

MEASURE: Informational Meeting  
EXHIBIT: \_\_\_\_\_  
House Land Use  
DATE: 6/20/13 PAGES: 42  
SUBMITTED BY: Linda Rawlins

# Complaints against formation of LID on, and impending foreclosure of Rawlins properties by city of Keizer Oregon

For properties owned together by Rawlins Investment  
Properties LLC (Timm and Linda Rawlins) and Rawlins Holding  
Co. Inc (Jerry and Doreen Rawlins)

Linda and Timm Rawlins

7690 NE 33<sup>rd</sup>

Redmond, Or 97756

541-526-0603

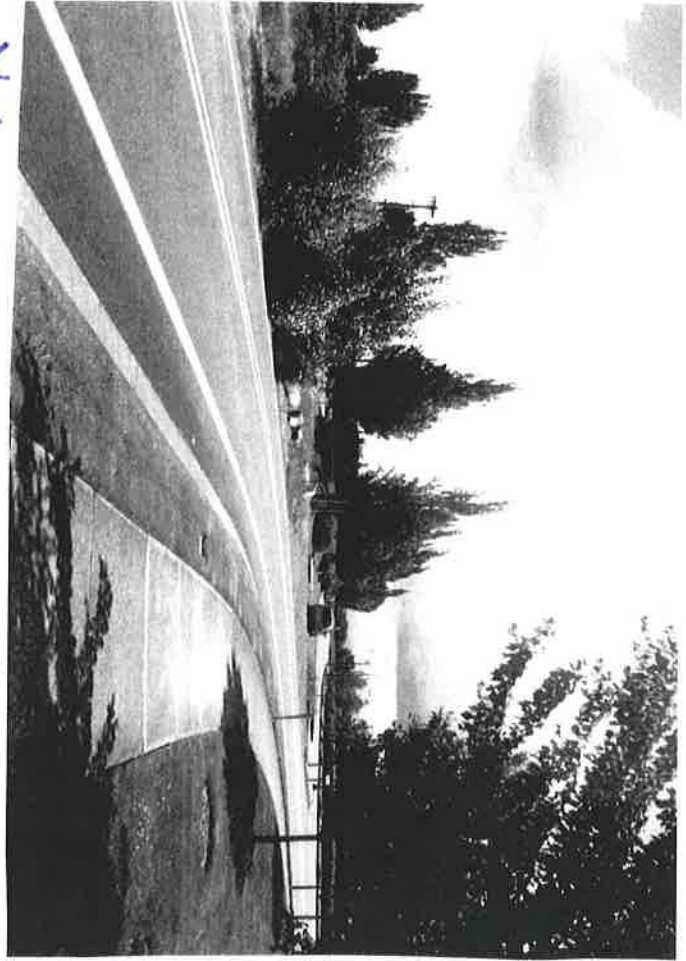
[rawlinsenterprises@msn.com](mailto:rawlinsenterprises@msn.com)



Subject property looking N



N → S



Looking S







## **BASIC FACTS AND HISTORY**

Half-interest in 16 acres at 6700 NW Field of Dreams Way in Keizer Oregon was purchased by Timm and Linda Rawlins in July of 1996 from Rawlins Holding Co Inc. (Jerry and Doreen Rawlins). The property is actually two tax lots. Tax Lot: 063W2504200 which is 6.2 acres and Tax Lot: 063W2504500 which has 10.1 acres. We own this property free and clear, as it was purchased with money given to us by my parents as a wedding present. This was my inheritance and we tried to invest it as wisely as possible to insure us a retirement in the future and an inheritance for our children.

At that time the property had an old farm house which was a rental on the back 10 acres and the front approximately 6 acres was encumbered by electrical towers from the Bonneville Power Plant substation located just west of our property. Due to the Bonneville Easement most of the 6 acres on tax lot 4200 is unbuildable.

Rawlins Investment Properties LLC (here on out referred to as Timm and Linda Rawlins) along with Rawlins Holding Co. Inc. (Timm' parents, Jerry and Doreen Rawlins) bought the property as a long term investment. The property was within the city of Keizer city limits and close to the I-5 and we felt that at some point in the future, the city would grow up around this property and we could develop it someday. This was to be our retirement fund so-to-speak since we are self-employed.

## **AGREEMENT WITH THE CITY TO AVOID FUTURE DEVELOPMENT COSTS**

In 1997 The land along the I-5 just east of our property was purchased by the Volcano Ballpark and plans for a stadium were implemented. In 1999 the city of Keizer needed an easement through our property in order to serve the ballpark with city water and sewer. An agreement was negotiated in September of 1999 between us and the city wherein the city would pay Rawlins \$49,816.00. The city paid \$24,497 upon granting of the easement and the balance of \$25,319 was to be applied as a credit toward future sewer trunk line assessments on the two properties. Furthermore, the city agreed that when development of the property was undertaken, the city would allow a sewer connection to the proposed sanitary sewer trunk line at NO FRONT FOOT COSTS TO RAWLINS OR ASSIGNS. We negotiated this in order to have full access to city services in the future with the purpose of avoiding LID costs on our property. (See Exhibit A)





## **AGREEMENT FOR DEVELOPMENT OF KEIZER STATION PROJECT WAS ADOPTED**

In November of 2003 an agreement for development of the Keizer Station project was agreed upon between the city of Keizer and Northwest National, LLC the developer. (ie Chuck Sides)

This project was for what is known as "Area A" of the Keizer Station plan. According to the Agreement ( see Exhibit B) our property was not included in this project. At this time, Chuck Sides was attempting to acquire all properties within this project area. Most of the properties ended up selling to Chuck or Northwest National LLC, his development company. We purposefully stayed out of any dealings with Northwest National and the city at this point as we expressed, time and time again our desire to not be included in the development plans.

## **RISING COSTS OF DEVELOPMENT AND ADDITIONAL DEMANDS FOR MORE INFRASTRUCTRE BY THE CITY**

In 2003 when the Agreement for Disposition and Development of the Keizer Station Project (Known as the DDA) was approved the LID cap was \$18.3 million which was to include public improvements AND the value of the land to be dedicated by the Developer. (see Exhibit C). An acquisition of parcels date was set for June 30<sup>th</sup> 2004. At some point that was changed to meet rising development costs and demands of larger and more expensive infrastructure by the city. In May of 2005 an amendment to the DDA was passed which changed the Final Developer Purchase Date to July 1<sup>st</sup> 2005. In addition, the LID cap was raised to \$24,054,000. (See Exhibit C)

## **OUR PROPERTY SOMEHOW BECOMES INCLUDED IN THE LID**

In May of 2005, we, for the first time, received notice that we became included in the LID. This came in the form of a spreadsheet from the City of Keizer titled "Keizer Station-Local Improvement District" THIS WAS OUR FIRST NOTICE OF ANY ACTION TAKEN BY THE CITY TO INCLUDE US IN THE LID. (See Exhibit D) Imagine our surprise and shock to receive a notice that there is a 6 million dollar tax assessment being levied against our property. Property we owned free and clear! We still to this day do not know how we became included in this LID as I cannot find any public record of any notice given to us that the city was considering including us in the



LID outside of the notice of the May 4<sup>th</sup> meeting, but at that point, we were already included in the LID. We never had a chance to get with other land owners to contest the LID because the developer had acquired all the other properties involved. He had a monopoly.

It is our contention that the reason we were brought into the LID was to balance the books so-to-speak and to make up the difference between the original LID amount of 18 Million and the new amount of 24 Million. (a difference of 6 Million, the exact amount of our LID) We find this very suspicious.

### **PLEAS TO THE CITY FALL ON DEAF EARS**

After receiving the notice for the LID I immediately call Shannon Johnson the City of Keizer attorney. I told him that we had no idea we were being included in the LID, did not want to be included in the LID and had no way of paying for the LID. He said he would get back to me and I never heard from him again (other than through my lawyer). We also received notice, at that point, of a city council meeting where they would take public testimony concerning the LID. We immediately hired a lawyer, Terrence Kay, to represent us and went to the meeting on May 4<sup>th</sup>. Our lawyer's remarks can be read in the minutes of that meeting. (See Exhibit E) He contended that the assessments were gross and disproportionate, (due to the easement on our property making almost half of it undevelopable and the fact that the property wasn't even in the 'Area A' Keizer Station Shopping center plan. It is tucked away in the far Northern most corner of the city. (See map, exhibit F). He also pointed out violations to the due process rights by not informing his clients of their impending involvement in the LID, an LID that they could not pay.

\*On a side note, the whole reason we negotiated with the city in 1999 for credits on city sewer and water, was to avoid development costs in the future and to position ourselves to be able to stay out of an LID in the future, since we already had the city services and did not need the infrastructure.

A lawyer for the Developer Allan Roodhouse, testified that the developer Northwest National had made the Rawlins's a deal to lease their property and that the LID would be taken care of by the developer. Our lawyer noted that there was no offer on the table on the Rawlins



property and that the deadline of the next council meeting on May 16<sup>th</sup> was unreasonable and requested more time to handle the situation. The city voted to continue the public hearing until the next regular session on May 16<sup>th</sup>, 2005.

The fact was that we had nothing at all in writing from the developer stating that they would pay for the LID or even lease the property from us. There was only loose talk floating around and mentions of deals verbally from the developer. Nothing concrete.

### **CITY APPROVES THE LID DISTRICT**

On May 16<sup>th</sup>, 2005, despite our attorney's continued objections at the council meeting (see Exhibit G) the city moves to adopt the LID resolution, firmly encumbering our property with a 6 million dollar LID. Our lawyer immediately files a law suit against the city and requests a hearing with LUBA.

### **RAWLINS PARTIES BORROW \$50,000 TO PAY FOR LAWYER TO REPRESENT US IN FIGHT TO BE RELEASED FROM THE LID**

Since we are a family of modest means, at that time, making only 30K a year, we had to borrow money to pay for representation and to appeal the property's inclusion in the LID. (See exhibit H) After several months of fighting the city and a counter suit filed against us by the city, we ran out of money to pursue our complaints.

### **DEVELOPER OFFERS US A DEAL**

In the mean time, the developer finally offers us a deal in writing for a 30 year NNN ground lease on our property which requires the developer to pay all costs associated with this property including property taxes and all LID payments and in exchange, we would agree to drop the charges against the city and dismiss our LUBA claims. The developer had a deal on the table at the time to build a movie theater on our property. The offer from the developer was weak in that it offered no recourse should the developer default on the ground lease or the LID payments which were set to be in the neighborhood of 400k every 6 months. We tried and



tried to get them to back the lease with an asset but they refused. The only assurance we got was a personal guarantee by Chuck Sides, which we felt wasn't worth much.

