

CITY of LA GRANDE
Urban Renewal Agency Regular Session
Wednesday, January 3, 2024

[Immediately Following City Council Regular Session](#)

Council Chambers
La Grande City Hall
1000 Adams Avenue

AGENDA

The meeting will be available for viewing via the City's scheduled Charter Communications channel 180 immediately following the City Council meeting which begins at 6:00 p.m. on January 3, 2024, on the EO Alive website at <https://eoalive.tv> or on the EO Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

1. **WELCOME to the URBAN RENEWAL AGENCY REGULAR SESSION**

- a. Call to Order
- b. Roll Call

2. **AGENDA APPROVAL**

3. **CONSENT AGENDA**

The Consent Agenda includes routine items of business which may be approved by one Motion of the Agency. Any Agency Member so desiring may by request remove one or more items from the Consent Agenda for individual consideration under the Unfinished or New Business portion of the Agenda.

- a. **Consider:** Approving Regular Session Minutes; October 4, 2023

4. **PUBLIC COMMENTS**

Those individuals who wish to address the Agency in connection with any item which is printed on tonight's Agenda may do so during the time that item is under discussion by the Agency. Individuals wishing to speak to the Agency about non-Agenda items may do so during this Public Comments portion of the Agenda. Please print your name and address on the Public Comments Sign-in Sheet, located on the podium. When addressing the Agency, speak loudly and clearly into the Podium microphone, and state your name. Persons interested in providing virtual public comments shall contact City Staff at sstockhoff@cityoflagrande.org or by calling the City Recorder at (541) 962-1309 not later than 5:00 pm the day prior to meeting to make arrangements. In the event the Mayor does not announce a time limit for comments, each speaker is asked to confine their comments to three minutes in length, whether the comments are in-person or virtual.

5. **PUBLIC HEARINGS**

6. **UNFINISHED BUSINESS**

7. **NEW BUSINESS**

- a. **Consider:** Amending Agreement Providing Funding for the Market Place Family Foods Project
- b. **Consider:** Rescinding Lot Sale; La Grande Business and Technology Park

[Stroke]
[Stroke]

8. **DISTRICT MANAGER COMMENTS**

9. **AGENCY MEMBER COMMENTS**

10. **ADJOURN**

Stacey M. Stockhoff
City Recorder

*The Urban Renewal Agency reserves the right to convene an Executive Session for any purpose authorized under ORS 192.660
Persons requiring special accommodations who wish to attend the Agency Session are encouraged to make arrangements prior to the meeting
by calling 541-962-1309. The City of La Grande does not discriminate against individuals with disabilities*

CITY of LA GRANDE

URBAN RENEWAL AGENCY ACTION FORM

Agency Meeting Date January 3, 2024

PRESENTER: Robert A. Strobe, District Manager

AGENCY ACTION: CONSIDER CONSENT AGENDA

- 1. MAYOR: Request Staff Report
- 2. MAYOR: Entertain Motion

Suggested Motion: I move we accept the Consent Agenda as presented.

OR

Suggested Motion: I move we accept the Consent Agenda as amended.

- 3. MAYOR: Invite Agency Discussion
- 4. MAYOR: Ask for the Vote

EXPLANATION: A Consent Agenda includes routine items of business with limited public interest, which may be approved by one Motion of the Agency. Any Agency Member may, by request, remove any item of business from the Consent Agenda.

a. Consider: Approving Regular Session Minutes; October 4, 2023

Reviewed By: (Initial)

District Manager _____
 City Recorder _____
 Aquatics Division _____
 Building Department _____
 ED Department _____
 Finance _____
 Fire Department _____

Human Resources Dept _____
 Library _____
 Parks Department _____
 Planning Department _____
 Police Department _____
 Public Works Department _____

AGENCY ACTION (Office Use Only)

- Motion Passed
- Motion Failed; _____
- Action Tabled: _____
Vote: _____
- Resolution Passed
Effective Date: _____
- Ordinance Adopted
First Reading: _____
Second Reading: _____
Effective Date: _____

CITY OF LA GRANDE

Urban Renewal Agency Regular Session

October 4, 2023

Immediately following City Council Regular Session

Council Chambers
La Grande City Hall
1000 Adams Avenue

MINUTES

AGENCY MEMBERS PRESENT:

Justin B. Rock, *Mayor*
David Glabe, *Mayor Pro Tem*
Corrine Dutto, *Agency Member*
Nicole Howard, *Agency Member*
Mary Ann Miesner, *Agency Member*
Denise Wheeler, *Agency Member*

AGENCY MEMBERS ABSENT EXCUSED:

Molly King, *Agency Member*

STAFF PRESENT

Robert Strope, *District Manager*
Stacey Stockhoff, *City Recorder*
Keri Quinn, *Assistant to the District Manager*
Gary Bell, *Police Chief*

CALL TO ORDER/ROLL CALL/AGENDA APPROVAL

Mayor ROCK called this Regular Session of the Urban Renewal Agency to order at 7:29 p.m.; Roll Call was taken; and a quorum was determined to be present.

Mayor ROCK stated that pursuant to ORS 192.660(2)(h), the Urban Renewal Agency would conduct an Executive Session immediately following the Regular Session Meeting, for the purpose of consulting with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

CONSENT AGENDA

- a. **Consider:** Approving Special Session Minutes; *July 10, 2023*
- b. **Consider:** Approving Regular Session Minutes; *June 12, 2023*

The following Motion was introduced by DUTTO; HOWARD providing the Second:

MOTION: I move we accept the Consent Agenda as presented.

VOTE

MSC: 6-0 (Yes: ROCK, GLABE, DUTTO, HOWARD, MIESNER, and WHEELER; No: None)

PUBLIC COMMENTS

None.

