

RESOLUTION NO. 2016-3316

**A RESOLUTION AUTHORIZING AN EXTENSION TO THE ADVANCED
FINANCING AGREEMENT WITH PROVIDENCE MEDICAL CENTER**

RECITALS:

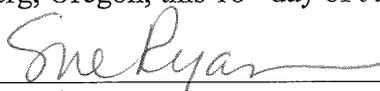
1. Providence Health System, 1001 Providence Drive, constructed a sanitary sewer main from the medical center site, south, to the Fernwood Sanitary Sewer Pump Station
2. The sanitary sewer line was designed with the capacity to serve the adjacent undeveloped property at such time as that property is developed.
3. NMC 3.20, Advance Financing of Certain Public Improvements provides a mechanism for developers to recover certain off-site development costs from benefiting properties.
4. The City Council authorized the City Manager to execute the agreement on June 9, 2006 and the agreement's expiration date is 10 years from the execution date.
5. The improvement is in good condition.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council finds that it is in the public's interest to extend the Advanced Financing Agreement with Providence Health Systems for another 10 years.
2. The City Manager is authorized to execute an extension to said agreement.

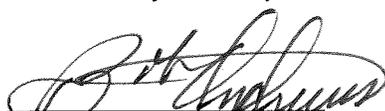
➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: July 19, 2016

ADOPTED by the City Council of the City of Newberg, Oregon, this 18th day of July 2016.



Sue Ryan, City Recorder

ATTEST by the Mayor this 20th day of July 2016.



Bob Andrews, Mayor

AFTER RECORDING RETURN TO:
City of Newberg – Public Works Department
PO Box 970 – 414 East First Street
Newberg, OR 97132
(503) 537-1273

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK

200617344



\$36.00

07/28/2006 02:14:35 PM
DMR-DRDMR Cnt=1 Stn=2 ANITA
\$15.00 \$10.00 \$11.00

ADVANCED FINANCING AGREEMENT

(CITY MUNICIPAL CODE SECTION 36.65 TO 36.99)

THIS AGREEMENT is entered into this 21 day of July 2006 by and between the City of Newberg, a municipal corporation of the State of Oregon, hereinafter called "**City**", and Providence Health Systems-Oregon, hereinafter called "**Developer**". This agreement was authorized by the City Council on June 5, 2006 by Resolution No. 2006-2646.

RECITALS:

1. Developer is constructing a public improvement further described as: 2,470 feet of 10-inch sewer line from the Fernwood Road sanitary sewer pump station in a northerly direction to the property owned by Providence Health Systems-Oregon and described by Instrument No. 200300650, Yamhill County Deed Records.
2. Said public improvement will benefit not only Developer's property but other adjoining properties as well. Those benefited properties should reimburse their fair share of the cost of those public improvements.
3. Developer shall be entitled to reimbursement from properties connecting to the aforescribed public improvement in the manner and to the amount prescribed in this agreement. The reimbursement shall be based upon actual costs as shown in Attachment 1. It is the intent of this agreement that Developer be reimbursed for a portion of the costs incurred by Developer in connection with this project.
4. Attachment 1, attached hereto and by reference incorporated herein, shows the properties that are obligated to reimburse and the percentage of the reimbursement.
5. The reimbursement obligations set forth in Attachment 1 are in addition to any required connection charges, including but not limited to permits and City assessments.
6. The reimbursement obligation shall be due and payable by the intervening property owners upon their application for a Site Development Permit for development activities which include connection to the public improvement.
7. City assumes no obligation to Developer for the collection of these sums. If the charge is not collected for any reason, City shall have no liability to Developer of any kind for said charges and shall not be held liable to pay Developer any of the uncollected charges.
8. This agreement shall be recorded in the Yamhill County Deed Records with Developer paying all recording costs and fees.
9. This agreement is an instrument affecting the title or possession of the property. It shall be binding upon the property and the successors of interest of the City and shall act as a covenant and restriction running

with the land.

10. This agreement shall be for a ten (10) year period from the date of execution. Provided that at the end of the ten (10) year period, the Developer may request that the City Council authorize reimbursement for an additional period of up to ten (10) years. The City shall approve such a request unless it finds that it would be contrary to the public's interest to do so.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

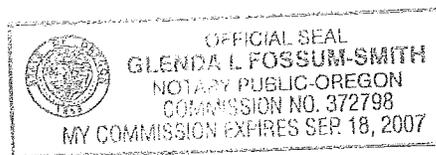
STATE OF OREGON)
County of Multnomah)s.s.

PROVIDENCE HEALTH SYSTEMS-OREGON

Terry L. Smith
TERRY L. SMITH
Please Print

This instrument was acknowledged before me this 17 day of July 2006 by Terry L. Smith, to me known to be an authorized representative of Providence Health Systems-Oregon.

Glenda L. Fossum-Smith
Notary Public for Oregon
My Commission Expires: 09-18-07



CITY OF NEWBERG

James H. Bennett
James H. Bennett, City Recorder

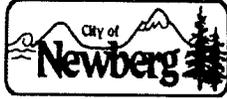
APPROVED AS TO FORM AND CONTENT

Terrence D. Mahr 7/21/06
Terrence D. Mahr, City Attorney

ATTACHMENT 1

Properties Obligated to Reimburse Developer and Reimbursement Percentage and Costs

That portion of Parcel 1 of Partition 2003-32, City of Newberg, Yamhill County, Oregon, which remains after the Oak Meadows Subdivision re-plat, said remainder portion of Parcel 1 also being known as Tax Lot 3216 2001, shall be obligated for payment of 100% of the approved reimbursement cost of \$142,047.00 plus 9% annual interest. Interest shall begin to accrue the day after recording of this Agreement and interest accrual shall cease on the date that application is made for a Site Development Permit for development activities which include connection to the advanced financed public improvement.



RESOLUTION NO. 2006-2646

A RESOLUTION APPROVING THE ENGINEER'S REPORT FOR THE FERNWOOD ROAD TO PROVIDENCE HOSPITAL PROPERTY SANITARY SEWER ADVANCE FINANCING OF PUBLIC IMPROVEMENTS AND SETTING THE REIMBURSEMENT AMOUNTS ONTO THE INTERVENING PROPERTIES.