We were backed into a corner and felt that we had no choice but to roll over on the law suit and agree to the LID on our property. If the developer upheld their end of the agreement we would be fine, however, we still felt as if we were agreeing to something we really didn't want to do, as we felt we could make substantially more money developing the property ourselves and eliminate a huge risk by not encumbering the property with the enormous LID.

In November of 2005 we signed an agreement with the city to drop the charges filed against them in exchange for a deal with the developer. (See exhibit I) Furthermore the city would pay us the remainder of the monies owed to us from the easement agreement in 1999.

### **DEVELOPER STARTS MAKING LID PAYMENTS**

In January of 2008 the LID payments start and we are asked to sign an assessment statement to pay the LID's every 6 months. The developer begins to make the payments to the city.

### **A PERFECT STORM**

Sometime in 2006 the deal with the movie theater fell through leaving us with a bare piece of property with a 6.7 Million dollar LID. In 2007 the economy started to tank and property values dropped. Money became hard to borrow and the developer was struggling. The developer was unable to come up with a tenant for our property, (due to the LID) thus they were stuck making lease payments and LID payments on a bare piece of land. To their credit, they make LID payments until the spring of 2009. At that point they told us, and the city, they no longer could make the LID payments. They also requested that 50% of the rent payments they were making to us on the NNN lease be deferred until further notice. We felt like we had no choice but to agree to their request since, at this point, our property was severely underwater thanks to the LID. We could not declare them in default of the lease and find a new developer. No one would agree to pay the huge LID on the property which at this point was 3 times the market value of the property. We were stuck.





## **CITY SENDS US A DRAFT OF A FORECLOSURE NOTICE**

On May 21<sup>st</sup> 2013 the city sent us a draft of a foreclosure notice to be filed in short order unless we agree to their offer of \$25,000 cash if we stipulate to the foreclosure judgment and sale and wave all our redemption rights to the property.

## **RESOLUTION**

As it stands the real market value on our property right now is around \$2.2 million and the LID with all fines and interest amounts to almost \$6.7 Million. That means that our property's LID amount is over three times the value of the property! The developer has been aggressively pursuing tenants for this property for years. As it stands now, it remains the only undeveloped piece in the interchange specifically *because* it is so grossly over encumbered. It has been, and will remain virtually undevelopable unless the LID, which never should have been put on there in the first place, is removed.

I understand that there was a movie theater, not too long ago, who was looking at our property to purchase but later changed their minds because they found property in Area D (another area within the Keizer Station development) that didn't have an LID on it so it would be cheaper for them to develop. It is for reasons such as this that we feel grossly hindered by the LID and would like the city of Keizer to right the wrong by removing the LID and absorb the costs elsewhere.

## **FINAL THOUGHTS**

Lastly, I want to say that this property is all we have. We are not big developers with other properties who could absorb the loss from this one piece. This is everything to us. The lease payments make our house payment and also support Timm's elderly parents who suffer from dementia. If we lose this property, we lose everything; our home, our income, our retirement and our children's inheritance. Loss of this property would also be extremely detrimental to Jerry and Doreen Rawlins who are in their 80's and depend on the income off this property for their retirement.

Property rights in America are sacred and should not be trampled on. No one should be able to take it away without consent. We made a conscious decision to own land free and clear and not encumber it by mortgages or loans. We were pushed and bullied into an LID we did not want to be in by the city of Keizer, and now that very city wants to take our property away from



us. Yes, we did sign on the LID but only after we were left feeling like we had exhausted all other possibilities and had no other option. LID's were designed to be an advantage to the property owner's involved in it. In our case, we didn't need the infrastructure and the LID could end up to be the very cause of us losing our property unless something can be done. Time is of the essence. There is a foreclosure notice all ready and waiting in the city attorney's hands. Once the foreclosure notice is filed, it will be in the hands of the court system. Something needs to be done literally today if not sooner.

Thank you for your time on this matter,

Sincerely,

A handwritten signature in cursive script that reads "Linda Rawlins". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Linda Rawlins



Exhibit

A



~~SALEM~~

Agreement

Rawlins Real Estate, Rich Rawlins and Associates, Inc. and Timothy and Linda Rawlins, husband and wife, hereinafter referred to as Rawlins, et. al., is the owner of two parcels of property in the City of Keizer. The City of Keizer is interested in obtaining a sanitary sewer easement to be located on the subject property with the easement being described in exhibit A attached. Parcel 1 of the subject property is described as Map Tax Lot 063W25 04200, containing 6.27 acres of land. Parcel 2 of the subject property is described as Map Tax Lot 063W25 04500, containing 10.01 acres of land. The total acreage is therefore 16.28 acres. The current acreage charge for sanitary sewer trunk lines in the City of Keizer is \$7,460.00. The current acreage charge for the subject property would be  $(\$7,460.00 \times 16.28) = \$121,448.80$ . The previous acreage charge for the subject property would have been  $(\$4,400.00 \times 16.28) = \$71,632.00$ . The difference in total acreage charge from the old to the new would therefore be \$49,816.80. Rawlins, et. al. agrees to grant the required easement to the City of Keizer for the total cost of \$49,816.80. The total amount is to be paid as follows: The City will issue a check for the amount of \$24, 497.00 upon the granting of the easement and grant a credit of \$25,319.80 towards future sewer trunk line assessments on the two parcels of property. No trunk line acreage assessments will be charged until development of the subject property is undertaken by Rawlins, et. al. or assigns.

In addition, when development of the subject property is undertaken, the City of Keizer will allow a sewer connection, or connections, to the proposed sanitary sewer trunk line in a location approved by the City of Salem, at no front foot cost to Rawlins, et. al. or assigns. The connection or connections will be at manholes that are constructed as part of the sewer trunk line.

Wally Mull  
Wally Mull  
City Manager  
  
9/1/99  
Date

Richard Rawlins  
Richard Rawlins  
Rawlins Real Estate Et Al  
  
Timothy Rawlins  
Timothy Rawlins

ON SEPTEMBER 7, 1999 personally appeared  
Richard Rawlins, before me:  
Rochelle A. Johnson  
State of Oregon, Deschutes County

Rochelle A. Johnson

Linda Rawlins  
Linda Rawlins  
  
9/1/99  
Date







Exhibit

B



**AGREEMENT FOR DISPOSITION AND DEVELOPMENT  
OF THE KEIZER STATION PROJECT**

THIS AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF THE KEIZER STATION PROJECT is made as of Nov. 6<sup>th</sup>, 2003, between THE URBAN RENEWAL AGENCY OF THE CITY OF KEIZER (the "Agency") and NORTHWEST NATIONAL, LLC, an Oregon limited liability company (the "Developer") (the Agency and the Developer sometimes hereinafter collectively referred to as the "Parties").

RECITALS

A. In furtherance of the objectives of Oregon Revised Statutes, Chapter 457, the Agency has undertaken a program for the clearance and reconstruction of blighted areas in the City of Keizer. The Agency prepared and approved the North River Road Urban Renewal Plan for redevelopment of the North River Road Urban Renewal Area (the "District"). The Urban Renewal Plan was adopted on September 13, 1990, as amended from time to time and last amended on May 17, 1999 (which plan, as so amended and as it may hereafter be further amended from time to time pursuant to law, is hereinafter referred to as the "Urban Renewal Plan").

B. In order to enable the Agency to achieve the objectives of the Urban Renewal Plan, the Agency intends to make funds available for certain public improvements and to acquire and make certain land available for redevelopment by private enterprise in accordance with the uses specified in the Urban Renewal Plan.

C. The Agency selected Developer to redevelop portions of the District based on the Developer's willingness to acquire and redevelop its property in the area and its responsiveness to Agency goals. On January 16, 2001, the Agency and the Developer entered into a predevelopment agreement (the "Predevelopment Agreement") relating to the development of certain property more particularly described and shown on Attachment 1 hereto ("Keizer Station"). All of the parties' obligations under the Predevelopment Agreement have been fully satisfied and the parties acknowledge and agree that the agreement is no longer in effect.

D. On February 3, 2003, the City adopted the Keizer Station Plan, which is incorporated herein by reference (the "Keizer Station Plan").

E. The Developer continued to discuss redevelopment of Keizer Station with Agency through adoption of the Keizer Station Plan and made presentations to the Agency. The redevelopment proposed by the Developer is comprised of multiple buildings intended for hotel, sports, retail, office and industrial uses, all with surface parking. Upon completion of the presentations, the Agency tentatively accepted the Developer's proposal ("Proposal"). The Agency directed the Executive Director for the Agency (the "Executive Director") and the Agency attorney to begin negotiating this Agreement, as set forth in Resolution R2003-075.

AGREEMENT FOR DISPOSITION AND DEVELOPMENT  
OF KEIZER STATION

Attachment 2

City Parcel

Letter Designation	Map Index	Tax Map	Tax Lot	Acres	Plan Area Designation
E	202-B	63 W 36BC	06000	3.10	B - Retail Service Area

**AGREEMENT FOR DISPOSITION AND DEVELOPMENT  
OF KEIZER STATION**

**Attachment 3**

**Developer Parcels**

No.	Transfer	Acres	Lot(s)
1	Carter	4.87	100, 500
2	Bohanan	3.32	100, 300, 400
3	Bohanan	2.92	500
4	Henry	7.85	700
5	Matt	2.92	1400
6	Walls	.94	600, 700
7	Wolgamont	.79	1200
8	Murdock	1.8	400
9	Zink	.72	900
10	Young	.69	1100
11	Hillyer	.48	1000
12	Nelson	.82	900
13	Mires	4.94	600, 700, 800
14	Hayes	3.47	200, 400
15	Hayes	12.61	600
16	Hayes	7.84	1100
17	Coburn	2.98	1300
18	Ditchen	5.38	100
19	Goodlett	15.17	500
20	Mutschler	1.18	500

AGREEMENT FOR DISPOSITION AND DEVELOPMENT  
OF KEIZER STATION  
Attachment 4  
Acquisition Parcels

No.	Transferor	Acres	Value (\$)
1	Sloan	.95	300
2	Chike	.59	800
3	Dunham	.60	200
4	Herberger	2.67	1200, 1300
5	Lowery	2.47	1500
6	Lowery	1.82	600, 700, 800
7	Leupitz	.91	300

**AGREEMENT FOR DISPOSITION AND DEVELOPMENT  
OF KEIZER STATION**

**Attachment 5**

**List of 27 Village Center Area Parcels**

<b>No.</b>	<b>Transferor</b>	<b>Acres</b>	<b>Parcel(s)</b>
1	Carter	4.87	100, 500
2	Bohanan	3.32	100, 300, 400
3	Bohanan	2.92	500
4	Henry	7.85	700
5	Matt	2.92	1400
6	Walls	.94	600, 700
7	Wolgamont	.79	1200
8	Murdock	1.6	400
9	Zink	.72	900
10	Young	.69	1100
11	Hillyer	.48	1000
12	Nelson	.82	900
13	Mires	4.94	600, 700, 800
14	Hayes	3.47	200, 400
15	Hayes	12.61	600
16	Hayes	7.84	1100
17	Coburn	2.98	1300
18	Ditchen	5.38	100
19	Goodlett	15.17	500

20	Mutschler	1.18	500
21	Sloan	.95	300
22	Chike	.59	800
23	Dupham	.60	200
24	Herberger	2.67	1200, 1300
25	Lowery	2.47	1500
26	Lowery	1.82	600, 700, 800
27	Leupitz	.91	300

*Handwritten signature*



Exhibit

C



**FIRST AMENDMENT TO DEVELOPMENT  
AND DISPOSITION AGREEMENT**

**PARTIES: THE URBAN RENEWAL AGENCY  
OF THE CITY OF KEIZER** ("Agency")

**NORTHWEST NATIONAL, LLC, an  
Oregon limited liability company** ("Developer")

**RECITALS:**

A. The parties entered into that certain Agreement for Disposition and Development of the Keizer Station Project (hereinafter "DDA") on or about November 6, 2003.