PUBLIC HEARINGS

None.

UNFINISHED BUSINESS

None.

NEW BUSINESS

- a. **Consider:** Resolution: Confirming Authority to Accept Offers and Sell Property; La Grande Business and Technology Park

STAFF REPORT

Mayor ROCK requested the Staff Report.

Robert STROPE, *District Manager*

STROPE noted that the Urban Renewal Agency owns property at the La Grande Business and Technology Park. The Agency has established listing prices for each Agency owned property. To facilitate the sale of Agency properties, the Agency passed Resolution 4820, Series 2022, to allow the District Manager to accept offers which were at or above the listing price, provided there were no competing offers, and to complete the sale without further Agency action. Under this authority, the District Manager completed the sale of the property at 3003 Blue Mountain Drive, which was specifically identified in the Resolution, and subsequently accepted a full price offer and completed the sale of a second lot. Most recently, the District Manager accepted a full price offer at a third lot, however, Eastern Oregon Title, Inc., indicated they would not close the transaction without a separate Agency action listing the specific lot. The proposed Resolution grants the authority to complete this sale, and refines the authority to allow the District Manager to continue to accept full price offers, provided there were not competing offers. The title company is requiring all future sales to be individually approved by the Agency. The City Attorney was consulted regarding Resolution 4820, Series 2022, and confirmed it was an acceptable action by the Agency. The City Attorney also reviewed this Resolution.

PUBLIC COMMENTS

None.

AGENCY DISCUSSION

In response to GLABE's question regarding if this was a legal requirement from the state, STROPE stated it was not and explained that Eastern Oregon Title would not close the sale without a final action from the Agency specific to the lot in question.

MOTION

The following Motion was introduced by DUTTO; HOWARD providing the Second:

MOTION: I move that the Resolution authorizing the District Manager to accept offers and sell Agency property located at the La Grande Business and Technology Park be Read by Title Only, Put to a Vote, and Passed.

AGENCY DISCUSSION

None.

Upon Mayor ROCK's request, City Recorder STOCKHOFF read the proposed Resolution by Title Only.

A RESOLUTION OF THE CITY OF LA GRANDE URBAN RENEWAL AGENCY, UNION COUNTY, OREGON, CONFIRMING THE AUTHORITY TO ACCEPT OFFERS AND SELL AGENCY PROPERTY AND DECLARING AN EFFECTIVE DATE [4844]

VOTE

MSC: 6-0 (Yes: ROCK, GLABE, DUTTO, HOWARD, MIESNER and WHEELER; No: None)

DISTRICT MANAGER COMMENTS

STROPE explained the Goal 9 Economic Analysis was currently being worked on and explained the timeline of the process. A Work Session was scheduled for Monday, January 9, 2023, to go over the recommended revisions with the Agency. The Planning Commission would meet the following day to further discuss and then a process to update that portion of the Comprehensive Plan could be done.

AGENCY MEMBER COMMENTS

None.

There being no further business to come before this Regular Session of the Agency, Mayor ROCK adjourned the meeting at 7:35 p.m. to an Executive Session. The Agency would not reconvene.

ATTEST:

APPROVED:

Stacey M. Stockhoff
City Recorder

Justin B. Rock
Mayor

APPROVED: _____

CITY of LA GRANDE
URBAN RENEWAL AGENCY ACTION FORM

Agency Meeting Date: January 3, 2024

PRESENTER: Robert A. Strobe, District Manager

AGENCY ACTION: **CONSIDER AMENDING THE AGREEMENT PROVIDING FUNDING FOR THE MARKET PLACE FAMILY FOODS PROJECT**

1. MAYOR: Request Staff Report.
2. MAYOR: Invite Public Comments.
3. MAYOR: Invite Agency Discussion.
4. MAYOR: Entertain Motion:

Suggested Motion: I move that the third amendment to the agreement between the Agency and Town Square, LP, be approved as presented and authorize the District Manager to sign all required documents.

5. MAYOR: Ask for the vote.

EXPLANATION: On June 6, 2018, Agency tabled an action to consider amending the agreement with Town Square, LP, for the funding of the Market Place Family Foods Project. Given the item tabled was substantially different from the amendment now being considered, there is no need to remove the item from the table and it will be treated as new business. In recent months, Staff has continued discussions with Mr. Adelsberger and are now seeking Agency approval of a third amendment to the agreement which will address a variety of issues.

Background: The Agency approved funding for up to \$500,000, and entered into an agreement with the applicants for said funding on October 1, 2014, to open a new business, Market Place Family Foods, at 1912 Fourth Street. The agreement provides a \$500,000 loan that would convert to a grant from the Agency to assist in funding the project provided certain conditions are met. The project transformed the former Blockbuster Video store into a new grocery store, operated by grocer Troy Berglund who also operated Mt. Joseph Family Foods in Joseph, Oregon. The agreement does not provide for administrative approval of any material changes to any portions of the agreement. Therefore, the Agency retains sole authority to consider this requested amendment.

In March, 2015, the Agency approved an amendment to the agreement that included, in part, an extension of the completion date from December 31, 2015, to June 30, 2016.

In June, 2016, the Agency approved a second amendment to the agreement that included revisions to the amended agreement that was signed in June of 2015. The amended agreement was crafted to grant the requested extension of the completion date.

A third amendment to the agreement is necessitated by the bankruptcy of a prior party and closure of the grocery store. Subsequent to the closure, Mr. Adelsberger requested and received permission to allow a third party to operate the grocery business while work continued on a draft third amendment. The parties were unable to reach agreement on a third amendment, and the efforts were discontinued during the pandemic.

Following the end of the pandemic, Mr. Adelsberger requested changes to the agreement related to the number of hours required for an employee to be considered full-time for forgiveness purposes as well as an extension of 24 months to allow for more time to achieve forgiveness due to the impacts of the pandemic. The intent regarding the changes in how full-time employment would be determined are intended to be retroactive.