RECITALS:

1. Providence Health System, 1001 Providence Drive, constructed a sanitary sewer main from the medical center site, south, to the Fernwood Sanitary Sewer Pump Station
2. The sanitary sewer line was designed with the capacity to serve the adjacent undeveloped property at such time as that property is developed.
3. *City Code 36.65, Advance Financing of Certain Public Improvements* provides a mechanism for developers to recover certain off-site development costs from benefiting properties.
4. Providence Health Systems has submitted an Advance Finance Agreement application with the City for the reimbursement of the cost of construction of the sewer line. The complete application packet is available for review at the office of the Public Works Director.
5. The City has prepared an Engineer's Report (Exhibit A) containing information pertaining to the Fernwood Road to Providence Hospital Property Sanitary Sewer Advance Financing Agreement (AFA) request.
6. The City Council has reviewed such report at its June 5, 2006 City Council Meeting. Intervening property owners were invited to attend this meeting to express their views and ask questions.

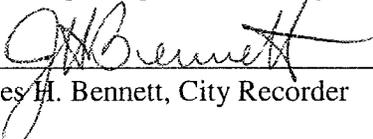
THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The Engineer's Report, as submitted or modified, is hereby accepted by the City Council.
2. The Council hereby designates the Fernwood Road to Providence Hospital Property Sanitary Sewer Line as an advance financed public improvement.
3. The reimbursement amounts are hereby set onto each of the intervening properties listed in the Engineer's Report.

4. The City Manager is authorized to execute the Advanced Financing Agreement with Providence Health Systems. The draft agreement is included in the attached Exhibit A.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 6, 2006.

ADOPTED by the City Council of the City of Newberg, Oregon, this 5th day of June 2006.



James H. Bennett, City Recorder

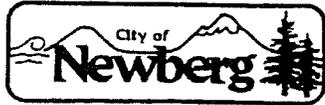
ATTEST by the Mayor this 9th day of June 2006.



Bob Stewart, Mayor

LEGISLATIVE HISTORY

By and through _____ Committee at / /200x meeting. Or, X None.
(committee name) (date) (check if applicable)



NEWBERG PUBLIC WORKS
DEPARTMENT
ENGINEERING DIVISION

APRIL 25, 2006

FERNWOOD ROAD TO PROVIDENCE HOSPITAL PROPERTY
SANITARY SEWER
ADVANCE FINANCE IMPROVEMENT
ENGINEERING REPORT

TABLE OF CONTENTS

1. Background.....	2
2. Improvement Description and Cost.....	2
3. Intervening Property.....	3
Figure 1: Vicinity Map.....	4
4. Recommended Reimbursements.....	5
Table 1: Reimbursement Calculation Factors.....	6
 <u>Appendix</u>	
A. Application for Advance Financed Public Improvement.....	a1
B. Code of Newberg Section 36.65.....	a2
C. Sewer Line Reimbursement Cost Estimate.....	a8
D. Reimbursement Calculation Example.....	a9
E. Draft Advance Finance Agreement.....	a12

1. Background

In connection with the construction of a new medical center adjacent to HWY 99W, also known as Portland Road, at 1001 Providence Drive, Providence Health System constructed a sanitary sewer main from the medical center site, south, to the Fernwood Sanitary Sewer Pump Station. The sanitary sewer line was designed with the capacity to serve the undeveloped property adjacent to the sewer line at such time as that property is developed. **City Code 36.65, Advance Financing of Certain Public Improvements** (see Appendix B) provides a mechanism for developers to recover certain off-site development costs from benefiting properties.

The undeveloped property which may benefit from the sanitary sewer main is owned by the Werth Family LLC. The property upon which the sanitary sewer is located was also owned by the Werth Family LLC at the time the sewer was constructed. Prior to the construction of the sewer, the Werth Family LLC and Providence Health System entered into a Development Agreement. The Agreement provides terms for the granting of an easement for the sewer line and for the reimbursement of the construction cost of the sewer line.

Providence Health System has submitted an Advance Finance Agreement application with the City of Newberg under City Code 36.65 for the reimbursement of the cost of construction of the sewer line (see Appendix A).

2. Improvement Description and Cost

The Fernwood Sanitary Sewer Pump Station is located on the north side of Fernwood Road approximately 1/3 mile from the intersection of Brutscher Street and Fernwood Road. Providence Health System connected a 24-inch PVC trunk line to a 24-inch concrete stub at the pump station. A manhole was installed at the beginning connection. The trunk line continues in a northerly direction and consists of 9 segments, each between 350 and 500 feet long, except for the last 100-foot segment. Manholes were installed at the beginning and ending of each segment for a total of 10 manholes. The total length of the trunk line is 3,361 feet. The last 891 feet are located on the property owned by Providence Health System. The offsite portion includes the first 2,470 feet and seven manholes.

In order to serve the new medical center and the undeveloped property which could be served by the sanitary sewer line between the pump station and the medical center, only a 10-inch sewer line would have been required. However, an oversize 24-inch line was installed to allow for potential service to future development beyond and to the North of the medical center. The City of Newberg may use system development funds to reimburse builders for the over sizing of public improvements. Providence Health System has been reimbursed for the cost to install a 24-inch line over what the cost would have been to install a 10-inch line. Providence Health System, therefore may only seek to advance finance the cost to construct a 10-inch line and only for the portion of the sewer line which is not on the medical center property.

The cost to construct 10-inch sanitary sewer line from the Fernwood Pump Station to the south boundary of the medical center site has been estimated to be \$142,047 (see Appendix C).

