CITY OF OREGON CITY
CITY COMMISSION WORK SESSION AGENDA

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Tuesday, October 8, 2024 at 6:00 PM

Typically there are no public comments at work sessions, but written comments are accepted by:
- *Email recorderteam@orcity.org (deadline to submit written testimony via email is 3:00 PM on the day of the meeting)*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045*
- *You may also attend this meeting by watching the livestream on the City's YouTube Channel:*

https://www.youtube.com/user/CityofOregonCity

1. CONVENE MEETING AND ROLL CALL

2. FUTURE AGENDA ITEMS

2.a. List of Future Work Session Agenda Items

3. GENERAL BUSINESS

3.a. Progress report from Destination Management Organization (DMO) Consultants and Staff Recommendation

3.b. Parks SDC Methodology Update

4. COMMUNICATIONS

4.a. Update on City Projects

5. COMMITTEE REPORTS

Commissioner O'Donnell
- South Fork Water Board

Commissioner Smith
- Clackamas Heritage Partners
- Oregon City Tourism Stakeholder's Group
- South Fork Water Board

Commissioner Marl
- Citizen Involvement Committee Liaison
- Clackamas County Coordinating Committee (C4)
- Clackamas County I-205 Tolling Strategies Committee
- Youth Advisory Committee

Commissioner Mitchell
- Clackamas County Coordinating Committee (C4) – Metro Subcommittee
- Clackamas County I-205 Tolling Diversion Committee (alternate)
- Metro Policy Advisory Committee (MPAC) (alternate)

Mayor McGriff
- Clackamas Water Environment Services Policy Committee
- Clackamas Heritage Partners (alternate)
- Downtown Oregon City Association Board
- Metro Policy Advisory Committee (MPAC)
- Oregon City Tourism Stakeholder's Group
- South Fork Water Board
- Willamette Falls and Landings Heritage Area
- Willamette Falls Legacy Project Liaisons
- Willamette Falls Locks Authority
- Youth Advisory Committee Liaison

6. ADJOURNMENT

ORDINANCE NOTICE

If an ordinance is noticed above in this agenda, the text of the ordinance is available online with the posted agenda packet. In addition, three copies are provided for public review in the Office of the City Recorder upon request.

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the City Recorder. When the Mayor/Chair calls your name, proceed to the speaker's table, and state your name and city of residence. Each speaker is given 3 minutes to speak. Representatives of neighborhood associations may be given 5 minutes to speak if requested. As a general practice, the City Commission does not engage in discussion with those making comments. Complaints shall first be addressed at the department level prior to addressing the City Commission. Electronic presentations are permitted but must be delivered to the City Recorder 48 hours in advance of the meeting.

ADA NOTICE

The location is ADA accessible. Hearing devices may be requested from the City Recorder prior to the meeting. Individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.

Agenda Posted at City Hall, Pioneer Community Center, Library, City Website.

Video Streaming & Broadcasts: The meeting is streamed live on the Oregon City's website and available on demand following the meeting. The meeting can be viewed on Willamette Falls Television channel 28 for Oregon City area residents as a rebroadcast. Please contact WFMC at 503-650-0275 for a programming schedule.

CITY OF OREGON CITY

625 Center Street
Oregon City, OR
97045
503-657-0891

Staff Report

To:	City Commission	**Agenda Date:**	October 8, 2024
From:	Tony Konkol, City Manager		

SUBJECT:
List of Future Work Session Agenda Items

STAFF RECOMMENDATION:
N/A

EXECUTIVE SUMMARY:
N/A

BACKGROUND:
October 16, 2024
Adaptive Reuse discussion

November 12, 2024
Local Traffic Volume Standards update (tentative)
K-9 Retirement Fund discussion

December 10, 2024
Potential interviews for Planning Commission applicants

Additional Upcoming Items (These items are in no particular order)
Beavercreek Road Concept Plan (Thimble Creek) Funding Discussion
Canemah Area - Encroachments in the Right-of-Way Policy Discussion
City Seal Revision
Clackamas County Water Environmental Services (WES) Rate Differential
Climate Action Plan Presentation (City of Milwaukie)
Compatible Change Update – HRB will be reviewing
Frog Ferry Informational Update
Inclusionary Zoning options
South Fork Water Board - Mountain Line Easements Vacation
TriMet Transit Center Improvements
Urban Growth Management Agreement

OPTIONS:
N/A

CITY OF OREGON CITY

625 Center Street
Oregon City, OR
97045
503-657-0891

Staff Report

To:	City Commission	**Agenda Date:**	October 8, 2024
From:	Tony Konkol, City Manager		

SUBJECT:
Progress report from Destination Management Organization (DMO) Consultants and Staff Recommendation

STAFF RECOMMENDATION:
Approve the progress report from the DMO Consultants and staff recommendation on the appointment of three temporary board members of the pending DMO.

EXECUTIVE SUMMARY:
Whereabout began its work in July 2024. Its activities in fulfilling its contractual obligation to Oregon City is organized into four phases:

- Phase 1: Discovery & Analysis (July to October 2024).
- Phase 2: Organizational Design (From October to December 2024)
- Phase 3: Entity Creation
- Phase 4: Recruitment Support

BACKGROUND:
During the Winter of 2023, staff recommended, and the City Commission concurred that the creation of a destination management organization would further help with the evolution of the tourism program within the community. The City Commission directed staff to conduct research on existing DMOs within the Portland Metro-Region.

During its November 7th work session, the City Commission, through consensus, agreed to invite the Mt. Hood Territory, “Visit McMinnville, Inc.” and “Explore Wilsonville.com” to discuss their respective operations.

During the Commission’s regularly scheduled meeting on February 7, 2024, it heard from several community groups on the topic of tourism in Oregon City and DMOs. After the discussion, the City Commission decided to have staff develop a request for proposals to choose a consultant to help establish a DMO, set up the appropriate legal structure and provide guidance on organizational operations.

On March 6, 2024, the City Commission reviewed the staff’s draft RFP. With a few revisions, staff was directed to distribute the document throughout the marketplace. The RFP was distributed widely and through various mediums requiring all responses back on or before 5:00 pm on April 26, 2024.

Meeting the deadline, staff received two proposals. A review committee was created to study and score the proposals. Our thanks to the following volunteers on the committee:

- Don Scott, Oregon City Heritage Coordinating Committee
- Juliana Allen, Downtown Oregon City Association
- Samara Phelps, Mt. Hood Territory
- Taylor Miller, Pioneer Center, Parks & Recreation Dept.

After careful review and discussion, the review committee recommended that Whereabout's proposal be approved.

WHEREABOUT'S PROGRESS REPORT

Whereabout began its work in July 2024. Its activities in fulfilling its contractual obligation to Oregon City is organized into four phases:

Phase 1: Discovery & Analysis (July to October 2024). Whereabout investigated the current state in which a DMO may be established. In addition to reviewing background information, it conducted 14 stakeholder interviews and ran a survey which garnered 37 responses. Key takeaways from their interviews and surveys are included with this staff report.

Phase 2: Organizational Design (From October to December 2024). Will conduct skills and capability needs analysis for the future DMO. With affirmation from the City Commission to create a 501(c)(3), work will also begin to articulate an organizational design for the DMO and a role design for the DMO's leader.

Phase 3: Entity Creation. Work will commence to file articles of incorporation, file forms for tax-exempt status, draft a contract for services between the City and the DMO, and provide a Board of Directors Statement of Agreement and code of conduct, among other things.

Phase 4: Recruitment Support. The City will receive support in retaining a person to staff the work of the DMO.

OPTIONS:

1. Review and accept the DMO Consultants' progress report and support the Mayor's temporary appointment of 3 individuals to assist the consultants with operational and legal formation of the DMO.
2. Do not accept the DMO Consultants' progress report.

DMO Design and Creation

Introduction

In July 2024, the City of Oregon City entered into contracts with Whereabout, a destination strategy firm, and Nonprofit Law Northwest, LLC, to support the City in standing up a destination management organization (DMO) by providing guidance on the roles and responsibilities of a DMO and its overall organization operating structure. This destination management function has historically been housed within the City Government, Department of Economic Development. After a couple attempts over a few years, the City Commission has decided to pursue establishing a standalone legally operating non-profit organization to manage the strategic direction of tourism in the City.

This Commission packet includes an overview of the work, what tourism is and why it is important, and findings from the discovery phase of this work. Attached at the end of this document is a more thorough exploration of different tax-exempt statuses under which the DMO may be created.

Scope of Work

Whereabout began its work in July 2024, and has work organized into four phases:

- Phase 1: Discovery & Analysis: This phase runs from July through October. In this, Whereabout has investigated the current state in which a DMO may be established by reviewing background documents, reviewing past Commission work sessions, conducting 14 stakeholder interviews, and running a survey which garnered 37 responses. The summary of this work is the subject of the October 8 Commission work session.

- Phase 2: Organizational Design: In this phase, anticipated to begin in October and run through December, Whereabout will work with the Economic Development Director and a couple of stakeholders to conduct a skills and capabilities needs analysis for a future DMO, and begin to articulate an organizational design for the DMO and a role design for whomever may lead the organization. It is tentatively planned that these findings will be shared with the Commission at the December 10, 2024 work session.

- Phase 3: Entity Creation: In this phase, which will immediately follow the successful completion of Phase 2, Nonprofit Law Northwest will support the City in creating the entity, including but not limited to filing articles of incorporation, filing tax exempt status forms, drafting a contract for services between the City and the DMO, and providing a Board statement of agreement and code of conduct.

- Phase 4: Recruitment Support. In this final phase, Whereabout will support the City in retaining a person to staff the work of the DMO, including the review of resumes and supporting the interview process.

What is Tourism and Why is it Important

Tourism is one particular type of economic development that a community may pursue. Generally, tourism refers to the experience of individuals going to places that are not their typical places for leisure, business, or other purposes. Tourism is a way of opening a community to people from other places to come and explore, stay, play, and spend. Tourism encompasses all aspects of that experience, including accommodations, restaurants and bars, shopping, entertainment and nightlife, culture and arts, recreation, and related infrastructure.

Tourism plays an important role in the economy and vibrancy of a city. People who come to a place bring spending dollars that would not otherwise be present. Those dollars help support local businesses and have an impact on both the tax dollars collected by the City. The dollars brought in by tourists often lead to infrastructure improvement which benefits locals and visitors alike. Further, the presence of visitors brings additional people and vitality to a community's centers and main streets.

Related, tourism can play a role in creating a place in which businesses desire to operate. It is not uncommon for DMOs to have a related relocation guide to support such moves.

Tourism can incentivize the preservation and restoration of historical sites and cultural landmarks. Revenue from tourism can fund conservation projects, ensuring that important historical and cultural assets are maintained for future generations.

Tourism is a way to share what is so special in a community with others, and to raise awareness of a more expansive history and shared lived experience. Not only does this foster a greater understanding of other cultures, it also helps to instill local pride of place and community spirit as the local population sees people respectfully enjoying and spending time in their home town.

Tourism is one of the leading industries in Oregon. In 2023, Oregon's tourism industry saw $14B in visitor spending, and created 2,180 new jobs, bringing the statewide tourism industry employment up to 118,500. Within the vicinity of Oregon City and in the greater Willamette Valley region, there are over 30 individual DMOs, of which Mt. Hood Territory, based in Clackamas County, is the one with which the City is likely most familiar.

