EO funds in case of COIC).

5. COVENANTS

5.1 Quality of Service. Subrecipient will perform Services in accordance with industry standards and to the standard of care that other similar municipalities would perform the same work, in the same locality, at the same time, and under the same conditions. Subrecipient will proceed diligently, without delay, in good faith, in a professional manner, and in accordance with this Agreement.

5.2 Insurance. Subrecipient will refer to Exhibit A, attached and incorporated herein, for insurance specifications.

5.3 Workers' Compensation Insurance. Subrecipient will comply with Workers' Compensation Insurance referenced in Exhibit A.

5.4 Compliance with Laws. Subrecipient will comply with any and all applicable federal, state, and local laws, regulations, and ordinances. Subrecipient will obtain and maintain any and all licenses, permits, registrations, and other governmental authorizations required to conduct Subrecipient's business and perform the Services.

5.5 Indemnification. Subrecipient will defend and indemnify COIC, and each present and future employee, director, officer, agent, board member, and authorized representative of COIC, for, from, and against any and all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, reasonable attorneys' fees, resulting from or arising out of, whether directly or indirectly, (i) state or federal anti-trust violations, (ii) damages to person or property caused directly or indirectly by the intentional misconduct, recklessness or negligence of Subrecipient and/or Subrecipient's Representatives (as defined below), and/or (iii) Subrecipient's failure to pay any tax arising out of or resulting from the performance of the Services. Subrecipient's indemnification obligation provided herein will survive the termination of this agreement.

Subrecipient shall indemnify, defend, save and hold harmless State of Oregon and its officers, employees, and agents from and against all claims, actions, liabilities, damages, losses, or expenses, including attorney's fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or intentionally wrongful acts or omissions of the Contractor, or any of its officers, agents, employees, or subcontractors ("Claims")

Neither Subrecipient, nor subcontractor(s), nor any attorney engaged by Subrecipient or its subcontractors, shall defend any claim in the name of the State or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that any part is prohibited from defending State or that any party is not adequately defending State's interests, or that an important government principle is at issue or that it is in the best interests of the State to do so. State reserves all rights to pursue claims it may have against Subrecipient if State elects to assume its own defense.

6. DOCUMENTATION AND RECORD KEEPING

6.1 Records. Subrecipient shall maintain complete and accurate records concerning all services performed. Subrecipient shall establish and maintain records sufficient to enable COIC to (i) determine whether the Subrecipient has complied with this agreement, applicable local, State, and Federal statutes and regulations and the terms and conditions of the funding and (ii) satisfy recordkeeping requirements applicable to the Subrecipient.

6.2 Access and Retention. Subrecipients records concerning the Services, including, without limitation, Subrecipients time and billing records, will be made available to COIC for inspection, copying, and/or audit immediately upon COIC's request. The Subrecipient shall allow COIC, and other authorized representatives of the state and federal government,

access to any books, documents, papers, and records of the Subrecipient that are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions. All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of six years after final audit for the project unless a longer period is required to resolve audit findings or litigation. In such case, it will be requested for a longer period of retention.

6.3 Remedies. With or without inspecting or auditing Subrecipient’s records, documents, etc. as provided for in subsection 6.2 and with or without first terminating this agreement, if COIC determines that Subrecipient has misused, misapplied, or misappropriated funds disbursed to it under this agreement, Subrecipient, upon COIC’s demand to do so, shall immediately return to COIC any or all funds disbursed under this agreement.

7. WARRANTY

[this section intentionally left blank]

8. CONFIDENTIALITY AND NONDISCLOSURE.

8.1 Maintain Confidential Information. [this section intentionally left blank]

9. TERMINATION

9.1 Termination of Agreement. This Agreement may be terminated at any time by the mutual written agreement of COIC and Subrecipient.

9.2 Immediate Termination for Cause. Notwithstanding anything contained in this Agreement to the contrary, COIC may terminate this Agreement immediately upon notice to Subrecipient upon the occurrence of any of the following events: (i) Subrecipient engages in any form of dishonesty or conduct involving moral turpitude related to Subrecipient’s independent contractor relationship with COIC or that otherwise reflects adversely on the reputation or operations of COIC; (ii) Subrecipient fails to comply with any applicable federal, state, or local law, regulation, or ordinance; (iii) problems occur in connection with Subrecipient’s performance of the Services due to Subrecipient’s breach of its obligations under this Agreement; (iv) Subrecipient breaches or otherwise fails to perform any Subrecipient representation, warranty, covenant, and/or obligation contained in this Agreement; and/or COIC determines that Subrecipient has misused, misapplied or misappropriated funds disbursed to it under this agreement.

9.3 Consequences of Termination. Upon termination of this Agreement as set forth in Section 9.2, COIC will not be obligated to reimburse or pay Subrecipient for any continuing contractual commitments to others or for penalties or damages arising from the cancellation of such contractual commitments. Within a reasonable period of time after termination of this Agreement (but in no event greater than ten (10) days after termination), Subrecipient will deliver all materials and documentation, including raw or tabulated data and work in progress, to COIC. Termination of this Agreement by COIC will not constitute a waiver or termination of any rights, claims, and/or causes of action COIC may have against Subrecipient. COIC will pay Subrecipient for services (referenced in Schedule 2.1) performed up to termination, upon detailed invoicing from Subrecipient to COIC. If previous amounts paid to Subrecipient exceed the amount due to Subrecipient under this Agreement, Subrecipient shall promptly pay any excess to COIC.

9.4 Remedies. If a party fails to perform any of its terms, covenants, conditions, or obligations under this Agreement, the non-defaulting party may, in addition to any other remedy provided to the non-defaulting party under this Agreement, pursue any and all remedies available to the non-defaulting party at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

9.4.1 Neither Party shall be liable for any indirect, incidental, consequential, or special damages under this Agreement or for any damages of any sort arising solely from the termination of this Agreement in accordance with its terms.

9.4.2 Subrecipient shall not incur obligations or liabilities after Subrecipient receives proper Notice of termination.

9.5 Default. Subrecipient will be in default under this Agreement upon occurrence of any of the following events:

9.5.1 Subrecipient fails to perform, observe, or discharge any of its covenants, agreement, or obligations under this Agreement, including, but not limited to failure to perform Grant Activities or satisfy performance measures as set forth in Schedule 1.1 and such failure is not remedied within thirty (30) days following notice from COIC specifying such failure; or

9.5.2 Any representation, warranty, or statement made by Subrecipient in this Agreement or in any documents or reports submitted by Subrecipient in connection with this Agreement, concerning the expenditure of Grant Funds or Subrecipient's performance of any of its obligations under this Agreement, is untrue in any material respect when made; or

9.5.3 Subrecipient fails to incur expenses, or to satisfy performance measures, at a rate or in a manner that would result in complete expenditure of Grant Funds in accordance with this Agreement, or successful completion of all performance measures under this Agreement, on or before January 10, 2024, as determined by COIC in its sole discretion.

9.6 Default Remedies. In the event Subrecipient is in default under Section 9.5, COIC may, at its option, pursue any or all of the remedies available under this Agreement and at law or in equity, including, but not limited to: (i) termination of this Agreement under Section 9, (b) reducing, withholding or recovering payment of Grant Funds for activities that Recipient has failed to perform in accordance with this Agreement, (c) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, or (d) exercise of its right of recover of overpayments under Section 2 and Section 6 of this Agreement or setoff, or both.

9.7 Notice of Default. Prior to any termination of this Agreement by COIC pursuant to Section 9, COIC will provide Subrecipient with a written notice of such default and will include in such notice an offer to meet with the senior manager of Subrecipient who has primary responsibility for oversight of the Grant Activities to provide Subrecipient an opportunity to explain the reasons for the default and to present a proposal for curing the default within a time period that is acceptable to COIC. Subrecipient shall have 5 days to accept such offer. If Subrecipient does not accept such offer within such 5-day period, COIC may terminate this Agreement upon 10 days' written notice as provided in Section 9.1 or exercise any other remedies available to COIC under this Agreement unless Subrecipient

has fully cured such default prior to the expiration of such 10-day notice period. If Subrecipient accepts such offer, the meeting must be held within 14 days of such acceptance or at such other time as agreed by COIC. Following the meeting, COIC shall make a determination, in its reasonable discretion, of whether to accept Subrecipient's proposal, with such modifications as are mutually acceptable to the Parties, and shall give written notice of such determination to Subrecipient. If COIC's written notice states that COIC does not agree to such proposal, or if COIC accepts such proposal but Subrecipient does not satisfy the terms of the proposal, COIC may terminate this Agreement upon 10 days of written notice as provided in Section 9.1 or exercise any other remedies available to COIC under this Agreement unless Subrecipient has fully cured such default prior to the expiration of such 10-day notice period.

10. MISCELLANEOUS

10.1 Severability. Each provision contained in this agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein.

10.2 Notices. Unless otherwise specified in this Agreement, any Notice required under this Agreement must be in writing. Any notice will be deemed given when personally delivered or delivered by facsimile transmission (with electronic confirmation of delivery), or will be deemed given three business days following delivery of the notice by U.S. mail, postage prepaid, by the applicable party to the address of the other party shown below (or any other address that a party may designate by notice to the other party), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day.

To COIC:
 Central Oregon Intergovernmental Council
 Attn: Contracts
 1250 NE Bear Creek Road
 Bend, OR 97701
contracts@coic.org

To Subrecipient:
 Michele Quinn
 216 NW B St.
 Madras, OR 97741
mquinn@ci.madras.or.us

10.3 Waiver. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by COIC and Subrecipient. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof.

10.4 Entire Agreement. This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter of this Agreement and contains all of the terms and conditions of the Parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. Subrecipient has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Agreement.

10.5 Assignment and Binding Effect. Subrecipient will not assign any of Subrecipient's rights or obligations under this Agreement to any person without the prior written consent of COIC, which consent COIC may withhold in its sole discretion. Subject to the above-stated limitations on Subrecipient's assignment of any of Subrecipient's rights or obligations under this Agreement, this Agreement will be binding on the Parties and their respective heirs, executors, administrators, successors, and permitted assigns and will inure to their benefit.

10.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Oregon, and venue for any action concerning this Agreement will lie in Deschutes County, Oregon.

10.7 Amendment. The Agreement may be amended only by a written agreement signed by each party.

10.8 Further Assurances. At any time upon the request of COIC, Subrecipient will execute all documents or instruments and will perform all lawful acts COIC considers necessary or appropriate to secure its rights hereunder and carry out the intent of this Agreement.

10.9 Additional Provision and Attachments. All exhibits, schedules, instruments, and other documents referenced in this Agreement are part of this Agreement. All capitalized terms contained in such exhibits, schedules, instruments, and documents not otherwise defined therein will have the respective meanings assigned to them in this Agreement.

10.10 Attorney Fees. In the event litigation or arbitration is instituted to enforce or determine the Parties' rights or duties arising out of the terms of this Agreement, the prevailing party will recover from the losing party reasonable attorney fees incurred in such proceeding to the extent permitted by the judge or arbitrator, in arbitration, at trial, on appeal, or in any bankruptcy proceedings.

10.11 Binding Arbitration. In the event any claim, dispute, or controversy arising out of or related to this Agreement occurs (a "Dispute"), COIC and Subrecipient will exert their best efforts to seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, the Dispute will be settled by arbitration before a single arbitrator in Bend, Oregon. If the Parties agree on an arbitrator, the arbitration will be held before the arbitrator selected by the Parties. If the Parties do not agree on an arbitrator, each party will designate an arbitrator and the arbitration will be held before a third arbitrator selected by the designated arbitrators. Each arbitrator will be an attorney knowledgeable in the area of business law. The arbitration will be conducted in accordance with the then-current rules of the Arbitration Service of Portland, Inc. The resolution of any controversy or claim as determined by the arbitrator will be binding on the Parties and judgment upon the award rendered may be entered in any court having jurisdiction. A party may seek from a court an order to compel arbitration, or any other interim relief or provisional remedies, pending an arbitrator's resolution of any controversy or claim. The prevailing party in the arbitration will be entitled to recover from the other party all expenses incurred in connection with the arbitration, including reasonable attorneys' fees.

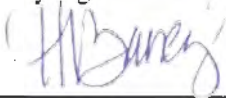
10.12 Person and Interpretation. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein, and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular, or plural, as the identity of the Parties may require. The singular includes the plural, and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting.

10.13 Signatures. This Agreement may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page. At the request of a party, the other party will confirm a fax or email transmitted signature page by delivering an original signature page to the requesting party.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above but effective as the effective date.

COIC:

Central Oregon Intergovernmental Council
an Oregon entity organized under ORS Chapter 190

Signature:  _____

By: Tammy Baney
Its: Executive Director

Subrecipient:

City of Madras
a municipal corporation of the State of Oregon

Signature:  _____

By: Mike Lepin
Its: Mayor

Schedule 1.1

Scope of Work
Description of Services

1. **See attached pdf.** Subrecipient EO 23-02 Funding Application.
2. **Reporting Requirements.**
 - a. **Shelter Bed Capacity Reporting.** If Subrecipient uses funds under this Agreement to add new shelter bed capacity, a narrative update must be provided to COIC by the 15th day of the month following the period billing, but no less frequently than monthly. Narrative update shall include milestones, success measures, outcomes, obstacles, and impacts of the project. Reporting required for all periods in which shelter bed capacity is being added.
 - b. **Homeless Management Information System.** Subrecipient must enter all appropriate and necessary data into Homeless Management Information System (“HMIS”) at the time of client intake, if applicable, or at such other times required. Exceptions are only allowed with prior written approval provided from State via COIC.
 - c. **Data Collection and Evaluation.** Subrecipient is required to report client-level data, such as the number of persons served and their demographic information, in a Homeless Management Information System (HMIS). HMIS is an electronic data collection system that facilitates the collection of information on persons who are homeless or at risk of becoming homeless and is managed and operated locally. Subrecipients are required to review this Agreement and ensure data standards are implemented in HMIS specifically for participants as applicable to the EO and this funding. Data requirement specifics shall be made available to Subrecipients upon request.
 - d. **Additional Reporting.** Subrecipient shall provide additional reports and shall cooperatively attend meetings as reasonably requested by COIC or State.

Project Contact Name:

Enter the name of the individual responsible for responding to questions about the application.

Michele Quinn, Public Works Coordinator

Organization:

Enter the name of the organization submitting the supplication.

City of Madras

Contact Email:

Enter the email address of the individual responsible for responding to questions about the application.

mquinn@ci.madras.or.us

Contact Phone Number:

Enter the phone number of the individual responsible for responding to questions about the application.

+15414752344

Entity Type:

Please select your organization's entity type.

Government

State Where Registered:

Where is your legal entity registered?

Oregon

HMIS:

Your organization will contribute information to the Homeless Management Information System

true

Universal Data Elements:

Your organization agrees to input all of the [Universal Data Elements](#) for each client involved in your program

true

Low Barrier:

Your organization agrees to abide by low-barrier principles for its clients. *Low Barrier means a program that does not require any of the following for a client to participate in one of the programs: (i) criminal background checks, (ii) credit checks or income verification, (iii) program participation, (iv) sobriety, or (v) identification. Low Barrier programs may enforce safety requirements for self, staff, place, and/or others.*

true

Client-Centered, Housing First:

Your organization agrees to provide client-centered, housing-first case management supports. A client-centered case management approach ensures that the person who has experienced homelessness has a major say in identifying goals and service needs, and that there is shared accountability. Case management must focus on housing assessment, placement and housing stability.

true

Provide Information and Report:

In order to assist COIC in meeting the State's Reporting Requirements, you agree to supply COIC with any and all requested information related to meeting contractual obligations under EO 23-02. *Reporting expectations can be found on page 20 of the State's draft contract language:*

<https://www.coic.org/wp-content/uploads/2023/03/EO-23-02-Grant-Template-Final-2023-03-21.docx>

true

Project Complete by 1/10/2024:

The deadline to have a project up and running is January 10, 2024. Your organization agrees that the project will be complete and operating at full capacity by January 10th, 2024.

true

Project Goal:

Select the goal your project will address.

Creating 111 New Shelter Beds

Project Overview:

Please provide an overview of your proposed project and explain how your project will make and measure impact towards the goal by January 10th, 2024. Go into as much detail as possible to explain your full project concept. Please include a section that specifically explains how your project will make a measurable impact toward one of the two goals above.

OVERVIEW: The City of Madras proposes to bring a new shelter online in Madras by January 10, 2024. Construction of the Madras Homeless Services Center began on May 1, 2023, and is scheduled to be completed on December 31, 2023. The project will result in the construction of a 3,760 square foot facility located on City-owned land (61 NW Oak Street, Madras). When completed, the facility will have a total of 29 new shelter beds (14 in a men's dorm, 12 in a women's/family dorm, and 3 in a supportive care room). The facility will be owned by the City of Madras and will be operated by the Jefferson County Faith Based Network (JCFBN).

The City has contributed \$300,000 to the project, and also secured funding from the Oregon Community Development Block Grant (CDBG) program through Business Oregon, and ARPA COVID funding through the Oregon Department of Administrative Services under Senator Lynn Findley's sponsorship. However, EO 23-02 funds are needed in order to fill a budget deficit that has emerged recently due to higher than anticipated construction costs, and due to a street redesign and improvement that is required for the project to proceed.