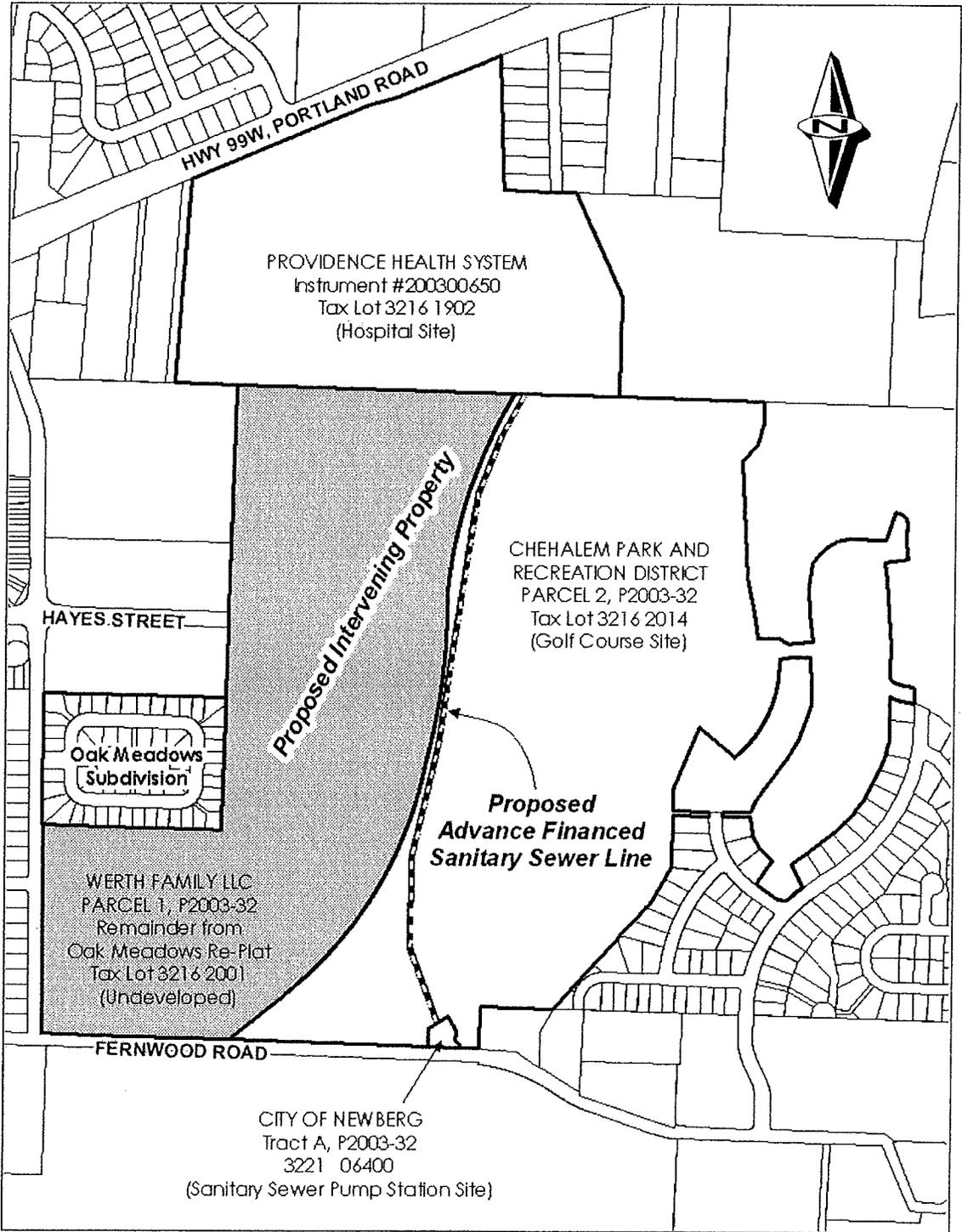
3. Intervening Property

The new medical center site is that property described by Instrument No. 200300650 (Tax Lot 3216 1902), Yamhill County Deed Records. The offsite portion of the sanitary sewer main constructed by Providence Health System is located on, and runs roughly along the west boundary of, Parcel 2 of Partition 2003-32 (Tax Lot 3216 2014). This parcel has been developed by the current owner, Chehalem Park and Recreation District, into a golf course. The sewer line terminates at the Fernwood Sanitary Sewer Pump Station, which is located on Tract A of Partition 2003-32 (Tax Lot 3221 6400). Tract A is owned by the City of Newberg. The property east of the sewer line, which is the portion of Parcel 1 of Partition 2003-32 remaining after the Oak Meadows Subdivision re-plat (Tax Lot 3216 2001), is undeveloped. **See Figure 1.**

It is anticipated that future development of the remainder of Parcel 1 of Partition 2003-32 may benefit from the sanitary sewer main which has been constructed by Providence Health System. It is not anticipated that there will be any future benefit to the golf course site derived from the availability of the sanitary sewer main. Therefore, the Intervening Property for the proposed Advance Finance Agreement shall include only the portion of Parcel 1 of Partition 2003-32 remaining after the Oak Meadows Subdivision re-plat (Tax Lot 3216 2001).

Figure 1

VICINITY MAP



4. Recommended Reimbursements

Prior to the construction of the sewer line, the Werth Family LLC, which is the current owner of the Intervening Property, and Providence Health System entered into a Development Agreement. The Development Agreement contains a methodology for calculating reimbursements for the proposed Advance Financed Improvement in the event that future development of the Intervening Property benefits from the improvement. The methodology defined in the Development Agreement has been determined to be reasonably equitable and is the methodology recommended by this report to be used to determine future Reimbursements.

Reimbursements are to be calculated as follows:

- The total cost of the financed public improvement is divided by the total length in feet of the sewer line from the Fernwood Pump Station to the south boundary of the medical center site, which is that property described by Instrument No. 200300650 (Tax Lot 3216 1902), Yamhill County Deed Records. The result of this calculation is the per-foot multiplier.
- The per-foot multiplier is multiplied by the number of feet along the sewer line from the Fernwood Pump Station to the point at which a new connection is made to the sewer line. The result of the multiplication is the advance financed cost.
- As per **City Code 36.71 (B)(1)** (see Appendix B), at the time application for connection to the sewer line is made, the advance financed cost is increased by nine percent (9%) annual simple interest to give the total reimbursement. Interest is accrued daily and the first day of accrual shall be the day after the Advance Finance Agreement (see Appendix E) is recorded at the office of the Yamhill County Clerk. The last day of interest accrual shall be the date that a Site Development Permit application is made. Payment of the reimbursement shall be due in full upon approval of the Site Development Permit.
- If a new connection is made to the sewer line between the Fernwood Pump Station and a previous connection for which a reimbursement was paid, no additional reimbursement shall be required.
- If a new connection is made to the sewer line North of a previous connection for which a reimbursement was paid, the portion of the reimbursement which corresponds to the portion of the sewer line for which reimbursements have already been paid shall be subtracted from the reimbursement calculated for the new connection and only the remaining reimbursement shall be required to be paid.
- If connection is made into the first manhole north of the pump station, reimbursement will be controlled by the Development Agreement between

EXHIBIT A

Providence Health Systems and the property owner.