What is a DMO, and what is its Role

The acronym DMO may stand for one of two things:

- Destination Marketing Organization, which focuses on marketing a destination.
- Destination Management Organization, which does marketing as well as facilitating visitor services, implementing strategic planning to optimize tourism benefits, and may engage in other activities such as beautification, advocacy, and destination development.

In both instances, a DMO seeks to support a tourism destination and promote tourism in such a way that it contributes to the economic prosperity of the community. Similarly, in both instances, a DMO will typically collaborate with various stakeholders, including local government, businesses, and community groups to promote the destination.

Discovery Findings

From August through September, Whereabout investigated the current state in which a DMO may be established by reviewing background documents, reviewing past Commission work sessions, conducting 14 stakeholder interviews, and running a survey which garnered 37 responses. While a full report will be shared at the October 8 Commission Work Session, the key takeaways include:

1. There is broad support for establishing a Destination Management Organization for Oregon City. Participants expressed that a DMO has been a long time coming, and while some had been skeptical, they are enthusiastic now. That said, it will be important in the future to transparently communicate what the organization is doing and its benefit for the community.

2. While participants recognize heritage sites as Oregon City's competitive advantage, participants overwhelmingly stated the need for the DMO to be holistically-minded in what is promoted both in terms of assets—the river and falls, downtown and its array of food, beverage, and retail shops—and in terms of geography, with a need to include downtown, midtown and uptown.

3. Many participants highlighted the many travel and tourism partners that can support the new DMO and help it get its marketing out further, including adjacent cities, Mt. Hood Territory in Clackamas County, and Travel Oregon.

4. While there is strong desire for a DMO, there is some concern about how it will be financed, and if the collected transient lodging tax (TLT) will be sufficient to both hire a person and support marketing and other initial efforts.

5. Many participants echoed the sentiment shared by Jeff Knapp, former Visit McMinnville CEO in January 2024, for greater clarity in roles and responsibilities of the DMO and the many other organizations in Oregon City, such as the Downtown Oregon City Association, the Chamber of Commerce, the many heritage sites, and the Visitors Center at the End of the Oregon Trail Visitor and Interpretive Center. Further, many participants expressed concern on the financial 'ripple effect' of this new DMO on their own finances, with questions about impact on grant dollars and funding for the Visitor Center.

6. Participants shared some ideas on what the DMO should do once established. There was general consensus that in its first years, its focus should be on: marketing the destination, educating residents on the role of tourism in community development; providing clear communications to all tourism stakeholders and partners in the City; and helping to convene and coordinate the many tourism assets. Once the DMO has its footing, its focus could expand to include more management-oriented efforts. Multiple participants cautioned about over-promising, and encouraged setting reasonable expectations, especially in the formative years of the DMO.

7. When asked what would constitute success of the DMO, many participants talked about the value of data and having quantitative measures. Specifically, success could be measured by increased attendance at various sites, measured increase in the local

economy, increased room nights and/or progress on a second hotel, and continued awareness and positive resident sentiment towards tourism.

8. Care should be taken in understanding the role of the DMO in relation to the many heritage sites in Oregon City. While the DMO can help convene and coordinate heritage sites to support broader tourism goals, the DMO is not the panacea for all the challenges these sites are currently confronting.

9. Many participants talked about the Board composition and implored that it have broad representation in terms of geography and assets.

10. One of the primary concerns participants voiced was that the City would hold too tightly to what the DMO is doing, and thus limit what it is able to accomplish on behalf of the entire city. Many indicated this would be akin to doing what has happened in the past, and that things need to be done differently moving forward if there is to be success. It will be important for the City to understand how it can empower the DMO to carry out its mission.

11. Last, participants shared thoughts on attributes they would like to see in the person who will be hired to lead the DMO. There was strong consensus that this person must be visionary, inclusive, collaborative, and versed in tourism. The person will need to be a good listener, be able to hold space for disagreements from community partners without getting spun into those conflicts, and continue to hold firm to the DMO's mission. Lastly, participants desire to see this person get involved with regional and state travel and tourism events and organizations such as the Governor's Conference on Tourism.

Att: Benefits, Allowable Purposes and Restrictions of 501(c)(3) Versus 501(c)(6) Tax-Exempt Status

Benefits, Allowable Purposes, and Restrictions of 501(c)(3) Versus 501(c)(6) Tax-Exempt Status

Nonprofit organizations incorporated or otherwise organized on the state level may apply to the IRS for tax-exempt status under several provisions of Internal Revenue Code ("IRC") Section 501(c). The activities and structure of an organization determine under which subsection of IRC 501(c) an organization will be eligible to receive tax-exempt status. As Oregon City undertakes creating a private nonprofit organization to promote the City's travel and tourism amenities, the City Commission has asked for an explanation of the benefits, allowable purposes, and restrictions of 501(c)(3) tax-exempt status in comparison to those for 501(c)(6) tax-exempt status. This document explains those differences and why Oregon City's anticipated tourism organization should qualify for 501(c)(6) status but not 501(c)(3).

Background

As a bit of background, it would be helpful to first explain the difference between different types of tourism organizations. The term "Destination Marketing Organization" or "Destination Management Organization" often refers to government-created and government-run entities that are funded by a tax on transient lodging in the area that the DMO serves. Those DMOs that are a part of local government are not subject to income tax and do not need to apply for tax-exempt status. Tourism promotion organizations can also be incorporated as private entities. In Oregon, that would usually be a mutual benefit nonprofit corporation and might be an organization that performs other allowable activities as well, like a chamber of commerce or trade association. This type of entity will be subject to income tax unless it applies for and receives tax-exempt status from the IRS. Because Oregon City has only contemplated the latter method of organization, this document does not discuss government-run entities, but only private nonprofit corporations and tax-exempt status.

Discussion

A. 501(c)(3) Tax-Exempt Status

All tax-exempt organizations are exempt from paying income tax; however, organizations exempt under Section 501(c)(3) are also eligible for grants from other 501(c)(3) entities and donors to these organizations have the potential to deduct their donations on their personal income taxes. Because of this, the IRS regulates 501(c)(3) organizations more heavily than any other type of tax-exempt entity. While there are many types of 501(c)(3) organizations, they will not be explored here as they are not relevant to this discussion.

In order to qualify as tax-exempt under IRC Section 501(c)(3), an organization must be organized and operated exclusively for one or more of the following exempt purposes: Charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals. The term "charitable" includes "relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency." Treas. Reg. Sec. 1.501(c)(3)-1(d)(2). There are a number of other requirements and restrictions for 501(c)(3) organizations, but this requirement is the most relevant to this discussion.

An organization is regarded as "operated exclusively" for 501(c)(3) exempt purposes as long as it engages primarily in activities which accomplish one or more of the exempt purposes listed above. If an organization has a private rather than a public purpose, then it is not "organized or operated exclusively" for a 501(c)(3) purpose. Treas. Reg. Sec. 1.501(c)(3)-1(d)(1)(ii).

1. *Promoting tourism is not an exempt purpose because it primary promotes businesses and their common business interests*

The IRS has explicitly found that promoting tourism in an area is not a 501(c)(3) exempt purpose. For example, the IRS denied an organization 501(c)(3) status when its primary purpose was to promote a specific area in a manner that it would become a travel destination. IRS PLR, 202131013 (Aug. 6, 2021). The organization's goal was to draw in daily traffic off the interstate to the area by making and distributing literature and pictures describing points of interest in the area; producing and distributing flyers and brochures including a caricature map, community events brochure, and tour guide; providing local businesses with postcards to sell to customers; developing and conducting social media campaigns, marketing campaigns, recreational events, and branded signage to encourage visitors to the area and to support local businesses. *Id.* The IRS found that these activities primarily promote businesses and their common business interests, and such activities are not considered 501(c)(3) exempt activities. *Id.*; *See, e.g.,* Rev. Rul. 77-111, 1977-1 C.B.

2. *Promoting tourism does not lessen the burdens of government*

The IRS has also not found that tourism promotion activities fall under the category of "lessening the burdens of government" and is unlikely to do so in most scenarios. Obtaining exemption under the "lessening the burdens of government" purpose is limited to a very small number of organizations. In order for an activity to qualify under this category, the government must have made an "objective manifestation" that it considers this activity to be its responsibility and burden. It must also actually lessen those burdens.

Under the first part of this test, "[t]he fact that an organization is engaged in an activity that is sometimes undertaken by the government is insufficient to establish a burden of government." Rev. Rul 85-2. If the government has undertaken this activity in the past, then that can help to meet this standard, but it is insufficient on its own. *Id.* The clearest way to establish this is a statute that requires the creation of the entity. *Id.* Generally, these activities will be activities that are considered integral to the services and duties provided and performed by government. For example, in Revenue Ruling 85-2, the IRS found the organization at issue lessened the burdens of government because the organization provided legal assistance to guardians who represented abused and neglected children before a juvenile court that required these guardians be appointed. This was a service that the state's laws allowed the local government to provide and the court's rules required that the local government provide it. *Id.* The government had previously provided these services and *was required by the court rules* to do so. *Id.* In addition, a working relationship continued between the government-run court and the organization and the organization was supported by grants from the court. *Id.* Conversely, the IRS has explicitly found that promoting tourism and local businesses is not generally an activity that a government unit considers to be a governmental function. *See, e.g.,* IRS PLR 202131013 (Aug. 6, 2021).

Under the second part of this test, the organization must actually lessen those burdens. Under Rev. Rul. 85-2, this was found to be the case because the organization took over, with continued support of the court, a service that the government had previously been required to provide and which it did provide for some time.

Oregon City's new tourism nonprofit will not qualify under Section 501(c)(3) because its primary activity is not an activity exempt under Section 501(c)(3). Its main purpose is promoting tourism and the common business interests of tourism-related businesses in Oregon City, similar to those of the organization in PLR 202131013. The IRS has specifically found these activities do not qualify as 501(c)(3) purposes. In addition, its activities will almost certainly not qualify as lessening the burden of government in light of the IRS's narrow interpretation of that provision. Given that the IRS has denied tourism organizations 501(c)(3) status in the past, it would be unlikely that this new nonprofit would be able to obtain 501(c)(3) status for a very similar organization and activities as those that have been previously denied.

B. 501(c)(6) Tax-Exempt Status

Similar to 501(c)(3) organizations, 501(c)(6) organizations are not required to pay income tax. However, unlike 501(c)(3) organizations, the donors to 501(c)(6) organizations cannot deduct those payments as charitable donations on their personal income taxes. This is not usually as much of a detriment as it may initially sound, though. This is because the main source of income for a 501(c)(6) organization is often dues and other contributions by its members, most of whom are businesses that can deduct these payments as business expenses on their taxes.

IRC Section 501(c)(6) provides for the exemption of the following types of organizations: Business leagues, chambers of commerce, real estate boards, boards of trade, and professional football leagues. All 501(c)(6) organizations must also be membership organizations and they must receive a meaningful amount or extent of support from their members. IRS, *IRC 501(c)(6) Organizations* K-4 (2003), *available at* https://www.irs.gov/pub/irs-tege/eotopick03.pdf [hereinafter *IRC 501(c)(6) Organizations*].