Project milestones completed to date include:

- City has reached agreement with the Jefferson County Faith Based Network (JCFBN) to operate the Homeless Services Center.
- Property has been purchased by the City of Madras; environmental clearance achieved through a Finding of No Significant Impact on the Environment.
- Facility design has been completed by BLRB Architects.
- Construction bid process is complete, and the City has awarded the construction contract to 2KG Contractors, Inc.
- Construction start date: May 1, 2023 (construction is under way)
- Completion Date: December 31, 2023

FUNDING REQUEST: The City is requesting \$1,060,536 from the COIC EO 23-02 funds. This amount constitutes the current budget deficit for the construction phase, and breaks down as follows:

- \$344,567 for construction base bid. This is the amount above budget of the lowest responsive bid through the construction bid process (March, 2023).
- \$500,000 for additional design/construction work for required site access, roadway and sidewalks. This additional work is necessary due to a required change to the City's planned vacation of NW Oak Street between NW 3rd and NW 4th. The vacation was proposed in order to provide for a private access/entry to the Homeless Services Center property. However, the road vacation is not allowable due to the need to build out Oak Street between NW 3rd and 4th as a local city street in order to accommodate future planned annexation of county-owned land north and west of the site. The additional design and construction work will modify the access from a planned private entry way to a city street with reconfigured access and parking. This is a required modification to the project per City code and standards, and the project cannot be completed without this work.
- \$15,696 for geo tech analysis for the required roadway construction.
- \$100,000 for a construction management contract in order to ensure the project is completed

on time and on budget. This expenditure is necessary because the City staff is at capacity managing other planning and capital projects.

- \$100,000 for furnishings, fixtures and equipment to ensure the facility can open at 100% capacity by January 10, 2024.

PROJECT NEED: The JCFBN recently completed their fifth year of providing seasonal winter warming shelter to people experiencing houselessness in Jefferson County. The shelter operates during the cold weather months (approximately November through March), and the shelter location rotates through various donated spaces. Approximately 100 individuals annually have benefited from the opportunity for safe and warm overnight accommodations during the winter, including men, women and children (in families). In the most recent shelter season (11/15/22 through 3/15/23), a total of 123 unduplicated individuals were served at the cold weather warming shelter.

Although JCFBN has successfully provided high-quality shelter services, the current approach and service level does not adequately meet the year-round needs of people experiencing houselessness.

Problem #1: The JCFBN lacks an adequate and stable shelter facility location. The current winter warming shelter location at the National Grasslands building will no longer be available in 2023-2024 due to the planned commercial redevelopment of the site. Returning to a rotating shelter approach is not a viable option; a shelter for those experiencing houselessness is not ideal for many locations due to neighbor conflicts and lack of safe pedestrian access to temporary/borrowed facilities. Additionally, the locations in which the winter warming shelter have been housed often do not include kitchen access (meals must be delivered), laundry services, and in some cases, restrooms (“porta-potties” have been used).

Problem #2: The population experiencing houselessness, and specifically high acuity individuals who need more intensive services, are increasing in Jefferson County. Services are needed year-round; providing limited winter warming shelter assistance is not adequate. Those experiencing homelessness require support services year-round, as opposed to winter only.

PROPOSED DESIGN AND SERVICE LEVEL: The Madras Homeless Services Center will be constructed with a residential look and feel (not institutional). The facility will include:

- Men’s dorm with 14 beds
- Women’s/family dorm with 12 beds
- Isolation/recuperative care dorm with 3 beds
- Lockers, sized appropriately to store backpacks
- Separate men’s and women’s restrooms, with showers
- Staff restroom
- Kitchen, equipped for meal preparation and food storage
- Site manager office, and reception area
- Common area with bookshelves, seating, charging stations, dining tables
- Clothing storage
- Exterior patio
- Janitorial closet

While the facility design will accommodate full time, year-round shelter at some point in the future, services will be limited in year #1 to a winter warming shelter and summer cooling shelter due to budget and capacity constraints. Overnight shelter will be available in winter months (approximately 130 nights per year – 35.6% of the year).

However, the City and JCFBN consider this project an investment in the future of the Madras community, and acknowledgment that shelter services will need to expand over time, potentially up to and including full time, year-round shelter operations. In order for year-round shelter to be provided, additional funding must be secured (specifically state and federal funding investments), and the JCFBN will need to be in a position to staff up and sustain an increased service level.

While shelter nights will be limited to winter months, the Homeless Services Center will operate year-round. The initial operational plan is as follows:

1. Operate a 4 to 4.5 month, seven (7) days per week cold weather shelter, capable of housing up to 29 individuals, including men, women, and children (in families) annually, between late October and April.
2. Operate a three (3) month, five (5) days per week daytime (4-5 hours per day) “cooling center” operation between the months of July and September, to allow persons experiencing houselessness to escape extreme heat, have a lunch meal and be sufficiently hydrated.
3. Deploy a part-time (30 hour per week) caseworker assistant year-round to provide client support to individuals experiencing houselessness, including client referral to other social service providers with expertise in various supportive services (mental and substance abuse counseling, medical/dental services, spiritual care, housing, etc.).
4. Offer year-round “personal care” services, (laundry services, haircuts, showers, foot care, hygiene kits, clothing distribution).
5. Offer once a week (1x/week) dinner meals between April and July to support ongoing nutrition and mitigate hunger.

The JCFBN will operate the Homeless Services Center and shelter as a “low barrier” facility, meaning there are no requirements for background checks, sobriety, or mandatory participation in programs or religious activities.

Community support for the Madras Homeless Services Center, as evidenced by letters of support on file, includes St. Charles Madras, the Bean Foundation, Mosaic Medical, Best Care Treatment Services, the Homeless Leadership Coalition, the Jefferson County Fair Complex, Columbia Bank, the Madras Gospel Mission (provider of long-term care for men with addictions), Living Hope Christian Center, Madras Free Methodist Church, Metolius Friends Community Church, Cornerstone Baptist Church, New Life Christian Fellowship, and NeighborImpact.

Number of Clients or Units:

Enter the number of clients your project will serve/units your project will make available. This question helps us ensure we meet the goals of the funding allocation.

29

Detailed Project Budget:

Submit a detailed project budget that outlines your expected costs through the grant term. Please be sure to include funding from outside sources if it will be utilized.

https://api.typeform.com/responses/files/4c360527f03dc231c323a96df4282ba06f1e76ba319b31ca4fe705cca9adc437/Project_Budget_Madras_Homeless_Services_Center_EO2302.xlsx

Maximum Amount of Funding Requested:

Enter your funding request for this opportunity here.

1060536

Budget Contingency:

We can't guarantee that all applicants will be granted their full funding request. Can your project be scaled down if your full request cannot be awarded? If so, please describe what parts of your request are able to be scaled down, if any.

The proposed project has a fixed construction cost since site construction is under way, limiting the project's scalability. By awarding the construction contract prior to obtaining 100% funding for the project the City has accepted risk that EO 23-02 funds may not be sufficient to fill the entire budget gap. While scaling the project may be challenging, the City understands that the full funding gap may not be awarded through the EO 23-02 process. If partial EO 23-02 funding is approved, the City will fill the remaining funding gap and complete the project on schedule through a combination of fundraising and value engineering.

Grant Experience:

Does your organization have experience with government grants? If yes, please provide details about your grant experience.

As a local government, the City of Madras has extensive experience securing and managing state and federal grants and contract funding, and completing projects on schedule, within budget and in accordance with state and federal funder requirements and expectations.

City staff is experienced in segregating grant revenue and expenses within a cost center, and preparing and submitting financial reports as requested by grant funders. The City understands principles of grant management, including allocating costs to grant funding sources, determining if expenses are eligible for grant reimbursement based on contract requirements, maintaining and submitting source documentation, and preparing and submitting grant reimbursement requests.

A partial list of grants received and managed over the past five years includes:

- Oregon CDBG – Water Distribution Line Upgrade Design and Construction, 2020-2023, \$2.5M
- Bel Air and Herzberg Heights Sewer Expansion project - funded with DEQ Clean Water State Revolving Loan Fund (federal). Contract executed April 11, 2017, and project completed November 2018. \$1.7 M.
- Madras Municipal Airport Taxiway Rehabilitation Project Design - funded by Federal Aviation Administration. Spring 2018. \$263,000.
- Madras Municipal Airport Taxiway Rehabilitation Project Construction - funded by Federal Aviation Administration. Completed August, 2019. \$3.1 M.
- City of Madras Sewer Main Extension Design and Construction - funded by DEQ Clean Water Revolving Loan Fund. Grant award of \$650,000.

Financial Reporting:

We want to ensure that you are prepared to satisfy the financial reporting requirements of this funding opportunity. Please explain how you will meet the financial reporting requirements.

The City will modify the shelter operating agreement to require JCFBN to comply with all financial and client reporting requirements as specified in the EO 23-02 grant agreement template, including report submission frequency and due dates. JCFBN is experienced in the use of HMIS for reporting client data. JCFBN has two licensed HMIS users currently who collect and report user data. JCFBN staff works closely with the NeighborImpact regional HMIS support team.

Other financial reports will be compiled and submitted by the City's project lead Michele Quinn, Public Works Coordinator, with the support of the City's CDBG Administrator. Specific reports will include:

- Monthly Housing Inventory
- Quarterly Aggregated Activity Reports
- Biannual System Performance Reports
- Requests for funds, via the OPUS system
- Narrative updates regarding new shelter bed capacity

The City and JCFBN will provide additional reports and cooperatively attend meetings with COIC and OHCS as requested.

Additional Funding:

Is your project intended to be solely funded through Executive Order funding, or will you seek/have you sought funding elsewhere?

We have secured funding from elsewhere.

Additional Funding Secured:

If you have secured other funding, how much additional funding has been secured?

City of Madras: \$300,000 Business Oregon CDBG: \$2,085,268 DAS ARPA (Senator Findley): \$750,000

Project Sustainability:

We are hopeful that projects awarded under this one-time funding opportunity will maintain operations after January 10th, 2024. Please tell us your plan for sustaining operations after this funding has expired.

The City of Madras will own the facility and contract for operations with the Jefferson County Faith-Based Network (JCFBN). The JCFBN has a five-year track record of funding and operating the winter warming shelter in Madras. Sufficient funds have been raised annually to cover staffing and operational expenses for the winter warming shelter, and significant amounts of food, clothing and other supplies have been regularly donated each year. Since the first year of the JCFBN winter shelter, organizations and individuals have volunteered to prepare and serve three meals per day throughout the shelter season. Taken together, this significant community support has enabled JCFBN, a small sized faith-based social services entity, to effectively operate a winter shelter on a lean financial budget.

From 2018 to 2020 the JCFBN cold weather shelter was housed at a variety of church and other loaned locations, rent-free and without utility costs. Since the 2020-2021 cold weather shelter season, JCFBN has operated out of a vacant privately-owned "Grasslands Building," for which JCFBN was responsible for facility repairs prior to occupancy, ongoing building maintenance and janitorial operations, and general liability insurance increases because of this building. To accomplish this, JCFBN identified and worked with qualified, licensed and insured contractors to provide \$6,000 in facility repairs and maintenance. JCFBN secured funding to absorb these expense increases and ended the program year with a positive net income in the program. It is expected that JCFBN will draw on the assistance of these local contractors to maintain the new facility post-construction and has used its recent experience as well as industry standards data to appropriately build OM&R expenses into the Homeless Services Center operational budget.

The JCFBN created a fundraising and development plan in 2022. Sources of funding identified in the annual development plan will initially follow historic funding pools: individual donors, church organizations, business donors, grant opportunities, with the introduction of an annual fundraiser.

Transition from a cold weather shelter operator to a year-round provider of comprehensive services for persons experiencing homelessness will increase annual program expenses by approximately 100%. Expanding the program revenue by this amount is achievable given the history of community support which has resulted in positive net income each of the first three years, absent a focused fundraising plan. The increases in required funding will be realized by:

- The annual identification of fundraising pledges totaling 50% of the annual Homeless Services Center budget.
- An annual organizational fundraiser from which a portion of donated funds will be specifically allocated to the homeless services center.
- Targeted quarterly communications to donors with an opportunity to contribute to homeless services center operations at least two quarters per year.
- Increasing grant writing activities to a targeted list of philanthropic organizations
- The diversification of funding streams to include federal, state, and local funding as available and appropriate.

In addition to fundraising efforts by JCFBN, the homeless services center will be eligible for continued funding through state and federal homeless services programs operated by NeighborImpact via funding from Oregon Housing and Community Services (OHCS). These funding sources include Emergency

Solutions Grant (ESG), State Homeless Assistance Program (SHAP), and other dedicated funding for homeless shelter operations (Out of the Cold programs, SB5512 funding, etc.). The JCFBN winter warming shelter received:

- \$45,000 for the 22-23 winter
- \$15,000 for the 21-22 winter
- \$15,000 for the 20-21 winter
- \$10,000 for the 19-20 winter
- \$20,000 in 2018-2019 winter

Applications for the 2023-2024 funding programs will be accepted by NeighborImpact after the beginning of the new state biennium (July, 2023). While specific funding amounts are unknown, NeighborImpact's Director of Housing Stabilization has indicated that OHCS continues to prioritize funding for homeless shelters, and specifically for winter warming shelter operation. It is highly likely that JCFBN will be subgranted shelter operational dollars on an annual basis for the foreseeable future. The JCFBN has complied with all funding requirements as a Subrecipient, and is in good standing financially.

Client Eligibility:

Explain how you will implement client eligibility requirements. For instance, this funding is intended to support low-barrier beds; explain how you will ensure low-barrier principles are centered in your program offerings. As another example, list the criteria clients must meet to be eligible for the program

The Madras Homeless Services Center Shelter will be operated as a low-barrier shelter. While no eligibility criteria will be applied to those seeking shelter, JCFBN staff will conduct an intake with each shelter guest to establish their housing status and document if the shelter guest is literally homeless.

Shelter guests will not be drug screened as a condition of service, and those who are under the influence of drugs or alcohol will be allowed to stay (though guests cannot use or possess illegal substances while staying at the shelter).

The shelter will not serve unaccompanied youth, primarily for safety reasons. If an unaccompanied youth requests shelter services JCFBN staff will connect the youth to providers that are able to serve youth. Typically this means connecting the youth to J Bar J Youth Services in order to develop an alternative shelter plan (motel vouchers or arranging for transportation to the youth shelter in Bend).

Coordinated Entry:

Explain how you envision sourcing clients from [Coordinated Entry](#) in your program. Maximizing the number of providers utilizing Coordinated Entry is recognized as a Best Practice, and projects that prioritize clients from Coordinated Entry will receive priority in funding decisions.

The JCFBN is familiar of the Coordinated Entry process, and has participated in case conferencing through the Coordinated Entry system. If Coordinated Entry referrals are received by JCFBN, the referred client will be prioritized for shelter and other support services.

The JCFBN is working toward developing a trained Coordinated Entry assessor in order to expand the ability to assess clients who stay at the shelter repeatedly and to help move them toward new housing opportunities as appropriate.

Impact on Disproportionately Affected Populations:

Early in the MAC process, the group identified subpopulations that are disproportionately more likely to experience unsheltered homelessness in Central Oregon. Please tell us if your project will impact any of these subpopulations.

BIPOC, LGBTQ+ Youth, Medically Vulnerable, Veterans

Targeting Subpopulations:

If your project will specifically impact one or more identified subpopulations, explain how exactly you will target that subpopulation and what steps you will take to ensure that the services provided are relevant, appropriate, and aligned with the desired outcome. Consider things like - staff hiring, training, outreach, program evaluation, and provision of culturally responsive services

The JCFBN and City of Madras support federal “equal access” regulations. Procedures will be developed to support these regulations, including:

- Shelter services will be provided in accordance with an individual’s gender identity, and in a manner that affords equal access to the individual’s family.
- Access to shelter will conform with and adhere to an individual’s self-expressed gender identity.
- Families seeking shelter will not be split up. Family units are able to self-identify, and no proof of familial status will be requested.
- Disabled and medically fragile guests will have access to the supportive care room.

JCFBN will expand partnerships with service providers to conduct outreach in the community to ensure subpopulations that are disproportionately more likely to experience unsheltered homelessness are welcomed and have access to all services at the Homeless Services Center. Specific areas of focus include partnering with organizations serving veterans, BIPOC and LGBTQ+ populations to ensure outreach is effective and comprehensive.

Additionally, through its newly implemented case management function, JCFBN will better be positioned to determine the specific needs of these populations and to respond with targeted interventions. Staff training programs focusing on the provision of culturally specific services will be implemented.

JCFBN seeks in its transition to a year-round provider of more comprehensive services for those experiencing homelessness in Jefferson County to become a more data and trauma informed service provider.

Region Served:

This question helps us keep track of the regions in Central Oregon that are served through the funding. What region(s) will you serve?

Madras, Rural Jefferson County (outside City limits)

Partnerships:

We encourage partnerships to ensure the greatest impact. Please let us know who your project will partner with and what services they will provide. Explain if your partnerships are established (MOUs, IGAs, Contracts, etc) or still being discussed

The City of Madras will partner with the JCFBN for operations of the shelter. An operating agreement between the City and JCFBN has been established. The agreement defines roles and responsibilities for management of the shelter facility and operation of shelter services.

The JCFBN is under contract with NeighborImpact to receive state and federal operations funding for winter warming shelter operations. A new contract will be developed early in the upcoming biennium.

Additionally, the JCFBN intends to develop MOUs with partner entities that will provide services on site at the Madras Homeless Services Center (e.g. Mosaic Medical, Best Care Treatment Center).

Prior Project Experience:

Please explain your organization's experience with what has been proposed in your application. If your experience in an area is limited, please speak to other relevant experience that shows your ability to execute your proposed project effectively. This could be lived experience, experience utilizing a program, or experience creating similar programs in other areas.

The City of Madras has experience in constructing, owning and managing facilities, and has a skilled financial and operations staff available to support the project. With construction under way, the City and their contracted construction manager will ensure timely progress on construction to achieve center opening by January 10, 2024.