B. Throughout the course of complying with and performing the DDA, the parties recognized that certain terms and conditions of such agreement need to be modified and amended. The terms used in this First Amendment, unless defined herein, are defined within the DDA.

C. The parties, based on valuable consideration, the receipt of which is hereby acknowledged, hereby agree to amend the DDA as set forth herein.

**AGREEMENT:**

1. **CONDITIONS.** Unless set forth otherwise within this First Amendment, all conditions for formation of the LID have either been met or waived by Agency.

2. **LID CAP.** The LID Cap in the DDA is \$18.3 million which was to include the total cost of construction of the Public Improvements and the value of the land to be dedicated by Developer. The parties agree, pursuant to the terms of the DDA, that the cost of the project has increased to the point where there will be no payment to the Developer for the value of the land to be dedicated and the Developer shall dedicate by plat or otherwise the Area A right-of-way and easements depicted on the plat dated \_\_\_\_\_ prepared by W&H Pacific without payment.

In addition, the parties agree that the LID Cap shall be increased to \$24,054,000 for total construction costs and no more than \$19,042,000 net assessment. The following sources of revenue shall reduce the amount assessed as follows:

TOTAL COSTS	\$24,054,000.00
<b><u>PARTICIPANTS OTHER THAN AREA A</u></b>	
1. Urban Renewal Agency (per DDA)	(\$4,500,000.00)
2. Area D - Chemawa Station LLC	(\$1,200,000.00)
3. Keizer Street Fund	<u>(\$1,564,000.00)</u>
<b><u>NEED FROM LINE FOR PROJECT</u></b>	<b>\$16,790,000.00</b>
PLUS SALES COST ON LINE	\$15,000.00
PLUS BANK FEE ON LINE	<u>\$15,230.00</u>
Subtotal	\$16,820,230.00
INTEREST ON LINE @4%	<u>\$672,809.20</u>
SUBTOTAL	\$17,493,039.20
TOTAL AMOUNT OF LINE	\$17,494,000.00
PLUS SALE COSTS ON BONDS	\$209,750.00
PLUS DEBT RESERVE	<u>\$1,337,726.00</u>
TOTAL AMOUNT NEEDED FROM BONDS	\$19,041,476.00
PAR AMOUNT ON BONDS	\$19,042,000.00

Pursuant to the DDA, any costs for public infrastructure and property acquisition above the \$24,054,000 shall be paid by Developer to Agency; provided, however, before the Agency reaches the determination that Developer is responsible any such costs, it or the City shall have in good faith provided a process for reimbursement agreements to benefit Developer pursuant to Ordinance No. 2003-485 as amended. Such costs shall be paid within sixty (60) days of written demand by Agency to Developer. Such demand shall include copies of all relevant itemized statements and bills showing the total expenditures for the project. If not paid as indicated herein, Agency or City of Keizer may pursue the matter by any legal remedy, but such remedy shall not foreclose the option of such overage being included in the LID assessment.

If the total costs are less than projected, any savings shall first be used to decrease the amount of the Street Fund contribution. Should such savings exceed \$1,564,000, any additional savings shall reduce the net LID assessment.

3. LID PROJECT. The LID Project was to include a Public Park. The parties agree that the Public Park shall not be part of the LID Project, and instead shall be constructed by Developer pursuant to the Master Plan approval prior to any building permits being issued on the fourth Element of the Private Improvements. The parties anticipate that the Public Park construction costs will be in the range of \$400,000 to \$500,000.

9. **FINANCIAL OBLIGATIONS.** As set forth in Section 2, the City of Keizer shall provide \$1,564,000.00 from its Street Fund as a contribution to the project. Developer shall pay the "Line of Credit Interest" in full on a quarterly basis. Payment of such amount does not excuse Developer from paying the amounts (if applicable) in Section 2 or any other amounts called for in the DDA. If not paid as indicated herein, Agency or City of Keizer may pursue the matter by any legal remedy, but such remedy shall not foreclose the option of such overage being included in the LID assessment.

10. **NONREMONSTANCE AGREEMENTS.** Pursuant to the DDA, Developer agrees to execute a nonremonstrance waiver for the Keizer Station Area A LID Project regarding streets, storm drain, sanitary sewer, water and other improvements as approved by the Keizer City Council.

In addition, Developer and Agency agree to amend Section 608 of the DDA as follows:

The parties acknowledge and agree that portions of the area in Keizer Station known as Area A - Entertainment & Sports Center (the "Entertainment & Sports Center Area") may be developed as sports and recreational facilities, including but not limited to, indoor sports facilities (e.g. basketball, volleyball, indoor soccer, etc.), a public indoor aquatic facility, a public outdoor aquatic and family recreation park, public meeting and classrooms, a private fitness and tennis club, and common areas incidental to the foregoing.

The Developer covenants on behalf of itself, its successors and assigns, that it shall not remonstrate against the formation of any local improvement district applied to Area A - Village Center and Area A - Entertainment and Sports Center with respect to the Entertainment & Sports Area that is developed with any one or more of the facilities listed in the foregoing description provided that such covenant shall only be enforceable against Developer when the following conditions are met:

(1) The assessed value of the property assessed equals or exceeds \$300,000,000; and (2) the maximum allowable assessment in the aggregate does not exceed \$4,500,000, which may include the capitalized cost of ongoing operating subsidies.

4. **ACQUISITION PARCELS.** The DDA required Developer to acquire the Acquisition Parcels on or before June 30, 2004 ("Final Developer Purchase Date"). The parties agree that the DDA is amended by changing such Final Developer Purchase Date to July 1, 2005.

5. **PRIVATE LOAN CLOSING.** The obligation of Agency or the City of Keizer to close or fund the Local Improvement District project and any and all obligations under the DDA as amended are conditioned on the closing and funding of Developer's private loan in the amount of \$19.4 million.

6. **INDEMNIFICATION.** Developer agrees to defend and indemnify Agency and the City of Keizer, including their employees, officers, agents and independent contractors, against any and all claims, costs, expenses (including attorney fees), losses, damages, fines, charges, actions or other liabilities arising in any way, directly or indirectly in connection with the DDA as amended, including, but not limited to the Local Improvement District project and assessments thereunder. This indemnification is to be interpreted broadly in Agency and City's favor and is in addition to any indemnification set forth in the DDA.

7. **BOND.** The DDA calls for approval and securing of a \$4.7 million bond (see Section 311D and O). Such bond was to secure (1) LID payments, (2) Reimbursement payments to Agency if the project does not develop as scheduled, and (3) Indemnification to Agency if necessary. Developer was unable to secure such bond after execution of the DDA to the City's satisfaction. However, Developer agrees that a "Debt Reserve" line item in the LID shall be in place to partially substitute for the bond. Such Debt Reserve line item shall not be less than the estimated amount necessary to pay the debt service on the LID bonds for one (1) year.

8. **SYSTEMS DEVELOPMENT CHARGES.** Developer agrees that all Systems Development Charges (SDCs) shall be paid by Developer or the responsible party pursuant to applicable state and local law. With regard to Keizer's acreage charge for sanitary sewer transmission SDCs, such SDCs shall be paid for each entire parcel prior to issuance of the first building permit on such parcel. For each parcel, the acreage charge shall be calculated by measuring the total acreage of a parcel to the centerline of any right-of-way or easement, it being the intent of the parties that the gross acreage of the entire development is the applicable measuring amount for calculation of the total sanitary sewer transmission SDCs. The only exception to the SDCs are Tracts A and B upon which no sanitary sewer SDCs shall be charged. Developer shall execute an Improvement Agreement to be recorded against the subject property to provide notice that the appropriate SDCs must be paid in full prior to issuance of building permits.

The Developer shall execute a nonremonstrance agreement that provides for the foregoing and that shall affect all the Acquisition Parcels and the Developer Parcels, and record it with the Marion County Recorder's Office.

11. AGREEMENT STILL IN FORCE. Unless specifically amended herein, all terms, conditions and obligations of the DDA remain in full force and effect and, to the knowledge of the parties, no party is in default under the DDA.

12. FINANCING ARRANGEMENTS. The parties acknowledge that Developer's lender will require the parties to join in the execution of an agreement confirming the terms and status of the DDA and recognizing the rights of the lender to direct the payment and performance of the Developer's obligations under the DDA and to enjoy the benefits thereunder, at its option.

**URBAN RENEWAL AGENCY  
OF THE CITY OF KEIZER**

By: \_\_\_\_\_  
Lore D. Christopher, Chair

**NORTHWEST NATIONAL, LLC**

By: \_\_\_\_\_  
Charles A. Sides, Managing Member

STATE OF OREGON     )  
                                  )     ss.  
County of Marion     )

This instrument was acknowledged before me on \_\_\_\_\_, 2005, by Lore D. Christopher, as the Chair of the Urban Renewal Agency of the City of Keizer.