1. *Oregon City's tourism organization's purpose qualifies as a 501(c)(6) chamber of commerce or board of trade*

A business league is an association of persons having some common business interest, so long as the purpose of the organization is to promote that common interest and not to engage in a regular business of a kind ordinarily carried on for profit. Treas. Reg. Sec.1.501(c)(6)-l. "To be exempt as a business league, an organization's activities must be devoted to improving business conditions of one or more lines of business (as distinguished from performing particular services for individual persons or members). It must be shown that the conditions of a particular trade or the interests of the community will be advanced." IRS, *Business Leagues*, https://www.irs.gov/charities-non-profits/other-non-profits/business-leagues. Chambers of commerce and boards of trades are treated by the IRS as being in the same class as business leagues and have the same requirements for exemption, but "rather than promoting one or more lines of business, their efforts are directed to promoting the common economic interests of all commercial enterprises in a given trade community." Treas. Reg. Sec. 1.501(c)(6)-l; Rev. Rul. 73-411.

Based on discussions so far, the purpose of this new nonprofit aligns with those allowed for chambers of commerce or boards of trade. As it is used in Section 501(c)(6), the "term 'business' is very comprehensive and embraces everything about which a person can be employed." *Associated Industries of Cleveland v. Commissioner*, 7 T.C. 1449, 1465 (1946), acq. 1947-1 C.B. 1. This new nonprofit plans to promote Oregon City as a tourist destination, thus improving conditions for all businesses in the municipality that would benefit from tourism. This is a purpose similar to chambers of commerce and other 501(c)(6) organizations that promote tourism primarily as a way to benefit and promote tourism-related businesses in the community. As such, as long as the new nonprofit does not do anything that violates 501(c)(6) regulations, it should qualify for 501(c)(6) tax-exempt status.

2. *The nonprofit must have meaningful membership support and not perform particular services to members or others in order to qualify under Section 501(c)(6)*

There are many ways that an organization might violate 501(c)(6) regulations, but a few are most applicable and worth mentioning here: membership support and providing "particular services" to members or others.

a. Membership support

All 501(c)(6) organizations must be membership organizations and the members must provide meaningful support to the organization; however, the IRS allows some latitude in the role of members and how they support the organization. In terms of the role of members, these do not have to be "members" as defined under Oregon law, which means that they do not have legal voting rights. In terms of member support, characteristically that would consist of dues. However, a 501(c)(6) organization can receive a substantial or even a primary part of its income from non-member sources, as long as the members provide a "meaningful level" of support. In determining membership support, all of the following should be included:

- "Any income derived from the performance of the organization's exempt functions or from substantially related activities," and
- "Contributions or gifts from the general public."

On the other hand, income received from activities unrelated to the organization's primary, tax-exempt purpose, should be excluded from determining the level of membership support. *IRC 501(c)(6) Organizations*, *supra*, at K-13.

For this new organization, if the City Commission and staff do not want to have voting members with legal rights, that is allowable, as long as there are nonvoting members who provide meaningful support. Part of that could be contributions from the public or income from the organization's 501(c)(6) purposes, but it is also important that the nonvoting members be aware of and involved in activities and programs and potentially pay dues.

b. Particular services

Another common pitfall for 501(c)(6) organizations is performing "particular services" for their members or others. This is not prohibited, but it cannot be a 501(c)(6) organization's primary purpose. *IRC 501(c)(6) Organizations*, *supra*, at K-24. For example, an organization created to attract tourists to a particular area was denied 501(c)(6) status because its main activity was publishing a yearbook which consisted mostly of paid advertisements by its members. Rev. Rul. 65-14, 1965-1 C.B. 236. Similarly, if an organization's main purpose is to produce publications that list the information of members or to advertise for or provide business services for members or others, that organization will not be exempt under 501(c)(6). *IRC 501(c)(6) Organizations*, *supra*, at K-24. Remember, these activities are allowed but only if they do not constitute a substantial purpose of the organization.

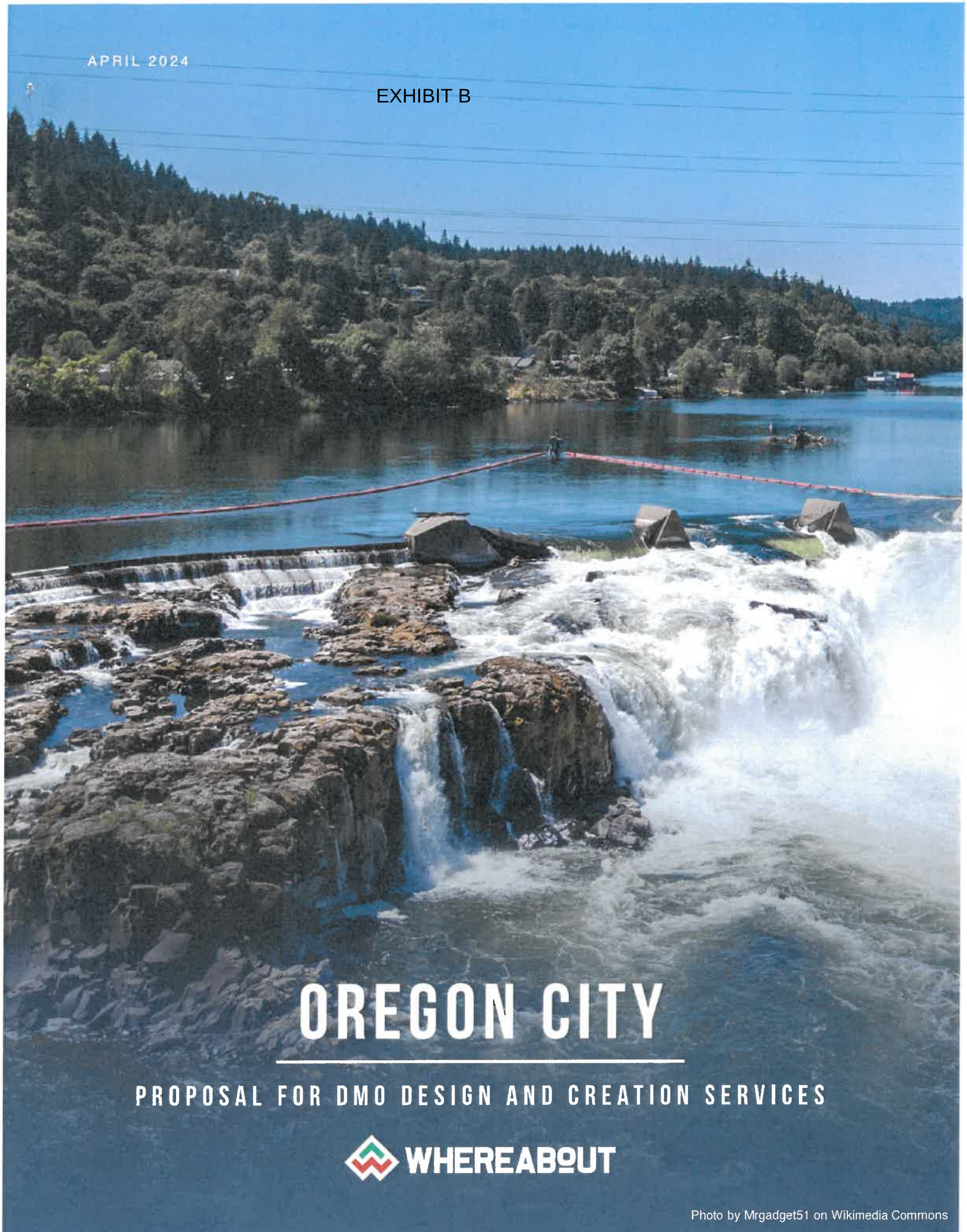
In summary, Oregon City's tourism nonprofit will qualify for 501(c)(6) status if its primary purpose is to promote tourism in the area in order to improve "the common economic interests of all commercial enterprises" in Oregon City, it has voting or nonvoting members that provide meaningful support, its primary purpose is not to provide particular services to the members or other individuals/entities, and we ensure it complies with all other 501(c)(6) requirements.

Conclusion and Recommendation

Oregon City's new tourism nonprofit will best be able to fulfill its intended mission as a 501(c)(6) tax-exempt entity. Based on the current plan for its mission and activities, it will not qualify as a 501(c)(3) tax-exempt entity, and changing its purpose to do so will make the City's and community partners' goals for the organization very difficult if not impossible to achieve. In addition, 501(c)(6) status will provide for exemption for income tax, just like a 501(c)(3), and most dues or donations paid by members or businesses to the organization will be tax deductible to those paying as business expenses.

APRIL 2024

EXHIBIT B



OREGON CITY

PROPOSAL FOR DMO DESIGN AND CREATION SERVICES

WHEREABOUT

Photo by Mrgadget51 on Wikimedia Commons

James N. Graham, CEcD
Economic Development Manager
Oregon City
igraham@orcity.org

Dear Mr. Graham:

Clearly, Oregon City has thought about setting up a Destination Management Organization (DMO) for some time, and has recognized tourism as a critical economic sector to support. With successes to count and a visitor economy that has mostly rebounded from the pandemic lows, now is the time to form and launch that new organization.

As the proposed lead for this project, please let me introduce myself: I'm a destination strategist who has led travel and tourism projects across a multitude of challenges: sustainability, recovery, destination development, and strategic planning. My past clients span the U.S. and include Brand USA, Travel South, nine state tourism agencies, and dozens of county and municipal destinations, from The Palm Beaches, Florida, to Oregon City, OR. I've been doing this work for nearly 12 years.

In my previous role as Travel & Tourism Practice Lead at Coraggio Group, I led the consulting team that created Oregon City's 2018 Tourism Strategic Plan. We believed then that the time had come for Oregon City to stand up an organization dedicated to promoting the visitor economy, and I'm glad to see the City taking action on that recommendation.

As you consider the proposals you receive, I'd like to highlight a few key attributes that I believe set the Whereabout team and approach apart:

- Our **experience working in Oregon City**—and with many other Oregon destinations, including Clackamas County Tourism—brings with it a local understanding that will enable us to ramp up quickly.
- Our team includes Rosalie Westenskow, the founder of Nonprofit Law Northwest, who is **expert at the creation of nonprofit entities in Oregon**.
- Our team also includes Cheryl Cuming, the administrator of two DMOs in California, bringing the **perspective of what a DMO looks like from the inside** and what qualities a DMO leader must have.
- Our engagement with destinations across the U.S. has allowed us to develop an **understanding of trends and emerging innovations** that will help you create a DMO responsive to our time.
- As a small firm designed specifically for tourism economy efforts like this, you'll receive the **responsiveness and personalized service** that this process deserves.

On behalf of the team, we are enthusiastic about the opportunity to help Oregon City design and launch a DMO, and look forward to the opportunity to share more about our approach with you.

Sincerely,

Matthew Landkamer
Founding Principal, Whereabout

WHEREABOUT

CONTENTS

ABOUT WHEREABOUT

GSTC®
MEMBER

Whereabout is a **destination futures studio** focused on stewardship. We believe that every destination can achieve a sustainable balance between a robust visitor economy, protection of natural resources, and resident quality of life—and that setting a long-term vision for the future is the first step. We've worked with dozens of destination organizations across the U.S. at every scale to create destination assessments, strategic plans, stewardship plans, and marketing plans. Whereabout was founded in 2021.