Facility operator Jefferson County Faith Based Network was incorporated in 2013 as a coordinator of agencies and volunteers with the purpose of serving the basic needs of Jefferson County residents. The winter warming shelter was launched by JCFBN for the 2018-2019 winter season, and completed its fifth year of operation in March of 2023. In doing so, JCFBN has become a leading community based organization (CBO) serving persons experiencing homelessness, and has engaged churches, businesses, other CBOs and diverse individuals throughout Jefferson County to collaborate in caring for these vulnerable County residents.

The JCFBN informs and transforms the community with Christian compassion, through convening and supporting collaboration among churches and community partners, and through delivery of services to those in need. JCFBN works to develop and maintain community sensitivity toward those less fortunate, and to support the most vulnerable through providing a path toward stability and self-sufficiency. Current JCFBN programs include: Community Food Network (food distribution program), LINC Madras (emergency assistance and referral to community resources), winter warming shelter, Pearson's Crossing (a refuge of hope for women seeking transformation and life recovery/rest), Healing Light (Christian parent/family development and mentoring program), and the annual "Our Community" event which brings together service providers and those in need, and monthly network meetings for community

collaboration.

The proposed project is an extension of current services, so existing staff and volunteers are positioned to implement shelter operations at the Madras Homeless Services Center upon opening on January 1. Recruitment for the new staff position will begin in Fall of 2023.

Expected Challenges:

We know that this project will not be easy. Please explain areas you are expecting challenges with your project and explain your plan(s) for overcoming expected challenges.

The most significant challenge for this project is securing sufficient operating revenues to support ongoing shelter operations annually, including potential future expansion to year-round shelter services. The current operations budget model is reliant on unpredictable funding, including state/federal shelter operations funding, as well as community support, fundraising and grant writing.

The plan to overcome this challenge includes:

- Partnering with the Homeless Leadership Coalition, COIC and NeighborImpact to advocate for increased/stable shelter operations funding to support expanded capacity funded through EO 20-23.
- Continue to grow the JCFBN donor base, grant writing capacity and overall development plan.
- Explore and develop enhanced partnerships for service delivery, in order to defray JCFBN direct costs.

A secondary challenge is growing the capacity for JCFBN to operate and expand services. In order to implement year-round Homeless Services Center operations, the JCFBN will need to hire an additional staff person, develop facility policies, and implement operations and maintenance procedures in order to ensure appropriate maintenance of the shelter facility. The plan to address this challenge will include technical support from the City of Madras and from NeighborImpact, and JCFBN staff training in facility management and operations.

Success Measures, Outcomes, and Impacts:

Explain what success will look like, for you, in your project.

Short term success is defined as completion of the shelter construction project and launch of services on or before January 10, 2024.

Longer terms success is defined as:

- Bringing online a safe, accessible and welcoming shelter and support service environment for those experiencing houselessness.
- Services that are designed for and accessed by all populations, including BIPOC, veterans, LGBTQ+, and other subpopulations that are disproportionately more likely to experience unsheltered homelessness in Madras and Jefferson County.
- The Homeless Services Center serves as a foundation to continue to improve services for struggling populations, potentially including year-round shelter services and/or transitional housing/rehousing of homeless individuals and families.

- That the Madras Homeless Services Center services and programs are a key component of the Central Oregon region's homelessness response.

Relevant Milestones:

Please review the list of milestones and system improvements actions starting on page 15 of the following document and explain how your project will help contribute to their success:

<https://www.coic.org/wp-content/uploads/2023/04/EO-23-02-Submission-2023-03-31.pdf>

City and JCFBN will contribute to the Action Plan milestones in a number of ways:

- Implementing a project that will help meet the goal of 111 shelter beds by increasing shelter bed capacity in Madras and surrounding rural Jefferson County (29 shelter beds).
- Participate in MAC meetings as appropriate, to share information on successful strategies and barriers.
- Active engagement in deal-making/partnership brokering as appropriate.
- Requesting TA during project as needed to ensure successful completion of project and compliance with funding expectations.
- Project completion within the EO 2302 timelines (January 10, 2024).
- Once open/operational, participation in HMIS Data Quality component, Coordinated Entry, Case Manager check-ins, and other collaborative opportunities.
- Contributing to the final report on goals met, projects complete, and lessons learned.
- Participation in efforts to secure future funding to support shelter operations and expansion.

Additional Help:

Are you interested in receiving technical assistance help with program implementation, reporting, fiscal administration, etc.?

true

Help Requested:

How would you like us to help you?

The City of Madras and Jefferson County Faith Based Network are interested in training and technical support on EO 23-02 reporting expectations, OPUS system usage, draw requests and related requirements.

The City and JCFBN are also interested in technical support in regard to developing and securing ongoing operations funding, in order to expand shelter services to meet current and future community needs.

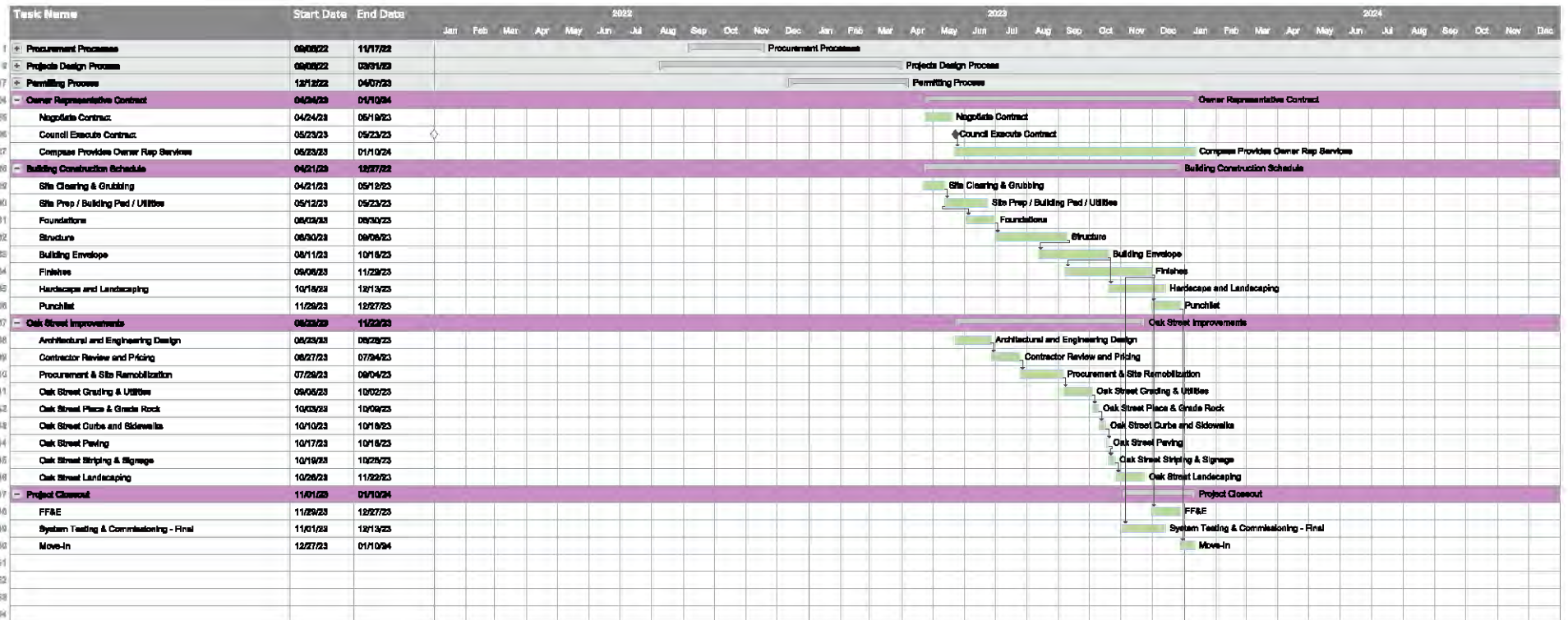
Schedule 1.2

Schedule of Services

Subrecipient will perform the Services in accordance to the following schedule:

See Attached PDF. Madras Emergency Shelter – Master Schedule

Madras Emergency Shelter - Master Schedule



Schedule 2.1

Compensation and Reporting

COIC will pay Subrecipient in accordance with the following compensation schedule:

1. Compensation.**A. Monthly Invoice**

- a. Subrecipient will submit monthly invoices to COIC concerning the Services performed by Subrecipient during the immediately preceding month (each an “Invoice”). Each Invoice will contain the following information as applicable to the project:
 - i. a summary of the Services performed by Subrecipient;
 - ii. the number of hours each person spent to perform the Services;
 - iii. the applicable hourly billing rates;
 - iv. related invoices from vendors and subcontractors; and
 - v. any other information reasonably requested by COIC.

COIC will pay the amount due under each Invoice within thirty (30) days after COIC has reviewed and approved the applicable Invoice. No compensation will be paid by COIC for any portion of the Services not performed. COIC’s payment will be accepted by Subrecipient as full compensation for performing the Services to which the applicable Invoice relates.

B. Disbursements Generally

- a. COIC shall disburse the Grant Funds upon receipt and acceptance of Grantee’s disbursement request according to the following schedule:
 - i. Grant Funds may be requested monthly for reimbursement of project costs.

C. Advancement of Funds

- a. For Subrecipients requesting cash advances, the Subrecipient must submit advance payment request to cover projected costs incurred within a reasonable time period. Subrecipient will provide a reporting of actual expenditures – separated by line item and fund source – each month, within 15 days of month end. Subsequent advances may be adjusted to reflect reconciliation of prior month advances to actual expenditures.

2. Financial Billing Requirements

- a. **Billing Due Dates.** Subrecipient shall submit to COIC’s Fiscal Contact all contract billings by the 15th day of the month following the period billing, but no less frequently than monthly. Subrecipient shall submit billing workbooks and cash request forms as created and provided by COIC for monthly and final billings, including all required signatures. The payment request shall include a reporting of actual expenditures – separated by line items and fund source.

- b. Final Billing for Close-Out.** All Contract billings shall be submitted by 30 days after end of contract. This will constitute the final contract billing request for the Contract. No charges submitted more than 30 days after end of contract will be reimbursed. COIC may, at its discretion, withhold payment of the final invoice until all close-out requirements have been met in accordance with the agreement.

3. See Attached PDF. Subrecipient Budget

Madras Homeless Services Center Project

Updated: 5/8/23

Expense Category	Notes	Cost/Estimate	CDBG Grant	DAS/Sen.	City \$	Total Secured	Deficit/Gap	EO2302
			Contract Budget	Findlay Contract	Committed	funding		Request
Land Acquisition	Actual/Complete	\$206,598	\$206,598			\$206,598	\$0	\$0
Architectural	BLRB Contract Amount	\$395,195	\$395,195			\$395,195	\$0	\$0
Construction	2KG Base Bid Amount	\$2,410,000	\$1,088,862	\$750,000	\$226,571	\$2,065,433	-\$344,567	\$344,567
Additional Site Entry, Roadway and Parking Lot (Design/Const.)	Estimated	\$500,000				\$0	-\$500,000	\$500,000
Construction Contingency	10% of construction	\$280,000	\$280,000			\$280,000	\$0	\$0
Geotech Contract for Road design	Contract Amount	\$15,969				\$0	-\$15,969	\$15,969
Construction Manager	Estimated	\$100,000				\$0	-\$100,000	\$100,000
Prevailing Wage Monitoring and Enforcement	Contract amount	\$20,000	\$20,000			\$20,000	\$0	\$0
Environmental Review	Actual/Complete	\$19,113	\$19,113			\$19,113	\$0	\$0
CDBG Grant Administration	Contract amount	\$35,000	\$35,000			\$35,000	\$0	\$0
SDCs	Estimated	\$31,000			\$31,000	\$31,000	\$0	\$0
Furnishings, Fixtures and Equipment	Estimated	\$140,029			\$40,029	\$40,029	-\$100,000	\$100,000
Legal	Estimated	\$5,500	\$5,500			\$5,500	\$0	\$0
Audit	Estimated	\$5,000	\$5,000			\$5,000	\$0	\$0
Permits	Estimated	\$30,000	\$30,000			\$30,000	\$0	\$0
BOLI Fee	Actual/Complete	\$2,400			\$2,400	\$2,400	\$0	\$0
Total		\$4,195,804	\$2,085,268	\$750,000	\$300,000	\$3,135,268	-\$1,060,536	\$1,060,536

EXHIBIT A

Contractor Insurance Requirements

GENERAL.

Contractor (including its subcontractors, agents, etc.) shall i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION, and CERTIFICATES OF INSURANCE before performance under the contract commences, and ii) maintain the insurance in full force, through annually renewing policies, throughout the duration of the contract. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are reasonably acceptable to State. Contractor shall not start work described herein until the insurance is in full force.

TYPES AND AMOUNTS.

i. **WORKERS COMPENSATION.** Insurance in compliance with ORS 656.017, which requires all employers that employ subject workers, as defined in ORS 656.027, to provide workers' compensation coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Employers liability insurance with coverage limits of not less than \$500,000 per accident, \$500,000 policy limit for bodily injury by disease and \$500,000 each employee for bodily injury by disease must be included.

ii. **COMMERCIAL GENERAL LIABILITY.** Commercial General Liability Insurance covering bodily injury, death, and property damage in a form and with coverages that are reasonably satisfactory to State. This insurance shall include personal injury liability, products, and completed operations. Coverage shall be written on an occurrence form basis, with not less than the following amounts as determined by State:

Bodily Injury, Death and Property Damage: \$2,000,000 per occurrence (for all claimants for claims arising out of a single accident or occurrence), \$4,000,000 General Aggregate and \$2,000,000 Products/Completed Operations Aggregate.

iii. **AUTOMOBILE Liability Insurance:** Automobile Liability. Automobile Liability Insurance covering all owned, non-owned, and hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for "Commercial General Liability" and "Automobile Liability"). Automobile Liability Insurance must be in not less than the following amounts as determined by State: Bodily Injury, Death, and Property Damage:

\$2,000,000 per accident (for all claimants for claims arising out of a single accident or occurrence).

iv. **PROFESSIONAL LIABILITY INSURANCE.** Professional liability insurance with limits of not less than \$1,000,000 per claim, and \$2,000,000 in the aggregate.

ADDITIONAL INSURED. The Commercial General Liability Insurance, Automobile Liability and any Umbrella/Excess Liability insurance must include the Central Oregon Intergovernmental Council, its

officers, employees, and agents as Additional Insureds but only with respect to the contractor's activities to be performed under this Agreement. Coverage must be primary and non-contributory with any other insurance and self-insurance.

"TAIL" COVERAGE. If any of the required insurance policies is on a "claims made" basis, such as professional liability insurance, the Contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of this Agreement, for a minimum of 24 months following the later of: (i) the Contractor's completion and COIC's acceptance of all Services required under this Agreement or, (ii) the expiration of all warranty periods provided under this Agreement. Notwithstanding the foregoing 24-month requirement, if the Contractor elects to maintain "tail" coverage and if the maximum time "tail" coverage reasonably available in the marketplace is less than the 24-month period described above, then the Contractor may request and COIC may grant approval of the maximum "tail" coverage period reasonably available in the marketplace. If COIC approval is granted, the Contractor shall maintain "tail" coverage for the maximum period that "tail" coverage is reasonably available in the marketplace.

NOTICE OF CANCELLATION OR NON-RENEWAL. Contractor or its insurer must provide 30 days' written notice to COIC before cancellation of or non-renewal of the required insurance coverage(s).

CERTIFICATE(S) OF INSURANCE. Contractor shall provide COIC a certificate(s) of insurance for all required insurance before the Contractor performs under the Contract. The certificate(s) or an attached endorsement must specify all entities and individuals who are endorsed on the policy as Additional Insured.

Exhibit B Oregon Public Contract Provisions

1.DELIVERY: Deliveries will be F.O.B destination. Contractor shall pay all transportation and handling charges. Contractor is responsible and liable for loss or damage until final inspection and acceptance of the Goods. Contractor remains liable for latent defects, fraud, and warranties.

2.INSPECTIONS: Agency may inspect and test the Goods and related Services (collectively, Goods). Agency may reject non-conforming Goods and require Contractor to correct them without charge or deliver them at a reduced price, as negotiated. If Contractor does not cure any defects within a reasonable time, Agency may reject the Goods and cancel the PO in whole or in part. This paragraph does not affect or limit Agency's rights, including its rights under the Uniform Commercial Code, ORS chapter 72 (UCC).

3.PAYMENT: Agency shall pay Contractor within 30 days from (i) the date the Goods are delivered and accepted or (ii) the date the invoice is received, whichever is later. If Agency fails to pay within 45 days of such date, Contractor may assess overdue account charges up to a rate of 2/3% per month (8% APR) or the maximum rate allowed by law on the outstanding balance.

4.STATE PAYMENT OF CONTRACTOR CLAIMS: If Contractor does not pay promptly any claim that is due for Goods or Services furnished to the Contractor by any subcontractor in connection with this PO, the State may pay such claim and charge that payment against any payment due to the Contractor under this PO. The State's payment of a claim does not relieve the Contractor or its surety, if any, from their obligations for any unpaid claims.

5.REPRESENTATIONS AND WARRANTIES: Contractor represents and warrants that: (a) the Goods are new, current, and fully warranted by the manufacturer; (b) Delivered Goods will comply with specifications and be free from defects in labor, material and manufacture; (c) Contractor shall comply with the tax laws of this state and all political subdivisions; and (d) Contractor has no undisclosed liquidated and delinquent debt owed to the State or any department or agency of the State. All UCC implied and expressed warranties are incorporated in this PO. Contractor shall transfer all warranties to the State.