The attached draft removes Mr. Berglund from the agreement; changes the name of the organization from Market Place Family Foods, LLC, to Town Square, LP; deletes obsolete provisions related to construction; establishes a specific deadline to achieve loan forgiveness; revises and clarifies the requirements for determining full-time employees for forgiveness purposes; clarifies how forgiveness will be applied; provides an extension in light of the pandemic; and eliminates the financial reporting requirements.

Mr. Adelsberger and his attorney have reviewed the attached Amended Loan Agreement (Third Amendment) and Mr. Adelsberger has signed the document agreeing to the terms.

The District Manager recommends approval of the third amendment as presented.

Reviewed By: (Initial)

District Manager _____
 City Recorder _____
 Aquatics Division _____
 Building Department _____
 ED Department _____
 Finance _____
 Fire Department _____

Human Resources Dept _____
 Library _____
 Parks Department _____
 Planning Department _____
 Police Department _____
 Public Works Department _____

AGENCY ACTION (Office Use Only)

- Motion Passed
- Motion Failed; _____
- Action Tabled: _____
 Vote: _____
- Resolution Passed
 Effective Date: _____
- Ordinance Adopted
 First Reading: _____
 Second Reading: _____
 Effective Date: _____

CITY of LA GRANDE URBAN RENEWAL AGENCY

AMENDED LOAN AGREEMENT (Third Amendment)

This LOAN AGREEMENT (hereinafter referred to as AGREEMENT), entered into this _____ day of _____ 2024 by and between the City of La Grande Urban Renewal Agency (hereinafter referred to as the AGENCY), and Town Square LP (hereinafter referred to as CLIENT), for the purpose of using La Grande Urban Renewal Funds for a new grocery store project located at 1912 Fourth Street, 03S3806DA, Tax Lot 11700, La Grande, Oregon (hereinafter referred to as the PROJECT).

WITNESSETH

PROJECT NAME: Market Place Family Foods new grocery store project

PROJECT ADDRESS: 1912 Fourth Street; 03S3806DA/11700

PROJECT NUMBER: URA-14-01

COMPLETION DATE: October 3, 2017

ESTIMATED TOTAL PROJECT COST: \$1.5 Million

FINAL PROJECT COST: \$2,545,655

AGENCY CONTRIBUTION: \$500,000

Whereas, the CLIENT has expressed interest in using AGENCY funds at the PROJECT site to assist with a major renovation of an existing building to open a new grocery store pursuant to a La Grande Urban Renewal Agency project application to the AGENCY, and,

Whereas, the CLIENT provided to the AGENCY contractor cost proposals for the PROJECT of approximately \$1.5 Million; and,

Whereas, the AGENCY desires to cooperate with the CLIENT in using AGENCY funds for reinvestment in La Grande's Urban Renewal District in partnership with private sector investors, such as the CLIENT; and,

Whereas, the AGENCY voted to fund this PROJECT at its August 20, 2014, Regular Session.

Whereas, the parties executed an agreement dated October 1, 2014; and,

Whereas, the CLIENT requested and received an amendment to the agreement to address loan requirements and construction timing in June, 2015; and,

Whereas, the CLIENT requested and received a second amendment to the agreement to extend the completion date in June, 2016; and

Whereas, this third amendment to the agreement addresses changes necessitated by the bankruptcy of a prior party; and

Whereas, the project is complete and the intent of this amendment is to address the operation of the business and expectations of the AGENCY and CLIENT; and

Whereas, the CLIENT is requesting changes to and clarifications of Section 3 c. and e.; and

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 3 of 7

- g. The CLIENT shall execute and deliver to the AGENCY the Second Deed of Trust referenced above prior to disbursement of any funds in the amount of \$500,000, which shall be amended if the amount disbursed is less.
- h. CLIENT shall maintain a full replacement value Fire and Casualty policy on the PROJECT, with the AGENCY as an additional named insured for the duration of the loan agreement and provide proof of such insurance to AGENCY no less than every 12 months without demand.
- i. Amending the October 1, 2014, Agreement to convert \$100,000 of the originally agreed upon \$500,000 funding to a grant does not reduce the amount of the Second Deed of Trust and does not allow the CLIENT to reduce the scope of work or change the design of the project. Accordingly, loan forgiveness shall be based on the \$500,000 Second Deed of Trust amount.

Section 2. Amendments and Assignments

All amendments to this AGREEMENT, which are mutually agreed upon by and between the PARTIES to this AGREEMENT, shall be in writing and executed with the same formalities of this AGREEMENT. This AGREEMENT is binding on the heirs, successors and assigns of the PARTIES hereto but shall not be assigned by either party without first obtaining the written consent of the other. This written agreement is intended by the PARTIES to be the final agreement to supersede all prior oral agreements, negotiations, memorandums or previous writings.