\_\_\_\_\_  
Notary Public in and for the State of Oregon  
My Commission expires: \_\_\_\_\_





Exhibit

D



# CITY of KEIZER

## Keizer Station - Local Improvement District

### Fixed and Apportioned Assessments by Tax Lot and Owner

Costs to be Assessed Less Lots 2 and 6: \$26,810,000.00  
 Lot 2 and 6 Fixed Costs to be Assessed: \$2,200,000.00  
 Total Costs to be Assessed: \$29,010,000.00

Assessment in Dollars per Acre \$366,757.87 (\$26,810,000.00 / 73.10 acres)

Tax Lot	Subdivision Plat Lot / Tract	Tax Map Acres	Fixed or Apportioned Assessment	Owner	Address	City	State	ZIP
063W36A 01700	3	16.76	\$6,146,861.83	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 01800	4	1.29	\$473,117.65	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 01900	5	1.84	\$674,834.47	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 02200	8	1.00	\$366,757.87	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 02400	partitioned	2.23	\$817,870.04	K-VILLAGE LLC	C/O CHARLES A SIDES	SALEM	OR	97309
063W36A 02800	Tract "C"	0.74	\$271,400.82	RPS VENTURE #1 LLC	C/O ALAN ROODHOUSE	MC MINNEVILLE	OR	97128
063W36A 3300	2 / 12	1.47	\$539,134.06	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 3400	2 / 13	1.06	\$388,763.34	K-VILLAGE LLC	PO BOX 2087	SALEM	OR	97309
063W36A 3500	2 / 14	1.06	\$388,763.34	K-VILLAGE LLC	PO BOX 2087	SALEM	OR	97309
063W36A 3600	2 / 15	1.79	\$656,496.58	K-VILLAGE LLC	PO BOX 2087	SALEM	OR	97309
063W36A 3700	2 / 16	0.72	\$264,065.66	RPS VENTURE #1 LLC	2653 HIGH HAVEN RD	MC MINNEVILLE	OR	97128
063W36A 3800	2 / 17	0.75	\$275,068.40	RPS VENTURE #1 LLC	2653 HIGH HAVEN RD	MC MINNEVILLE	OR	97128
063W36A 3900	2 / 18	5.98	\$2,193,212.04	K-VILLAGE LLC	PO BOX 2087	SALEM	OR	97309
063W36A 4000	2 / 19	1.10	\$403,433.65	K-VILLAGE LLC	PO BOX 2087	SALEM	OR	97309
063W36A 4100	2 / 20	4.30	\$1,577,058.82	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 4200	2 / 21	1.04	\$381,428.18	K-VILLAGE LLC	PO BOX 2087	SALEM	OR	97308
063W36A 4300	2 / 22	2.50	\$916,894.66	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 4400	2 / 23	1.69	\$619,820.79	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 4500	2 / 24	1.80	\$660,164.16	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 4600	2 / 25	0.79	\$289,738.71	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 4700	2 / 26	1.27	\$465,782.49	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
063W36A 501500	n/a	5.64	\$2,068,514.36	NW NATIONAL LLC	PO BOX 2087	SALEM	OR	97308
	n/a	6.27	\$2,399,571.82	RAWLINS INVESTMENT PROPERTIES	2046 NW NICKERHILL CT	REDMOND	OR	97766
	n/a	10.01	\$3,671,245.24	RAWLINS INVESTMENT PROPERTIES	2046 NW NICKERHILL CT	REDMOND	OR	97766
		95.49	\$35,010,000.00	Total Costs to be Assessed				
		73.10	Total Acreage of Lots to be Assessed	Less Lots 2 and 6				

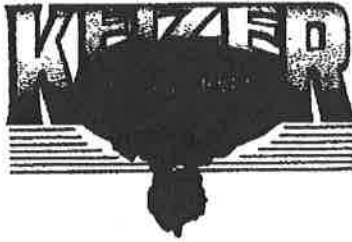
A Assessment based on fixed costs (not apportioned)



Exhibit

E





**MINUTES**  
**KEIZER CITY COUNCIL SPECIAL SESSION**  
**Tuesday, May 4, 2005**  
**Keizer City Hall**  
**Robert L. Simon Council Chambers**  
**Keizer, Oregon**

**CALL TO ORDER** Mayor Christopher called the regular meeting to order at 5:45 pm.  
Roll Call was taken as follows:

**Present:**

Lore Christopher, Mayor  
Richard Walsh, Council President  
Jacque Moir, Councilor  
Troy Nichols, Councilor  
Chuck Lee, Councilor  
Jim Taylor, Councilor  
David McKane, Councilor

**Staff:**

Shannon Johnson, City Attorney  
Rob Kissler, Public Works  
Marc Adams, Police Chief  
Bill Peterson, City Attorney  
Chris Eppley, City Manager  
Tracy Davis, City Recorder

**Absent:**

Delilah Calhoun, Youth Councilor

**PUBLIC TESTIMONY** None

**PUBLIC HEARING**  
**Keizer Station**  
**Improvements and**  
**Proposed Local**  
**Improvement**  
**District**

City Attorney Shannon Johnson noted that this was the appropriate time for anyone to object to the improvements, the formation of the district or the proposed assessments.

Mayor Christopher opened the public hearing.

Bill Peterson, City Engineer, explained the improvements proposed, the local improvement district boundaries and the benefits of the district. He noted that the total estimated cost of the project is \$24,000,000+; the total costs which will be spread excluding bond sale will be \$16,790,000.

Norm Hill, Salem, representing the Lowery family noted that an agreement has been reached with Northwest National to acquire all of the Lowery property; should the transaction take place, the objections to the LID will be dropped. He pointed out violations of rights, procedures and substance, noting that the land is appraised at \$755,577.07 and the assessment for the LID is \$693,217.61 (\$5.04 per square foot when Lowe's and Target are at only \$2 per square

foot). He explained that the logic is that Target and Lowe's will generate the most traffic, creating a greater need for the infrastructure, and required to pay less. He concluded that they should pay more because they are creating the need for the infrastructure. Mr. Hill then responded at length to questions from members of the council.

Terrance Kay, Salem, attorney for the Rawlins family questioned how the Rawlins property became part of this development stating that they only recently became aware of it. He added that the assessments are gross and disproportionate adding that he has requested that the hearing be continued and confirmed that this has been filed. He then noted that he had only been involved in this project about one week and pointed out violations to constitutional due process rights, unfair assessments, disproportionate treatment of Target and Lowe's. He reiterated his request to leave the record open for a month and concluded that without further negotiations there will be no other recourse other than to put the entire proposal for the district, improvements and assessments in the hand of the courts.

Dialogue then took place regarding the subject property and the proposed infrastructure and possible benefits to the landowners. Mr. Kay concluded that his clients would participate in the development when the owners want to develop their property. Mr. Walsh voiced assumptions regarding the value of the property and marketability and questioned if delaying a decision until the next Council meeting would be agreeable to Mr. Kay. Mr. Kay noted that he would take what he could get and commented on the market value of the property. Additional questions and dialogue followed regarding the LID, timeframe, equitability and notification.

Allan Roodhouse, McMinnville, the professional shopping center developer hired by Northwest National and hired by the City as the CEM for the project, reviewed his qualifications and explained the concessions given to the two anchor stores of this development (Lowe's and Target) adding that because these retailers are highly discounted, their margin of profit is lower making them unable to pay as much per square foot of building size in assessments as the smaller tenants. He explained that the Rawlins property is benefited by this development adding that Northwest National has made an offer for the Rawlins property that is higher than any other property that has been acquired. He stressed that the development schedule is at the end of the line, this is the last step to be completed before Lowe's can buy their property and start building their building, with Target following in about a month and opening dates set for October and March respectively. If there is any delay it will stop construction which would be extremely detrimental to the project. He added that the appraisal on



the property is outdated and inappropriate for use in comparison to the assessment and suggested an appraisal after the public improvements are in place would be much higher and more appropriate. He concluded that Northwest National has offered a high dollar amount to the Rawlins family for the property and the offer still stands. If the offer was accepted, Northwest National would then be responsible for that portion of the LID assessment. Dialogue followed regarding the property, legal remedy, reassessment, the appropriateness of the reduced rate for Lowe's and Target and the assessment rate of other retailers.

Roger Alfred, on behalf of Lowe's, discouraged the delay of this proceeding pointing out that the Rawlins family has been involved in the process, known of the development of the property, and that just because their attorney only became involved in the proceedings ten days ago, that was not valid cause for delay, particularly in light of the fact that they would still have the option of petitioning for reassessment.

Mr. Kay noted for the record that there was no offer on the table on the Rawlins property and stressed that he felt the deadline was unreasonable and that it was unreasonable to assume that Lowe's and Target would not come up with an additional \$600,000 over the life of the LID in order to open their establishments. City Engineer Bill Peterson responded that the proposed opening dates for Target and Lowe's were not unreasonable. Discussion followed regarding delaying the decision vs. petitioning for reassessment and the possibility of a legal process being filed to stop the establishment of the LID.

Councilor Walsh moved to continue the public hearing until the next regular session on May 16. Councilor McKane seconded.

\* Chris Eppley pointed out that the interim line of credit set for the May 16<sup>th</sup> meeting would be thrown off if the LID is not approved.

The motion failed as follows:

AYES: Lee, Walsh and McKane (3)

NAYS: Christopher, Nichols, Moir and Taylor (4)

ABSTENTIONS: None (0)

ABSENT: None (0)

Mayor Christopher closed the public hearing.

**RESOLUTION ~  
Forming Keizer  
Station  
Improvements  
Local Improvement  
District**

Councilor Walsh moved to adopt Resolution R-2005 Forming Keizer Station Area A Local Improvement District. Councilor Moir seconded.

Councilor McKane questioned the necessity of inclusion of the Rawlins property in the LID. Chris Eppley explained that the property is included in the Keizer Station plan with zoning and improvements that are beneficial to it. Additionally these improvements add significant (more than \$3.7 million) value to the property. Bill Peterson explained the improvements that are not visible on the plan are beneficial to this property and therefore the owners of the property should be assessed for those improvements.

The motion passed as follows:

AYES: Christopher, Nichols, Lee, Moir, and Taylor (5)

NAYS: McKane and Walsh (2)

ABSTENTIONS: None (0)

ABSENT: None (0)

**ORDINANCE ~  
Spreading  
Assessments to  
Keizer Station Local  
Improvements  
District**

Shannon added language to Section 1 (1), page 2, line 13: Summary of cost assessed for the construction of street improvements and other infrastructure referenced above to serve the area known as.....

Councilor Walsh moved to adopt a Bill for an Ordinance Spreading Assessments to Keizer Station Area A Local Improvement District as amended in Section 1(1) after the word street improvements to include and other infrastructure referenced above. Councilor Moir seconded.