6.TERMINATION: (i) The Parties may terminate this PO by mutual agreement. (ii) Agency may terminate this PO at any time with written notice to Contractor. Upon receipt of the written notice, Contractor shall stop performance, and Agency shall pay Contractor for Goods delivered and accepted. (iii) Agency may terminate this PO at any time if Agency fails to receive funding, appropriations, or other expenditure authority. (iv) If Contractor breaches any PO provision, including the representations and warranties related to liquidated and delinquent debt, or is declared insolvent, Agency may terminate this PO for cause with written notice to Contractor, and Contractor shall be liable for all incidental and consequential damages resulting from its breach, including all damages as provided in the UCC.

Failure to comply with the tax laws of this state or any political subdivision or violation of Contractor's warranties related to compliance with the tax laws of this state and any political subdivision of this state also constitutes a material breach of this PO. Any violation entitles Agency to terminate this PO, to pursue and recover any and all damages that arise from the breach and the termination of this PO, and to pursue any or all of the remedies available under this PO, at law, or in equity, including but not limited to: termination of this PO in whole or in part; collection by administrative offset or garnishment, if applicable, or withholding amounts otherwise due and owing to Contractor without penalty.

7.HOLD HARMLESS: *Contractor shall indemnify, defend, and hold harmless the State and its agencies, their divisions, officers, employees, and agents, from all claims, suits or actions of any nature arising out of or related to the intentional misconduct, recklessness or negligent activities of Contractor, its officers, subcontractors, agents, or employees under this PO.*

8.GOVERNING LAW, JURISDICTION, VENUE: This PO is governed by Oregon law, without resort to any other jurisdiction's laws. Any claim, action, suit, or proceeding between the State and the Contractor that relates to this PO (Claim) must be heard exclusively in the Circuit Court of Marion County for the State of Oregon. If the Claim must be brought in a federal forum, then it must be heard exclusively in the US District Court for the District of Oregon. Contractor consents to the *in personam* jurisdiction of these courts. *Neither this Section nor any other provision of this PO is a waiver by the State of any form of defense, sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the US Constitution, or other immunity, from any Claim or consent to the jurisdiction of any court.*

9.FORCE MAJEURE: Neither party is responsible for delay or default caused by an event beyond its reasonable control. Agency may terminate this PO without liability to

Contractor upon written notice after determining the delay or default reasonably prevents performance of this PO.

10.ASSIGNMENT/SUBCONTRACT/SUCCESSORS: Contractor shall not assign, transfer, or subcontract rights (Subcontract) or delegate responsibilities under this PO in whole or in part, without the prior written approval of Agency. This PO's provisions are binding upon and inure to the benefit of the Parties to the PO and their respective successors and assigns.

11.ACCESS TO RECORDS: Contractor shall maintain all accounting records relating to this PO according to GAAP and any other records relating to Contractor's performance ("Records") for six (6) years from termination or as otherwise required. Contractor shall grant the State and its agencies, the Secretary of State Audits Division, the federal government, and their duly authorized representatives, access to the Records, including reviewing, auditing, copying, and making transcripts.

12.COMPLIANCE WITH APPLICABLE LAWS: Contractor shall comply with all applicable federal, state and local laws, regulations, executive orders, and ordinances, as amended (Rules), including: (i) Titles VI and VII of Civil Rights Act of 1964; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990; (iv) Executive Order 11246; (v) The Age Discrimination in Employment Act of 1967, and the Age Discrimination Act of 1975; (vi) The Vietnam Era Veterans' Readjustment Assistance Act of 1974; (vii) ORS Chapter 659; (viii) ORS 279B.020, , and 279B.270; (ix) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations; (x) all federal and state laws governing the handling, processing, packaging, storage, labeling, and delivery of food products; and (xi) all regulations and administrative rules established pursuant to the foregoing laws. Agency's performance is conditioned upon Contractor's compliance with, 279B.220, 279B.225, 279B.230, and 279B.235, as applicable. All applicable Rules are incorporated by reference in this PO.

13.WORKERS' COMPENSATION: Contractor shall comply with ORS

656.017 and provide the required workers' compensation coverage, unless exempt under ORS 656.126(2). Contractor shall ensure that its Subcontractors, if any, comply with these requirements.

14.SAFETY AND HEALTH REQUIREMENTS: Contractor represents and warrants that the Goods comply with all federal and Oregon safety and health requirements.

15.MATERIAL SAFETY DATA SHEET: Contractor shall provide Agency with a Material Safety Data Sheet for any Goods which may release, or otherwise result in exposure to, a hazardous chemical under normal conditions of use (OAR 437- 002-0360 and 29 CFR 1910.1020). Contractor shall label, tag or mark such Goods.

16.RECYCLABLE PRODUCTS: Unless otherwise required, Contractor shall use recycled and recyclable products to the maximum extent economically feasible in the performance of the PO. These products shall include recycled paper, recycled PETE products, other recycled products (ORS 279A.010(1)(gg),(hh),(ii)), and other recycled plastic resin products.

17.AMENDMENTS: All amendments to this PO must be in writing, signed by Agency.

18.SEVERABILITY: If a court of competent jurisdiction declares any provision of this PO to be invalid, the other provisions and the rights and obligations of the Parties remain in effect.

19.WAIVER: Agency's failure to enforce any provision of this PO is not a waiver or relinquishment by Agency of its rights to such performance in the future or to enforce any other provisions.

20.AWARD TO FOREIGN CONTRACTOR: If Contractor is not registered to do business or has no office in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State Corporation Division all information required by those agencies relative to this PO. Agency may withhold final payment under this PO until Contractor has met this requirement.

21.TAX CERTIFICATION: Contractor hereby certifies under penalty of perjury: (a) the number shown on this form is the correct Federal Employer Identification Number; (b) it is not subject to backup withholding because (i) it is exempt from backup withholding, (ii) it has not been notified by the IRS that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified Contractor that it is no longer subject to backup withholding; and (c) it is not in violation of any Oregon tax laws.

Exhibit C

1. **See Attached PDF.** State of Emergency Due to Homelessness Agreement No. OR-503
2. **See Attached PDF.** Central Oregon Executive Order 23-02 Community Plan Overview.

Grant Agreement

State of Emergency Due to Homelessness

This Agreement (this “Agreement”) is by and between the State of Oregon (“State”), acting by and through its Housing and Community Services Department (“Agency”), and Central Oregon Intergovernmental Council (“Recipient”), each individually a “Party,” and collectively the “Parties.”

1. Effective Date and Duration

This Agreement shall become effective upon full execution by the Parties and, if required, approval by the Oregon Department of Justice, and shall expire on January 10, 2024, unless extended or terminated or sooner under the provisions identified within this Agreement. Expiration or termination of this Agreement will not prejudice Agency’s right to exercise remedies under this Agreement with respect to any breach that has occurred prior to expiration or termination.

2. Background and Definitions

The Parties acknowledge the following background related to this Agreement:

- a. On January 10, 2023, Governor Tina Kotek issued Executive Order 23-02 (the “EO”), which declared a state of emergency due to homelessness. The EO is necessary to rapidly expand the State’s low-barrier shelter capacity, to rehouse people experiencing unsheltered homelessness, and to prevent homelessness to the greatest extent possible. All executive state agencies are authorized, upon further direction from Governor Kotek and the Governor’s office, to take any actions authorized under the provisions set forth in ORS 401.168 through ORS 401.192. The EO took immediate effect and remains in effect until January 10, 2024, unless extended or terminated earlier by the Governor.
- b. During the 2023 Session of the Oregon Legislature, Agency was awarded funding from House Bill 5019, subject to passage and approval. Agency was appropriated funding for both the Biennium ending on June 30, 2023, and the Biennium beginning on July 1, 2023. Agency will grant funding from this bill through a variety of agreements to further the objectives of Executive Order 23-02, including by granting funds under this Agreement.
- c. All references to “days” in this Agreement shall mean calendar days.

3. Consideration

Agency agrees to pay Recipient, from available and authorized funds, the amount of actual expenses incurred by Recipient in performing the grant activities referenced below in Section 4 of this Agreement (“Authorized Expenses”), but not to exceed \$13,874,565.00 (the “Grant Funds”), as follows:

- 3.1 On full execution of this Agreement by the Parties and, when required, approval by the Oregon Department of Justice, Agency will issue a Notice of Allocation (“NOA”) to Recipient,

pursuant to which Recipient will submit a request for funds and Agency will make a lump-sum payment to Recipient in the amount of \$3,661,343.54 (the “Initial Payment”), which Recipient will expend in accordance with the NOA. Recipient may use such funds to reimburse Authorized Expenses that were incurred by Recipient at any time during the period from January 10, 2023 to January 10, 2024 (the “Performance Period”).

3.2 After July 1, 2023, and following expenditure of the Initial Payment by Recipient and submission to Agency of a report detailing such expenditures in such form as is satisfactory to or required by Agency, Agency will reimburse Recipient for additional Authorized Expenses up to the amount of \$10,213,221.46 (the “Additional Allotment”), following receipt of requests by Recipient for such reimbursement. The total Grant Funds amount will equal the Initial Payment amount plus the Additional Allotment amount. Funds from the Additional Allotment will only be used to reimburse Authorized Expenses incurred from July 1, 2023 until the end of the Performance Period (January 10, 2024). Each such reimbursement request will be made following, and in accordance with, a NOA issued by Agency to Recipient, including, but not limited to any allocation of Grant Funds in the applicable NOA to specific expense categories. Recipient will submit requests for reimbursement under this Section 3.2 at least quarterly and in such form and manner as is satisfactory to or required by Agency. Agency and Recipient may, by mutual agreement, modify or terminate a NOA at any time. In the event of a conflict between any NOA and the terms of this Agreement, including, but not limited to the not-to-exceed amount set forth under this Agreement, the terms of this Agreement will prevail.

4. Grant Activities

Recipient will use Grant Funds to conduct the grant activities set forth in Exhibit A (the “Grant Activities”), which is attached to and incorporated into this Agreement. Recipient’s receipt of Grant Funds is conditioned on Recipient’s compliance with Exhibit A, including, but not limited to any performance measures set forth in Exhibit A.

5. Authorized Representatives

5.1 Agency’s Authorized Representative is:

Mike Savara
725 Summer Street NE, Suite B
Salem, OR 97301
Mike.Savara@hcs.oregon.gov

5.2 Recipient’s Authorized Representative is:

Scott Aycock
1250 NE Bear Creek Rd
Bend, OR 97701
scotta@coic.org

5.3 A Party may designate a new Authorized Representative by written notice to the other Party.

6. Online Systems

- 6.1** Recipient and its subrecipients must enter all appropriate and necessary data into OPUS (a web-based application developed by Agency), Homeless Management Information System (HMIS), Procorem or any other Agency-approved system designated by Agency (collectively, the “Sites”) at the time of client intake, if applicable, or at such other times required by Agency. Exceptions are only allowed with prior written approval by Agency.
- 6.2** As a condition of use of the Sites, Recipient and its subrecipients (collectively, “User”) agree to all terms and conditions contained in this Agreement, notices on the Sites, or other directives by Agency regarding use of the Sites. User agrees to not use the Sites for any unlawful purpose. Agency reserves the right, in its sole discretion, to update or revise the terms and conditions for use of the Sites.
- 6.3** Use of the Sites for additional reported “local” program data is at the Recipient’s and subrecipients’ own risk. Agency will not modify or otherwise create any screen, report, or tool in the Sites to meet needs related to this local data.
- 6.4** Recipient hereby grants and will require and cause any subrecipient to grant Agency the right to reproduce, use, display, adapt, modify, distribute, and promote the content on the Sites in any form and disclose, to the extent permitted by law, any or all of the information or data furnished to or received by Agency directly or indirectly resulting from this Agreement. Recipient also shall use and shall require and cause its subrecipients to use appropriate client release forms and privacy policy forms in connection with obtaining and transmitting client data.
- 6.5** Recipient understands and agrees, and shall require its subrecipients to agree, that all materials, information, software, products, and services included in or available through the Sites (the “Content”) are provided “as is” and “as available” for use. The Content is provided without warranties of any kind, either express or implied, including, but not limited to, implied warranties of merchantability, fitness for a particular purpose, or non-infringement. Agency does not represent or warrant that: (1) the Content is accurate, reliable, or correct; (2) the Sites will be available at any particular time or location; (3) any defects or errors in the Content will be corrected; or (4) the Content is free of viruses or other harmful components. Use of the Sites is solely at the User’s risk. User hereby accepts the risk of its use of the Sites, and of the use of the Sites by its subrecipients.
- 6.6** Recipient agrees that under no circumstances will Agency be liable for any direct, indirect, punitive, incidental, special, or consequential damages that result from the use of, or inability to use the Sites. This limitation applies whether the alleged liability is based on contract, tort, negligence, strict liability, or any other basis, even if Agency has been informed of the possibility of such damage.

7. Headings

The headings or captions in this Agreement are for convenience only and in no way define, limit, or describe the intent of any provisions of this Agreement.

8. Amendments

The terms of this Agreement shall not be modified, supplemented, or amended in any manner whatsoever, except in writing by Agency.

9. Nonexclusive Remedies Related to Funding

Agency may withhold any and all undisbursed Grant Funds from Recipient if Agency, in its sole discretion, determines that Recipient has failed to timely satisfy any material obligation arising under this Agreement or otherwise. Recipient's material obligations include, but are not limited to, providing complete, accurate and timely reports satisfactory to Agency about Recipient's performance under this Agreement as well as timely satisfying all Agreement obligations relating to any Grant Funds.

If Grant Funds are not obligated for reimbursement by Recipient in a timely manner as determined by Agency in its sole discretion, Agency may reduce Recipient's funding as it determines to be appropriate in its sole discretion and redistribute such Grant Funds to other parties or retain such Grant Funds for other use. This remedy is in addition to any other remedies available to Agency under this Agreement or otherwise.

10. Independent Contractor Relationship

The Parties agree and acknowledge that their relationship is that of independent contracting parties and that neither Recipient, nor any of its directors, officers, employees or agents, is an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265 or otherwise.

11. Access to Records

Recipient shall maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Recipient shall maintain any other records, books, documents, papers, plans, records of shipments and payments and writings of Recipient, whether in paper, electronic or other form, that are pertinent to this Agreement in such a manner as to clearly document Recipient's performance. All financial records, other records, books, documents, papers, plans, records of shipments and payments and writings of Recipient, whether in paper, electronic or other form, that are pertinent to this Agreement, are collectively referred to as "Records." Recipient acknowledges and agrees that Agency and the Oregon Secretary of State's Office and their duly authorized representatives will have access to all Records to perform examinations and audits and make excerpts and transcripts. Recipient shall retain and keep accessible all Records for a minimum of six (6) years, or such longer period as may be required by applicable law, following termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later. Subject to the foregoing minimum records retention requirement, Recipient shall maintain Records in accordance with the records retention schedules set forth in OAR Chapter 166.

12. Compliance with Law

In connection with their activities under this Agreement, the Parties shall comply with all applicable law.

13. Contribution

13.1 If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (a “Third Party Claim”) against a Party (the “Notified Party”) with respect to which the other Party (the “Other Party”) may have liability, the Notified Party shall promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party, along with the written notice, a copy of the claim, process and all legal pleadings with respect to the Third Party Claim that have been received by the Notified Party. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section and a meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party’s contribution obligation under this Section 13 with respect to the Third Party Claim.

13.2 With respect to a Third Party Claim for which Agency is jointly liable with Recipient (or would be if joined in the Third Party Claim), Agency shall contribute to the amount of expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of Agency on the one hand and of Recipient on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Agency on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines, or settlement amounts. Agency’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if the State had sole liability in the proceeding.

13.3 With respect to a Third Party Claim for which Recipient is jointly liable with Agency (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Agency in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of Agency on the other hand in connection with the events that resulted in such expenses, judgments, fines, or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of Agency on the other hand shall be determined by reference to, among other things, the Parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines, or settlement amounts. Recipient’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

13.4 Recipient shall take all reasonable steps to cause its contractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents (“Indemnatee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys’ fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Recipient’s contractor or any of the officers, agents, employees or subcontractors of the contractor (“Claims”). It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by the contractor from and against any and all Claims. Any defense obligations to Indemnatee are subject to compliance with applicable provisions of ORS chapter 180.

14. Recipient Default

Recipient will be in default under this Agreement upon the occurrence of any of the following events:

14.1 Recipient fails to perform, observe, or discharge any of its covenants, agreements, or obligations under this Agreement, including, but not limited to failure to perform Grant Activities or satisfy performance measures as set forth in Exhibit A and such failure is not remedied within thirty (30) days following notice from Agency to Recipient specifying such failure; or

14.2 Any representation, warranty or statement made by Recipient in this Agreement or in any documents or reports submitted by Recipient in connection with this Agreement, concerning the expenditure of Grant Funds or Recipient’s performance of any of its obligations under this Agreement, is untrue in any material respect when made; or

14.3 Recipient fails to incur expenses, or to satisfy performance measures, at a rate or in a manner that would result in complete expenditure of the Grant Funds in accordance with this Agreement, or successful completion of all performance measures under this Agreement, on or before January 10, 2024, as determined by Agency in its sole discretion.

15. Agency Default

Agency will be in default under this Agreement if Agency fails to perform, observe, or discharge any of its covenants, agreements, or obligations under this Agreement.

16. Remedies

16.1 In the event Recipient is in default under Section 14, Agency may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to: (a) termination of this Agreement under Section 18, (b) reducing, withholding or recovering payment of Grant Funds for activities that Recipient has failed to

perform in accordance with this Agreement, (c) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, or (d) exercise of its right of recovery of overpayments under Section 17 of this Agreement or setoff, or both.