Primary Contact: Matthew Landkamer, Founding Principal
(206) 349-5948 I matthew@whereabout.travel
P.O. Box 3604 Portland, OR 97208

park city™
CHAMBER OF COMMERCE | CONVENTION & VISITORS BUREAU

EXPLORE BUTTE CA

CITY OF NAPA

OREGON'S MT. HOOD TERRITORY

Willamette Valley

enjoy illinois

NORTH TAHOE NTCA COMMUNITY ALLIANCE

TRAVEL OREGON

USA VisitTheUSA.com Brand USA

SONOMA COUNTY • CALIFORNIA • LIFE OPENS UP®

EXPLORE TUALATIN VALLEY

SLO CAL

TEAM ORGANIZATION

Matthew Landkamer will serve as the lead of the project team and the primary point of contact for Oregon City.

Regular communication is key to success projects such as the Oregon City DMO Creation. Therefore, we recommend a standing 30-minute meeting every other week between the Oregon City lead and Whereabout staff. In these meetings, we'll share updates on recently completed tasks, talk about ongoing work, give a preview of upcoming work, check in on project budget and schedule, and inform Oregon City of any required tasks or logistics.

The structure of the team is illustrated below.

WHEREABOUT TEAM

MATTHEW LANDKAMER
PROJECT LEAD, DESTINATION STRATEGIST

Matthew is a destination strategist, change leader, and idea generator. For nearly a decade, his work has been focused on helping destinations think strategically about their organization, their visitor economy, and their place. He has helped state tourism agencies and local DMOs across the country with Sustainable Destination Management Planning, recovery planning, strategic planning, and change management. He founded Whereabout in 2021 to focus his work around his belief that every destination can achieve a healthy balance between a robust visitor economy, protection of natural resources, and resident quality of life.

In addition to his client work, he's served on the U.S. Travel Board of Directors and has been invited to speak at conferences throughout the world on topics such as destination resilience, destination strategy, and regional collaboration between destination organizations.

CERTIFICATIONS

Professional Certificate in Sustainable Tourism, Global Sustainable Tourism Council (GSTC)

PROSCI® Change Management

Public Interest Design, SEED Network

EDUCATION

B.A. in Fine Arts, Nebraska Wesleyan University

RELEVANT PROJECTS

» **Oregon City, OR**
Tourism Strategic Plan*

» **Clackamas County Tourism**
Planning Process Redesign

» **Experience Champaign-Urbana, IL**
Strategic Plan & Organizational Redesign

» **North Tahoe Community Alliance, CA**
Stewardship Plan, Strategic Plan, & Organizational Redesign**

» **City of Napa Tourism Improvement District, CA**
Strategic Plan and DMO Design (in progress)

» **Explore Tualatin Valley, OR**
Strategic Plan

» **Albany Visitors Association, OR**
Strategic Plan

» **Oregon's Adventure Coast, OR**
Strategic Plan

» **Oregon Coast Visitors Association**
Strategic Plan (in progress)

» **Travel Oregon**
Tribal Tourism Collective Strategy

projects marked with ** performed as Whereabout, under a Coraggio Group team
projects marked with an * performed under previous employment at Coraggio Group

WHEREABOUT TEAM

STACY HUMPHREY
DESTINATION STRATEGIST

CERTIFICATIONS

Professional Certificate in Sustainable Tourism, Global Sustainable Tourism Council (GSTC)

PROSCI® Change Management

Project Management, PSU CEPE

Strategic Organizational Development, PSU CEPE

EDUCATION

M.S.P. Urban Planning, Florida State University

Stacy Humphrey is a strategic planner, community advocate, and destination strategist. For over two decades, she has been focused on community visioning and problem solving, bringing in all community voices, and charting a path forward with the broadest benefit and support. Stacy has deep experience in travel & tourism and community economic development. She has helped local community and state tourism agencies across the country with tourism planning and in charting a course forward through economic recovery. Stacy founded Stacy Humphrey LLC in 2022 to focus her work on communities, strategy, and economic development.

RELEVANT PROJECTS

» **Experience Champaign-Urbana, IL**
Strategic Plan & Organizational Redesign

» **Visit Grants Pass, OR**
Building a Vibrant Downtown

» **Oregon Coast Visitors Association**
Strategic Plan (in progress)

» **City of Napa Tourism Improvement District, CA**
Strategic Plan and DMO Design (in progress)

» **Town of Marana, AZ**
Tourism Strategic Plan (in progress)

» **Town of Gilbert, AZ**
Tourism Strategic Plan*

» **City of Avondale, AZ**
Avondale Tourism Plan*

» **Great Rivers & Routes, IL**
Tourism Master Plan (in progress)

» **Park City/Summit County, UT**
Sustainable Tourism Plan*

» **Heber Valley, UT**
Tourism Master Plan*

» **Metro Tribal Affairs, OR**
Public Engagement Guide and Communications

Projects marked with an * performed under previous employment at Coraggio Group

WHEREABOUT TEAM

GREG NETZER
COMMUNITY STRATEGIST

Greg is a strategic consultant and leadership advisor with more than 25 years of experience consulting for and leading organizations as varied as Fortune 100 companies and startup nonprofits, including a decade in entrepreneurship and economic development. He has extensive experience in strategic planning, brand strategy development, organizational alignment, process design and improvement, stakeholder engagement, communications and business planning, and facilitation. Greg focuses on helping leaders to clarify their vision and build the business strategy that will help them attain it. He is also an award-winning writer with a long history writing about business and culture for publications such as The New York Times Magazine and many others.

INDUSTRY EXPERIENCE

Technology, Consumer Products, Healthcare, Energy, Food & Beverage, Education, Government, Manufacturing, Nonprofit, Economic Development, Tourism, Financial Services

EDUCATION

Master of Fine Arts in English/Writing, University of Michigan

Bachelor of Science in Business Admin/Finance, University of Missouri

RELEVANT PROJECTS

- **City of Napa Tourism Improvement District, CA**
  Strategic Plan and DMO Design (in progress)
- **Travel North Tahoe, NV**
  Strategic Plan (in progress)
- **Visit Camarillo, CA**
  Strategic Plan
- **Explore Wilsonville, OR**
  Tourism Development Strategy (in progress)
- **Lower Columbia Tourism Committee, OR**
  Strategic Plan (in progress)
- **Seattle Public Library, WA**
  Ten-Year Master Strategic Plan
- **City of Salem, OR**
  Strategic Communications & Engagement Plan
- **City of Independence, OR**
  Tourism & Economic Development Brand Strategy
- **Clark County & Skamania County, WA**
  Crisis Triage Center Readiness Assessment, Strategic Plan
- **Portland Innovation Quadrant (IQ), OR**
  Innovation District Business Plan, Strategic Plan

WHEREABOUT TEAM

ROSALIE WESTENSKOW
NONPROFIT LAW

As one of the top nonprofit attorneys in Oregon, Rosalie has worked with hundreds of nonprofits around the state. She has been practicing nonprofit law for more than seven years and started her own practice, Nonprofit Law Northwest, LLC, in 2018, which focuses specifically on nonprofit organizations, including compliance with IRS regulations and Oregon nonprofit law. Rosalie loves working with organizations to help them achieve their goals. She works with nonprofits on a wide variety of matters, including creating new nonprofits, obtaining (and retaining) tax-exempt status, setting up sister organizations, achieving an effective corporate governance structure, complying with unrelated business income tax rules, fiscal sponsorship agreements, contracts for goods and services, leases, and a variety of other matters. Rosalie regularly presents on nonprofit legal issues for nonprofit leaders and other attorneys.

PROFESSIONAL ASSOCIATIONS AND PUBLICATIONS

Oregon State Bar Association

Executive Committee of Oregon's Nonprofit Organizations Law Section

Editor, *Nonprofit Law in Oregon*, Oregon State Bar Book (2024)

EDUCATION

Lewis & Clark Law School, Summa cum Laude

Brigham Young University, Journalism

RELEVANT PROJECTS

Acquisition:

» Nonprofit Association of Oregon and Center for Nonprofit Law (Represented NAO, statewide nonprofit membership organization that supports and represents charitable nonprofits of all sizes, in acquiring CNS)

Entity Start-Up:

» Lincoln County Long-Term Recovery Group; Klamath & Lake Long-Term Recovery Group (Disaster response entities created in conjunction with FEMA and federal funding following the Labor Day fires of 2020)

» The Arc of Benton County (Chapter of the nationwide nonprofit, The Arc of the United States)

Tax-Exempt Status Change:

» Christmas Ships, Inc. (Provider of the annual family favorite Christmas ships parade)

Obtaining Tax-Exempt Status:

» Rogue Food Unites ($11 million budget disaster recovery group in Southern Oregon)

WHEREABOUT TEAM

CHERYL CUMING
DMO OPERATIONS SPECIALIST

AWARDS

Visit CA Committee To Community Poppy Award

NOOA/Monterey Bay National Marine Sanctuary Sea Star Award

EDUCATION

Bachelor of Science, Business Admin: Marketing, University of Arizona

Cheryl's career has included public relations, marketing, brand development, advertising, sales operations and Business Improvement District administration. Her experience extends to both public and private sectors with businesses of all sizes—spanning from owning a 10-person ad agency/graphic design firm, to an independent newspaper group, and most recently working as a contracted Chief Administrative Officer managing several tourism marketing districts. She brings a keen understanding of relationship-based service and process implementation.

Since 2010 Cheryl has been the contracted CAO of the unincorporated San Luis Obispo County Tourism BID, known as Highway1RoadTrip. For the last 7 years she has also contracted with the Santa Maria Valley Tourism District working in conjunction with the SMV Chamber. Cheryl focuses on marketing strategy and district administration, leading a team of 24 contracted marketing and administrative professionals in partnership with 6 advertising firms across 9 districts with over 50 constituent board members. Her sweet spot is building collaborative relationships across communities while implementing strategic programs that create results.

She also enjoys being involved in the community she loves, serving on the boards of the SLO Museum of Art, YMCA, SLO Coast Wine Collective, SLO Chamber of Commerce (Chair 2015), the Hearst Cancer Center, and Cal Poly's Experience Industry Management Program Advisory Council.

INDUSTRY EXPERIENCE

Consumer Products, Retail, Healthcare, Government, Media, Nonprofit, Tourism, Professional Development, Advertising, and Sales Management

APPROACH TO DMO DESIGN & CREATION

PHASE 1: DISCOVERY & ANALYSIS

The first phase of work builds towards a Strategic Perspectives Report, which will compile and contextualize a broad perspective of stakeholder preferences for the DMO, the work done to date, where there are gaps, and what opportunities can be created by DMO creation.

KICKOFF MEETING

Our first step is a 60-minute kickoff meeting with the key Oregon City representative(s) where we will ensure alignment on the scope of work and timeline, discuss project logistics, identify relevant and available data sources, and identify associated documents that may influence DMO creation.