The motion passed as follows:

AYES: Christopher, Nichols, Lee, Moir, and Taylor (5)

NAYS: McKane and Walsh (2)

ABSTENTIONS: None (0)

ABSENT: None (0)

City Attorney Johnson noted that because the Ordinance did not pass unanimously a second reading was required, and this would be done at the May 16 meeting.

**ADJOURNMENT**

Mayor Christopher adjourned the meeting at 7:38 p.m.

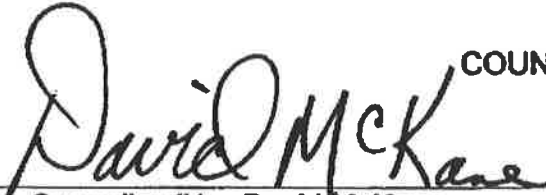
APPROVED:

MAYOR:

\_\_\_\_\_  
Debbie Lockhart, Deputy City Recorder

\_\_\_\_\_  
Lore Christopher

COUNCIL MEMBERS



Councilor #1 – David McKane



Councilor #4 – Jacque Moir

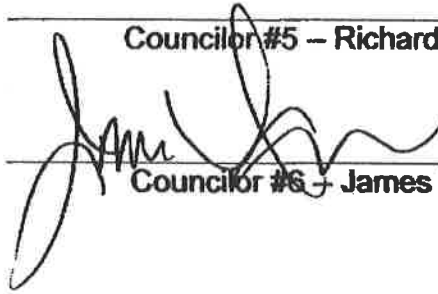


Councilor #2 – Troy Nichols

Councilor #5 – Richard Walsh



Councilor #3 – Charles E. Lee



Councilor #6 – James Taylor

Minutes approved:

June 6, 2005



Exhibit

F



**APPLICANT**

NORTHWEST NATIONAL LLC  
PO BOX 2087  
SALEM, OREGON 97308  
CONTACT: CHUCK SIDES  
PHONE: 503-588-7099  
FAX: 503-588-0697

**APPLICANT'S REPRESENTATIVE**

W&H PACIFIC  
9755 SW BARNES ROAD, SUITE 300  
PORTLAND, OREGON 97225  
CONTACT: *MIK-MARTIN*  
PHONE: 503-626-0455  
FAX: 503-526-0775

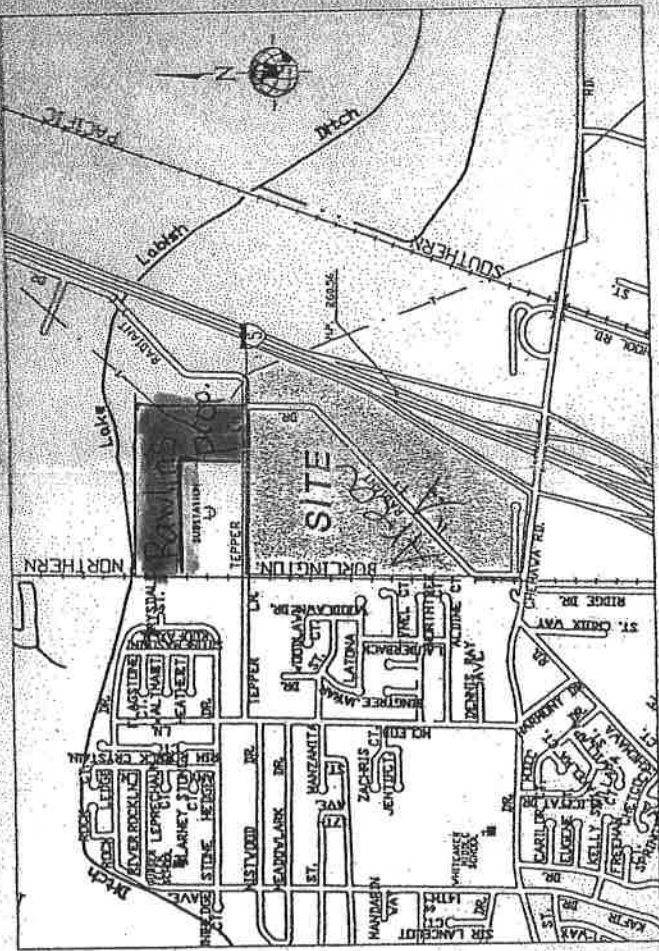


**OWNER**

NORTHWEST NATIONAL LLC, ET AL  
PO BOX 2087  
SALEM, OREGON 97308  
CONTACT: CHUCK SIDES  
PHONE: 503-588-7099  
FAX: 503-588-0697

**PLANNER/ENGINEER/SURVEYOR  
& LANDSCAPE ARCHITECT**

W&H PACIFIC  
9755 SW BARNES ROAD, SUITE 300  
PORTLAND, OREGON 97225  
CONTACT: *MIK-MARTIN*  
PHONE: 503-626-0455  
FAX: 503-526-0775



**VICINITY MAP**

N.T.S.

**GEO TECHNICAL ENGINEER**

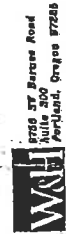
GEO DESIGN  
14845 SW SECUCIA PARKWAY, SUITE 170  
PORTLAND, OREGON 97224  
CONTACT: DAN TRISLER, P.E.  
PHONE: 503-968-8787  
FAX: 503-968-3068

**TRAFFIC ENGINEER**

KITTELSON & ASSOCIATES, INC.  
610 SW ALDER, SUITE 700  
PORTLAND, OREGON 97205  
CONTACT: HERMANUS STEYN, P.R. ENG., P.E.  
PHONE: 503-228-5230  
FAX: 503-273-8169

DESIGNED BY: \_\_\_\_\_  
DRAWN BY: \_\_\_\_\_  
LAST EDIT: \_\_\_\_\_

CHECKED BY: \_\_\_\_\_  
APPROVED BY: \_\_\_\_\_  
PLOT DATE: 07/29/25







Exhibit

G



**MINUTES  
KEIZER CITY COUNCIL**

**Monday, May 16, 2005**

**Kelzer City Hall**

**Robert L. Simon Council Chambers**

**Keizer, Oregon**

**CALL TO ORDER** Council President Richard Walsh called the regular meeting to order at 7:18 pm. Roll Call was taken as follows:

**Present:**

Lore Christopher, Mayor (7:36)  
Richard Walsh, Council President  
Jacque Moir, Councilor  
Troy Nichols, Councilor (7:33)  
Chuck Lee, Councilor  
Jim Taylor, Councilor  
David McKane, Councilor  
Delilah Calhoun, Youth Councilor

**Staff:**

Shannon Johnson, City Attorney  
Rob Kissler, Public Works  
Marc Adams, Police Chief  
Nate Brown, Community Development  
Chris Eppley, City Manager  
Tracy Davis, City Recorder

**FLAG SALUTE**

Councilor Lee noted that Don Porter, a great civic leader, had passed away over the weekend and requested a moment of silence in honor of him before the flag salute. Flag salute followed.

**PUBLIC TESTIMONY**

Tony Bray, Brays Family Restaurant, Keizer, noted that he was getting noise complaints from A-Storage as was the man who sweeps the parking lot. He noted that zoning was changed in this area to accommodate a live-in manager at the A-Storage facility but the problems caused by this person are becoming difficult to deal with. He has tried to meet with the complainant to address this issue but she is unresponsive to these efforts.

Chief Adams noted that Mr. Bray's report was accurate, this is a commercial area and there have been no citations issued. Dialogue followed regarding noise issues inherent to vertical mixed housing and investigating ordinances from other cities which may address this issue.

Robert Rapin, R & R Airsweep, reported that Wittenberg plaza is one of his clients and that one business in this plaza rents out the upper level as a residence and on Saturday the residents complain about the noise.

Councilor Walsh thanked both parties for bringing this issue to the attention of City Council. Additional discussion followed. Shannon Johnson noted that he would compare the noise ordinance to the zone code provisions adding that it is not zoned residential in that spot but that an allowance was made in the code specifically to address this.

Jack Lowery, River Road Renaissance Advisory Committee, requested that Council consider expanding or raising the bonding limits on the urban renewal district in order to increase funds for projects recommended by the River Road Renaissance Advisory Committee, specifically the Wittenberg/45<sup>th</sup> Parallel parcel and the Christmas Tree triangle. Mr. Lowery then fielded questions from Councilors.



Terry Key, Attorney for the Rawlins Family, addressed Council regarding Item 8a on the Agenda noting that he wished to negotiate with the city on the matter of the LID assessment and to inform the city that because council appears to plan on adopting the resolution he will be compelled to go to court and file a writ of review and possibly go to LUBA. He reiterated his concerns and reviewed laws which will be referenced in the proceedings, specifically, notice issues, bond requirements and improvement limitations. He noted that he had a letter to submit for record addressing all these issues.

## COMMITTEE REPORTS

### a. Marion County Children and Family Services Presentation

Marion County Commissioner Janet Carlson gave a presentation on the Children and Family Services website which is: <http://cfc.co.marion.or.us> or [www.co.marion.or.us](http://www.co.marion.or.us) and click on "Children and Families" under "Departments" to reach the website. She explained that the Children and Families Commission is responsible for the entire social service and education integration in the county boundary adding that the website is a wealth of information covering a wide spectrum of subjects and highlighting some areas of the website. In conclusion she encouraged everyone to attend the Marion County Fair and highlighted some of the events planned.

### b. River Road Renaissance Advisory Committee Recommendations

Nate Brown distributed a list of prioritized projects developed by the Advisory Committee and explained how they were compiled. He added that the Advisory Committee is requesting council "general concept" approval for the top three projects planned for the next fiscal year. Mayor Christopher added that the Advisory Committee has been charged with the task of justification of the purchase of the two properties showing how they would be used throughout the year and how these uses would benefit the citizens of Keizer. Lengthy dialogue took place.

Councilor McKane moved that Council approve the top three projects on the priority list but direct the River Road Renaissance Advisory Committee to flush out the details and return to Council with them. Mayor Christopher seconded.

Councilor Walsh offered a friendly amendment to also include the 45<sup>th</sup> parallel improvements. McKane and Christopher accepted this. The motion passed unanimously as follows:

AYES: Christopher, Nichols, Lee, Moir, McKane, Taylor and Walsh (7)

NAYS: None (0)

ABSTENTIONS: None (0)

ABSENT: None (0)

**PUBLIC HEARINGS**

**a. ORDINANCE ~  
Vacating a  
Portion of  
Radiant Drive  
Within the  
Keizer Station  
Village Center  
Area A**

City Attorney, Shannon Johnson, explained that this matter has been duly noticed and explained that because of traffic issues, should the ordinance be adopted, it would be contingent upon the plat for Keizer Village Center being ready for recording and would be recorded simultaneously with said plat. Additionally, he requested that staff be given direction to attach the exact legal description to the ordinance prior to recordation. Discussion followed regarding traffic patterns for the baseball games, use and location of the temporary road.