All of the above remedies in this Section 16.1 are cumulative to the extent the remedies are not inconsistent, and Agency may pursue any remedy or remedies singly, collectively, successively, or in any order whatsoever.

16.2 Prior to any termination of this Agreement by Agency pursuant to Section 18.2.3, Agency will provide Recipient with a written notice of such default and will include in such notice an offer to meet with the senior manager of Recipient who has primary responsibility for oversight of the Grant Activities to provide Recipient an opportunity to explain the reasons for the default and to present a proposal for curing the default within a time period that is acceptable to Agency. Recipient shall have 5 days to accept such offer. If Recipient does not accept such offer within such 5-day period, Agency may terminate this Agreement upon 10 days' written notice as provided in Section 18.2.3 or exercise any other remedies available to Agency under this Agreement unless Recipient has fully cured such default prior to the expiration of such 10-day notice period. If Recipient accepts such offer, the meeting must be held within 14 days of such acceptance or at such other time as agreed by Agency. Following the meeting, Agency shall make a determination, in its reasonable discretion, of whether to accept Recipient's proposal, with such modifications as are mutually acceptable to the Parties, and shall give written notice of such determination to Recipient. If Agency's written notice states that Agency does not agree to such proposal, or if Agency accepts such proposal but Recipient does not satisfy the terms of the proposal, Agency may terminate this Agreement upon 10 days written notice as provided in Section 18.2.3 or exercise any other remedies available to Agency under this Agreement unless Recipient has fully cured such default prior to the expiration of such 10-day notice period.

16.3 In the event Agency is in default under Section 15 and whether or not Recipient elects to exercise its right to terminate this Agreement under Section 18, or in the event Agency terminates this Agreement under Sections 18.2.1, 18.2.2, or 18.2.4, Recipient's sole remedy will be a claim for reimbursement of expenses incurred in accordance with this Agreement, less any claims Agency has against Recipient. In no event will Agency be liable to Recipient for any expenses related to termination of this Agreement or for anticipated profits or loss. If previous amounts paid to Recipient exceed the amount due to Recipient under this Section 16.2, Recipient shall promptly pay any excess to Agency.

17. Recovery of Overpayments; Withholding of Funds

17.1 If payments to Recipient under this Agreement, or any other agreement between Agency and Recipient, exceed the amount to which Recipient is entitled, Agency may, after notifying Recipient in writing, withhold from payments due Recipient under this Agreement, such

amounts, over such periods of times, as are necessary to recover the amount of the overpayment.

17.2 Agency may withhold any and all undisbursed Grant Funds from Recipient if Agency determines, in its sole discretion, that Recipient has failed to timely satisfy any material obligation arising under this Agreement, including, but not limited to providing complete, accurate, and timely reports in a form satisfactory to Agency, or if Agency determines that the rate or scale of requests for Grant Funds in any expenditure category materially deviates from an applicable NOA or is unsubstantiated by related documentation.

18. Termination

18.1 This Agreement may be terminated at any time by mutual written consent of the Parties.

18.2 Agency may terminate this Agreement as follows:

18.2.1 Immediately upon written notice to Recipient, if Agency fails to receive funding, appropriations, limitations, or other expenditure authority at levels sufficient, in Agency's reasonable administrative discretion, to perform its obligations under this Agreement;

18.2.2 Immediately upon written notice to Recipient, if federal or state laws, rules, regulations, or guidelines are modified or interpreted in such a way that Agency's performance under this Agreement is prohibited or Agency is prohibited from paying for such performance from the planned funding source;

18.2.3 If Recipient is in default under this Agreement and such default remains uncured for a period of 10 days following completion of the process outlined in Section 16.2 ; or

18.2.4 As otherwise expressly provided in this Agreement.

18.3 Recipient may terminate this Agreement immediately upon written notice to Agency, if Agency is in default under this Agreement and such default remains uncured 15 days after written notice to Agency.

18.4 Upon receiving a notice of termination of this Agreement, Recipient will immediately cease all activities under this Agreement, unless Agency expressly directs otherwise in such notice.

19. Insurance

19.1 Recipient shall insure, or self-insure, and be independently responsible for the risk of its own liability for claims within the scope of the Oregon Tort Claims Act (ORS 30.260 through 30.300).

19.2 Recipient shall require its first-tier contractor(s) that are not units of local government as defined in ORS 190.003, if any, to obtain the insurance specified in Exhibit C.

20. Availability of Funds

Agency's obligation to pay any amounts and otherwise perform its duties under this Agreement is conditioned upon Agency receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow Agency, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement. Nothing in this Agreement may be construed as permitting any violation of Article XI, section 7 of the Oregon Constitution or any other law limiting the activities, liabilities, or monetary obligations of Agency.

21. Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Oregon, without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "claim") between Recipient and Agency or the State of Oregon that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon, provided that in the event that a claim must be brought in a federal forum, the claim shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. Recipient consents to the exclusive jurisdiction of such courts. Nothing in this Agreement constitutes consent by the State of Oregon to the jurisdiction of any court or a waiver by the State of Oregon of any defense or immunity, including, but not limited to sovereign immunity and immunity under the Eleventh Amendment to the United States Constitution.

22. Notice.

Except as otherwise expressly provided in this Agreement, any notices to be given relating to this Agreement must be given in writing by email, personal delivery, or postage prepaid certified or registered mail, with return receipt, to a Party's Authorized Representative at the physical address or email address set forth in Section 5 of this Agreement, or to such other addresses as either Party may indicate pursuant to this Section 22. Any notice so addressed and mailed becomes effective five days after mailing. Any notice given by personal delivery becomes effective when actually delivered. Any notice given by email becomes effective upon the sender's receipt of confirmation of delivery, either by return email or by demonstrating through other technological means that the email has been delivered to the Recipient's email address.

23. Survival

All rights and obligations of the Parties under this Agreement will cease upon termination of this Agreement, other than those rights and obligations that by their express terms survive termination of this Agreement or would reasonably be expected to survive termination of this Agreement; provided, however, that termination of this Agreement will not prejudice any rights or obligations accrued to the Parties under this Agreement prior to termination.

24. Intended Beneficiaries

Agency and Recipient are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement provides, is intended to provide, or may be construed to provide any direct or indirect benefit or right to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of this Agreement.

25. Assignment

Recipient may not assign or transfer its interest in this Agreement without the prior written consent of Agency and any attempt by Recipient to assign or transfer its interest in this Agreement without such consent will be void and of no force or effect. Agency's consent to Recipient's assignment or transfer of its interest in this Agreement will not relieve Recipient of any of its duties or obligations under this Agreement. The provisions of this Agreement will be binding upon and inure to the benefit of the Parties hereto, and their respective successors and permitted assigns.

26. Subcontracts

Recipient shall notify Agency prior to entering into any subcontracts for any of the activities required of Recipient under this Agreement. Agency's receipt of notice of any subcontract will not relieve Recipient of any of its duties or obligations under this Agreement. For purposes of this Agreement, including, but not limited to any exhibits incorporated into this Agreement, "subcontract" means any agreement pursuant to which Recipient compensates another party to carry out any activities under this Agreement, whether by contract for goods or services, grant agreement, or otherwise. For avoidance of doubt, the term "subcontractor" includes any subgrantee or subrecipient to which Recipient awards any funds received by Recipient under this Agreement.

27. Merger; Waiver

This Agreement and all exhibits and attachments, if any, constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver or consent under this Agreement binds either Party unless in writing and signed by the applicable Party. Such waiver or consent, if made, is effective only in the specific instance and for the specific purpose given.

28. Counterparts

This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of the Agreement so executed constitutes an original.

[The remainder of this page intentionally left blank.]

29. Signatures

Oregon Housing & Community Services

DocuSigned by:
Sandra Flickinger
4641B29D2A0B49F...

Signature

Sandra Flickinger, Desig Proc Officer

Printed Name & Title

4/21/2023

Date

Central Oregon Intergovernmental Council

DocuSigned by:
Scott Aycock
779C985BA4A1459...

Signature

Scott Aycock, CED Director

Printed Name & Title

4/20/2023

Date

Exhibit A**Grant Activities****1. Description.**

On January 10, 2023, Governor Tina Kotek declared a homelessness state of emergency in response to the 80% rise in unsheltered homelessness in emergency areas since 2017. The Governor directed state agencies to prioritize efforts to reduce homelessness and established a statewide housing production advisory council. In addition to these efforts on the part of the state government, Agency will play a major role in the delivery of the Governor's early investment package that was awarded through House Bill (HB) 5019 during the 2023 Session of the Oregon Legislature. Most of these resources will be delivered to local emergency response regional planning bodies, including Continuums of Care ("CoC") within the areas that are included within the emergency declaration as determined by Agency. Agency will support communities in deploying these funds, including, but not limited to support pursuant to this Agreement, in a coordinated effort to accomplish the following statewide objectives:

1. Prevent homelessness for 8,750 households statewide;
2. Increase shelter capacity, quality, and utilization in emergency areas by 600 beds; and
3. Rehouse at least 1,200 households experiencing unsheltered homelessness in emergency areas.

Agency is deploying Grant Funds pursuant to a Homelessness Emergency Response Program designed to accomplish objectives 2 and 3 identified above (the "Program"). Objective 1 identified above will be accomplished through other agreements.

2. Grant Activities.

- A. Regional Unsheltered Homelessness Emergency Response Plan.** Prior to eligibility for funding, Recipient submitted a Regional Unsheltered Homelessness Emergency Response Plan ("Plan") to Agency that specifies, among other things: current local, state, federal, and other resources allocated to emergency shelter services, rehousing services, and housing stabilization services; and current service levels and gaps in services and resources in emergency response areas specifically impacting people experiencing unsheltered homelessness. The Plan is attached to and incorporated into this Agreement as Exhibit B and, together with this Exhibit A, defines the scope of grant activities ("Grant Activities") authorized for the purposes of this Agreement.
- B. Compliance with Agreement.** Recipient shall and shall cause and require by written agreement that its subcontractors comply with and perform all Grant Activities in accordance with the terms of this Agreement, including but not limited to all exhibits to this Agreement. The provisions of this Section 2 are supplemental to and do not limit the obligations of Recipient or its subcontractors arising under any other provision of this Agreement.

- C. Housing Focused.** All activities conducted under this Agreement must be Housing Focused. “Housing Focused” activities are defined as activities that seek to lower barriers for people experiencing homelessness or housing instability. Activities conducted under this Agreement may not screen participants out solely on the basis of certain behavioral, psychological, physiological, citizenship or immigration status or economic preconditions. Housing Focused services must ensure that the safety and support of both staff and clients are paramount. This is accomplished through a focus on ensuring safety by managing behaviors that pose a risk to health and safety rather than implementing blanket exclusions based on a past diagnosis or current behavioral health symptoms that do not pose a direct risk to community safety. Furthermore, Recipient must actively coordinate services and supports for helping people exit homelessness and make efforts to reduce the barriers to re-housing individuals and families in their community.
- D. No Supplanting of Other Funds.** Recipient may not use funds under this Agreement to supplant other funds available for the same purpose. Furthermore, Recipient agrees that during the term of this Agreement, the funding available for homeless services from sources other than this Agreement will not be reduced from the levels outlined in the Plan, and that in the event of any such reduction, Agency may exercise any of the remedies available to it under this Agreement or at law or in equity. Recipient also agrees to comply with reporting requirements as outlined in Section 3 of this Exhibit A (Program Specific Reporting) to demonstrate the levels of funding from other sources as outlined in the Plan are sustained throughout the term of this Agreement and that no reductions to such funding are made. Failure by Recipient to comply with this Section 2(D) is a material breach of this Agreement, and entitles Agency to exercise any remedies available to it under this Agreement or at law or in equity.
- E. Client Evaluation.** Recipient shall conduct an initial evaluation of clients in accordance with local CoC requirements applicable at the time of client evaluation. For the purposes of client eligibility, Recipient must determine which category of housing status each household meets. Eligibility based on housing status shall be determined based upon the initial engagement with the client.

The eligibility categories are as follows:

Category 1: Literally Homeless—Individual or family that lacks a fixed, regular, and adequate nighttime residence, meaning:

- Living in a primary nighttime residence that is a public or private place not designed for human habitation (including, but not limited to, a car, park, abandoned building, bus or train station, airport or camping ground);
- Living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional shelter, and hotels or motels paid for by charitable organizations or by federal, state or local government programs); or

- Exiting an institution where the individual or family has resided for 90 days or less AND who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 2: Imminent Risk of Homelessness—Individual or family that will lose their primary nighttime residence provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; AND
- The individual or family lacks the resources or support networks (e.g., family, friends, faith-based or other social networks) needed to obtain other permanent housing.

Category 3: Homeless Under Other Federal Statutes—Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under another category, (literally homeless, imminent risk of homelessness or fleeing/attempting to flee domestic violence) but who:

- Are defined as homeless under other listed federal statutes;
- Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the Program assistance eligibility determination;
- Have experienced persistent instability as measured by two moves or more during the preceding 60 days; AND
- Can be expected to continue in such status for an extended period of time due to special needs or barriers.

Category 4: Fleeing/Attempting to Flee Domestic Violence—Individual or family that:

- Is fleeing, or is attempting to flee, domestic violence;
- Has no other safe residence; AND
- Lacks the resources or support networks to obtain other permanent housing.

Category 5: Unstably Housed—Individual or family that:

- Is at risk of losing their housing, and does not otherwise qualify as homeless under Categories 1-4 listed above, provided that:
- Has been notified to vacate current residence or otherwise demonstrate high risk of losing current housing; AND

- Lack the resources or support networks to obtain other permanent housing.

Category 6: Unsheltered Homelessness—Individual or family that is living in a primary nighttime residence that is a public or private place not designed for human habitation (including, but not limited to, a car, park, abandoned building, bus or train station, airport or camping ground).

Client eligibility criteria for each of the above categories are as follows:

- Rapid Re-housing Client Eligibility Criteria:
 - Household must meet the following Housing Status Criteria at time of initial engagement:
 - **Category 6: Unsheltered Homelessness**
- Shelter and Street Outreach Client Eligibility Criteria:
 - Household must meet the following Housing Status Criteria:
 - **Category 1: Literally Homeless**
 - **Category 2: Imminent Risk of Homelessness**
 - **Category 3: Homeless Under Other Federal Statutes**
 - **Category 4: Fleeing/Attempting to Flee Domestic Violence**
 - **Category 6: Unsheltered Homelessness**
- Grant Funds under this Agreement are not allowed to be used for households meeting Category 5, Unstably Housed. Prevention funding will be deployed to local communities through other agreements.

F. Low Barrier Shelter Requirement. Funding under this Agreement for shelter acquisition, operation and construction must only be utilized to create new shelter bed capacity that meets the following definition of Low Barrier Shelter:

Low Barrier Shelters: Low and no barrier policies allow homeless individuals and households to access shelter, housing, and services without preconditions such as sobriety, compliance with treatment plan, no pets, or agreement to participate in specific programs, activities, or classes. These policies allow those most in need to have access to shelter and housing. These additional emergency shelter beds must be low barrier, focus on assessment and triage, and intentionally link to permanent housing resources so that people move through to housing quickly. Recipient may request

technical assistance from the Agency to modify shelter policies to meet this definition.

In order to meet minimum standards as a Low Barrier shelter, the following three conditions must be met:

- Sobriety* and treatment are voluntary;
- No required documentation of identification, custody, citizenship, or gender. Furthermore, shelters must meet the Department of Housing and Urban Development's Equal Access Rule, 81 FR 64763, to ensure services are available to all individuals and families regardless of sexual orientation, gender identity, or marital status; and
- Shelter accommodates pets and belongings.

*Note: Low-barrier shelters may establish requirements that limit the use of drugs and alcohol in common or shared areas of the facility. In addition, facilities may establish behavioral expectations that limit disruptive or violent behavior resulting from intoxication. However, the requirement to abstain completely from alcohol or drug use is not a component of low-barrier shelters.

Furthermore, Agency is recommending the adoption of the following best practices as key indicators of a successful Low Barrier Shelter:

- Shelter has minimal expectations or requirements of people seeking shelter;
- Shelter focuses on addressing disruptive or dangerous behaviors rather than compliance to rules or case plans;
- Shelter welcomes self-defined family and kinship groups to seek shelter together;
- Shelter can identify financial resources that can support the adoption of low barrier policies and practices and supports extended or flexible hours and adapted service-delivery models;
- Shelter accommodates pets and belongings;
- Shelter's intake process and housing navigation services coordinate closely with community-based outreach services and coordinated entry;
- Shelter creates flexible and predictable access for people seeking shelter;

- No charge to individuals or families for stays, meals, or services at the low barrier shelter; and
- Shelter does not exclude people with criminal convictions, poor credit, or eviction histories.

Recipient may fund shelters that require sobriety or drug and alcohol treatment services, but otherwise meet the definition of Low Barrier as outlined in this Agreement in order to provide access to the special needs of people who are in recovery from drugs and alcohol. For example, a facility that meets the definition of Alcohol and Drug Free Community housing as outlined in ORS 90.243 may qualify for funding. Such use of funds for shelters that require sobriety or drug and alcohol treatment services must be as outlined in the Plan (Exhibit B). Notwithstanding any other provision of this Agreement, no more than 30% of the shelter bed capacity created in each community under this Agreement is permitted to be subject to required sobriety or drug and alcohol treatment services.