DATA AND ASSOCIATED DOCUMENT REVIEW

After the Kickoff Meeting, we will gather your available data, including any statewide data including but not limited to: visitor profiles and behavior, economic impact, hotel occupancy and rate trends, as well as any research related to specific target markets and demographics. We will rely on available data from you and your partners. We will also gather associated documents that will be influential to this process. Once all the materials are gathered, we will review them with an eye to pulling out relevant and influential information that will contribute to the framing of the needs of Oregon City for a new DMO.

STAKEHOLDER ENGAGEMENT: INDUSTRY SURVEY

The survey will go to as broad a selection of tourism stakeholders as possible and will gather their impressions of the current state of your visitor economy, their opinions about what the focus areas of a new DMO should be, and the primary obstacles they see related to the creation of a new DMO for Oregon City.

STAKEHOLDER ENGAGEMENT: INTERVIEWS

Hearing directly from your stakeholders is an important input to a Strategic Plan that has buy-in from the City's tourism industry. Parallel to the review of associated plans and stakeholder survey, we will conduct up to 10 individual video interviews with key stakeholders with a vested interest in the success of the City's DMO.

STRATEGIC PERSPECTIVES REPORT/PRESENTATION

The Strategic Perspectives Report is the keystone of the process, as it provides crucial thematic considerations for the design phase and will be a head-start to the process. We will analyze and synthesize all the information gathered from available data, associated plans, and stakeholder outreach, combine these with broader tourism industry trends and data, and draw conclusions about critical needs that the design of the DMO will need to address. The report will include:

- Introduction/Methodology
- Tourism Industry Trends to Watch
- Oregon City Tourism Trends
- Strategic Perspectives
  - Thematic Summary
  - Data Points
  - Quotes
  - Conclusions
- Appendices
  - Survey Results
  - Bibliography

PHASE 2: ORGANIZATIONAL DESIGN

In phase 2, we will work closely with our key Oregon City representative(s) and perhaps a small team of local tourism industry representatives to identify the skills and capabilities that the DMO will need to be successful, and then to design an organization to meet those needs.

SKILLS & CAPABILITIES NEEDS ANALYSIS

We will begin by building and populating a skills & capabilities matrix that will help us to identify the skills and capabilities needed for the New Oregon City DMO.

ORGANIZATIONAL DESIGN

Once we are clear on the skills and capabilities needed, we will be able to design an organization to meet those needs. While it's likely that the Oregon City DMO will start off small, there are a great number of trade-off decisions to be made. For example: to what degree will social media be handled in-house vs. via a contractor? Or, will the leader of the DMO be a City employee or an independent contractor?

ROLE DESIGN

Once we understand the skills & capabilities needs and the general organizational structure, we will be able to write detailed descriptions for the role(s) we have aligned upon. These role descriptions will be the basis for any recruitment that occurs in Phase 4.

CITY COMMISSION REPORT

At this point of the process, we will have a good idea of the shape of the organization and will be able to share our work with the City Commissioners to gain their perspective and buy-in. To the degree that they have recommendations to change what we've designed, we will take those comments under consideration before we move into phases 3 and 4.

PHASE 3: ENTITY CREATION

In Phase 3, Nonprofit Law NW will perform the following tasks to form a nonprofit legal entity with 501(c)(6) tax-exempt status. Please note that they are required under the Oregon ethical rules for attorneys to have a designated client in performing the work listed below. There are a few ways to structure this, but ultimately they will need to represent the DMO itself once it is created and the Board put in place in order to lead the Organizational meeting and apply for tax-exempt status. Nonprofit Law NW would then represent the DMO in drafting the contract between the City and the DMO. If they represent Oregon City in incorporating the DMO, then both the City and the DMO would need to sign consent forms acknowledging a potential conflict of interest and agreeing to that representation for them to draft the contract.

CREATION OF ENTITY

» Meet with Oregon City representatives to discuss different options for structuring the DMO;
» File Articles of Incorporation as a public benefit corporation in Oregon;
» Draft several policies that the IRS wants tax-exempt entities to have (including a Whistleblower policy, Conflict of Interest policy, and Travel Expenses and Reimbursement policy);
» Provide a Board Statement of Agreement and Code of Conduct, which lays out the duties of Board members and expected behavior/ conduct, for Board members to review and sign;
» Hold an Organizational Meeting at which the initial DMO Board will be appointed, the policies mentioned above will be adopted, and several other motions necessary to begin operations will be approved (I will walk the DMO Board through all of this and draft the first set of meeting minutes so that the Board has a template for future meetings);
» Meet with the DMO Board to discuss and design the organization's Bylaws, the internal governance document that lays out how the DMO will hold meetings, vote, elect directors, etc. (this is an invaluable meeting, as it teaches the Board the ins and outs of Oregon

law related to nonprofits, and allows the Board to customize how the organization will be run);

» Draft Bylaws for the DMO;

» Apply for an Employment Identification Number ("EIN") for the entity (this is necessary to open a US bank account and apply for tax-exempt status as a 501(c)(6));

» Register the DMO with the Oregon Department of Justice (required for all Oregon nonprofit public benefit corporations); and

» Providing a virtual training for the DMO Board on Oregon nonprofit law and IRS regulations governing 501(c)(6) tax-exempt entities.

TAX EXEMPT STATUS

» Fill out and file Form 1024: Application for Tax-Exempt Status to obtain 501(c)(6) status.

CONTRACT

» Draft and (if needed) negotiate a contract for services between Oregon City and the DMO.

PHASE 4: RECRUITMENT SUPPORT

Once you have created your legal entity, it will be time to either retain a contractor or a City employee to begin the work of the DMO. In this phase we will assist Oregon City in this important step.

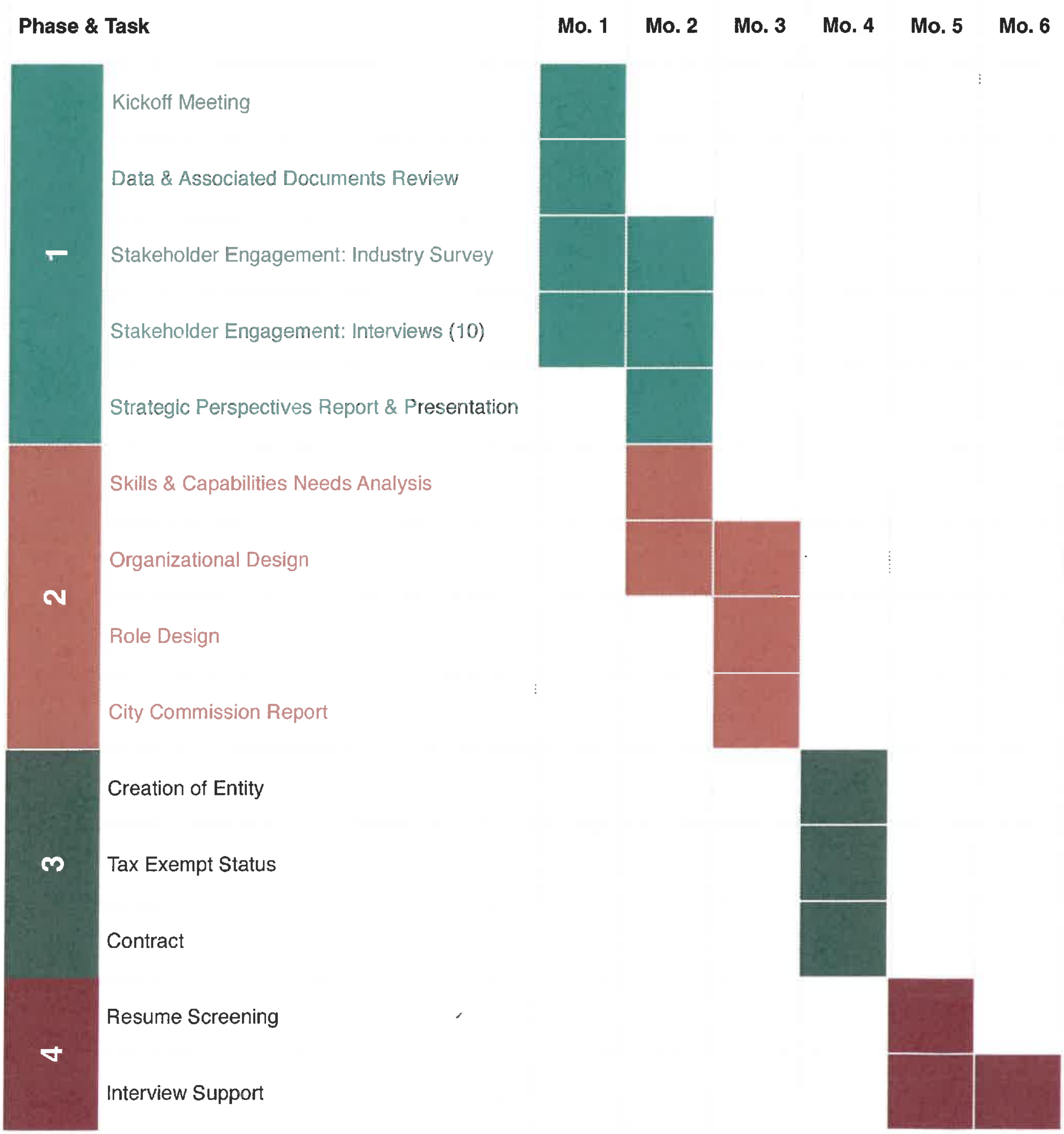
RESUME SCREENING

Leveraging our depth of experience working with—and in—DMOs, we will assist Oregon City in reviewing applicants for the role(s) and in selecting finalists.

INTERVIEW SUPPORT

Finally, if desired, we will design interview questions and sit in on interviews for the DMO role(s) as an advisor.

PROPOSED TIMELINE: ~6 MONTHS



PROPOSED INVESTMENT

TOTAL INVESTMENT

Whereabout's proposed costs per phase are detailed below. The total proposed fees for the Oregon City DMO Design and Creation project, including separate line item for legal fees, are **$36,275.**

DISCOVERY & ANALYSIS	$14,775
DMO ORGANIZATIONAL DESIGN	$9,450
NONPROFIT FORMATION	$6,150*
RECRUITMENT SUPPORT	$5,900
TOTAL CONSULTING FEES	**$36,275**

***Inclusive of $50 filing fee to file the Articles of Incorporation and a $600 filing fee to file the Form 1024. Please note that the legal work performed by Rosalie Westenskow will be billed as a separate line item, as those dollars cannot be blended with the fees of non-attorneys due to ethics guidelines.**

TERMS

Whereabout invoices monthly, including consulting fees and reimbursable costs as incurred. Invoices are due Net 30.

RESPONSE TO RFP OUTLINE

KNOWLEDGE OF THE TOURISM INDUSTRY IN OREGON AND THE GREATER PORTLAND METRO REGION

Members of our proposed team have consulted with the following destination organizations in the greater Portland Metro region:

- » City of Oregon City
- » Clackamas County Tourism
- » Travel Portland
- » Explore Tualatin Valley
- » City of Newberg
- » Willamette Valley Visitors Association
- » Travel Oregon

Additionally, Matthew Landkamer, Whereabout's founder, was the lead consultant on the team that assisted Oregon City with its Tourism Strategic Plan in 2018.