The factors to be used in the calculations defined above are listed in Table 1 and example calculations are shown in Appendix D.

Table 1

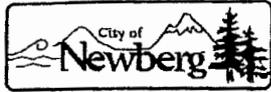
Reimbursement Calculation Factors

Annual Simple Interest Rate	9%
Cost of Financed Public Improvement Without Interest	\$142,047
Total Length of Financed Public Improvement	2,470 feet
Per-Foot Multiplier	\$57.51/foot

APPENDICES

A. Application for Advance Financed Public Improvement	a1
B. Code of Newberg Section 36.65	a2
C. Sewer Line Reimbursement Cost Estimate	a8
D. Reimbursement Calculation Example	a9
E. Draft Advance Finance Agreement	a12

APPENDIX A
Application for Advance Financed Public Improvement



ADVANCED FINANCING OF
PUBLIC IMPROVEMENTS APPLICATION

SEP 8 0 2005

FILE #: _____ APPL FEE: 500.00
DATE: 9/21/05 RECEIPTS: 65-1704

OFFICE
USE ONLY

APPLICANT INFORMATION:

APPLICANT: Providence Newberg Hospital
ADDRESS: 1001 Providence Drive, Newberg, OR 97132
PHONE: _____ MOBILE: _____ FAX: _____
OWNER/DEVELOPER (if different from above): John Bridges PHONE: 503-538-3138
ADDRESS: Brown, Tarlow, Bridges & Palmer, 515 E 1st, Newberg, OR 97132

GENERAL INFORMATION:

PROJECT LOCATION: 1001 Providence Drive, Newberg
COST FOR PUBLIC IMPROVEMENTS (ENGINEER'S ESTIMATE ATTACHED): _____
DESCRIBE THE IMPROVEMENTS THAT WERE MADE (BE SPECIFIC): 8 inch sanitary sewer
line from the southern boundary of Providence Newberg Hospital
property, to the pump station located on Fernwood

SPECIFIC REQUIREMENTS ARE ATTACHED

The application must include a current title report for the property. All property owners of the property must sign below.

Owners Signature	Print Name	Address
	Dana White	4706 NE GILSAN PORTLAND, OR 97213

The above statements and information herein contained are in all respects true, complete, and correct to the best of my knowledge and belief. All owners must sign the application. Incomplete or missing information may delay the approval process.

Applicant/Title Holder/Contract Purchaser Signature Date 9.22.05

Print Name Dana White
Regional Director, Real Estate
Providence Health System - OR

APPENDIX B
Code of Newberg Section 36.65

***ADVANCE FINANCING OF CERTAIN
PUBLIC IMPROVEMENTS***

§ 36.65 DEFINITIONS.

For the purpose of this subchapter and for the purposes of any advance financing agreement entered into pursuant hereto and for any actions taken as authorized pursuant to this subchapter or otherwise, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

ADVANCE FINANCING. A developer's or the city's payment for the installation of one or more public improvements installed pursuant to this subchapter which benefiting property owners may utilize upon reimbursing a proportional share of the cost of such improvement.

ADVANCE FINANCE AGREEMENT. An agreement between a developer and the city, as authorized by the City Council, and executed by the City Manager, which agreement provides for the installation of and payment for advance financed public improvements and which agreement contains improvement guarantees, provisions for reimbursement by the intervening property owners who may eventually utilize such improvement, inspection guarantees, and the like, as determined in the best interest of the public by the City Council.

ADVANCE FINANCING RESOLUTION. A resolution passed by the City Council and executed by the City Manager designating a public improvement to be an advance finance public improvement and containing provisions for financial reimbursement by intervening property owners who eventually utilize the improvement and such other provisions as determined in the best interest of the public by the City Council.

CITY. The City of Newberg.

CITY COUNCIL. The City Council of Newberg.

DEVELOPER. The city, another municipal corporation, an individual, a partnership, a joint venture, a corporation, a subdivider, a partitioner of land or any other entity, without limitation, who will bear, under the terms of this subchapter, the expense of construction, purchase, installation or other creation of a public improvement.

DEVELOPMENT. That real property being developed by the developer and for which property the advance financing resolution is passed.

INTERVENING PROPERTY. That real property abutting and/or otherwise benefitting from an advance financed public improvement, but does not include the development.

OWNER. The fee holder of record of the legal title to the real property in question. Where such real property is being purchased under a recorded land sales contract, then such purchasers shall also be deemed owners.

PUBLIC IMPROVEMENT. The following:

EXHIBIT A

- (1) The construction, reconstruction or upgrading of any water, sanitary, sewer or storm sewer system improvements;
- (2) The grading, graveling, paving or other surfacing of any street, or opening, laying out, widening, extending, altering, changing the grade for construction of any street;
- (3) The construction or reconstruction of curb, gutter or sidewalks;
- (4) The installation of traffic control devices.

(Ord. 95-2406, passed 5-1-95)

§ 36.66 RECEIPT OF APPLICATIONS.

The City Manager, or a designee, will receive application for advance financing from developers. The applications shall be accompanied by a fee set by resolution by the City Council. The fee shall not be less than \$500. The fee will be used to pay for the cost of an administrative analysis of the proposed advance financing project, for the cost of notifying the property owners, and for recording costs and the like. When the city is the developer, the City Council shall by motion direct the City Manager to submit the application without fee. The City Manager shall not accept applications that are submitted more than six months after the facility has been constructed and accepted by the City. For purposes of this section, acceptance of a facility does not include any maintenance bond period.

(Ord. 95-2406, passed 5-1-95; Am. Ord. 2001-2558, passed 12-3-01)

§ 36.67 UTILITY ANALYSIS.

Upon receipt of the advance financing application, the City Manager shall make an analysis of the advance financing proposal and shall prepare a report to be submitted to the City Council for review, discussion and public hearing. Such report shall include a map showing the location and front footage of the development and intervening property. The report shall also include the city's estimate of the total cost of the advance financed public improvement.