G. New Shelter Bed Requirement. New shelter bed capacity is defined as beds that are added to a local region as a direct result of funding under this Agreement. Beds may be counted if the building requires rehabilitation prior to the shelter being operational or put into use, if needed. It also may include beds that are added to existing shelters through expansion. If a bed is not available in a local region due to lack of operational funding and has not been previously operational, Grant Funds may be used to bring the bed into active use and the bed would count as added shelter capacity for purposes of this Agreement. Shelter funds may not be used to supplant existing resources, consistent with Section 2(D) of this Exhibit A. Shelter beds may not be counted toward the goal of new shelter beds as outlined in this Agreement unless new beds are being added into an existing shelter or an entirely new shelter facility is brought online as a result of funding under this Agreement.

H. Habitability Requirements. Shelters, whether congregate or non-congregate, must meet habitability requirements that include minimum safety, sanitation, and privacy standards as outlined in 24 CFR § 576.403, regardless of whether 24 CFR § 576.403 independently applies to such shelters apart from this Agreement. Shelters must be structurally sound. Tents and other structures without hardened surfaces that do not meet these minimum standards are unallowable. Recipient must document habitability requirements for all shelters funded under this Agreement. Agency will provide technical assistance reasonably requested to ensure compliance with habitability requirements.

Shelter units may be in the form of Non-Congregate Free-Standing Units if they provide the following amenities:

- Heat
- Electricity
- The ability to close and lock a door
- Showers and restrooms onsite

- Hard-surface walls and roofing
- Food preparation facilities available onsite or with an action plan to provide meals to shelter residents

I. Use of Grant Funds. Consistent with the Plan as well as any applicable NOA, Grant Funds may be utilized for the following purposes:

- A. Acquisition, construction, conversion, or rehabilitation of shelters that increase the shelter bed capacity in accordance with the terms of this Agreement, including but not limited to Sections 2(F), 2(G) and 2(H) of this Exhibit A.
- i. **Acquisition** means acquiring property through purchase, donation, trade, or any other method for the purposes of utilization as an emergency shelter.
 - ii. **Conversion** means the process of changing or causing to change from one form to another; changing the function of a piece of property from one use to another.
 - iii. **Rehabilitation** means action taken to return a property to a useful state by means of repair, modification, or alteration.
- B. Shelter operations, services and supports for shelter beds that increase capacity as determined in accordance with the terms of this Agreement.
- C. Street outreach services, including housing navigation and placement services
- D. Sanitation services
- E. Rapid-rehousing services, including landlord incentives to secure available units, through block-leasing strategies or other means, for people exiting homelessness. Rental assistance commitments, when utilized under rapid-rehousing services, may be issued for up to a 12-month period of time after client move in and may also be issued in the form of an upfront payment to the landlord. Rental assistance commitments may include pre-paid costs to encourage landlord participation. Costs may also include paying for damages or past due housing debt to secure new units or resources. Supportive housing services may be provided for block-leased units and for households that are rehoused pursuant to this Agreement to ensure participants are able to stay securely housed and landlords are supported with various needs.

For all clients who are re-housed utilizing Grant Funds, Recipient is required to provide landlord with documentation showing that the landlord participated in the Program to ensure Agency can provide further guarantees of financial

assistance through the Landlord Guarantee Program. Agency shall provide templates that Recipient may use for this purpose.

- F. Administrative costs up to the limit outlined in the Plan (Exhibit B) including, but not limited to:
- i. Senior executive management personnel salaries and benefits (unless they are directly involved in Program operations), administrative staff travel costs;

General services such as accounting, budget development, personnel, contracting, marketing, agency audit, agency insurance;
 - ii. Board expenses (excluding meals);
 - iv. Planning and implementation of MAC group infrastructure
 - v. Organization-wide membership fees and dues specific to the Program;
 - vi. General agency facilities costs (including those associated with executive positions), such as rent, depreciation expenses, and operation and maintenance (as part of the organization's direct or indirect cost allocation plan); and
 - vii. Equipment rental/purchase, insurance, utilities, and IT costs that are not specific to the Program but relate to the administration of the Recipient as a whole.

Recipient may also utilize Grant Funds to address the specific needs of various homeless subpopulations as set forth in the Plan. Targeting of funds must not violate the Fair Housing Act or other applicable anti-discrimination requirements.

3. Program Specific Reporting.

Recipient shall and shall cause and require its subcontractors by written agreement to submit to Agency all reports as required in this Agreement. Recipient shall and shall cause and require its subcontractors by written agreement to ensure that data collection and reporting, which may include personally identifiable information, be conducted through the use of Agency-approved systems including HMIS or HMIS-Comparable systems for Victim Service Providers. Recipient shall utilize existing systems of Agency (OPUS for fiscal management, and HMIS for Program outcome management, Procorem for reporting submission) for all funding under this Agreement in accordance with applicable policies and procedures of Agency. Recipient shall provide service provider technical assistance to users in Recipient's region and may request additional assistance from Agency as needed.

Recipient may request a reporting deadline extension. An extension must be approved, in writing by Agency in Agency's sole discretion. Requests must be emailed to HCS.REPORTING@hcs.oregon.gov prior to the submission deadline.

The following reports and other documents shall be submitted to Agency throughout the Performance Period and for any additional period as required to include all reportable activities performed during, the Performance Period and all other reportable information relating to the Performance Period:

- (1) Monthly disaggregated data using the SAP Business Objects (the HMIS reporting tool) System Query Report. Report is due 20 days following the end of each month and uploaded into Procorem. The System Query data may be submitted by the HMIS administrator for all OHCS funded HMIS Participating Agencies/Providers in the HMIS instance.
- (2) Monthly Housing Inventory (HIC) Bed/Unit Inventory updates must be 20 days following the end of each month. This can be reported using the HIC report in SAP Business Objects or an Excel spreadsheet of the CoC's Housing Inventory (complete), maintained outside of HMIS. Reports must be emailed to HCS.REPORTING@HCS.oregon.gov.
- (3) Quarterly Aggregated Activity Reports using the SAP Business Objects OHCS Quarterly Report are due 20 days following the end of each quarter. Reports must be emailed to HCS.REPORTING@HCS.oregon.gov. The Quarterly Aggregated Activity Report may be submitted by the HMIS administrator for all OHCS funded HMIS Participating Agencies/Providers in the HMIS instance.
- (4) Biannual System Performance Measure Reports (SPMs) for the CoC and for All-in funded projects (Reporting Group) are due 20 days following the end of each month. These are "canned" reports found in WellSky Community Services (ServicePoint) Report Module: System Performance Measures. Instructions on how to format and share these reports will be provided by Agency. Reports must be emailed to HCS.REPORTING@HCS.oregon.gov.
- (5) Requests for funds through the OPUS system must be submitted within 60 days of the end of each quarter. A final request for funds must be submitted for all fiscal year expenses within 60 days of each fiscal year end. Backup documentation for expenditures made from the Initial Payment must be submitted to Agency within 30 days of June 30, 2023. Backup documentation for expenditures made from the Additional Allotment must be submitted through Agency's OPUS system.
- (6) If Recipient uses funds under this Agreement to add new shelter bed capacity, Grantee must submit a narrative update in a manner prescribed by Agency within 20 days of the end of each month during which such new shelter bed capacity is being added.
- (7) Recipient shall provide additional reports and shall cooperatively attend meetings with Agency, as reasonably requested by Agency.

4. Performance Measures

Recipient shall and shall cause and require its subcontractors by written agreement to conduct the Grant Activities in a manner consistent with the requirements of this Agreement and to achieve the following performance goals, as well as the performance goals that are outlined in the Plan:

- A. Increased housing stability as measured by the number of individuals who were successfully re-housed and who met eligibility criteria as outlined in this Agreement before the end of the performance period (January 10, 2024) unless otherwise stated.
- B. Increased shelter availability and utilization in boundary area of the Continuum of Care or identified sub-region as defined in the Plan as measured by a percentage increase in the number of new shelter beds as defined in this Agreement available and operational in the region referenced above by the end of the Performance Period (January 10, 2024), unless otherwise stated.

5. Restrictive Covenants for Shelter Facilities

Recipient shall operate the shelter facilities acquired, converted, renovated or rehabilitated pursuant to the Grant Activities (the “Facilities”) and provide such related services as are required under the Grant Activities and other provisions of this Agreement for the restrictive use period as provided below (the “Restrictive Use Period”).

Recipient must place a Declaration of Restrictive Covenants on the Facilities restricting the use of the Facilities to provide the housing and services as described in this Agreement. The Declaration of Restrictive Covenants shall be in such form as required by Agency and shall be filed, at the Recipient’s expense, in the real property records of each county in which the Facilities are located. Notwithstanding any provision of this Agreement, the obligations set forth in the Declaration of Restrictive Covenants shall continue in full force and effect throughout the entire Restrictive Use Period and until the expiration of such obligations under the terms of the Declaration of Restrictive Covenants. Recipient acknowledges and agrees that such obligations will survive the expiration or termination of this Agreement. Recipient shall execute all other documents reasonably required by Agency in connection with the Declaration of Restrictive Covenants. Agency may waive any of the requirements pertaining to Facility restrictive covenants at its sole discretion.

Restrictive Use Period

The Restrictive Use Period for all Facilities that are acquired or constructed by Recipient through the use of Grant Funds is 10 years.

The Restrictive Use Periods for Facilities that are placed in service following rehabilitation or conversion of an existing structure are as set forth in the table below. The Restrictive Use Period runs from December 31 of the year the Facility is placed in service until December 31 of the final year of the Restrictive Use Period. Recipient must agree to certify compliance with this

requirement and submit that certification to Agency on an annual basis, or upon request of Agency, throughout the Restrictive Use Period.

Before Recipient uses any Grant Funds to construct, rehabilitate or convert a Facility to be located on leased property, Recipient shall request prior written approval of Agency. Agency may approve or disapprove of such use of Grant Funds in its sole discretion and any such Agency approval may include modifications to the Restrictive Use Period as determined by Agency in its sole discretion.

Rehabilitation and Conversion Minimum Period of Use		
Type of Activity	Definition	Minimum Period of Use
Minor Rehabilitation	The cost of the rehabilitation of an existing emergency shelter is 75% or less of the value of the building before rehabilitation*	3 Years
Major Rehabilitation	The cost of the rehabilitation of an existing emergency shelter exceeds 75% of the value of the building before rehabilitation*	10 Years
Minor Conversion	The cost of the conversion of a building to an emergency shelter is 75% or less of the value of the building after conversion*	3 Years
Major Conversion	The cost of the conversion of a building to an emergency shelter exceeds 75% of the value of the building after conversion*	10 Years

* The value of each shelter building is the fair market value of the building, as determined by an independent real estate appraiser approved by Agency or by an Agency-approved process.

Transferring Property Ownership

Within the Restrictive Use Period, Recipient may not transfer, repurpose, sell, assign, bequeath, or dispose of any interest in the Facilities or the underlying real property to any person, entity or

other assignee, without obtaining the prior written consent of Agency. Agency may condition any such consent on the agreement of the transferee to assume all obligations of Recipient under this Agreement for the duration of the Restrictive Use Period. The proposed use of any monies gained from the transaction must be pre-approved by Agency.

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Exhibit B
Regional Plan

Regional Planning Template and Funding Request



OR-503 (Central Oregon CoC)

Contents:

- [Overview](#)
- [Process](#)
- [Data Collection](#)
- [Community Analysis](#)
- [Goal Setting](#)

Overview

On January 10, 2023, Governor Tina Kotek declared a state of emergency in response to a 63% rise in homelessness since 2016. Oregon’s Departments of Emergency Management (OEM) and Housing and Community Services (OHCS) have partnered to lead this work with the Office of the Governor.

The initial priority in this crisis is to target funding in a coordinated, three-prong effort to 1) **prevent homelessness** for at least 8,750 households statewide, 2) **increase shelter capacity** in emergency areas by 600 units, and 3) **rehouse** at least 1,200 **households** statewide this year.

The Oregon Housing and Community Services Department will deliver \$130,000,000 in funding to seven of Oregon’s Continuums of Care (CoCs) deemed emergency areas. OEM and OHCS will lead this work and coordinate state agency support for local implementation. Over the course of the year, state partners will support regional and community partners in the emergency areas to:

Phase 1: January-February

- Determine additional state funding opportunities for unsheltered homeless services
- Establish and begin managing MAC (multi-agency coordination) teams

- Determine regional impact and needs
- Gather community priorities
- Project this year’s progress and possibility
- Set goals and milestones
- Confirm draft regional plan

Phase 2: February-March

Phase 3: March-April

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- Determine local capacity for approved plan
- Identify outstanding support and resource needs
- Develop local implementation plans

Phase 4: April-December

- Monitor systems improvement
- Iterate on regional plan and strategies

- Support continuous quality improvement

Phase 5: August-December

- Document lessons learned
- Determine regional impact for 2023 and 2024 needs
- Celebrate and build on successes for 2024 planning

This **Regional Planning Template and Funding Request** is the framework for Phase 2 and is designed to support regional planning and streamline the state's funding process for homeless services under EO-23-02.

Process

In February 2023, OHCS and OEM will convene regional and local leaders to provide an overview of Phase 2: Regional Planning and Funding Requests. This document covers the three steps of Phase 2:

- 1) Data Collection
- 2) Community Analysis
- 3) Goal Setting

This document can be used as a guide throughout Phase 2 and as a repository for qualitative data and community decisions and plans. State partners have attached an editable spreadsheet to this document, which will serve to collect data and automate calculations and projections necessary to the planning and funding process. Phase 2 is outlined below with items captured in the spreadsheet noted with an *.

Data Collection

- Partners*
- Population*
- Services*

Community Analysis

- Stakeholder Engagement
- Data Review
- Impact Analysis

- Community Priorities
- Unmet Needs

Goal Setting

- Priority Strategies
- Projections*
- Confirm Goals
- Milestones

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Data Collection

Early in this phase of work, MAC teams and CoCs are encouraged and can be supported in seeking input from people with lived expertise and/or experience of homelessness (people who have or who are currently experienced of homelessness). This input should be prioritized in discussion and decision-making. State agencies and technical assistance providers are available to support this coordination as needed upon request through MAC teams. The region’s spreadsheet* should be used to capture a comprehensive list of partners and expertise engaged in Phase 2.

The data collection work outlined below requires the accompanying spreadsheet where MAC teams will collect the data necessary to inform local projections, analysis, and priorities. Use of the spreadsheet is noted with an asterisk (*) throughout this template.

Partners

MAC teams will work with Continuums of Care to identify key partners in regional and local strategic planning for unsheltered homeless services to inform stakeholder engagement from the beginning of the regional process. Given the critical systems operations and service provision already underway, communities may elect to have representatives to this process to share information for and with multiple stakeholders and coalitions.

The initial data and impact analysis* offered by state partners should inform whether and which additional partners should be invited to the table, particularly those representing communities and subpopulations who are disproportionately impacted by unsheltered homelessness in each region.

During the data collection process in Phase 2, MAC teams and CoCs should prioritize community engagement efforts identify preexisting connections or plan for outreach to culturally specific service providers, identity- and interest-based community groups, community organizers, and other formal and informal representatives of disproportionately impacted groups across the region.

This engagement and partnership should be prioritized over the quantitative data outlined below in early in Phase 2 because their specific perspectives will significantly improve the efficacy of the community’s strategies given the disparate impact of the crisis on their communities and their resulting expertise.

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Population

State partners have documented* each CoC’s 2022 Point-in-Time data as well as each CoC’s census data to better understand the impact of unsheltered homelessness at the subpopulation level in each region. Through the contracting process, MAC teams will be asked to coordinate HDX 2.0 access for state agencies to establish more accurate baselines and projections using annual rather than point-in-time data.

Subpopulation data is captured here based on the following publicly available demographic data for the general population as well as data specific to those experiencing homelessness: household makeup (individual/family), age or service (youth and veterans), and race and ethnicity. This initial data analysis* is intended to highlight which subgroups in the region are at a disproportionately high risk of experiencing unsheltered homelessness. During Phase 2, there is no additional data input or quantitative data analysis required.

The region’s data and impact analysis should be shared with partners engaged in the regional planning and funding request process. As information is gathered about the specific challenges, opportunities, and efforts already underway, MAC teams will document and build on that information to inform the region’s priority strategies and goals.

Services

All In is focused on three core components of our statewide response to unsheltered homelessness: rehousing people experiencing unsheltered homelessness, preventing unsheltered homelessness, and shelter.

MAC teams will gather and input data* to capture the relevant types of services, units, availability, and costs across the region. This will include all federal, state, local, and philanthropic contributions and funding for shelter, rehousing, and targeted homelessness prevention.

As communities identify priority strategies for each of these three areas, partners will refer to this data to identify capacity restraints and opportunities to invest in additional capacity. State agencies will also use this data to better understand and support communities in navigating unstable funding streams during and preceding the COVID-19 pandemic.



Community Analysis

Part 1: Community Engagement and Data Review

- 1) Please summarize your community engagement processes and the efforts made to ensure that the perspectives of people experiencing homelessness, frontline service providers, and groups at a high risk of experiencing homelessness inform regional priorities throughout Phase 2. Please list decision making processes and track community engagement efforts here as well.

The MAC Group has 24 members representing the following agencies across the tri-county region:

- Local jurisdictions (homelessness and EM staff)
- Public housing authority
- Community Action Agency
- Local homelessness agencies
- Rapid rehousing service providers
- Shelter developer/operator
- Behavioral Health Providers
- Healthcare/Federally Qualified Health Center
- Continuum of Care Leadership
- Encouraging MAC members to share the surveys within their networks. We've also encouraged MAC members to help channel feedback in a constructive way, by sharing information from meetings within their networks and soliciting feedback and elevating that to the broader MAC group.
- Informal Vertical Feedback (similar to Lane County)

New website (www.coic.org/EO2302/) –

- EO 23-02 language
- MAC roster
- Zoom links to attend MAC meetings, links to meeting materials, and recordings of MAC meetings
- Regional Planning Template
- All in Workbook
- Google Surveys
- Contact information for COIC Staff

Agreement No. OR-503

Google Surveys – sent to 700+ people throughout Central Oregon to capture information on Community Priorities and Goal Setting.