HANDS ON EXPERIENCE IN STRUCTURING A NONPROFIT ORGANIZATION THAT COMPLIES WITH THE U.S. INTERNAL REVENUE CODE; HANDS ON EXPERIENCE WITH FILING STATE BUSINESS FORMATION DOCUMENTATION THAT COMPLIES WITH STATE BUSINESS FORMATION FILING CODE

As one of the top nonprofit attorneys in Oregon, Rosalie Westenskow has worked with hundreds of nonprofits around the state. She has been practicing nonprofit law for more than seven years and started her own practice, Nonprofit Law Northwest, LLC, in 2018, which focuses specifically on nonprofit organizations, including compliance with IRS regulations and Oregon nonprofit law.

Photo by Oregon State Archives on Wikimedia Commons

CAPABILITIES IN SURVEY DEVELOPMENT, SURVEY INTERPRETATION; FOCUS GROUP DEVELOPMENT AND FEEDBACK INTERPRETATION

Nearly every Whereabout project includes stakeholder engagement—this usually involves a stakeholder and/or resident survey and 1:1 interviews with key stakeholders. In some cases, we also conduct focus groups and/ or town halls to gather information from larger groups.

RESPONSE TO RFP OUTLINE

EXPERTISE IN PRESENTING AND INTERPRETING MARKET DATA THAT IS REFLECTIVE OF THE PORTLAND METRO REGION, COMPARATIVE MARKET DATA AND ANALYSIS OF SPECIFIC COMMUNITIES WITHIN THE PORTLAND METRO REGION THAT ARE RELATIVELY SIMILAR TO OREGON CITY; ABILITY TO GATHER TOURISM MARKET DATA OF OREGON CITY AND CONDUCT A COMPARATIVE ANALYSIS OF OREGON CITY'S TOURISM MARKET OVER THE LAST SEVEN YEARS; ABILITY TO CONVEY COMPLEX CONCEPTS INTO EASY TO COMPREHEND METHODS, UTILIZING GRAPHICS AND CHARTS; EXPERIENCE IN MAKING PUBLIC PRESENTATIONS TO PUBLIC OFFICIALS AND INDUSTRY-FOCUS GROUPS

Perhaps the best argument we can make for these items is to point you toward one of several presentations given to the Oregon City Commission during the development of the Tourism Strategic Plan in 2017 and 2018. This particular presentation, linked below, includes benchmarking of some comparable destination and the explanation of complex data through use of charts:

https://oregon-city.granicus.com/player/clip/2121?view_id=6&meta_id=122332&redirect=true

EXPERIENCE IN ESTABLISHING AN OPERATIONAL MODEL DESIGNED TO FUNCTION SIMILAR TO A PROFESSIONAL, TOURISM-RELATED, BUSINESS-LIKE OPERATION

The consultants assigned to this team have worked with scores of destinations across the country, understand different DMO operational models well, and have helped several destinations with organizational redesign. We have also included Cheryl Cuming on our team specifically to bring her direct experience of managing two DMOs.

ABILITY TO PROVIDE WRITTEN FEEDBACK, EXAMINING AND PRESENTING AN ANALYSIS OF "WHAT WENT RIGHT" AND "WHAT WENT WRONG" OF PAST/CURRENT EFFORTS OF OREGON CITY'S ACTIVITIES TO ESTABLISH A TOURISM PROGRAM

The Strategic Perspectives Report that we will compile at the end of our Discovery & Analysis phase will compile key points from stakeholder interactions, synthesized with information from available data sources and our knowledge of tourism industry trends and best practices, to arrive at a set of strategic considerations for Oregon City as we embark on the design of the organization. As part of the stakeholder outreach, we will be seeking to understand what has gone right and wrong, but will also provide our own analysis.

PRESENT A BUDGET IN RESPONSE TO THIS RFP

See page 13.

SUMMARY/RESUME OF CONSULTANT'S BACKGROUND AND THAT OF OTHERS WHO WILL BE DIRECTLY INVOLVED IN FULFILLING THE SCOPE OF WORK

See Whereabout team summary, beginning on page 3.

625 Center Street
Oregon City, OR
97045
503-657-0891

CITY OF OREGON CITY

Staff Report

To:	City Commission	**Agenda Date:**	October 8, 2024
From:	Thomas Kissinger, Assistant Parks and Recreation Director		

SUBJECT:
Parks SDC Methodology Update

STAFF RECOMMENDATION:
City Commission discussion topic for an update on the Parks SDC methodology project.

EXECUTIVE SUMMARY:
The City Commission has requested time to discuss the draft Parks SDC methodology project. There are also some policy decisions to discuss that will ultimately impact the final Parks SDC calculation. These policy decisions include:

- Pool and Recreation Center – include in the SDC methodology or not. Currently, the pool and recreation center are included in the draft SDC project list (Table 1) and Table 2 shows the impact of this project on the preliminary updated SDCs.
- Neighborhood Parks – change SDC methodology so it is paid by residential and non-residential. The current methodology recovers growth-related neighborhood park project costs from residential development only. However, some planned neighborhood parks will also serve areas in proximity to nonresidential development (e.g., Thimble Park); therefore, the preliminary SDCs shown in Tables 3-5 include both options for comparison.
- Residential SDC categories (See Table 3):
    1. Potential of scaling of SDCs for single-unit housing units based on dwelling size (using Tri-City tiering factors) vs. continuing to charge a uniform SDC for all dwelling sizes.
    2. Dwelling type categories for other housing. This includes the question of whether to combine single-unit and middle housing (2-4 unit structures) into a single group or charge separately. Also, basis for charging mobile homes and accessory dwelling units is a policy decision given limited data on these uses.
- Nonresidential SDCs – The existing categories and assumptions have not changed since the 2000 SDC methodology was developed. Some communities are consolidating land use types into broader categories and updating assumptions with more current employment density assumptions. A sample revised structure and set of assumptions is shown in Table 5.

BACKGROUND:

The Parks SDC Methodology project is nearing completion and we are ready to begin discussing the draft tables prior to public engagement and outreach.

OPTIONS:

1. Provide staff feedback on the proposed draft SDC tables and policy decisions

Table 1
Draft Parks & Recreation SDC Project List

Project	SDC Classification	Timing	Land Acquisition Cost[1]	Development Cost	Total Cost	% Capacity Expansion	Growth Share[2]	Growth $	Other Funding Needed
Existing Park Development									
Clairmont Way	Neighborhood	3-5 years	-	$1,594,174	$1,594,174	100%	50%	$794,019	$800,155
Tyrone S Woods - Phase 2	Community	1-2 years	-	$2,749,950	$2,749,950	100%	100%	$2,749,950	$0
Wesley Lynn - Phase 2	Community	3-5 years	-	$1,418,151	$1,418,151	100%	100%	$1,418,151	$0
Park Place Park - Phase 2	Neighborhood	1-2 years	-	$1,700,000	$1,700,000	100%	50%	$846,729	$853,271
Subtotal Existing Parks			**$0**	**$7,462,274**	**$7,462,274**		**78%**	**$5,808,849**	**$1,653,426**
Land Acquisition & Development									
Park Place Concept Area	Community	5-7 years	$5,200,000	$2,656,960	$7,856,960	100%	100%	$7,856,960	$0
Thimble Creek Concept Area	Neighborhood	5-7 years	$6,500,000	$3,321,200	$9,821,200	100%	61%	$5,947,741	$3,873,459
Meyers Road Area	Neighborhood	8+ years	$3,900,000	$1,992,720	$5,892,720	100%	61%	$3,568,644	$2,324,076
Partlow Road Area	Neighborhood	8+ years	$3,250,000	$1,660,600	$4,910,600	100%	61%	$2,973,870	$1,936,730
Subtotal New Parks			**$18,850,000**	**$9,631,480**	**$28,481,480**		**71%**	**$20,347,216**	**$8,134,264**
Upgrades to Existing Parks									
Pollinator Gardens	Pocket	1-10 years	-	$40,000	$40,000	0%	0%	$0	$40,000
Abernathy Creek	Pocket	1-10 years	-	$28,509	$28,509	0%	0%	$0	$28,509
Atkinson Park	Neighborhood	1-10 years	-	$390,547	$390,547	75%	15%	$56,931	$333,616
Barclay Hills Park	Neighborhood	1-10 years	-	$59,435	$59,435	0%	0%	$0	$59,435
Barclay Park	Pocket	1-10 years	-	$1,223	$1,223	0%	0%	$0	$1,223
Canemah Childrens Park	Pocket	1-10 years	-	$91,023	$91,023	18%	3%	$2,949	$88,074
Chapin Park	Community	1-10 years	-	$477,554	$477,554	36%	13%	$61,891	$415,663
Clackamette Cove/River Access Trail	Pocket	1-10 years	-	$259,334	$259,334	59%	35%	$90,274	$169,060
DC Latourette Park	Pocket	1-10 years	-	$50,482	$50,482	0%	0%	$0	$50,482
Hartke Park	Pocket	1-10 years	-	$159,568	$159,568	69%	48%	$75,970	$83,598
Hazelwood Park	Pocket	1-10 years	-	$57,003	$57,003	0%	0%	$0	$57,003
Hillendale Park	Community	1-10 years	-	$659,681	$659,681	75%	56%	$371,071	$288,610
Jon Storm Park	Pocket	1-10 years	-	$183,106	$183,106	0%	0%	$0	$183,106
Library Park	Pocket	1-10 years	-	$228,616	$228,616	75%	56%	$128,597	$100,020
McLoughlin Promanade	Neighborhood	1-10 years	-	$872,017	$872,017	13%	3%	$22,033	$849,984
Old Canemah Park	Neighborhood	1-10 years	-	$235,692	$235,692	90%	17%	$41,229	$194,463
Park Place Park	Neighborhood	1-10 years	-	$179,236	$179,236	43%	8%	$14,980	$164,256
Richard Bloom Tots Park	Pocket	1-10 years	-	$38,833	$38,833	0%	0%	$0	$38,833
Rivercrest Park	Neighborhood	1-10 years	-	$203,931	$203,931	75%	15%	$29,727	$174,204
Singer Creek Park	Community	1-10 years	-	$249,154	$249,154	53%	28%	$69,987	$179,167
Sportcraft Landing	Neighborhood	1-10 years	-	$341,940	$341,940	86%	17%	$57,156	$284,784
Stafford Park	Pocket	1-10 years	-	$39,182	$39,182	76%	58%	$22,632	$16,550
Tyrone S. Woods Memorial Park	Neighborhood	1-10 years	-	$48,918	$48,918	0%	0%	$0	$48,918
Waterboard Park	Community	1-10 years	-	$1,099,810	$1,099,810	0%	0%	$0	$1,099,810
Wesley Lynn Park	Community	1-10 years	-	$290,886	$290,886	0%	0%	$0	$290,886
Existing Park Upgrades			**$0**	**$6,285,680**	**$6,285,680**		**17%**	**$1,045,426**	**$5,240,254**
Clackamette Regional Park Master Plan Implementation	Regional								
Park development		5-10 years		$12,068,304	$12,068,304	100%	41%	$4,982,897	$7,085,407
Boat ramp Upgrade		5-10 years		$1,854,000	$1,854,000	100%	23%	$433,536	$1,420,464
RV Park Relocation and Development		5-10 years		$1,545,000	$1,545,000	0%	0%	$0	$1,545,000
Subtotal Regional Parks			**$0**	**$15,467,304**	**$15,467,304**		**35%**	**$5,416,433**	**$10,050,871**
New Pool & Recreation Center	Indoor Facilities	5-10 years		**$40,000,000**	**$40,000,000**		**46%**	**$ 18,282,851**	**$21,717,149**
Total Project List			**$18,850,000**	**$78,846,738**	**$97,696,738**		**52%**	**$ 50,900,774**	**$ 46,795,964**