(Ord. 95-2406, passed 5-1-95)

§ 36.68 PUBLIC HEARING.

Within a reasonable time after the City Manger has completed the analysis, an informational public hearing shall be held in which all parties and the general public shall be given the opportunity to express their views and ask questions pertaining to the proposed advance financed public improvement. Since advance financed public improvements do not give rise to assessments, the public hearing is for information purposes only, and is not subject to mandatory termination due to remonstrances. The City Council has the sole discretion after the public hearing to decide whether or not an advance financing resolution shall be passed.

(Ord. 95-2406, passed 5-1-95)

§ 36.69 NOTIFICATION.

Not less than ten nor more than 30 days prior to any public hearing being held pursuant to this subchapter, the developer and all intervening property owners shall be notified of such hearing and the purpose thereof. Such

EXHIBIT A

notification shall be accomplished by mail, notice shall be made on the date that the letter of notification is posted. Failure of any owner to be so notified shall not invalidate or otherwise affect any advance financing resolution or the City Council's action to approve or not to approve the same.
(Ord. 95-2406, passed 5-1-95)

§ 36.70 ADVANCE FINANCING RESOLUTIONS AND AGREEMENTS.

After the public hearing, held pursuant to § 36.68, if the City Council desires to proceed with advance financed public improvements, it shall pass an advance financed resolution accordingly. The resolution shall designate the proposed improvement as an advance financed improvement and provide for the advance financed reimbursement by intervening property owners pursuant to this subchapter. When the developer is other than the city, the advance financing resolution shall instruct the City Manager to enter into an agreement between the developer and the city pertaining to the advance financed improvement, and may, in such agreement, require such guarantee or guarantees as the city deems best to protect the public and intervening property owners, and may make such other provisions as the City Council determines necessary and proper.
(Ord. 95-2406, passed 5-1-95)

§ 36.71 ADVANCE FINANCE REIMBURSEMENTS.

(A) *Advance financed reimbursement imposed.* An advance financed reimbursement is imposed on all intervening property owners at such time as the owners apply for connection to advance financed water, sanitary sewer and storm sewer improvements or connect to and use advance financed street, sidewalk or traffic control improvements.

(B) *Rates.* Intervening property owners:

(1) The intervening property owner shall pay advance financed reimbursement calculated as follows: The total actual cost of the advance financed public improvement, increased by nine percent annual simple interest, or such other percentage that the City Council may, from time to time, set by resolution, multiplied by a percentage of the unit of assessment being front frontage, area, or whatever other method is determined by the City Council to be the most equitable method of assessment for the intervening property owner. Future interest rate changes shall not apply ex post facto to previously executed reimbursement agreements.

(2) Advance financing reimbursements for oddshaped lots shall be individually established and consistent with the benefit received by the lot and the reimbursement required of other lots in the area. If inequities are created through the strict implementations of the above formulas, the City Council may modify its impact on a case by case basis.

(C) *Collection.* The advance financed reimbursement is immediately due and payable by intervening property owners upon their application for connection to an advance financed water, sanitary sewer or storm sewer system or their connection and use of advance financed street, sidewalk or traffic control improvements. If connection is made without the above mentioned permits, then the advance financed reimbursement is immediately due and payable upon the earliest date that any such permit was required, or in the case of advance finance and street, sidewalk or traffic control improvements, when connection and use is commenced. No permit for connection shall be issued until the advance financed reimbursement has been paid in full. Whenever the full and correct advance

EXHIBIT A

financed reimbursement has not been paid and collected for any reason, the City Manager shall report to the City Council the amount of the uncollected reimbursement, the description of the real property to which the reimbursement is attributable, the date upon which the reimbursement was due and the name or names of the intervening or future property owners. The City Council, by motion, shall then set a public hearing and shall direct the City Manager to give notice of that hearing to each of those intervening property owners, together with a copy of the City Manager's report concerning the unpaid reimbursement, either in person or by certified mail. Upon public hearing, the City Council may accept, reject or modify the City Manager's report; and if it finds that any reimbursement is unpaid and uncollected, the City Council, by motion, may direct the City Manager to docket the unpaid and uncollected reimbursement in the city record of liens; and upon completion of the docketing, the city shall have a lien against the described land for reimbursements, interest and the city's actual cost of serving notice upon the intervening or future property owners. The lien shall be enforced in the manner provided by O.R.S. Chapter 223.

(D) *Interim connections.* Upon receiving a valid application for advanced financing of a facility, the city shall prohibit connections to that facility until the City Council takes final action on the application. As an alternative to prohibiting connections, the city may allow a connection provided the connection applicant deposits an estimated reimbursement, determined by the City Engineer, into a city trust account. The connection applicant shall also sign an agreement to pay the actual reimbursement, up to 150% of the estimate, when the Council determines the actual reimbursement amount.

(Ord. 95-2406, passed 5-1-95; Am. Ord. 2001-2558, passed 12-3-01)

§ 36.72 DISPOSITION OF ADVANCE FINANCED REIMBURSEMENTS.

(A) Developers who have an advance finance agreement with the city shall receive the advance financed reimbursements collected by the city pertaining to their advance financed public improvements. Such reimbursements shall be delivered to the developer for a period of ten years from and after the date the applicable advance financing agreement has been executed. Such payments will be made by the city within 90 days of receipt of the advance financed reimbursements. The city shall incur no liability for its failure to remit advance financed reimbursements pursuant to the requirements of this section.

(B) At the end of the ten-year period, the developer may request that the City Council authorize reimbursements for an additional period of up to ten years. The City Council shall approve such requests unless it finds it would be contrary to the public's interest to do so.

(Ord. 95-2406, passed 5-1-95; Am. Ord. 2001-2558, passed 12-3-01)

§ 36.73 RECORDING.

All advance financing resolutions shall be recorded by the city in the deed records of Yamhill County, Oregon. Such resolution shall identify the full legal description of the development, intervening properties and future properties. Failure to make such recording shall not affect the legality of an advance financing resolution or agreement.

(Ord. 95-2406, passed 5-1-95)

§ 36.74 PUBLIC IMPROVEMENTS.