- Over 150 responses to Community Priorities Survey
- Over 35 responses to Project Concepts Survey

The MAC is also leveraging information collected in past outreach efforts, like information gleaned from the comprehensive Emergency Homelessness Task Force (Deschutes County) process in 2021, which you can learn more about here: <https://www.houselessindeschutes.org/>. The Emergency Homelessness Task Force informed a strategic plan, which can be found here: <https://www.houselessindeschutes.org/our-plan-to-solve-homelessness>. Redmond Service Providers, with partnership with Rogue Retreat, collected input from Service Providers in 2021, which was considered as well. The Continuum of Care does regular outreach and receives feedback from culturally and population-specific providers, which was considered in this process. The Oregon Homeless Youth Needs Assessment and System Modeling was also considered.

- 2) MAC teams and CoCs will seek input from disproportionately impacted groups and communities in an ongoing effort to develop a shared understanding of individual and regional challenges facing people experiencing unsheltered homelessness. Please add any additional qualitative or quantitative data or information that was shared to better understand the impact of unsheltered homelessness on their communities.

HMIS Data, State-provided PIT Data, McKinney-Vento Youth Homelessness Data, Census Data

Discussions with and feedback from subpopulation specific providers – J Bar J, COVO, Latino Community Association, Council on Aging

Part 2: Impact Analysis

- 3) How many people experiencing unsheltered homelessness did your Continuum of Care region house in 2022?
HMIS

111 people reported their last living situation was an unsheltered situation, before entered a program, and then moved into permanent housing.

36 head of households, who have experienced unsheltered homelessness became housed through an EHV.

29 of the head of households were housed through an EIIV in 2022.

2 housed EHV holders who had experienced unsheltered homelessness returned to homelessness in 2022 and 2023.

- 4) Based on quantitative data and qualitative community input, these three groups have a disproportionately high risk of experiencing unsheltered homelessness:

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Context: In 2022, our Continuum saw 1096 people engage with the homelessness response system who were experiencing unsheltered homelessness (living in a place not meant for habitation)

- a. Subpopulation 1: BIPOC, specifically Black, Pacific Islander, and Indigenous peoples
- b. Subpopulation 2: Medically-Vulnerable individuals
- c. Subpopulation 3: LGBTQ+ Youth

5) What percentage of people experiencing unsheltered homelessness who exit to permanent housing, return to homelessness within 6 months?

6% (2022 System Performance Measures)

6) What percentage of people experiencing unsheltered homelessness who exit to permanent housing, return to homelessness within 6-12 months?

6% (2022 System Performance Measures)

7) On average, how many people experiencing unsheltered homelessness does your Continuum of Care region exit to permanent housing each month?

9 People

8) What culturally specific services are available and accessible to each of the three groups of people experiencing unsheltered homelessness in your Continuum of Care region?

- a. Subpopulation 1: Latino Community Association, Warm Springs Street Outreach and Emergency Shelter, Oregon Worker Relief Fund
- b. Subpopulation 2: Central Oregon Council on Aging, Assisted Living Facilities, Mosaic Medical Community Health Workers
- c. Subpopulation 3: J Bar J Youth Services

9) What specific services or supports are available for individuals in these groups to access and sustain mainstream (education, health care, Social Security, etc.) services and community connections once people are housed?

- a. Subpopulation 1: Latino Community Association, Warm Springs Navigation Center, The Father’s Group, Mosaic Community Health Workers, Best Care, Oregon Human Development Corporation, NeighborImpact, Thrive
- b. Subpopulation 2: Central Oregon Council on Aging, Assisted Living Facilities, Mosaic Community Health Workers, Thrive Central Oregon, Abilitree, NeighborImpact, Thrive
- c. Subpopulation 3: J Bar J Youth Services, Deschutes County Mental Health Youth and Young Adults, FAN, Best Care, Rimrock, NeighborImpact, Thrive

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Part 3: Community Priorities

10) Please select **all** local needs that are immediate and major barriers to your Continuum of Care's efforts to support people experiencing unsheltered homelessness in regaining housing, safety, and stability. (25% or more of respondents selected the following answers as their top priorities)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Housing Affordability | <input type="checkbox"/> Project-based rental assistance |
| <input checked="" type="checkbox"/> Emergency Shelter Shortage | <input checked="" type="checkbox"/> Housing Choice Vouchers |
| <input checked="" type="checkbox"/> Street Outreach Services | <input type="checkbox"/> Targeted subsidies |
| <input checked="" type="checkbox"/> Affordable Housing Landlord Engagement | <input checked="" type="checkbox"/> Rent buy-down |
| <input checked="" type="checkbox"/> Substance Use Disorder Care and Services | <input type="checkbox"/> Family reunification transportation assistance |
| <input checked="" type="checkbox"/> Mental Health Care and Services | <input checked="" type="checkbox"/> Flexible emergency funding |
| <input checked="" type="checkbox"/> Rapid Rehousing Projects | <input type="checkbox"/> Food security payments |
| <input checked="" type="checkbox"/> Service Providers – Organizational Capacity | <input type="checkbox"/> Marketing materials |
| <input checked="" type="checkbox"/> Service Providers – Staff/Salary | <input checked="" type="checkbox"/> Operating costs |
| <input type="checkbox"/> Service Providers – Specific Expertise | <input type="checkbox"/> Other flexible forms of financial assistance |
| <input checked="" type="checkbox"/> Medical Care | <input type="checkbox"/> Other renovations |
| <input checked="" type="checkbox"/> Skilled Nursing Facility Care | <input checked="" type="checkbox"/> Peer support Services |
| <input type="checkbox"/> Nursing Home Shortage | <input type="checkbox"/> Planning and development |
| <input type="checkbox"/> Manufactured Housing | <input checked="" type="checkbox"/> Project management |
| <input checked="" type="checkbox"/> Housing Development | <input type="checkbox"/> Repairing damages |
| <input type="checkbox"/> Flexible System Funding/Costs | <input type="checkbox"/> Room and board payments |
| <input type="checkbox"/> Cleaning or maintenance (e.g., hoarding prevention) | <input checked="" type="checkbox"/> Security deposits |
| <input checked="" type="checkbox"/> Housing-focused Case Management | <input checked="" type="checkbox"/> Service coordination and integration |
| <input checked="" type="checkbox"/> Housing problem-solving assistance | <input type="checkbox"/> Signing bonuses |
| <input checked="" type="checkbox"/> Conflict mediation Services | <input checked="" type="checkbox"/> Staffing |
| <input checked="" type="checkbox"/> Housing Navigation Services | <input type="checkbox"/> Transportation assistance |
| <input type="checkbox"/> Tenant-based rental assistance | |

11) For each of the three subpopulations identified above as **disproportionately likely** to experience unsheltered homelessness in your region, please identify which of these needs most significantly and specifically impact their ability to regain and retain housing.

- Subpopulation 1: BIPOC - Peer Support, Service Coordination/Integration, Housing Problem-Solving Assistance, Flexible Emergency Funding, Street Outreach, Housing Affordability
- Subpopulation 2: Medically Vulnerable - Medical Care, Skilled Nursing, Flexible Emergency Funding, Housing Affordability
- Subpopulation 3: LGBTQ+ Youth - Emergency Shelter Shortage, Rapid Rehousing, Street Outreach, Housing Affordability, Conflict Mediation Services, Peer Support, Housing Focused Case Management, Mental Health, Medical Care, Flexible Emergency Funding

12) Please list the region’s five most urgent and critical (important but not immediately time sensitive) unmet needs, choosing from the selected list above.

1. Most Urgent: Housing Affordability (77.9% of Respondents)
2. Urgent and Critical: Mental Health Care and Services (68.8% of Respondents)
3. Time Sensitive and Very Important: Emergency Shelter Shortage (59.7% of Respondents)
4. Not Time Sensitive but Very Important: Substance Use Disorder Care and Services (55.8% of Respondents)
5. Important: Rapid Rehousing Projects (39.6% of Respondents)

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Goal Setting

Each region will determine priority strategies that will target its All In investments across its three goals. MAC teams and CoCs will rely on the data and community analysis above to inform which of these strategies to prioritize. MAC teams and CoCs may gather additional data to better understand what local capacity and limitations should guide these investments.

Based on the supports most needed and the services currently available in your region, please check **only** the boxes for the investment strategies that would **most benefit** your community’s efforts to rehouse people experiencing unsheltered homelessness.

Part 1: Strategies to prevent unsheltered homelessness

Technical assistance and support to integrate **housing problem-solving into street outreach.**

Offering **flexible housing-related funding for institution-involved families, youth, and single adults** who formerly exited or are currently exiting a publicly funded child welfare and foster care, juvenile and adult corrections, long-term care, health, and mental health and substance use treatment facility by providing flexible funding that to reduce housing instability. Eligible activities include:

- Housing-focused case management
- Service coordination and integration
- Targeted subsidies
- Flexible emergency funding
- Room and board payments
- Transportation assistance
- Food security payments
- Other flexible forms of financial assistance

- Flexible emergency funding
- Room and board payments
- Transportation assistance
- Food security payments
- Other flexible forms of financial assistance

Funding encampment-specific prevention and shelter diversion to permanent housing or family reunification (if safe and appropriate) to prevent people that have been placed into permanent housing from losing their housing and falling back into unsheltered homelessness. Eligible activities include:

- Housing-focused outreach
- Housing-focused case management
- Family reunification transportation assistance
- Housing problem-solving assistance
- Flexible emergency funding

Offering **flexible housing-related funding for older adults and people with disabilities** – including people with mental health conditions and/or substance use disorders –to reduce housing instability by providing access to housing-related home- and community-based services. Eligible activities include:

- Housing-focused case management
- Service coordination and integration
- Targeted subsidies

Expand or establish geographically robust street outreach efforts that provide access to the full menu of services available in your community. Eligible activities include:

- Service coordination and integration
- Harm reduction training
- Peer support
- Housing problem-solving assistance
- Conflict mediation
- Family reunification transportation assistance

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0

Part 2: Strategies to increase shelter capacity for individuals and families experiencing unsheltered homelessness

Technical assistance and support to re-evaluate current emergency shelter rules that may unnecessarily punish, divert, harm, or discourage people from staying in emergency shelter and seek unsheltered respite.

- Related soft costs
- Replacement reserve

Expand non-congregate shelter through acquisition and development through the following eligible activities:

- Acquisition of existing structure or vacant land
- Demolition costs
- Development hard costs
- Site improvements

Expand emergency shelter bed capacity through the following eligible activities:

- Major rehabilitation
- Conversion
- Other renovation

Part 3: Strategies to rapidly rehouse individuals and families experiencing unsheltered homelessness

Technical assistance and support to establish or strengthen your Continuum of Care region’s relationship with Public Housing Authorities to coordinate on securing available voucher resources to rehouse individuals and families experiencing unsheltered homelessness.

Technical assistance and support to develop and implement an encampment strategy to focus rehousing efforts and reduce the number of encampments.

Technical assistance and support to examine, revise or strengthen your Continuum of Care region’s coordinated entry prioritization policies and practices to rapid rehouse individuals and families experiencing unsheltered homelessness.

Expand or develop a landlord incentive package to establish a pool of units with reduced or eliminated tenancy screening criteria to rehouse people experiencing unsheltered homelessness. Eligible activities include:

- Planning and development
- Marketing materials
- Holding fees
- Signing bonuses
- Security deposits
- Rent buy-down

Technical assistance and support to analyze your Continuum of Care region’s funding portfolio to identify braided funding opportunities to increase its capability to rapidly rehouse individuals and families experiencing unsheltered homelessness.

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Repairing damages

Develop and implement a **housing surge** and/or **housing fair**. Eligible activities include:

- Staffing
- Admin
- Project management
- Fiscal Agent
- Tenant-based rental assistance
- Housing-focused case management
- Third-party inspection services

Develop and implement a **master leasing program**. Eligible activities include:

- Staffing
- Admin
- Project management
- Fiscal Agent
- Project-based rental assistance
- Housing-focused case management
- Third-party inspection services
- Operating costs

Goals

Please identify what goals your Continuum of Care is prepared to set and work toward this year for each area, assuming financial support from the state for implementing some or all the strategies marked above, as well as technical assistance and collaboration.

Quantify your goal to contribute towards this statewide effort and identify the number of households, beds, and/or people you will be able to serve with additional resources.

Increase shelter capacity

Our CoC Region will add a minimum emergency shelter beds by this date: 1/9/2024.

Rapidly rehouse

Our CoC Region will rapidly rehouse people experiencing unsheltered homelessness by this date: 1/9/2024.

²
Milestones

Please provide a timeline of milestones your Continuum of Care region proposes to mark progress, evaluate strategies, and improve operations to achieve the identified above, contingent on funding, in partnership with OHCS and OEM.

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<p>June</p>	<ul style="list-style-type: none"> • Quarterly Check in with MAC Executive Team to measure progress towards goals (HMIS adoption, Coordinated Entry Participation, Subpopulation specific impact, etc.) • MAC Refresh • If properties need to be acquired, acquisition has happened or the process of escrow. • Funded Projects/Programs have begun to serve clients. Case Management, Operations asst. • Develop master leasing program • Develop landlord incentive program and requirements. • Operations funding deployed and some Emergency shelters up and running. • Subcontractor procurement process determined, if necessary. 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Create landlord incentive program with landlord and agency feedback. • Create master leasing program with agency feedback. • Review opportunities, barriers and progress on meeting goals. Target agencies needing additional support or Technical assistance. • Funding Reserve Assessment
<p>July</p>	<ul style="list-style-type: none"> • Subcontractor contracts in place, if necessary. • Renovations to property have started, if necessary. • New programs participating in HMIS are trained and have begun to input data into the system. • Begin implementing both landlord incentive program and master leasing program. 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment
<p>August</p>	<ul style="list-style-type: none"> • MAC Refresh • Shelters that are planning to expand capacity are functional and serving clients • Halfway point... 4 months to go. <ul style="list-style-type: none"> ○ Prevention – 100/354 individuals ○ Shelter – 30/81 beds ○ Rehousing – 50/162 households 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment • Larger scale assessment of what programs have been working and what programs need to pivot their approach.

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September	<ul style="list-style-type: none"> • Quarterly Check in with MAC Executive Team to measure progress towards goals • Ensure each community in Central Oregon has emergency cold weather sheltering options • Ensure newly funded shelter facilities are up and running 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment
October	<ul style="list-style-type: none"> • Assembling final reporting on goals met and projects complete • Assess future needs and resources • MAC Refresh • 2 months to go. <ul style="list-style-type: none"> ○ Prevention – 250/354 individuals ○ Shelter – 70/81 beds ○ Rehousing – 120/162 households 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment
November	<ul style="list-style-type: none"> • Assembling final reporting on goals met and projects complete • Assess future needs and resources • Met goals set by state: <ul style="list-style-type: none"> ○ Prevention – 354/354 individuals ○ Shelter – 81/81 beds ○ Rehousing – 162/162 households 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • HMIS Data Quality Component (monthly) • Coordinated Entry & By Name List Progress (monthly) • Case Manager Check ins (monthly) • Funding Reserve Assessment
December	<ul style="list-style-type: none"> • Quarterly Check in with MAC Executive Team to measure progress towards goals • Assembling final reporting on goals met and projects complete • Assess future needs and resources • Lessons learned report • Assemble reporting for the state. Work with State on future funding. • Ensure we spend total amount and met goals established by the State. • Projects should be materially complete 	<ul style="list-style-type: none"> • MAC Meeting for Funded Agencies to discuss progress, successful strategies, and Barriers (monthly) • Work with State agencies on sustainably funding programs and projects created by this funding opportunity • Work with State to assess All IN efforts when Initiative ends to determine best practices State wide, lessons learned and innovative ideas and concepts that worked or didn't.

Strategies to rehouse 162 unsheltered households

We expect this goal to be our most challenging to meet, and plan to utilize several strategies to meet the State's goals here as well. Acknowledging that Central Oregon has some of the lowest rental vacancy rates in the country, our region's main challenge is in the sheer lack of units to put people in. We are considering the following strategies at a high level to increase the impact of the region's rehousing programs:

- Master Leasing – Currently, housing navigators do not have a pool of master leased units to refer individuals to. Accordingly, there is a high administrative burden in having housing navigators scour the region for available housing. We hope that some of this executive order funding could be utilized to leverage a master lease agreement with a pool of units to increase the efficiency of the system.
- Landlord incentives
 - setting aside funding for rent buy downs,
 - renters insurance,
 - cash incentives,
 - damage repair reserves,
 - and training opportunities for property owners.
- Intensive Housing Focused Case Management to ensure that folks have the wrap around supports they need to remain stably housed.
- As mentioned in the shelter section above, we are designing the funding application to prioritize projects that address underlying disparities in the community. It will include specific questions on potential barriers to success, how projects support members of our community who are disproportionately likely to experience unsheltered homelessness, and how projects will leverage cross-sector partnerships to create the greatest impact.

The following rehousing concepts have been submitted in the project concepts survey (this is not intended to represent a list of approved or prioritized projects, Central Oregon has not officially opened up a funding application or selected sub recipients, yet):

- Purchasing apartment complex in Bend (42 units, acquisition and operating funding)
- Renovated motel in Bend (80 units, requires 5 year master lease)
- Medically Vulnerable Case Management
- Acquire Land and build tiny homes in Bend (10 units, requires acquisition and operating funding)
- Medically Vulnerable/Disabled Case Management
- Homesharing for Veterans (requires funding for renovations)
- Vehicle purchase for outreach in Redmond
- Build tiny homes for Veterans (7 units, capital funding request)
- Create landlord incentive fund
- Barrier Busting/Flexible funding to help get folks through the door
- Housing focused Case Management – moving folks from safe parking/camping into housing.