Councilor Walsh opened the public hearing.

Hearing no testimony. Councilor Walsh closed the public hearing.

Councilor Moir moved to adopt a bill for an ordinance vacating a portion of Radiant Drive within the Keizer Station Village Center Area A in the city of Keizer, state of Oregon, and delegate to staff the delineation of the area north of Keizer Station Boulevard as per the exhibit on the wall. Councilor Taylor seconded. The motion passed unanimously as follows:

AYES: Christopher, Nichols, Lee, Moir, McKane, Taylor and Walsh (7)

NAYS: None (0)

ABSTENTIONS: None (0)

ABSENT: None (0)

**b. Comp Plan/Zone  
Change Case  
No. 2005-06  
(Teets)**

City Attorney, Shannon Johnson, suggested that the reading of the exact list of criteria set forth in the staff report be waived and asked if anyone objected. There were no objections. He added that any questions could be brought up during testimony and that testimony, arguments and evidence must be directed toward the criteria in the Comprehensive Plan or land use regulations believed to apply to this decision. Failure to raise an issue accompanied by statements or evidence sufficient to afford the Council and the parties an opportunity

to respond to the issue precludes appeal to the Board based on that issue. He noted that if anyone had any objection as to conflict of interest, bias, jurisdiction, notice and opportunity to be heard, it should be brought up at the time of testimony and any Council members wanting to disclose conflict of interest, bias or prejudice on this case should do so at this time.

Councilor Walsh opened the public hearing.

Nate Brown explained that the request is for a Comprehensive Plan map amendment from low-density residential (LDR) to medium-density residential (MHDR) and a zone change from (RS) Residential Single-Family to (RM) Medium Density Residential for the properties indicated at 800 and 840 Chernawa Road NE in order to develop an apartment or condominium complex. Mr. Brown referred to the findings and recommendations of the Hearings Examiner and to the Supplemental Finding written by city staff and recommended adoption of the map amendment and zone change.

Troy Plumb, PacWest Engineering, commended staff for work on this project and explained that the location of the property makes it ideal for the use planned should this map/zone change be adopted. He then explained the concept plan for the development, property lines, economics, road access, storm drain and sidewalk issues.

Ken Perkins, Independence, a partner in the project, explained general plans for the improvements adding that nothing is definite pending approval of the zone change.

Stan Teets, Salem and Foster City, California, explained that he has a vested interest in the City of Keizer and that this project will add beautification to the city.

Councilor Walsh closed the public hearing.

Lore Christopher moved to direct staff to come back with an ordinance pursuant to the staff report. Troy Nichols seconded. The motion passed unanimously as follows:

AYES: Christopher, Nichols, Lee, Moir, McKane, Taylor and Walsh (7)

NAYS: None (0)

ABSTENTIONS: None (0)

ABSENT: None (0)

**OTHER BUSINESS**

Mayor Christopher thanked Councilor Walsh for filling in and explained that she was late because she was at the National Honor Society induction at McNary High School and read the 25 names (including her son) of those who received this honor.

Rob Kissler reported that staff had worked hard on the Public Works open house which was very successful and attended by many people. He listed and thanked the sponsors, vendors and staff.

Councilor Walsh reported that the joint RIVERR/Parks Board meeting was so successful that the second planned joint meeting has been postponed. The Library Task Force will meet with the CCRLS to present a proposal for the Keizer library. He briefly described a re-calibration on fees which will be presented for council approval. Council offered consensus.

Delilah Calhoun reported on FBLA students at McNary who will be volunteering at the Iris parade and Iris festival.

**ADMINISTRATIVE ACTION**

**a. RESOLUTION - Acknowledging Insufficient Remonstrances Received**

City Attorney, Shannon Johnson, reminded council that they had passed the resolution forming the district and the ordinance was passed with a 5-2 vote. Upon further study it was determined that the ordinance would be more properly passed upon conclusion of the construction when the final assessments are made. Consequently this ordinance will not be passed tonight. Instead the subject resolution is being presented. He explained that remonstrances received amount to less than 19% by area, reviewed other issues in the Resolution and recommended adoption.

★ Discussion followed regarding the Rawlins issue, the second reading which is referred to in this Resolution and recommendation of Bond Counsel. Councilor Walsh requested that the words "Such ordinance shall therefore not be adopted" be added to Section 7 on the last page of the resolution. Mr. Johnson agreed to do this.

★ Councilor Walsh moved to adopt Resolution R2005 Acknowledging Insufficient Remonstrances were Received Regarding the Keizer Station Area A Local Improvement District - Authorizing City Staff to Proceed with the Improvements, Spreading Estimated Assessments and Authorizing a Line of Credit to Provide Interim Financing for the District as amended. Councilor Moir seconded. The motion passed unanimously as follows:

- AYES: Christopher, Nichols, Lee, Moir, McKane, Taylor and Walsh (7)
- NAYS: None (0)
- ABSTENTIONS: None (0)
- ABSENT: None (0)

**b. ORDINANCE ~  
Relating to the  
Amendment of  
the Electric Utility  
License Fee  
Ordinance**

City Attorney Shannon Johnson explained that it was hoped that in the past year a master right-of-way regulation and ordinance could be developed. However, since that has not occurred, these ordinances are being recommended for adoption covering a 5-year period, but they can be modified prior to that time with appropriate notice.

Councilor Walsh moved for adoption of Ordinance 2005 Relating to the Amendment of the Electric Utility License Fee Ordinance; Declaring an Emergency (Amending Ordinance No. 94-286). Councilor Lee seconded. The motion passed unanimously as follows:

AYES: Christopher, Nichols, Lee, Moir, McKane, Taylor and Walsh (7)

NAYS: None (0)

ABSTENTIONS: None (0)

ABSENT: None (0)

**ORDINANCE ~  
Relating to the  
Amendment of  
the Gas Utility  
License Fee  
Ordinance**

Councilor Walsh moved for adoption of Ordinance 2005 Relating to the Amendment of the Gas Utility License Fee Ordinance; Declaring an Emergency (Amending Ordinance No. 94-285). Councilor Moir seconded. The motion passed unanimously as follows:

AYES: Christopher, Nichols, Lee, Moir, McKane, Taylor and Walsh (7)

NAYS: None (0)

ABSTENTIONS: None (0)

ABSENT: None (0)

**c. RESOLUTION ~  
Authorizing City  
Manager to Enter  
Into Development  
Agreement and  
Easements with  
Chernawa Station  
LLC for Keizer  
Station Area D**

City Attorney Shannon Johnson stated that he did not recommend passing this resolution because the package was incomplete due to lack of technical exhibits and easements. He explained the interconnectedness of the project and details of the development agreement which is on the table with the developers.

Discussion followed regarding proposed use of the property and the timing. Rob Kissler pointed out that the proposed water tower will take one year to build and that having water on the site for fire prevention was important. He noted that some building improvements may be delayed until the water tank is in service so it is important to expedite this matter.

**d. ORDINANCE ~  
Comp Plan/Zone  
Change Case  
No. 2004-31**

Shannon Johnson reminded Council members that this matter was before them at the Public Hearing held during the last Council meeting and he had been directed to prepare the ordinance for adoption of the comp plan changes. The ordinance is ready for adoption.

Councilor Walsh moved for adoption of Ordinance 2005 in the matter of the Comprehensive Plan Map Amendment from Limited Density Residential (LDR) to Medium Density Residential (MDR) for Property located at 4060, 4120-4124 and 4140-4144 Gary Street NE and 4115-



4125, 4157 and 4187 Arnold Street NE In Keizer, Oregon (Case No. 2004-31). Councilor Taylor seconded. Motion passed unanimously as follows:

AYES: Christopher, Nichols, Lee, Moir, McKane, Taylor and Walsh (7)  
NAYS: None (0)  
ABSTENTIONS: None (0)  
ABSENT: None (0)

## CONSENT CALENDAR

- a. **RESOLUTION – Declaring Surplus Property**
- b. **RESOLUTION – Extension of Gas and Electric Franchise Agreements**
- c. **Approval of April 4, 2005 Regular Session Minutes**
- d. **Approval of April 18, 2005 Regular Session Minutes**
- e. **Approval of April 25, 2005 Work Session Minutes**
- f. **Approval of May 2, 2005 Regular Session Minutes**

Councilor Walsh moved to approve all items on the Consent Calendar. Councilor Moir seconded. The motion passed unanimously as follows:

AYES: Christopher, Nichols, Lee, Moir, McKane, Taylor and Walsh (7)  
NAYS: None (0)  
ABSTENTIONS: None (0)  
ABSENT: None (0)

## WRITTEN COMMUNICATIONS

Mayor Christopher welcomed Councilor McKane's new baby, Evan Thomas McKane. Councilor McKane offered details: Born May 12, 7lbs. 4oz, 20 inches long, will be a boxer, a basketball player or both. Councilor Walsh presented Mr. McKane with several gifts.

Mayor Christopher reminded everyone of the Iris Festival and related events.

National Society of the Daughters of the American Revolution awarded Ann Losner (Keizer citizen) the medal for Historic Preservation for her outstanding work in publishing books documenting the people who were the original settlers of Keizer, Oregon.

An open house fundraiser is underway for the Celtic Celebration which is the all night graduation party for the senior class.