Section 3. Special Considerations Unique to this PROJECT

Funding for this proposal will be in form of a loan secured by a lien on the subject real property at 1912 Fourth Street. The AGENCY will agree to a second position security, in the form of a commercial second deed of trust, provided the first lien holder provides written agreement with the AGENCY second position lien. In addition, the AGENCY requires the first lien holder to agree to the PROJECT. That agreement by the first lien holder requires CLIENT to get its consent before any changes are made to the building or real property. Attached as APPENDIX D is a signed agreement which satisfies this requirement. CLIENT will immediately advise the AGENCY if the first lien holder attempts to revoke said agreement. The AGENCY second position loan will be converted to a grant based on successfully meeting the following conditions:

- a. Total cost of improvements shall be a minimum of \$1,250,000, inclusive of URA funding.
- b. Interest shall accrue at a minimum of 5% from the date of first disbursement on the entire funding amount and shall compound annually on the remaining principal. Principal and interest shall be forgiven as described in Section 3 e.
- c. Job creation and retention requirements:
 - i. Maintain a minimum of six (6) full-time, non-family employees at a base wage of not less than \$15.00 an hour; cumulative hours for multiple employees shall not be considered as satisfying this requirement except as provided in vi. below; and
 - ii. Maintain a minimum of five (5) part-time (900 or more hours/year), non-family employees at or above the then current State of Oregon minimum wage. Cumulative part-time hours of 4,500 or more will satisfy this requirement.
 - iii. Qualifying employees in this section cannot include any members of the LLC, LP or property or business ownership.
 - iv. Employment reporting must be completed every month for the duration of this agreement. Reporting must be completed on forms supplied by the AGENCY.
 - v. The Agency reserves the right to audit the records of the grocery store to confirm the employment information reported.

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 4 of 7

- vi. For the purposes of loan principal forgiveness under this AGREEMENT, a full-time employee shall be an individual employee working a minimum 1,560 hours per year/30 hours per week/60 hours per two-week pay period at the rate of \$15.00 per hour or more for a rolling 12-month period. If there is a full-time vacancy, a combination of at least 1,300 hours worked by a combination of up to four employees may be considered as one full-time position provided each employee works a minimum of 90 days at the 30 hour per week minimum described above and their employment does not overlap with any of the other employees included for the combined hours total of 1,300 or more during the rolling 12-month period. (during those periods where two employees or more employees overlap, only one employee's hours can be counted for that period) Paid vacation, holiday, and sick leave shall be counted as hours worked.
- d. Store must be open for business a minimum of five days per week, 52 weeks per year, for the duration of the AGREEMENT.
- e. Loan principal forgiveness. If the requirements contained in Section 3 c. and d. are met, the AGENCY shall forgive the remaining loan balance, based on the total funding provided as follows:
 - i. Up to \$100,000 per year based on \$10,000 per year for each full-time job created, reported, and verified during any rolling 12-month period commencing on November 1, 2017. Forgiveness shall be determined at the conclusion of each monthly reporting period.
 - ii. Maximum timeline: Remaining principal balance must be fully forgiven not later than October 31, 2029.
 - iii. Once total of \$500,000 has been forgiven, agreement terms are deemed to be met and accrued interest is also forgiven.
 - iv. If the requirements contained in Section 3 c. (job creation and retention) and d. (less than 90% compliance for store hours) are not met in any given year then the AGENCY shall not forgive any loan principal for that year and the loan interest shall double to 10% for that year. Non-performing years can be "made up" up to the maximum performance end date of October 31, 2029, but total forgiveness cannot exceed \$100,000 in any rolling twelve month period.
 - v. The interest shall be assessed on each month's remaining principal balance. In December of each year, forgiveness for the prior year shall be reconciled to assure the total amount forgiven is correct based on the requirements of Section 3. c. vi.
 - vi. The AGENCY shall provide an annual statement to the CLIENT reflecting the amount of forgiveness, including remaining principal balance, and interest accrued commencing in February 2024. The formula/criteria for determining forgiveness set out in this paragraph 3 shall apply retroactively.
 - vii. If on November 1, 2029, any principal balance remains, the remaining principal, plus all accrued but uncredited interest shall become immediately due and payable.
- f. Funding shall be conditioned on submission of written proof of concurrence of the improvements to be made to the PROJECT by the first lien holder and that the PROJECT does not violate any provisions of the security agreement between the CLIENT and the first lien holder.

Section 4. Public Right-of-Way (Streetscape) Improvements and Use of AGENCY Funds: To the degree that improvements in the Public Right-of-Way (ROW) are deemed required by the City of La Grande, the following components will be adhered to.

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 5 of 7

- a. Specifics of the Streetscape elements of the PROJECT are outlined in the Downtown Public Improvement Standards (attached as APPENDIX "C") which describe in more detail the sidewalk, street trees, lamp posts, etc. These improvements must be coordinated with City of La Grande Public Works.
- b. The AGENCY specifies that the order in which AGENCY funding should be used to be sequenced thus (all AGENCY funding is reimbursed to the CLIENT, per the terms stated in this AGREEMENT).
- c. Funds should first be used toward all required off-site/ public-right-of-way improvements, as required by the City of La Grande, such as:
 - a. Sidewalk improvements
 - b. Streetscape improvements, to include
 - i. Decorative concrete
 - ii. Pedestrian lighting and associated electrical services
 - iii. Street trees and wells and associated irrigation systems
 - iv. Underground conduits, electrical circuits, irrigation systems
 - c. Water, wastewater, storm drain system improvements
 - d. Improvements to alley and/or drive approaches in the public-right-of-way
 - e. ADA compliance issues in the public-right-of-way
 - f. Traffic control or signage in the public-right-of-way
- d. Funds, if any remain, should next be used toward exterior onsite improvements, such as:
 - a. Parking and drive area paving & striping
 - b. Landscaping
 - c. Concrete work
 - d. Signage
 - e. Storm water detention
- e. Funds, if any remain, should next be used toward exterior building improvements, including exterior walls and roofs.
- f. Funds, if any remain, should last be used for building systems, such as HVAC, plumbing, elevator and/or electrical.
- g. With the exception of up to \$100,000 as described in Section 1., paragraph h., subparagraph a., no funds shall be used for any interior building construction, improvements, amenities, or business expenses.
- h. No funds shall be used for inventory or operating expenses.