Public improvements installed pursuant to advance financing agreement shall become and remain the sole property of the city pursuant to the advance financing agreement.

EXHIBIT A

(Ord. 95-2406, passed 5-1-95)

§ 36.75 MULTIPLE PUBLIC IMPROVEMENTS.

More than one public improvement may be the subject of an advance financing agreement or resolution.
(Ord. 95-2406, passed 5-1-95)

§ 36.76 ADVANCE FINANCED REIMBURSEMENTS ON PUBLIC IMPROVEMENTS FUNDED BY CITY.

In the event the city is the developer for the construction at its own expense of public improvements for which advance financing reimbursements are permissible pursuant to this subchapter, the city may, pursuant to the direction of the City Council, authorize advance financing agreements which include terms at variance with terms otherwise required by this subchapter. The City Council may authorize lower interest rates, may permit installment payments, and may extend the time period during which advance financed reimbursements may be required.

(Ord. 95-2406, passed 5-1-95)

APPENDIX C
Sewer Line Reimbursement Cost Estimate

SKANSKA

PROVIDENCE NEWBERG MEDICAL CENTER PROJECT
JOB # 413070

PUBLIC SEWER LINE REIMBURSEMENT COST ESTIMATE
4/20/06

DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
10" Sewer Pipe (Inc. Excavation & Backfill)	2,470	LF	\$ 44	\$ 108,680
48" Manhole	7	EA	\$ 1,595	\$ 11,165
CDF Backfill	14	CY	\$ 106	\$ 1,486
Clay Dams	2	EA	\$ 884	\$ 1,769
Erosion Control	1	LS	\$ 3,463	\$ 3,463
Site Clearing/Striping	1	LS	\$ 2,211	\$ 2,211
Surveying	1	LS	\$ 3,856	\$ 3,856
Test and Adjust Sanitary Sewer	1	LS	\$ 2,653	\$ 2,653
TOTALS				\$ 135,283
City Engineering and Inspection Fee @ 5%				\$ 6,764
				TOTAL \$ 142,047

APPENDIX D
Reimbursement Calculation Example

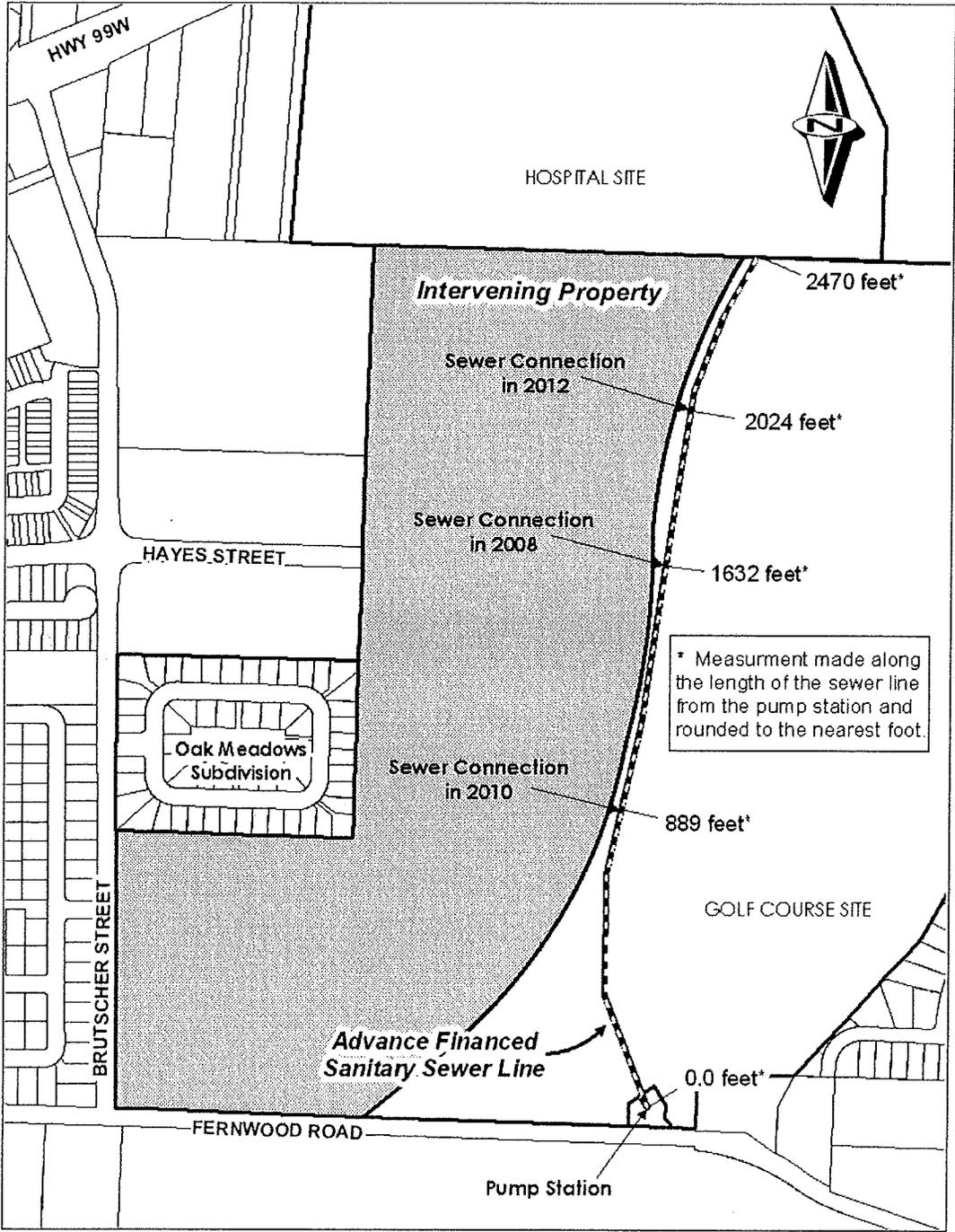


EXHIBIT A

Reimbursement Calculation Factors

Annual Simple Interest Rate	9%
Cost of Financed Public Improvement Without Interest	\$142,047
Total Length of Financed Public Improvement	2,470 feet
Per-Foot Multiplier	\$57.51/foot

For the purpose of these examples, it shall be assumed that the Advance Finance Agreement was recorded at the County Clerk's Office on Dec 31st, 2005.