## AGENDA INPUT

### May 17, 2005

5:30 p.m. Budget Committee Meetings

➤ 2005-2006 Fiscal Year Budgets

### June 6, 2005

7:00 p.m. City Council Regular Session

### June 13, 2005

5:30 p.m. City Council Work Session

June 20, 2005

7:00 p.m. City Council Regular Session

**ADJOURNMENT** Mayor Christopher adjourned the meeting at 9:50 p.m.


**APPROVED:**

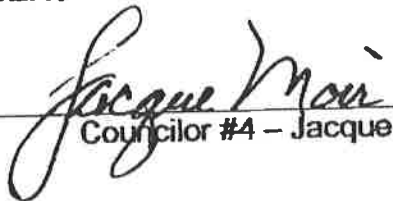
**MAYOR:**

  
Lore Christopher

  
Debbie Lockhart, Deputy City Recorder

**COUNCIL MEMBERS**

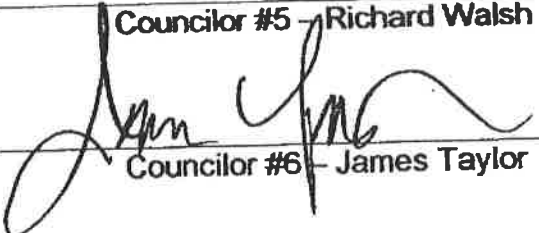
  
Councilor #1 - David McKane

  
Councilor #4 - Jacque Moir

  
Councilor #2 - Troy Nichols

Councilor #5 - Richard Walsh

Councilor #3 - Charles E. Lee

  
Councilor #6 - James Taylor

Minutes approved:

June 20, 2005

Exhibit

#



## **TIMOTHY LINDA RAWLINS**

---

**From:** "Terrence" <terrence@kaylawfirm.com>  
**To:** "Tim & Linda Rawlins" <RAWLINSENERPRISES@MSN.COM>; <rocr7@aol.com>; "Jerry Rawlins" <jerry@cowboys.com>  
**Sent:** Monday, July 25, 2005 10:20 AM  
**Subject:** Rawlins/KSP/Keizertimes news article - FYI

**Taken from the Keizertimes newspaper website at:**

## **Property owners sue city over Keizer Station district**

**Published: July 23, 2005**

Local landowners are suing the city of Keizer.

Salem attorney Terrance Kay has filed a lawsuit against the city on behalf of his clients, Tim and Linda Rawlins, asking the Marion County Circuit Court to invalidate a local improvement district formed at Keizer Station to pay for infrastructure inside the development.

The lawsuit, filed July 14 in Marion County Circuit Court, claims that the city acted outside its jurisdiction when it included the Rawlins' property in the LID, over the Rawlins' objections, and asks the court to dissolve the LID.

"The city has the authority to properly form an LID within the law," Kay said. "But the city hasn't done so."

In their lawsuit, the Rawlinses allege that the city's actions constitute an inverse condemnation, or a taking of their property.

Kay said that if the Rawlinses lose their property because they are not able to make the \$3.7 million payment required by the LID, then the Rawlinses would seek damages of at least \$4 million.

"If the court says to go back to the process and correct it, hopefully, things will change," Kay said.

The Rawlinses have also appealed their property's inclusion in the LID to the Land Use Board of Appeals.

### **Formation**

On May 16, the Keizer City Council finalized the formation of the Keizer Station Area A LID, which encompasses 108 acres of the shopping center development's 237 acres at the intersection of Chemawa Road and Interstate 5. At a council meeting that day, attorney Kay told the City Council that his clients feel compelled to file a lawsuit and an appeal with LUBA over the inclusion of their property in the LID.

The Rawlins, who live in Central Oregon, own 16 acres between the Bonneville Power Administration station and the Salem-Keizer Volcanoes stadium north of Tepper Lane. The property is essentially undeveloped, but does have a small house.

### **Notification**

The lawsuit claims that for nearly two years, the city and Northwest National LLC, the company that is developing Keizer Station, have privately negotiated the LID, but never informed the Rawlins that their property would be involved.

"The city undertook to create this LID with no notice to the Rawlins, no notice of a public hearing, no invitation to be involved in that process as was given to one or more other private property owners and no public hearing," the lawsuit reads.

7/25/2005

The lawsuit further claims that the city violated its own ordinance by failing to give the Rawlinses the required 14-day notice to prepare and respond to the LID and the \$3.7 million in fees imposed on their land.

"For goodness sakes, people in Oregon courts get more time to respond to a dog bite lawsuit than the city gave the Rawlinses," Kay said.

The city will have 30 days to respond to the lawsuit. Kay said he intends to ask for a hearing early on about whether the city gave the Rawlinses a legally sufficient amount of time to respond to the LID.

"We're going to try to get that in front of the court fairly quickly because we believe it's not complicated," Kay said.

City Manager Chris Eppley declined to comment on both the lawsuit and the LUBA appeal.

"I won't comment until we have a review by our legal department," Eppley said.

BY CHRISTINE ERMEY, Of the Keizertimes

Cordially,

Terrence Kay, PC  
Attorney at Law

503.588.1944 & 503.588.1946 fax

This mail is intended for the named person(s) properly named for receipt, any other use of this mail is not intended and may be contrary to law; please notify Terrence Kay PC immediately if you have received this email contrary to this warning. This message is confidential and may be protected by the attorney-client privilege and the Electronic Communication Reporting Act, 18 USC Sec 2511, as amended. If you are not the intended recipient, you are not authorized to open any attachment, disseminate or copy this message. Please destroy the message and all attachments after notifying the sender. Because email can be altered electronically, the integrity of this communication cannot be guaranteed. Any reliance by someone who has not entered into an attorney fee agreement with Terrence Kay, P.C. on the information contained in this correspondence is taken at the reader's own risk. Thank you.

7/25/2005

Exhibit

I





**URBAN RENEWAL AGENCY: November 7, 2005**

**AGENDA ITEM NUMBER: \_\_\_\_\_**

**TO: CHAIR CHRISTOPHER AND AGENCY MEMBERS**

**THROUGH: CHRISTOPHER C. EPPLEY, CITY MANAGER**

**FROM: E. SHANNON JOHNSON, CITY ATTORNEY**

**SUBJECT: KEIZER STATION AREA A LID/RAWLINS LITIGATION  
SETTLEMENT**

The Rawlins family and their associated companies own property located between the stadium and the Bonneville Power Administration substation. Rawlins objected to the Keizer Station Area A Local Improvement District and filed appeals with the Land Use Board of Appeals as well as filed a lawsuit against the City and the Urban Renewal Agency.

The parties have been working toward settling the matter. The majority of the settlement is a private one between Northwest National, LLC and Rawlins. Northwest National will lease the subject property on a long term ground lease. Rawlins will then not be faced with the assessment as the developer will have to pay the LID assessment.

There is a condition by Rawlins to the settlement that concerns the City. In the late 1990s when the stadium project was being constructed, the City needed a sanitary sewer easement along the entire north side of the Rawlins property parallel to Labish Ditch. This sewer trunk line serves not only the stadium, but the entire Keizer Station Area A. When the City negotiated with Rawlins for purchasing the sanitary sewer easement, Rawlins was concerned about the increase in the sanitary sewer system development charges (SDCs). The parties agreed that Rawlins would grant the easement for a total cost of \$49,816.80. This was the difference between the old SDC and the new SDC amount. The parties further agreed that the City would pay \$24,497.00 in cash at the time of the granting of the easement, and then grant a credit for the sanitary sewer SDCs in the amount of \$25,319.80.

Rawlins agreed to this settlement apparently because he felt that he and his family would develop the property and get the benefit of the sanitary sewer SDC credit. Under the current scenario, Rawlins would not receive that credit. Therefore, the parties have discussed and reached a tentative settlement in which the City would "cash out" the \$25,319.80 SDC credit by writing a check to Rawlins for such amount with the understanding that credit would be fully satisfied and that Northwest National, LLC would receive no credit at the time they

developed the property.

Staff feels that this is an appropriate settlement of the matter and a way to move forward to end the litigation. The City has had the benefit of not paying any interest on the \$25,319.80 credit from 1999. Though it is possible that the developer's plans could fall through, it is anticipated that the SDCs on the property will be paid in the near future as the property develops. In exchange for the payment, Rawlins will dismiss the LUBA appeals and Circuit Court litigation and the Agreement will be recorded against the property as consent to the Local Improvement District.

The funds for payment of the credit would come from the sanitary sewer SDC fund as it is payment for the sanitary sewer trunk line easement.

**RECOMMENDATION:**

Adopt the attached resolution authorizing the City Manager to sign the enclosed Settlement Agreement.

Please contact me if you have any questions in this regard. Thank you.

ESJ/tmh  
attachment

1 URBAN RENEWAL AGENCY, CITY OF KEIZER, STATE OF OREGON

2 Resolution UR2005-\_\_\_\_\_

3 AUTHORIZING THE CITY MANAGER TO SIGN  
4 SETTLEMENT AGREEMENT WITH RAWLINS HOLDING  
5 COMPANY AND OTHERS REGARDING KEIZER STATION  
6 AREA A LOCAL IMPROVEMENT DISTRICT  
7

8 WHEREAS, the Keizer City Council approved the Engineer's report on April 18,  
9 2005 and subsequently formed the "Keizer Station Area A Local Improvement District"  
10 pursuant to Resolution No. R2005-1593 and R2005-1594;

11 WHEREAS, Rawlins Holding Company, Inc., Timothy Rawlins and Linda  
12 Rawlins (hereinafter "Rawlins") filed a Circuit Court complaint against the City and the  
13 Urban Renewal Agency regarding the actions of the City with regard to the Local  
14 Improvement District and spreading assessments, as well as other actions of the City or  
15 the Urban Renewal Agency;

16 WHEREAS, Rawlins also filed a Notice of Intent to Appeal with the Land Use  
17 Board of Appeals (LUBA) regarding actions of the City and the Urban Renewal Agency;

18 WHEREAS, the parties have reached agreement to settle the matter without any  
19 admission as to the validity of any claims or possible defenses;

20 NOW, THEREFORE,

1 BE IT RESOLVED by the Urban Renewal Agency of the City of Keizer that the  
2 City Manager is hereby authorized to execute the Settlement Agreement, a copy of  
3 which is attached as Exhibit "A" and by this reference incorporated herein.

4 BE IT FURTHER RESOLVED that the City Manager is authorized to take any  
5 further action contemplated, or appropriate and necessary with regard to concluding the  
6 settlement.

7 PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

8 SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

9  
10  
11  
12  
13  
14

\_\_\_\_\_  
Urban Renewal Agency Chair

\_\_\_\_\_  
City Recorder

## AGREEMENT

This Agreement is made between Rawlins Holding Company, Inc., an Oregon corporation (formerly known as Rawlins Real Estate, Rich Rawlins and Associates, Inc.), Timothy Rawlins and Linda Rawlins, and Rawlins Investment Properties L.L.C., an Oregon limited liability company ("Owners"), the City of Keizer, an Oregon municipal corporation ("City"), and the Urban Renewal Agency of the City of Keizer, an Oregon urban renewal authority ("Renewal Agency").