Section 5 Progress Reports To Agency:

- a. CLIENT shall provide AGENCY the following:
 - i. Written reports without demand on a semi-annual basis for duration of the loan agreement. Commencing in 2018, the following reports will be due to the District Manager (unless otherwise required or agreed to by AGENCY in writing).
 - a. All employment records for the grocery store's full and part-time employees, and their hours worked and hourly pay rate to demonstrate compliance with Section 3 above.

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 6 of 7

- b. Employment reporting must be completed monthly beginning with the month of December 2023 (\$833.33 credit per month per employee, plus any interest that has accrued on that amount for each full time employee with a minimum of six full time employees), and submitted without demand within thirty (30) days.
- ii. Validation that the store was open for business a minimum of five days per week, 52 weeks per year, for the duration of the AGREEMENT.

Failure to provide AGENCY with accurate and timely reports for a period of 6 months or more starting January 1, 2018 or inactivity on the project for the same time period may result in the AGENCY, at its option, declaring any loan amounts outstanding immediately due and payable. Reports are acknowledged to be current as the date hereof.

Section 6. Events of default: Violation of any term, condition, or obligation of the CLIENT, under this agreement shall be considered an event of default, time being the essence of this agreement. Upon breach of any such term, condition, or obligation and upon the Agency giving CLIENT written notice of the breach, CLIENT shall have 45-days to provide proof that the breach is fully cured or Agency shall have the right to terminate the agreement and seek specific recovery of all sums advanced under this agreement immediately, excluding any sums which have been forgiven under Section 3.e., or seek any other or further remedy authorized by law. Waiver of any one breach by the Agency shall not excuse performance of any other term, condition, or obligation by the CLIENT in a timely manner.

Section 7 Entire Agreement: This Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement.

Section 8 Survival: Any provisions of this Agreement relating to indemnification shall survive the termination or expiration hereof. In addition, any terms and conditions contained in this Agreement that by their sense and context are intended to survive the termination or expiration of this Agreement shall so survive.

Section 9 Severability: If any provision of this Agreement is held invalid, illegal or unenforceable by a court or agency of competent jurisdiction, (a) the validity, legality and enforceability of the remaining provisions of this Agreement are not affected or impaired in any way if the overall purpose of the Agreement is not rendered impossible and the original purpose, intent or consideration is not materially impaired; and (b) the parties shall negotiate in good faith in an attempt to agree to another provision (instead of the provision held to be invalid, illegal or unenforceable) that is valid, legal and enforceable and carries out the parties' intentions to the greatest lawful extent. If any such action or determination renders the overall performance of this Agreement impossible or materially impairs the original purpose, intent or consideration of this Agreement, and the parties are, despite the good faith efforts of each, unable to amend this Agreement to retain the original purpose, intent and consideration in compliance with that court or agency determination, either party may terminate this Agreement upon sixty (60) days' prior written notice to the other party and upon CLIENT immediately repaying all unpaid loan principal together with all accrued interest.

Section 10 Attorney Fee Clause: In the event action is instituted to enforce any terms of this contract, the prevailing party shall be entitled to recover from the other party all expenses, including attorney fees and litigation costs, which it may reasonably incur in taking such action, including any appeal therefrom.

CITY of LA GRANDE URBAN RENEWAL AGENCY

AMENDED LOAN AGREEMENT (Third Amendment)

This LOAN AGREEMENT (hereinafter referred to as AGREEMENT), entered into this ~~eighth (8th)~~ day of ~~June, 2016~~ 2024 by and between the City of La Grande Urban Renewal Agency (hereinafter referred to as the AGENCY), and Town Square LP ~~and Market Place Family Foods, LLC~~ (hereinafter referred to as CLIENTS), for the purpose of using La Grande Urban Renewal Funds for a new grocery store project located at 1912 Fourth Street, 03S3806DA, Tax Lot 11700, La Grande, Oregon (hereinafter referred to as the PROJECT).

WITNESSETH

PROJECT NAME: Market Place Family Foods new grocery store project

PROJECT ADDRESS: 1912 Fourth Street; 03S3806DA/11700

PROJECT NUMBER: URA-14-01

~~ESTIMATED BEGINNING DATE: August 15, 2015~~

~~REQUIRED COMPLETION DATE: September 30, 2016~~ October 3, 2017

ESTIMATED TOTAL PROJECT COST: \$1.5 Million

FINAL PROJECT COST: \$2,545,655

AGENCY CONTRIBUTION: \$500,000

Whereas, the CLIENTS has expressed interest in using AGENCY funds at the PROJECT site to assist with a major renovation of an existing building to open a new grocery store pursuant to a La Grande Urban Renewal Agency project application to the AGENCY, and,

Whereas, the CLIENTS provided to the AGENCY contractor cost proposals for the PROJECT of approximately \$1.5 Million; and,

Whereas, the AGENCY desires to cooperate with the CLIENT in using AGENCY funds for reinvestment in La Grande's Urban Renewal District in partnership with private sector investors, such as the CLIENT; and,

Whereas, the AGENCY voted to fund this PROJECT at its August 20, 2014, Regular Session.