Sewer Connection Site Development Permit Application on August 27th, 2008

Distance in feet along sewer line from pump station to new connection = 1,632

Multiply Distance by Per-Foot Multiplier for cost of improvement:

$$1,632 \text{ ft.} \times \$57.51 / \text{ft.} = \$93,856$$

Calculate 9% annual simple interest for 2 years and 238 (total 968 days):

$$\$93,220 \times (.09/365) \times 968 = \$22,402$$

Add Interest to cost of improvement for total reimbursement:

$$\$93,220 + \$22,250 = \$116,258$$

Reimbursement to be paid = \$116,258

Sewer Connection Site Development Permit Application on June 10th, 2010

Connection is between pump station and a previous connection for which a reimbursement was paid, no additional reimbursement shall be required.

Reimbursement to be paid = \$0

EXHIBIT A

Sewer Connection Site Development Permit Application on January 1st, 2012

Distance in feet along sewer line from pump station to new connection = 2,024

Distance in feet along sewer line from pump station to previous connection directly south along sewer line from new connection = 1,632

Subtract the length along the sewer line for which reimbursement has already been paid from the total distance to the new connection:

$$2,024 \text{ ft.} - 1,632 \text{ ft.} = 392 \text{ ft.}$$

Multiply the remaining distance by Per-Foot Multiplier for cost of improvement:

$$392 \text{ ft.} \times \$57.51 / \text{ft.} = \$22,544$$

Calculate 9% annual simple interest for 6 years (total 2,190 days):

$$\$22,544 \times (.09/365) \times 2,190 = \$12,174$$

Add Interest to cost of improvement for total reimbursement:

$$\$22,544 + \$12,174 = \$34,718$$

Reimbursement to be paid = \$34,718

APPENDIX E
Draft Advance Finance Agreement

AFTER RECORDING RETURN TO:

City of Newberg – Public Works Department
PO Box 970 – 414 East First Street
Newberg, OR 97132
(503) 537-1273

ADVANCED FINANCING AGREEMENT

(CITY MUNICIPAL CODE SECTION 36.65 TO 36.99)

THIS AGREEMENT is entered into this ____ day of _____ 2006 by and between the City of Newberg, a municipal corporation of the State of Oregon, hereinafter called "**City**", and Providence Health Systems, hereinafter called "**Developer**". This agreement was authorized by the City Council on June 5, 2006 by Resolution No. 2006-2646.

RECITALS:

1. Developer is constructing a public improvement further described as: 2,470 feet of 10-inch sewer line from the Fernwood Road sanitary sewer pump station in a northerly direction to the property owned by Providence Health Systems and described by Instrument No. 200300650, Yamhill County Deed Records.
2. Said public improvement will benefit not only Developer's property but other adjoining properties as well. Those benefited properties should reimburse their fair share of the cost of those public improvements.
3. Developer shall be entitled to reimbursement from properties connecting to the aforescribed public improvement in the manner and to the amount prescribed in this agreement. The reimbursement shall be based upon actual costs as shown in Attachment 1. It is the intent of this agreement that Developer be reimbursed for a portion of the costs incurred by Developer in connection with this project.
4. Attachment 1, attached hereto and by reference incorporated herein, shows the properties that are obligated to reimburse and the percentage of the reimbursement.
5. The reimbursement obligations set forth in Attachment 1 are in addition to any required connection charges, including but not limited to permits and City assessments.
6. The reimbursement obligation shall be due and payable by the intervening property owners upon their application for a Site Development Permit for development activities which include connection to the public improvement.
7. City assumes no obligation to Developer for the collection of these sums. If the charge is not collected for any reason, City shall have no liability to Developer of any kind for said charges and shall not be held liable to pay Developer any of the uncollected charges.
8. This agreement shall be recorded in the Yamhill County Deed Records with Developer paying all recording costs and fees.
9. This agreement is an instrument affecting the title or possession of the property. It shall be binding

EXHIBIT A

upon the property and the successors of interest of the City and shall act as a covenant and restriction running with the land.

10. This agreement shall be for a ten (10) year period from the date of execution. Provided that at the end of the ten (10) year period, the Developer may request that the City Council authorize reimbursement for an additional period of up to ten (10) years. The City shall approve such a request unless it finds that it would be contrary to the public's interest to do so.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

STATE OF OREGON)
)s.s.
County of _____)

OWNER

Signee Name
Providence Health Systems

This instrument was acknowledged before me this ____ day of _____ 2006 by _____, to me known to be an authorized representative of Providence Health Systems.

Notary Public for Oregon
My Commission Expires: _____

CITY OF NEWBERG

APPROVED AS TO FORM AND CONTENT

James H. Bennett, City Recorder

Terrence D. Mahr, City Attorney

ATTACHMENT 1

Properties Obligated to Reimburse Developer
and
Reimbursement Percentage and Costs

That portion of Parcel 1 of Partition 2003-32, City of Newberg, Yamhill County, Oregon, which remains after the Oak Meadows Subdivision re-plat, said remainder portion of Parcel 1 also being known as Tax Lot 3216 2001, shall be obligated for payment of 100% of the approved reimbursement cost of \$142,047.00 plus 9% annual interest. Interest shall begin to accrue the day after recording of this Agreement and interest accrual shall cease on the date that application is made for a Site Development Permit for development activities which include connection to the advanced financed public improvement.