Table 2
Preliminary SDC Cost Basis by Park Type

Type	Cost Basis (30-year)	Cost Basis (20-year)	Total	$/Equivalent Population[1]	$/Avg. Single Family Unit[2]	% Total
Improvement Fee						
Neighborhood		$14,353,059	$14,353,059	$1,430	$3,933	29%
Community		$12,528,009	$12,528,009	$1,248	$3,433	25%
Regional	$5,416,433		$5,416,433	$320	$881	6%
Pocket		$320,422	$320,422	$32	$88	1%
Indoor Recreation Space	$18,282,851		$18,282,851	$1,081	$2,973	22%
Subtotal Improvement	**$23,699,284**	**$27,201,490**	**$50,900,774**	**$4,112**	**$11,308**	**83%**
Reimbursement Fee						0%
Pocket Parks		$3,115,544	$3,115,544	$310	$854	6%
Community Parks		$4,612,026	$4,612,026	$460	$1,264	9%
Regional	$93,384		$93,384	$6	$15	0%
Subtotal Reimbursement	$93,384	$7,727,570	$7,820,954	$776	$2,133	16%
Combined Imp & Reimb.	**$23,699,284**	**$27,201,490**	**$50,900,774**	**$4,888**	$13,441	99%
Est. Compliance Cost[3]		$587,716	$587,716	$59	$161	1%
Total SDC Cost Basis	**$23,699,284**	**$27,789,206**	**$51,488,490**	**$59**	**$13,602**	100%

[1] Incudes population & employment growth

[2] Based on 2.75 persons per dwelling unit

[3] includes growth share of Parks Master Planning costs, SDC methodology cost, and a portion of administrative costs.

Table 3

Preliminary SDC Schedule Options: Residential

Option	*Current Methodology* Persons per Unit	SDC/ Unit	*Updated* **Persons per Unit**[1]	**Neighborhood Parks: All Development**[2] Updated SDC	% Change from Current	**Neighborhood Parks: Residential Only**[3] Updated SDC	% Change from Current
Current: Single-Family/Duplex/Townhome	**2.85**	**$7,912**					
Updated SDC Schedule Options							
Single-Unit and Middle Housing Options[4]							
Single-Unit	2.85	$7,912	2.75	$13,602	*72%*	$13,817	75%
2-4 Units	2.85	$7,912	2.00	$9,892	*25%*	$10,049	27%
Comb. Single Family +Middle Housing (2-4 units)	2.85	$7,912	2.68	$13,256	68%	$13,465	70%
Single Unit Scaled Option[5]							
<800 SQ FT (70%)	2.85	$7,912	1.93	$9,521	*20%*	$9,672	22%
800-1,799 SQ FT (90%)	2.85	$7,912	2.48	$12,242	*55%*	$12,435	57%
1,800-2,999 SQ FT (100%)	2.85	$7,912	2.75	$13,602	*72%*	$13,817	75%
3,000-3,799 SQ FT (110%)	2.85	$7,912	3.03	$14,962	*89%*	$15,199	92%
>3,800 SQ FT (120%)	2.85	$7,912	3.30	$16,322	*106%*	$16,580	110%
Other Housing							
Multifamily >5 units (Avg.)	2.00	$6,258	*1.78*	$8,804	*41%*	$8,943	43%
Mobile Homes ($/home)[6]	2.00	$6,389	*2.84*	$14,047	*120%*	$14,269	123%

[1] *Source: 2022 American Community Survey 5-Year average*

[2] *Neighborhood Park costs recovered from both residential and commercial development*

[3] *Neighborhood Park costs recovered from residential development only*

[4] *Includes both attached and detached units: data not available for Accessory Dwelling Units separately*

[5] *Scaling factors reflect Water Environment Services SDCs*

[6] *Small sample size; recommend combined with other category (Single-Family or Middle Housing)*

Table 4

Preliminary SDC Schedule Options: NonResidential (Existing Land Use Categories)

Land Use Type	Current Methodology			Updated Methodology: Neighborhood Parks All Development			Updated Methodology: Neighborhood Parks Residential Only		
	Employees per 1,000 SQ FT[1]	SDC/ Employee	SDC/ 1,000 SQ FT	SDC/ Employee	SDC/ 1,000 SQ FT	% Change	SDC/ Employee	SDC/ 1,000 SQ FT	% Change
Manufacturing: General	1.43	$519.00	$741	$1,150	$1,643	122%	$799	$1,141	54%
Manufacturing: Food related	1.29	$519.00	$670	$1,150	$1,484	122%	$799	$1,031	54%
Manufacturing: Textile, apparel	1.74	$519.00	$903	$1,150	$2,001	122%	$799	$1,389	54%
Manufacturing: Lumber, wood products	1.79	$519.00	$927	$1,150	$2,054	122%	$799	$1,427	54%
Manufacturing: Paper and related	0.71	$519.00	$371	$1,150	$822	122%	$799	$571	54%
Manufacturing: Printing and publishing	1.67	$519.00	$865	$1,150	$1,917	122%	$799	$1,331	54%
Manufacturing: Chemicals, petrol, rubber, plastics	1.18	$519.00	$611	$1,150	$1,353	122%	$799	$940	54%
Manufacturing: Cement, stone, clay, glass	1.25	$519.00	$649	$1,150	$1,438	122%	$799	$999	54%
Manufacturing: Furniture and furnishings	1.67	$519.00	$865	$1,150	$1,917	122%	$799	$1,331	54%
Manufacturing: Primary metals	1.00	$519.00	$519	$1,150	$1,150	122%	$799	$799	54%
Manufacturing: Secondary metals	1.25	$519.00	$649	$1,150	$1,438	122%	$799	$999	54%
Manufacturing: Non-electrical machinery	1.67	$519.00	$865	$1,150	$1,917	122%	$799	$1,331	54%
Manufacturing: Electrical machinery	2.67	$519.00	$1,384	$1,150	$3,067	122%	$799	$2,130	54%
Manufacturing: Electrical design	3.08	$519.00	$1,597	$1,150	$3,539	122%	$799	$2,458	54%
Manufacturing: Transportation equipment	2.00	$519.00	$1,038	$1,150	$2,301	122%	$799	$1,598	54%
Manufacturing: Other	2.50	$519.00	$1,298	$1,150	$2,876	122%	$799	$1,997	54%
Wholesale trade: Durable goods	1.00	$519.00	$519	$1,150	$1,150	122%	$799	$799	54%
Wholesale trade: Non-durable goods	0.87	$519.00	$451	$1,150	$1,000	122%	$799	$695	54%
Warehousing: Storage	0.05	$519.00	$26	$1,150	$58	122%	$799	$40	54%
Warehousing: Distribution	0.40	$519.00	$208	$1,150	$460	122%	$799	$320	54%
Transportation and utilities: Trucking	0.67	$519.00	$346	$1,150	$767	122%	$799	$533	54%
Transportation and utilities: Communications	4.00	$519.00	$2,076	$1,150	$4,601	122%	$799	$3,196	54%
Transportation and utilities: Utilities	4.44	$519.00	$2,307	$1,150	$5,112	122%	$799	$3,551	54%
Retail: General	1.43	$519.00	$741	$1,150	$1,643	122%	$799	$1,141	54%
Retail: Hardware	1.00	$519.00	$519	$1,150	$1,150	122%	$799	$799	54%
Retail: Food stores	1.48	$519.00	$769	$1,150	$1,704	122%	$799	$1,184	54%
Retail: Restaurant/bar	4.44	$519.00	$2,307	$1,150	$5,112	122%	$799	$3,551	54%
Retail: Appliance/furniture	1.00	$519.00	$519	$1,150	$1,150	122%	$799	$799	54%
Retail: Auto dealership	1.54	$519.00	$798	$1,150	$1,770	122%	$799	$1,229	54%
Retail: Gas station (gas only)	3.33	$519.00	$1,730	$1,150	$3,834	122%	$799	$2,663	54%
Retail: Gas station (gas and service)	2.50	$519.00	$1,298	$1,150	$2,876	122%	$799	$1,997	54%
Retail: Regional shopping center	1.67	$519.00	$865	$1,150	$1,917	122%	$799	$1,331	54%
Services: Hotel/motel	0.67	$519.00	$346	$1,150	$767	122%	$799	$533	54%
Services: Health services (hospital)	2.00	$519.00	$1,038	$1,150	$2,301	122%	$799	$1,598	54%
Services: Health services (clinic)	2.86	$519.00	$1,483	$1,150	$3,287	122%	$799	$2,283	54%
Services: Educational	0.77	$519.00	$399	$1,150	$885	122%	$799	$615	54%
Services: Cinema	0.91	$519.00	$472	$1,150	$1,046	122%	$799	$726	54%
Services: Personal services	1.67	$519.00	$865	$1,150	$1,917	122%	$799	$1,331	54%
Services: Finance, insurance, real estate, business services	2.86	$519.00	$1,483	$1,150	$3,287	122%	$799	$2,283	54%
Government: Administration	3.33	$519.00	$1,730	$1,150	$3,834	122%	$799	$2,663	54%
Add: Data Center/High & Low Cube Fulfillment Center									

[1] Source: 2000 SDC Methodology (based on Metro Employment Density Study from the 1990's)

Table 5

Preliminary SDC Schedule Options: NonResidential (Sample Consolidated Land Use Categories)