Whereas, the parties executed an agreement dated October 1, 2014; and,

Whereas, the ~~CLIENTS~~ CLIENT ~~has~~ requested and received an amendment to the agreement to address loan requirements and construction timing in June, 2015; and,

Whereas, the ~~CLIENTS~~ CLIENT ~~has~~ requested and received a second amendment to the agreement to extend the completion date in June, 2016; and

Whereas, this ~~this third~~ amendment to the agreement addresses changes necessitated by the bankruptcy of a prior party; and

Whereas, the project is complete and the intent of this amendment is to address the operation of the business and expectations of the AGENCY and CLIENT; and

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 2 of 9

Whereas, the CLIENT is requesting changes to and clarifications of Section 3 c. and e.; and

Whereas, the CLIENT is requesting an extension due to the COVID-19 Pandemic to timeframe for loan forgiveness in Section 3 e;

NOW, THEREFORE, based on the mutual covenants set forth in this AGREEMENT, the parties agree to the following amended terms and conditions:

Section 1. Duties and Responsibilities

- ~~a. CLIENTS agrees to perform the PROJECT work as per the design plan described in the project intake application (attached as APPENDIX "A") to the AGENCY, with a PROJECT start date of not later than October 1, 2015, and a completion date of not later than September 30, 2016. CLIENTS agree to communicate in writing any need for extension of completion date at least one month prior to the deadline expressed in this agreement. The extension request letter should include the reasons why the extension is needed; new PROJECT start date or completion date; what elements of the PROJECT have been completed; and what elements still need to be completed.~~
- ~~b. CLIENTS agrees to work with licensed contractors and to provide labor and materials to complete items contained in the scope of work prior to the completion date (unless an extension is granted as herein provided). Deviations from any approved design, plans and specifications without advance written approval from the Agency will disqualify CLIENTS from receiving program funds.~~
- ~~c. CLIENTS agrees to submit timely proof of payment documents for the PROJECT to the AGENCY for reimbursement payment. Submittals can occur in accordance with subsection "h." below. Each request for reimbursement must be accompanied by the "Project Approval Checklist" (attached as APPENDIX "B"), which requires Review and Approval from the Planning Division, Building Division and Public Works Department along with appropriate documentation that demonstrates proof of payment. Failure to provide this form and/or receive Review and Approval from the respective City of La Grande Divisions/Departments could result in a delay or loss of project funding and/or appropriate actions taken to correct non-permitted work.~~
- ~~a. CLIENTS agrees to abide by all applicable local, state and federal laws related to the PROJECT and to obtain all necessary permits from the City of La Grande Planning Division, Public Works Department and the Building Division for the PROJECT. FUNDING AGREEMENT DOES NOT IMPLY NOR IN ANY WAY GUARANTEE PROJECT APPROVAL OR PERMITS FROM ANY CITY OF LA GRANDE DIVISION/DEPARTMENT, INCLUDING PLANNING, BUILDING INSPECTIONS OR PUBLIC WORKS.~~
- ~~b. CLIENTS agrees to allow for the placement of temporary project funding signs onsite during the time period of the active construction on the PROJECT.~~
- a. Funding is contingent upon ~~CLIENTS~~CLIENT retaining ownership and operation of the PROJECT for the duration of this agreement. ~~CLIENTS~~CLIENT agrees to notify the AGENCY in writing of any proposed transfer of real property and/or business operation to a third party prior to the execution of any sale or transfer of the real property and/or the business operation. If said sale or transfer ~~is to a party other than the CLIENTS~~ occurs during for the duration of this agreement the contribution of AGENCY funds ~~will be~~being considered a loan and the full amount of any and all remaining principal, plus accrued interest, will become due and payable to the AGENCY immediately upon sale or transfer.

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 3 of 9

- b. ~~CLIENTS~~CLIENT agrees to provide as part of the PROJECT, improvements to the property, including along the Adams Avenue and Fourth Street frontages, if required by the La Grande Public Works Department. Specifics of the Streetscape elements, if a required part of the PROJECT, are outlined in the Downtown Public Improvement Standards (attached as APPENDIX "C"). More detail on the use of URA funds for specific streetscape elements is described in Section 4.
- c. CLIENT agrees to maintain Town Square, LP and Adelsberger Enterprises, LLC ~~and any other party to this Agreement~~ as active entities with the both the State of Oregon and the State of California, where applicable. CLIENT agrees to provide AGENCY with notices of renewal for both entities within 30 days of renewing each registration with the State.
- d. AGENCY may allow CLIENT to contract portions of CLIENT'S duties under this agreement to a third party provided CLIENT must obtain the advance, express written consent of AGENCY. AGENCY shall be allowed not less than 30 days to vet the proposed third party in order to ascertain the viability of the third party's ability to perform the duties. CLIENT agrees to provide all necessary information to AGENCY in order for AGENCY to make an informed decision. Failure by the CLIENT to obtain the written consent of the AGENCY will result in the contribution of AGENCY funds being considered a loan and the full amount of any and all remaining principal, plus accrued interest, will become due and payable to the AGENCY immediately upon sale or transfer. If AGENCY allows client to contract any portion of CLIENT'S duties under this Agreement, AGENCY reserves the right to review the agreement between CLIENT and third party and third party's employee records as they pertain to the Project.
- ~~e. AGENCY agrees has to provided to CLIENTSCLIENT up to \$500,000 for the PROJECT, as follows.~~
- ~~— \$100,000 of grant funding which shall be was placed in an account under the control of US Bank to be used during the construction phase of the PROJECT and dispersed out to the project in relation to items completed, as determined under the calendar, conditions, and stipulations of the loan documents of US Bank. Should the loan from US Bank not be approved, this \$100,000 of grant funding shall become immediately due and payable to the AGENCY.~~
- ~~d.~~
- ~~e.~~
- e. ~~Up to \$400,000 of funding for actual expenditures related to the PROJECT on a reimbursement basis. Reimbursement payments will be made following receipt of complete and satisfactory PROJECT fund requests, to include documentation such as invoices substantiating each request, for work completed as required under this agreement. Progress payments may be made at a frequency of not more than once each calendar month to reflect actual work which has occurred during that period. AGENCY shall withhold 10% from each reimbursement request until a certificate of occupancy is issued and the PROJECT is determined to be complete by the District Manager following an inspection conducted by the District Manager and his designees. Payments for work completed after May 1, in any given year MAY be delayed until after July 1 but before July 31, of that year due to possible fiscal year budget constraints. The AGENCY shall not take possession nor "own" the property unless CLIENTSCLIENT is in default on either the First or Second Trust Deeds or the terms of this agreement and AGENCY takes possession through a legal process.~~