Current Services

<i>Project Type</i>	<i>Units Available</i>	<i>Total Units</i>	<i>Avg. Cost Per Unit</i>
<i>Emergency Shelter Beds – Adult Only</i>	2	425	\$10,041
<i>Emergency Shelter Beds – Adults with Children</i>	2	68	\$32,164
<i>Emergency Shelter Beds - Youth</i>	0	9	\$63,875
<i>Transitional Housing</i>	2	88	\$44,694
<i>Joint Transitional Housing/Rapid Rehousing</i>	3	4	\$19,009
<i>Rapid Rehousing</i>	1	46	\$7,755
<i>Permanent Supportive Housing</i>	2	21	\$14,584
<i>Other Permanent Housing</i>	Unavailable	14	Unavailable
<i>Housing Choice Vouchers</i>	90	1344	\$7,016

<i>Service Type</i>	<i>Slots Available</i>	<i>Total Slots</i>	<i>Avg. Cost Per Service</i>
<i>Outreach</i>	2	1826	\$1,333
<i>Rental Assistance</i>	Unavailable	672	\$2,931
<i>Case Management</i>	2	186	\$929
<i>Landlord Engagement</i>	Unavailable	Unavailable	Unavailable
<i>Housing Navigation</i>	Unavailable	205	\$2,048

Current Investments

<i>Project Type</i>	<i>City</i>	<i>County</i>	<i>State</i>	<i>Federal</i>	<i>Private</i>	<i>Total</i>
<i>Emergency Shelter Beds – Adult Only</i>	\$3,020,000	\$100,000	\$409,060	\$68,094	\$27,500	\$3,704,654
<i>Emergency Shelter Beds – Adults with Children</i>			\$77,739	\$12,500	\$27,500	\$117,739
<i>Emergency Shelter Beds – Youth</i>		\$20,000	\$210,000	\$330,000	\$25,000	\$585,000
<i>Transitional Housing</i>	\$675,000		\$150,000	\$662,000	\$238,000	\$1,725,000

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<i>Joint Transitional Housing/Rapid Rehousing</i>				\$76,036		\$76,036
<i>Rapid Rehousing</i>	\$75,000		\$74,734	\$298,934		\$448,668
<i>Permanent Supportive Housing</i>			\$45,738	\$306,268		\$352,006
<i>Other Permanent Housing</i>						\$0
<i>Housing Choice Vouchers</i>				\$9,430,000		\$9,430,000
<i>Service Type</i>						\$0
<i>Outreach</i>	\$45,400		\$75,000	\$204,346	\$102,000	\$426,746
<i>Rental Assistance</i>			\$1,077,377	\$773,067	\$559,000	\$2,409,444
<i>Case Management</i>	\$50,000		\$150,000	\$175,000	\$308,900	\$683,900
<i>Landlord Engagement</i>				\$25,000		\$25,000
<i>Housing Navigation</i>				\$129,905		\$129,905
<i>Total Investments</i>	\$3,865,400.00	\$120,000.00	\$2,349,647.80	\$12,491,150.00	\$1,287,900.00	\$20,114,097.80

Exhibit C
Insurance Requirements

Risk Assessment Insurance Summary

Service Procurement

Summary Document to Assist with Insurance Requirement Template

This risk assessment insurance summary is based off of a risk assessment and is meant to be used as a guide. If a different conclusion is made, document the reasoning.

COMMERCIAL GENERAL LIABILITY:

Required

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000 .

AUTOMOBILE LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit of not less than \$1,000,000 .

PROFESSIONAL LIABILITY: (For Medical and Health Services)

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than _____ per claim. Annual aggregate limit shall not be less than _____ .

PROFESSIONAL LIABILITY: (For other than Medical & Health Services or IT Services)

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than \$ 2,000,000 per claim. Annual aggregate limit shall not be less than \$ 4,000,000 .

NETWORK SECURITY AND PRIVACY LIABILITY:

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per claim.

POLLUTION LIABILITY:

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than _____ per occurrence. Annual aggregate limit shall not be less than _____ .

DIRECTORS AND OFFICERS:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than \$2,000,000 .

CRIME PROTECTION:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than \$3,000,000 .

PHYSICAL ABUSE AND SEXUAL MOLESTATION:

Required Not Required

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$3,000,000 .

MOTOR CARRIER AND CARGO:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

DRONE / UNMANNED AIRCRAFT SYSTEMS (UAS) / UNMANNED AERIAL VEHICLE (UAV) LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

AIRCRAFT LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

AIR CARGO LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

AIRCRAFT AERIAL APPLICATION LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

GARAGE LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

GARAGEKEEPERS LEGAL LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

BAILEE'S:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

MARINE PROTECTION LIABILITY:

Required Not Required

Coverage shall be written on a combined single limit in an amount of not less than .

Risk Assessment Insurance Summary

Goods Procurement

Summary Document to Assist with Insurance Requirement Template

This risk assessment insurance summary is based off of a risk assessment and is meant to be used as a guide. If a different conclusion is made, document the reasoning.

COMMERCIAL GENERAL LIABILITY:

Required

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence.
Annual aggregate limit shall not be less than \$2,000,000 .

NOTES:

Central Oregon

Executive Order 23-02 Community Plan overview



On Jan. 10, 2023, Governor Kotek signed Executive Order 23-02, declaring a state of emergency due to unsheltered homelessness in seven Continuum of Care regions across the state. The Governor chose the regions based on the 2022 Point-in-Time Count data, which showed an increase in unsheltered homelessness of 50% or greater since 2017.

In alignment with the emergency order, the Governor proposed House Bill 5019 to provide a down payment to achieve three actionable goals by Jan. 10, 2024:



A whole-community approach

Oregon’s response to this crisis requires bold action and coordination between government agencies and service providers. That’s why Oregon created Multi Agency Coordination (MAC) Groups, which includes representatives from multiple sectors. Central Oregon Intergovernmental Council (COIC) leads the region’s MAC group. Their membership includes Central Oregon Veterans Outreach, Deschutes County Emergency Management, Crook County Emergency Management, Jefferson County Emergency Management, Deschutes County Coordinated Homeless Response Office, City of Redmond Housing Coordinator, Housing Works, Epic Property Management, LLC, NeighborImpact, Shepherd’s House, Redemption House, Deschutes County Behavioral Health, J Bar J Youth Services, Homeless Leadership Coalition, City of Bend, and Mosaic Community Health.

Executive Order 23-02 Community Plan

The Central Oregon MAC group surveyed people throughout their region to capture information on community priorities and goal setting. They also analyzed information from recent efforts to understand the needs of people experiencing unsheltered homelessness within their community and used the information gathered to develop interventions they laid out in their community plan. The MAC group will review data and amend their plan throughout the year to ensure they meet their region’s goals.

Comparison of unsheltered homelessness and overall population by race in Central Oregon

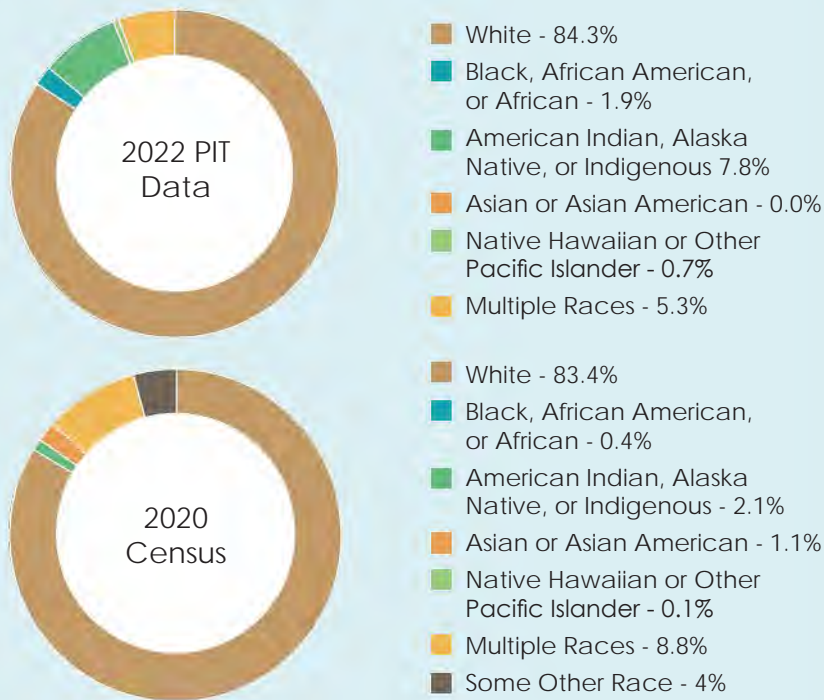
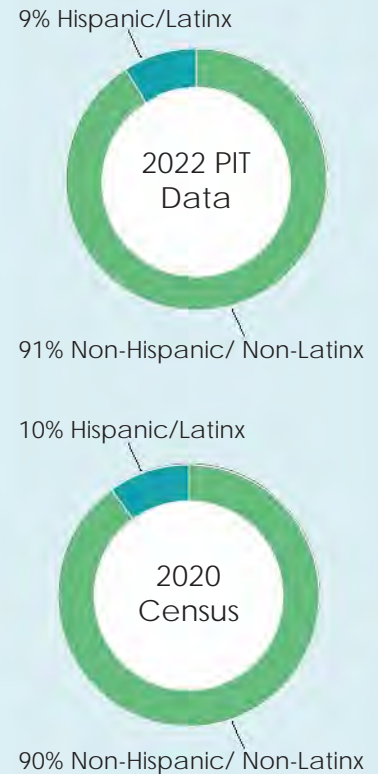


Figure A. Racial disparities within the unsheltered homeless populations in Central Oregon. In this region, 2.1% of all residents self-identify as American Indian, Alaska Native, or Indigenous, while 7.8% of the unsheltered homeless population self-identify that way. The Black, African American, or African population makes up 0.4% of all residents and 1.9% of the unsheltered homeless population. The Native Hawaiian or Other Pacific Islander population makes up 0.1% of all residents and 0.7% of the unsheltered homeless population. Additionally, one out of every 32 people who self identify as Native Hawaiian or Other Pacific Islander experience unsheltered homelessness, compared to one out of every 200 White residents.

Comparison of unsheltered homelessness and overall population by ethnicity in Central Oregon



Rehousing goal

Central Oregon plans to engage in a variety of solutions to resource 161 unsheltered populations. By collaborating with housing providers in the region, they also plan to establish and lease rental units to refer individuals to. Other interventions Central Oregon is considering include unit acquisition and operation, motel conversion, Veteran homesharing, and intensive housing-focused case management to ensure that folks have the wraparound services they need to remain stably housed. Central Oregon has designed their funding application to prioritize projects that address underlying disparities in the community.



Shelter bed goal

To meet their shelter bed goal, Central Oregon is considering several strategies, including site expansion and new site acquisition. Most of the region’s current shelter is concentrated in Deschutes County, specifically Bend, and they intend to increase provider capacity in Crook and Jefferson Counties. Other strategies under consideration include medical respite beds for people to recover from illness or injury but are not ill enough to be in a hospital, congregate and non-congregate shelters for youth and families, and a youth-specific shelter in Redmond.



CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Kate Knop, Finance Director

Through: Will Ibershof, City Administrator

Subject: **COMMUNITY PROJECT GRANTS FOR THE FISCAL YEAR 2024-2025**

TYPE OF ACTION REQUESTED:

Discuss

MOTION(S) FOR CONSIDERATION:

No motion needed, provided for discussion at this time only.

OVERVIEW:

The Community Project Grant application process has historically been included in the budget hearings for the committee to review and approve. The application packets were due to finance each year no later than March 1, 20XX, and required applicants to request a funding amount, provide a program or project description, explain how success is measured, and provide a budget.

The budget committee awarded \$145,500 in grants to twenty-five recipients for the fiscal year 2023-2024. The appropriations for the awards are from #207 – Tourism/Economic Development (TED) Fund, and the funds distributed year-to-date are \$84,050.86, or 58% of the total appropriated awards. Each award must meet application requirements, including promoting economic development and annual reporting requirements.

STAFF ANALYSIS:

The first concern is whether the award process efficiently uses the budget committee's time during the budget hearings and whether oversight and using the TED Funds are better suited for the city council.

The second concern is the current Community Project Grant application process and its deadlines. The finance department receives calls regarding the application process and important due dates. It is increasingly important to identify whether the council wants to award grants from the TED Fund, identify the total award amount, the important due dates, and application guidelines.

Recommendations:

1. Modify the application process.
 - a. Have the city council review the community project grant applications and remove the presentations from the budget committee hearings.
 - b. Budget between \$145 – \$150 thousand for the fiscal year 2024-2025.

- i. The range reflects current budget appropriations plus a 3.3% consumer price index (CPI) increase.
- c. Revise the application packets.
 - i. Extend the application due date to March 15, 2024.
 - ii. Maintain the status quo for no minimum and maximum requests for the budget in 2024-2025.
 - 1. For 2023-2024, the smallest request was \$200 and the largest was \$76,500.
 - 2. The median request was \$2,000, excluding one outlier for \$76,500.

FISCAL INFORMATION:

The fiscal impact is between \$145,000 - \$150,000

SUPPORTING DOCUMENTATION:

Community Project Grants 2023-2024

STRATEGIC GOAL:

N/A



**Community Project Grants
Budget Year 2023-2024**

Organization	Original Request	Award	Amount Issued as of 2/5/24	Outstanding Balance
VFW	\$ 4,000.00	\$ 2,500.00	\$ 2,500.00	\$0.00
Madras Runners	\$ 1,000.00	\$ 800.00	\$ 800.00	\$0.00
VFW Auxillary	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00	\$0.00
Latino Association	\$ 2,500.00	\$ 2,500.00		\$2,500.00
Kids Club	\$ 10,000.00	\$ 6,000.00		\$6,000.00
Garden of Eatin	\$ 700.00	\$ 700.00	\$ 524.74	\$175.26
Ronald McDonald	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$0.00
Life Lemons Ministries	\$ 250.00	\$ 250.00		\$250.00
JCFBN-Winter Shelter	\$ -	\$ -		\$0.00
LINC	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$0.00
NeighborhoodImpact	\$ 10,000.00	\$ 2,000.00		\$2,000.00
Heart of Oregon	\$ 4,070.00	\$ 2,000.00	\$ 2,000.00	\$0.00
Madras Downtown Association	\$ 19,550.00	\$ 9,050.00	\$ 4,276.12	\$4,773.88
Madras Rock and Gem Show	\$ 10,000.00	\$ 2,500.00		\$2,500.00
Jefferson County fairgrounds COWDEO	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$0.00
Jefferson County fair and Rodeo	\$ 22,000.00	\$ 5,000.00	\$ 5,000.00	\$0.00
Saturday Market	\$ 8,000.00	\$ 5,000.00		\$5,000.00
Madras High Senior Party	\$ 1,500.00	\$ 500.00	\$ 500.00	\$0.00
JC Law Enforcement Banquet, 2021-2026	\$ 750.00	\$ 750.00	\$ 750.00	\$0.00
Jefferson County Little League	\$ 200.00	\$ 200.00	\$ 200.00	\$0.00
Madras Kiwanis	\$ 250.00	\$ 250.00	\$ 250.00	\$0.00
Madras Sparklers, 2021-2026	\$ 500.00	\$ 500.00	\$ 500.00	\$0.00
Jefferson County Fairgrounds show barn, 2 of 9	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$0.00
Sub-total	\$ 115,270.00	\$ 60,000.00	\$ 36,800.86	\$ 23,199.14
Chamber of Commerce	\$ 76,500.00	\$ 76,500.00	\$ 38,250.00	\$38,250.00
Air Show of the Cascades	\$ 18,500.00	\$ 9,000.00	\$9,000.00	\$0.00
Sub-total	\$ 95,000.00	\$ 85,500.00	\$ 47,250.00	\$ 38,250.00
Total Awards	\$ 210,270.00	\$ 145,500.00	\$ 84,050.86	\$ 61,449.14

CITY OF MADRAS
Request for Council Action

Meeting Date: February 13, 2024

To: Mayor and City Council Members

From: Nicholas Snead, Community Development Director

Through: Will Ibershof, City Administrator

Subject: **PLANNING COMMISSION APPOINTMENT**

TYPE OF ACTION REQUESTED:

Approve

MOTION(S) FOR CONSIDERATION:

I move to appoint Melissa Irvine to the Planning Commission to a term commencing on January 1, 2024 to December 31, 2027.

OVERVIEW:

The City's Planning Commission comprises five Commissioners. Per the By-Laws for the Planning Commission, the City Council is to make appointments to the Commission. On December 12, 2023, the City Council appointed Ashlyn Etter and Mary Kendall to the Planning Commission to terms commencing on January 1, 2024, to December 31, 2027. The terms of Planning Commissioner Melissa Irvine ended on December 31, 2023. Staff requests that the City Council re-appoint the Planning Commissioner that request to be reappointed prior to their terms ending. Accordingly, staff will request the City Council take formal action to appoint Commissioner Irvine to the Planning Commission with terms commencing January 1, 2024 and ending on December 31, 2027.

STAFF ANALYSIS:

N/A

FISCAL INFORMATION:

N/A

SUPPORTING DOCUMENTATION:

None.

STRATEGIC GOAL:

N/A