	Current Methodology			*Updated SDC Sample Consolidated Categories (Neigh Park All Dev)*			*Updated SDC Sample Consolidated Categories (Neigh Park Res Only)*		
Land Use Type	Employees per 1,000 SQ FT[1]	SDC/ Employee	SDC/ 1,000 SQ FT	Employees per 1,000 SQ FT[2]	SDC/ 1,000 SQ FT	% Change	Employees per 1,000 SQ FT	SDC/ 1,000 SQ FT	% Change
Manufacturing: General	1.43	$519.00	$741	1.67	$1,917	159%	1.67	$1,331	80%
Manufacturing: Food related	1.29	$519.00	$670	1.67	$1,917	186%	1.67	$1,331	99%
Manufacturing: Textile, apparel	1.74	$519.00	$903	1.67	$1,917	112%	1.67	$1,331	48%
Manufacturing: Lumber, wood products	1.79	$519.00	$927	1.67	$1,917	107%	1.67	$1,331	44%
Manufacturing: Paper and related	0.71	$519.00	$371	1.67	$1,917	417%	1.67	$1,331	259%
Manufacturing: Printing and publishing	1.67	$519.00	$865	1.67	$1,917	122%	1.67	$1,331	54%
Manufacturing: Chemicals, petrol, rubber, plastics	1.18	$519.00	$611	1.67	$1,917	214%	1.67	$1,331	118%
Manufacturing: Cement, stone, clay, glass	1.25	$519.00	$649	1.67	$1,917	196%	1.67	$1,331	105%
Manufacturing: Furniture and furnishings	1.67	$519.00	$865	1.67	$1,917	122%	1.67	$1,331	54%
Manufacturing: Primary metals	1.00	$519.00	$519	1.67	$1,917	269%	1.67	$1,331	157%
Manufacturing: Secondary metals	1.25	$519.00	$649	1.67	$1,917	196%	1.67	$1,331	105%
Manufacturing: Non-electrical machinery	1.67	$519.00	$865	1.67	$1,917	122%	1.67	$1,331	54%
Manufacturing: Electrical machinery	2.67	$519.00	$1,384	1.67	$1,917	39%	1.67	$1,331	-4%
Manufacturing: Electrical design	3.08	$519.00	$1,597	1.67	$1,917	20%	1.67	$1,331	-17%
Manufacturing: Transportation equipment	2.00	$519.00	$1,038	1.67	$1,917	85%	1.67	$1,331	28%
Manufacturing: Other	2.50	$519.00	$1,298	1.67	$1,917	48%	1.67	$1,331	3%
Wholesale trade: Durable goods	1.00	$519.00	$519	1.67	$1,917	269%	1.67	$1,331	157%
Wholesale trade: Non-durable goods	0.87	$519.00	$451	1.67	$1,917	325%	1.67	$1,331	195%
Warehousing: Storage	0.05	$519.00	$26	0.16	$184	609%	0.16	$128	393%
Warehousing: Distribution	0.40	$519.00	$208	0.34	$391	88%	0.34	$272	31%
Transportation and utilities: Trucking	0.67	$519.00	$346	0.34	$391	13%	0.34	$272	-21%
Transportation and utilities: Communications	4.00	$519.00	$2,076	3.22	$3,706	78%	3.22	$2,574	24%
Transportation and utilities: Utilities	4.44	$519.00	$2,307	3.22	$3,706	61%	3.22	$2,574	12%
Retail: General	1.43	$519.00	$741	2.00	$2,301	210%	2.00	$1,598	115%
Retail: Hardware	1.00	$519.00	$519	2.00	$2,301	343%	2.00	$1,598	208%
Retail: Food stores	1.48	$519.00	$769	2.00	$2,301	199%	2.00	$1,598	108%
Retail: Restaurant/bar	4.44	$519.00	$2,307	2.00	$2,301	0%	2.00	$1,598	-31%
Retail: Appliance/furniture	1.00	$519.00	$519	2.00	$2,301	343%	2.00	$1,598	208%
Retail: Auto dealership	1.54	$519.00	$798	2.00	$2,301	188%	2.00	$1,598	100%
Retail: Gas station (gas only)	3.33	$519.00	$1,730	2.00	$2,301	33%	2.00	$1,598	-8%
Retail: Gas station (gas and service)	2.50	$519.00	$1,298	2.00	$2,301	77%	2.00	$1,598	23%
Retail: Regional shopping center	1.67	$519.00	$865	2.00	$2,301	166%	2.00	$1,598	85%
Services: Hotel/motel	0.67	$519.00	$346	0.78	$898	160%	0.78	$624	80%
Services: Health services (hospital)	2.00	$519.00	$1,038	2.81	$3,228	211%	2.81	$2,242	116%
Services: Health services (clinic)	2.86	$519.00	$1,483	2.81	$3,228	118%	2.81	$2,242	51%
Services: Educational	0.77	$519.00	$399	0.78	$898	125%	0.78	$624	56%
Services: Cinema	0.91	$519.00	$472	0.78	$898	90%	0.78	$624	32%
Services: Personal services	1.67	$519.00	$865	2.00	$2,301	166%	2.00	$1,598	85%
Services: Finance, insurance, real estate, business services	2.86	$519.00	$1,483	2.81	$3,228	118%	2.81	$2,242	51%
Government: Administration	3.33	$519.00	$1,730	2.81	$3,228	87%	2.81	$2,242	30%
Add: Data Center/High & Low Cube Fulfillment Center				0.16	$184	na	0.16	$128	na

[1] Source: 2000 SDC Methodology (based on Metro Employment Density Study from the 1990's)

[2] *Metro Urban Growth Report Appendix 6 (Rev. 10/2015) based on outer ring (lowest) densities*

CITY OF OREGON CITY

625 Center Street
Oregon City, OR
97045
503-657-0891

Staff Report

To:	City Commission	**Agenda Date:**	October 8, 2024
From:	Tony Konkol, City Manager		

SUBJECT:
Update on City Projects

STAFF RECOMMENDATION:
N/A

EXECUTIVE SUMMARY:
N/A

BACKGROUND:

The City Commission has requested that an update on the status of the following projects be provided at a work session monthly. The most current update for each project is in bold.

1. Quiet Zone

The ODOT consultant team is acquiring right of entry agreements from property owners to complete the survey work and will be preparing 30% plans for the project which will include an updated and more accurate cost estimate to complete the work.

The selection committee identified a preferred consultant for the Quiet Zone project and ODOT is in the process of negotiating the consultant contract.

ODOT received 2 responses to the Quiet Zone request for proposals. The proposals are being reviewed and scored by staff and a team selection meeting is scheduled for March 8, 2024.

ODOT has released the consultant solicitation request for proposals and a date has been set to review the proposals once they have been submitted.

The City has received ODOT's approximately 250 page scope of work and consultant procurement documents which will be reviewed and commented on. ODOT, which is the project manager for the project, has suggested approximately 6-months for the consultant procurement and up to 2 years for the design work, which will include coordination with the railroad, operation and maintenance agreements and review by the railroad. Staff is pushing to expedite the design work timeline.

On December 6, 2023 the City Commission received an update on the estimated cost of the Oregon City quiet zone project with updated inflationary construction escalations added to the original 2019 cost estimate, which was $2.6 million. The new estimate increases the estimated construction cost by $650,000. Based on the additional information, the City Commission approved an IGA with ODOT to begin the Oregon City quiet zone project.

2.Charter Parks

Staff has been contacting and meeting with property owners that have encroachments into the McLoughlin Promenade to review and explain the license agreement.

The City Commission reviewed the draft license agreement at the June 11, 2024 meeting.

Staff is working with the City Attorney to finalize draft license agreements to address encroachments that have been identified with the McLoughlin Promenade.

A site tour of the McLoughlin Promenade is scheduled for January 8th. Staff is preparing additional options, such as temporary easements, to address existing structural encroachments onto the Promenade property.

Staff has categorized encroachments by type, with associated pictures of the encroachment, and is working to determine options to address the encroachments for the Commission to consider. The McLoughlin Promenade survey has been completed. The survey identified several potential existing encroachments into the Promenade property which will be discussed during a work session. Ermatinger House was approved as a Charter Park by the City Commission. The City Commission voted to not designate Dement Park as a Charter Park.

3. Cayuse 5 Memorial

There are no new updates on this project. A meeting is scheduled for the week of October 7th with representatives from the Confederated Tribes of the Umatilla Indian Reservation to discuss potential next steps.

The dedication of the Cayuse 5 Memorial took place on June 3, 2024. The first phase of this project is complete. A second phase has been discussed but there are no specifics related to the design at this time.

Construction of the Cayuse 5 Memorial has begun and hand dug ground disturbing work is scheduled to begin the week of May 6th.. This work will be completed in coordination with the Confederated Tribes of the Umatilla Indian Reservation and the Confederated Tribes of the Grand Ronde.

The Cayuse 5 Memorial construction contract has been approved by the City Commission and was awarded to Pioneer Waterproofing Company. Staff has scheduled a pre-construction meeting with Pioneer Waterproofing.

Staff is working with a potential contractor to review the scope of work and estimated costs to perform the work as identified in the bid notice. The City completed the bid advertisement for the project and did not receive any responses. Staff is currently contacting contractors to determine the concerns with the bid advertisement and/or project.

The final construction bid documents for the Cayuse Five Tribute have been completed. Below is the schedule for bidding, awarding, and (weather permitting) construction. The Confederated Tribes of the Umatilla Indian Reservation staff will be invited to the pre-construction meeting to coordinate all activities once the project has been awarded.

The land use application for the proposed memorial has been approved. There are no additional land use approvals necessary to move forward with the project. The memorial bid documents are being reviewed internally and staff is working with the Confederated Tribes of the Umatilla Indian Reservation staff on the creation of an inadvertent discovery plan that will be included in the bid/contract information. The proposed memorial has been approved by the Historic Review Board and the information was presented to the Parks and Recreation Advisory Committee.

4. Courthouse

A Courthouse committee has been created by the County and a site visit of the Courthouse has occurred. The first meeting of the committee is scheduled for October 15th.

The Mayor and City Manager met with the Assistant County Administrator to discuss the creation of a joint working group. It is anticipated that the working group will be comprised of 6 to 8 members, including the Mayor and County Chair, with the City and County selecting an equal number of members.

The Mayor and the City Manager met with the County Administrator to discuss the planning and future disposition of the County Courthouse and other buildings associated with the Courthouse on Main Street. The County Administrator proposed a working group led by County Chair Tootie Smith and Mayor McGriff, which would include a small group of interested parties to discuss the Courthouse and make a recommendation to the County Board of Commissioners for their consideration on how to proceed. City and County staff will be meeting to discuss the details of the working group as proposed.

City staff worked to support efforts by the Downtown Oregon City Association to apply for a Main Street grant to focus on the Courthouse located in downtown Oregon City. The grant required the property owner, which is Clackamas County, to sign the grant application, which unfortunately they did not agree to do. At this time there is no specific work being performed related to the future of the existing courthouse.

5. tumwata village

There are no new updates on this project.

The Confederated Tribes of Grand Ronde provided the City Commission an update at the May 7th work session and the demolition of the office building is nearly complete.

A permit has been issued for the demolition of the office building located at the corner of 99E and Main Street. The Confederated Tribes of the Grand Ronde are scheduled to provide an update to the City Commission at the May 7th work session.

Staff continue to meet regularly with Staff from the Confederated Tribes of the Grand Ronde to discuss building demolition, site improvements, and land use planning requirements. The Confederated Tribes of the Grand Ronde are working on site remediation and the demolition of additional buildings on the property.

Willamette Falls Trust and Portland General Electric have signed a Feasibility and Cooperation Agreement enabling the Trust to assess a portion of PGE property on the island on the west side of the Willamette Falls for a project intended to return public access to the area.

In May staff completed a 4-hour site visit with the CTGR staff and consultant team to discuss the demolition that is occurring on the site and begin to discuss the proposed amendments proposed to implement the Tumwata Village Plan for the property. The site visit and discussion focused on infrastructure, design details, development phasing, and an introduction to the goals and objectives of CTGR for the redevelopment of the property. CTGR staff and their consultants have been meeting with City staff to understand specific technical infrastructure issues.

Staff have been meeting monthly with representatives from the Confederated Tribes of Grand Ronde (CTGR) to discuss on-going site work as well as future land use and development plans for the Tumwata Village Plan. CTGR staff has been working with the CTGR Tribal Council and Tribal members to finalize the Tumwata Village Plan. Once approved, the Tumwata Village Plan will be presented to the city and the public.

6. Canemah ROW issues

There has been no change in the project since the May 2023 update.

The Canemah ROW issues will be brought before the City Commission at a future work session to discuss how to move forward with this project.

OPTIONS:

N/A