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 4 of 9

- f.** The AGENCY'S Second Deed of Trust security agreement includes a due on sale clause that will be triggered by the change of ownership (other than a transfer to long-term entity owned by the principals of Town Square LP) at which time the loan would be considered in default and subject to immediate repayment which remains in effect.
- g.** The **CLIENTSCLIENT** shall execute and deliver to the AGENCY the Second Deed of Trust referenced above prior to disbursement of any funds in the amount of \$500,000, which shall be amended if the amount disbursed is less.
- h.** **CLIENTSCLIENT** shall maintain a full replacement value Fire and Casualty policy on the PROJECT, with the AGENCY as an additional named insured for the duration of the loan agreement and provide proof of such insurance to AGENCY no less than every 12 months without demand.
- f.i.** Amending the October 1, 2014, Agreement to convert \$100,000 of the originally agreed upon \$500,000 funding to a grant does not reduce the amount of the Second Deed of Trust and does not allow the **CLIENTSCLIENT** to reduce the scope of work or change the design of the project. Accordingly, loan forgiveness shall be based on the \$500,000 Second Deed of Trust amount.

Section 2. Amendments and Assignments

~~The CLIENTS may cancel this AGREEMENT prior to the first payment by the AGENCY to the CLIENT by giving written notice of such intent to the AGENCY at least seven (7) days in advance of the date of cancellation. The AGREEMENT may not be terminated once any funds have been disbursed.~~ All amendments to this AGREEMENT, which are mutually agreed upon by and between the PARTIES to this AGREEMENT, shall be in writing and executed with the same formalities of this AGREEMENT. This AGREEMENT is binding on the heirs, successors and assigns of the PARTIES hereto but shall not be assigned by either party without first obtaining the written consent of the other. This written agreement is intended by the PARTIES to be the final agreement to supersede all prior oral agreements, negotiations, memorandums or previous writings.

Section 3. Special Considerations Unique to this PROJECT

Funding for this proposal will be in form of a loan secured by a lien on the subject real property at 1912 Fourth Street. The AGENCY will agree to a second position security, in the form of a commercial second deed of trust, provided the first lien holder provides written agreement with the AGENCY second position lien. In addition, the AGENCY requires the first lien holder to agree to the PROJECT. That agreement by the first lien holder requires **CLIENTSCLIENT** to get its consent before any changes are made to the building or real property ~~before changes are made to the building or real property.~~ Attached as APPENDIX D is a signed agreement which satisfies this requirement. **CLIENTSCLIENT** will immediately advise the AGENCY if the first lien holder attempts to revoke said agreement. The AGENCY second position loan will be converted to a grant based on successfully meeting the following conditions ~~at the end of five years:~~

- a.** Total cost of improvements shall be a minimum of \$1,250,000, inclusive of URA funding.
- b.** Interest shall accrue at a minimum of 5% from the date of first disbursement on the entire funding amount and shall compound annually on the remaining principal; said interest shall be forgiven only if the loan converts to a grant. Principal may be forgiven as described in Section 3 e.

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 5 of 9

b.c. Job creation and retention requirements:

- i. Maintain a minimum of six (6) full-time ~~(2,080 hours/year average)~~, non-family employees at a base wage of not less than \$15.00 an hour; cumulative hours for multiple employees shall not be considered as satisfying this requirement except as provided in vi. below; and
- ii. Maintain a minimum of five (5) part-time ~~(less than 2,080 hours/year but more than 900 or more hours/year)~~, non-family employees at or above the then current State of Oregon minimum wage. Cumulative part-time hours of 4,500 or more will satisfy this requirement.
- iii. Qualifying employees in this section cannot include any members of the LLC, LP or property or business ownership.
- iv. Employment reporting must be completed every ~~six months~~ month to begin six months following the official opening of the grocery store and continue on a June 1 and / December 1 schedule for the duration of this agreement. Reporting must be completed on forms supplied by the AGENCY.
- v. The Agency reserves the right to audit the records of the grocery store to confirm the employment information reported.
- vi. For the purposes of loan principal forgiveness under this AGREEMENT, a full-time employee shall be an individual employee working a minimum 1,560 hours per year/30 hours per week/60 hours per two-week pay period} at the rate of \$15.00 per hour or more for a rolling 12-month period. If there is a full-time vacancy, a combination of at least 1,300 hours worked by a combination of up to four employees may be considered as one full-time position provided each employee works a minimum of 90 days at the 30 hour per week minimum described above and their employment does not overlap with any of the other employees included for the combined hours total of 1,300 or more during the rolling 12-month period. (during those periods where two employees or more employees overlap, only one employee's hours can be counted for that period) Paid vacation, holiday, and sick leave shall be counted as hours worked.

e.d. Store must be open for business a minimum of five days per week, 52 weeks per year, for the duration of the AGREEMENT.

e.e. Loan principal forgiveness. If the requirements contained in Section 3 c. and d. are met, the AGENCY shall forgive loan principal based on the total funding provided as follows:

- i. Up to \$100,000 per year based on \$10,000 per year for each full-time job created, reported, and verified ~~during any rolling for that calendar year or 12-month reporting period commencing on November 1, 2017.~~ Forgiveness shall be determined at the conclusion of each reporting period.
- ii. Maximum ~~40-year performance~~ timeline: principal balance must be fully forgiven not later than October 31, 2029 from October 3, 2017 the first date of full occupancy.
- iii. Once total of \$500,000 has been forgiven, agreement terms are deemed to be met and accrued interest is also forgiven.
- iv. If the requirements contained in Section 3 c. (job creation and retention) and d. (less than 90% compliance for store hours) are not met in any given ~~calendar year or 12-month reporting period (less than 90% compliance for store hours or job creation)~~, then the AGENCY shall not forgive any loan principal for that ~~calendar year~~ and the loan interest rate shall double to 10% for that year. Non-performing ~~years~~ can be "made up" up to the maximum performance end date of October 31, 2029, timeline of 40 years but total forgiveness cannot exceed \$100,000 in any rolling twelve month year period.