## RECITALS

- A. Rawlins Holding Company, Inc., Timothy Rawlins, Linda Rawlins and Rawlins Investment Properties, L.L.C. are owners of or have or had an interest in property located in the City of Keizer, more particularly described in Exhibit A which is attached hereto and incorporated into this Agreement ("Property").
- B. The Owners or their predecessors in interest entered into an agreement with the City or about September 1, 1999 that is attached as Exhibit B and incorporated into this Agreement ("Easement Agreement"). The Easement Agreement provided for the conveyance of a sanitary sewer easement to the City in exchange for the payment of money and a certain credit against future sewer assessments. Rawlins Holding Company, Inc. is the successor to Rawlins Real Estate, Rich Rawlins and Associates, Inc. or has authority to bind that entity. The parties wish to amend the Easement Agreement.
- C. Rawlins Holding Company, Inc., Timothy Rawlins and Linda Rawlins filed a complaint against the City and the Renewal Agency in *Rawlins Holding Company, Inc. et al. v. City of Keizer and Urban Renewal Agency of City of Keizer*, Marion County Circuit Court Case No. 05C-16601 ("Circuit Court Case"). The complaint sought review of a City of Keizer Resolution No. 2005-1594, forming a local improvement district and spreading assessments and other actions of the City or Renewal Agency and asserted declaratory judgment, inverse condemnation, slander of title and public records claims against the City and Renewal Agency. The parties wish to dismiss these claims.
- D. Rawlins Holding Company, Inc., Timothy Rawlins and Linda Rawlins also sought review of actions of the City or Renewal Agency in proceedings filed before the Oregon Land Use Board of Appeals, *Rawlins Holding Company, Inc. et al. v. City of Keizer and Urban Renewal Agency of the City of Keizer*, LUBA Nos. 2005-078, 2005-113, and 2005-114 ("LUBA Cases"). The parties wish to dismiss these cases.
- E. The City is constructing the local improvements that are part of the "Keizer Station Area A Local Improvement District" (the "Improvements") and that are described in the engineer's report that was approved by the Keizer City Council on April 18, 2005 (the "Engineer's Report"). The local improvement district for the Improvements was formed by City of Keizer Resolution Nos. 2005-1593 and 2005-1594. Following completion of the Improvements, the City will make the final assessment against the Property. The Owners wish to waive certain claims in connection with the completion and assessment of the Improvements.

## AGREEMENT

1. Amendment of Easement Agreement. The Easement Agreement is amended. The City agrees to pay Rawlins Holding Company, Inc., and Timothy and Linda Rawlins the sum of \$25,319.80 in full satisfaction of the Easement Agreement and this shall discharge any future obligation of the City under the Easement Agreement. The payment of \$25,319.80 shall be by a check drawn to the order of Rawlins Holding Company, Inc., Timothy Rawlins and Linda Rawlins, and delivered to their attorney upon the signing of this Agreement. Upon execution of this Agreement, and payment of this sum, the City's obligations under the Easement Agreement are discharged and no credit shall be owed by the City against any future assessment on the Property because of the Easement Agreement. The past conveyance of the sanitary sewer easement is not affected by this amendment of the Easement Agreement.
2. Release. Upon execution of this Agreement and the payment of money as provided in Section 1 of this Agreement, Owners and each of them release both the City and its elected and appointed officials, officers, employees, agents, successors and assigns and the Renewal Agency and its elected and appointed officials, officers, employees, agents, successors and assigns from all claims, demands, damages, costs and expenses in whatever nature, based in statute, contract, tort or otherwise, on the subjects described above in Recital paragraph E; or which were pleaded in the Circuit Court Case or could have been pleaded in that case based on the facts stated in the complaint and which exist as of the effective date of this Agreement; or that arise because of the adoption or implementation of City of Keizer Resolution Nos. 2004-1528, 2005-1588, 2005-1593 or 2005-1594 or Renewal Agency Resolution Nos. 2003-080 or 2005-090. This release includes a release of any claim for any attorneys' fees or costs to be imposed against any of the parties with respect to the pending Circuit Court Case or LUBA Cases. Each party shall be solely responsible for payment of fees, including attorney fees, expenses and costs it incurred in connection with the Circuit Court Case and LUBA Cases.
3. Dismissal of Claims. Owners agree to stipulate to and seek entry of judgment in the Circuit Court Case dismissing the claims with prejudice and without cost to any party. Owners agree to move to dismiss the LUBA Cases.
4. Assessment of Costs Under the Local Improvement District. Owners agree that the City shall assess the full amount of the Assessable Costs against the Property and other benefited properties ("Benefited Properties") according to the formula provided in the Engineer's Report. For purposes of this agreement the "Assessable Costs" shall mean the sum of:
  - A. All of the City's actual costs in planning the Improvements, acquiring land for the Improvements, and overseeing, constructing and completing the Improvements (including any attorney's fees and costs for the Circuit Court Case, the LUBA Cases or defense of, or other litigation or appeals in connection with, the formation of the Keizer Station Area A Local Improvement District and the imposition of assessments for the costs of the Improvements); plus,
  - B. All of the City's actual costs of obtaining interim financing for the Improvements; plus,

C. All of the City's actual and reasonably expected costs of obtaining long-term financing for any assessments which owners of Benefited Properties apply to pay in installments; plus,

D. All other costs of the City that are directly related to the Improvements; less only the following amounts:

(1) Keizer Urban Renewal Agency contribution in the amount of \$4,500,000.00.

(2) City of Keizer Street Fund contribution of \$1,564,000.00.

(3) Keizer Station Plan Area D (Chemawa Station LLC) contribution of \$1,200,000.00.

If the costs of the Improvements exceed the estimates in the Engineer's Report, the excess will increase the Assessable Costs, and the City will not be obligated to increase the City's contribution or the Renewal Agency's contribution to the local improvement district.

5. Consent and Authorization to Complete Local Improvement Proceedings. The Owners hereby consent to and authorize:

A. All actions the City takes in good faith to construct the Improvements substantially as described in the Engineer's Report; and,

B. The assessment against the Property and other Benefited Properties of all Assessable Costs, regardless of whether those costs exceed the estimates shown in the Engineer's Report.

6. Waiver of Defects. The Owners waive all irregularities or defects, jurisdictional or otherwise, in:

A. All proceedings of the City to form the Keizer Station Area A Local Improvement District and to undertake, construct and complete the Improvements; and

B. All past and future proceedings of the City to apportion and assess the Assessable Costs against the Benefited Properties according to the formula specified in the Engineer's Report.

This waiver shall prevent any of the Owners from contesting any actions that are taken by or on behalf of the City and that are contemplated by the Engineer's Report and this Agreement, if those actions are taken in good faith. If for any reason the assessments or reassessments the City imposes for the Improvements are invalidated, the City shall be entitled to reassess the Property for its share of Assessable Costs pursuant to ORS 223.405 to 223.485, the City Charter and its ordinances. The Owners consent to assessment and any reassessment of the Property as provided herein, and waive any right to contest those assessments or reassessments to the extent any assessment or reassessment is made as required and in accordance with this Agreement. The release in section 2 of this Agreement, stipulated dismissal in section 3, consent and authorization in section 5 and waiver in section 6 shall not prevent Owners from objecting to

Assessable Costs in the final assessment or reassessment proceedings because those Assessable Costs are unreasonable or not related to the Improvements, or impair any right to finance the assessments or apply for installment payments under ORS 223.210 or other applicable law.

7. No Admissions. This Agreement is executed solely for the purpose of resolving disputed claims. This Agreement does not constitute an admission of liability or disputed facts by any party hereto.

8. Severability. The parties agree that if any term or provision of this Agreement shall for any reason be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

9. Merger. This Agreement constitutes the entire agreement between the parties. This Agreement supersedes all prior agreements and understandings between the parties hereto, except to the extent that the terms of Exhibit B are incorporated herein. There are no understandings, agreements or representations, verbal or written, regarding this Agreement except those specified herein.

10. Modification. No waiver, consent, modification or change of terms of this Agreement shall bind the parties unless in writing and signed by all parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given.

11. Representation by Counsel/Authorization. All parties have been advised by their respective, separate legal counsel. By signature of their authorized representatives, the parties hereby acknowledge that they have read and understand this Agreement, and agree to be bound by its terms and conditions.

12. Binding on Successors and Assigns. This Agreement is binding upon all parties and their heirs, administrators, executors, transferees, successors and assigns. The City may record this Agreement in the real property records of Marion County, Oregon.

13. Counterparts and Effective Date. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and together shall constitute one Agreement. A signed counterpart which is faxed shall be valid and treated as an original although the original signed counterpart shall be provided to the other party. This Agreement shall be effective on the last date signed by the parties.

[Remainder of page intentionally left blank]



# Exhibit B

## Agreement

Rawlins Real Estate, Rich Rawlins and Associates, Inc. and Timothy and Linda Rawlins, husband and wife, hereinafter referred to as Rawlins, et. al., is the owner of two parcels of property in the City of Keizer. The City of Keizer is interested in obtaining a sanitary sewer easement to be located on the subject property with the easement being described in exhibit A attached. Parcel 1 of the subject property is described as Map Tax Lot 063W25 04200, containing 6.27 acres of land. Parcel 2 of the subject property is described as Map Tax Lot 063W25 04500, containing 10.01 acres of land. The total acreage is therefore 16.28 acres. The current acreage charge for sanitary sewer trunk lines in the City of Keizer is \$7,460.00. The current acreage charge for the subject property would be  $(\$7,460.00 \times 16.28) = \$121,448.80$ . The previous acreage charge for the subject property would have been  $(\$4,400.00 \times 16.28) = \$71,632.00$ . The difference in total acreage charge from the old to the new would therefore be \$49,816.80. Rawlins, et. al. agrees to grant the required easement to the City of Keizer for the total cost of \$49,816.80. The total amount is to be paid as follows: The City will issue a check for the amount of \$24, 497.00 upon the granting of the easement and grant a credit of \$25,319.80 towards future sewer trunk line assessments on the two parcels of property. No trunk line acreage-assessments will be charged until development of the subject property is undertaken by Rawlins, et. al. or assigns.

In addition, when development of the subject property is undertaken, the City of Keizer will allow a sewer connection, or connections, to the proposed sanitary sewer trunk line in a location approved by the City of Salem, at no front foot cost to Rawlins, et. al. or assigns. The connection or connections will be at manholes that are constructed as part of the sewer trunk line.

Wally Mull  
Wally Mull  
City Manager

9/1/99  
Date

Richard Rawlins  
Richard Rawlins  
Rawlins Real Estate Et Al

Timothy Rawlins  
Timothy Rawlins

ON SEPTEMBER 7, 1999 personally appeared  
Richard Rawlins, before me:  
Rochelle A. Johnson  
State of Oregon, Deschutes County

Rochelle A. Johnson



Linda Rawlins  
Linda Rawlins

9/1/99  
Date