DEVELOPMENT AGREEMENT

July 22, 2003

PARTIES:

Werth Family, LLC ("WFLLC")
4709 East Fernwood Road
Newberg, Oregon 97132

Providence Health System (PHS)
4706 NE Glisan, Suite 101
Portland, OR 97209

IT IS HEREBY agreed by the parties as evidenced by their signature below as follows:

1. The purpose of this Agreement is to provide for the construction of a sanitary sewer across Springbrook Oaks for use by PHS, and reimbursement of construction cost (construction, engineering and permitting) to the extent described hereafter.
2. WFLLC will dedicate an easement to the City of Newberg for sanitary sewer purposes as described in Exhibit "A" attached hereto and incorporated herein within five (5) business days of mutual execution of this Agreement.
The easement will be twenty (20) feet in width and will also contain a temporary construction easement of fifty (50) feet in width. The temporary easement will expire six (6) months from the completion of the sewer work.
3. PHS will construct a sewer in the easement from the City of Newberg pump station to the northern property line of Springbrook Oaks. The sewer will be designed to serve that portion of Springbrook Oaks west of Springbrook Creek and east of Brutscher. The sewer will be built at PHS cost and expense. PHS will pay all costs associated with construction of the pipelines including, easement delineation, design, permit costs, construction, crop damage and surface restoration. PHS will restore the property to its present or better condition and repair any other damage caused by the construction. PHS will provide WFLLC a liability insurance binder which protects WFLLC from all acts, errors or omissions of contractors hired by PHS and/or its general contractor.
4. WFLLC will allow PHS reasonable access to Springbrook Oaks for purposes of constructing the sewer as described in Exhibit "B". PHS will provide ten (10) days notice before beginning construction.
5. WFLLC will reimburse PHS for the construction costs for the sanitary sewer when their development results in a hookup to the line at any point north of the first manhole north of the pump station. The cost WFLLC will be required to pay is based on where they hook into the line. The amount will be calculated by multiplying a fraction times the total cost to construct the sanitary sewer across the WFLLC property. The numerator of the fraction will be the number of feet of sanitary sewer line from the pump station to the hookup, while the denominator will be the total number of feet of sanitary sewer placed in the easement. If the sewer is increased in size at the City's request, WFLLC will only be responsible for the cost of construction of a standard eight (8") inch pipe. The payment for the reimbursement will occur on the day of the hookup.

6. Chehalem Park and Recreation District ("CPRD") has expressed interest in installing a water line for irrigation purposes (non-potable), in much of the same trench that will be used by the sewer line. If CPRD determines that it needs to install such a water line, responsibility for design, permits, and installation costs will be CPRD's. PHS and WFLLC will not object to the installation of such a water line provide CPRD holds both PHS and WFLLC harmless from all costs and liability associated with their project.

Dated this 23 day of July, 2003.

Werth Family, LLC

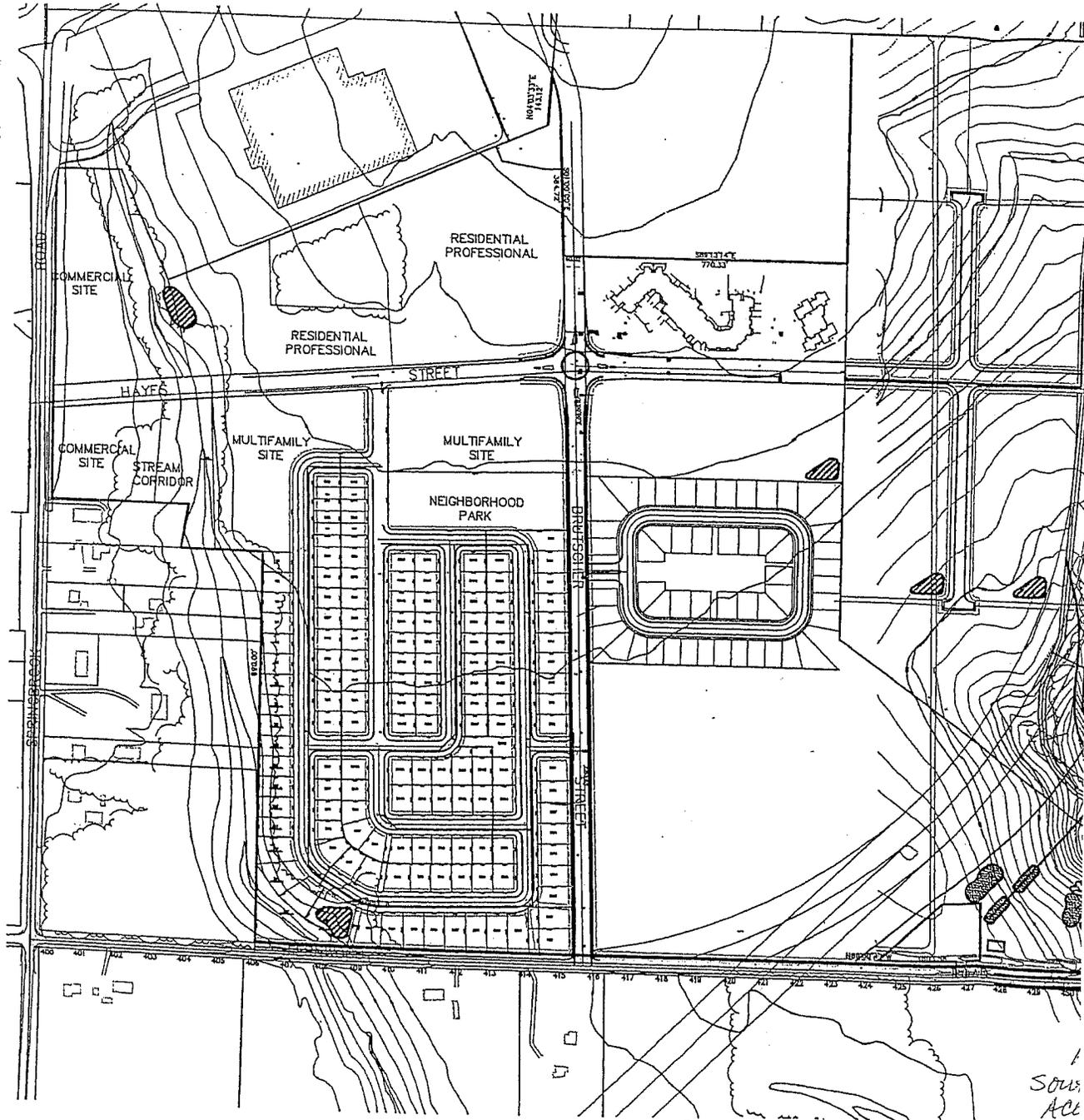
By: *Devin E. Worth*
Title: _____

Providence Health System

Jerry Hunt
By: Terry Smith
Title: CFR - OREGON

7-25-03

By: *John M. Wood*
Title: OP Manager



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