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 6 of 9

- v. The interest shall be assessed on each month's remaining principal balance. In December of each year, forgiveness for the prior year shall be reconciled to assure the total amount forgiven is correct based on the requirements of Section 3. c. vi.
- vi. The AGENCY shall provide an annual statement to the CLIENT reflecting the amount of forgiveness, including remaining principal balance, and interest accrued commencing in December of 2023. The formula/criteria for determining forgiveness set out in this paragraph 3 shall apply retroactively.
- iv.vii. If on November 1, 2029, any principal 10-years-have-passed-and-a balance remains, the remaining principal, plus allany accrued but uncredited interest shall become immediately due and payable.
- ~~e. PROJECT shall be completed in accordance with approved design, City of La Grande Code requirements and approved site plan and all applicable zoning and building codes.~~
- ~~f. CLIENTS shall obtain all City of La Grande required reviews and approvals; award of funding does not obligate the City to approve the site plan.~~
- ~~g. Construction timeline – PROJECT construction must commence not later than October 1, 2015. PROJECT must be complete and the store shall be open for business not later than June 30, 2016.~~
- ~~h. Funding shall be conditioned on the applicant providing proof of funding from other sources including but not limited to an SBA Loan and/or cash of not less than \$750,000.~~
- i.f. Funding shall be conditioned on submission of written proof of concurrence of the improvements to be made to the PROJECT by the first lien holder and that the PROJECT does not violate any provisions of the security agreement between the ~~CLIENTS~~CLIENT and the first lien holder.

Section 4. Public Right-of-Way (Streetscape) Improvements and Use of AGENCY Funds: To the degree that improvements in the Public Right-of-Way (ROW) are deemed required by the City of La Grande, the following components will be adhered to.

- a. Specifics of the Streetscape elements of the PROJECT are outlined in the Downtown Public Improvement Standards (attached as APPENDIX "C") which describe in more detail the sidewalk, street trees, lamp posts, etc. These improvements must be coordinated with City of La Grande Public Works.
- b. The AGENCY specifies that the order in which AGENCY funding should be used to be sequenced thus (all AGENCY funding is reimbursed to the ~~CLIENTS~~CLIENT, per the terms stated in this AGREEMENT).
- c. Funds should first be used toward all required off-site/ public-right-of-way improvements, as required by the City of La Grande, such as:
 - a. Sidewalk improvements
 - b. Streetscape improvements, to include
 - i. Decorative concrete
 - ii. Pedestrian lighting and associated electrical services
 - iii. Street trees and wells and associated irrigation systems
 - iv. Underground conduits, electrical circuits, irrigation systems
 - c. Water, wastewater, storm drain system improvements

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 7 of 9

- d. Improvements to alley and/or drive approaches in the public-right-of-way
- e. ADA compliance issues in the public-right-of-way
- f. Traffic control or signage in the public-right-of-way
- d. Funds, if any remain, should next be used toward exterior onsite improvements, such as:
 - a. Parking and drive area paving & striping
 - b. Landscaping
 - c. Concrete work
 - d. Signage
 - e. Storm water detention
- e. Funds, if any remain, should next be used toward exterior building improvements, including exterior walls and roofs.
- f. Funds, if any remain, should last be used for building systems, such as HVAC, plumbing, elevator and/or electrical.
- g. With the exception of up to \$100,000 as described in Section 1., paragraph h., subparagraph a., no funds shall be used for any interior building construction, improvements, amenities, or business expenses.
- h. No funds shall be used for inventory or operating expenses.

Section 5 Progress Reports To Agency:

~~CLIENTS shall provide AGENCY the following:~~

~~CLIENTS shall provide AGENCY the following: Written, quarterly progress reports during construction to demonstrate the project is being completed within the timeframes required.~~

a. CLIENT shall provide AGENCY the following:

- i. Written reports without demand on a semi-annual basis for duration of the loan agreement. Commencing in 2018, tThe following reports will be due to the District Manager ~~not later than June 1 and December 1 of each year~~ (unless otherwise required or agreed to by AGENCY in writing).
 - a. All employment records for the grocery store's ~~Town Square, LP,~~ full and part-time employees, and their hours worked and hourly pay rate to demonstrate compliance with Section 3 above.
 - b. Employment reporting must be completed monthly every six months to begin six beginning with the month of July, 2023, and submitted without demand within thirty (30) days. ~~months following the official opening of the grocery store. June 1, 2018.~~
- ii. Validation that the store was open for business a minimum of five days per week, 52 weeks per year, for the duration of the AGREEMENT.
- iii. ~~Commencing January 1, 2018 f~~Financial reports for Town Square, LP, including but not limited to budget, balance sheet, income statement, or other documents reflecting the revenues and expenses as of December 31 and June 30 of each year not later than February 1st and August 1st respectively.

CITY of LA GRANDE URBAN RENEWAL AGENCY

AGREEMENT

Market Place Family Foods, 03S3806DA/11700

Page 8 of 9

- b. Failure to provide AGENCY with accurate and timely reports for a period of 6 months or more [starting January 1, 2018](#) or inactivity on the project for the same time period may result in the AGENCY, at its option, declaring any loan amounts outstanding immediately due and payable. [Reports are acknowledged to be current as the date hereof.](#)

Section 6. Events of default: Violation of any term, condition, or obligation of the [CLIENTSCLIENT](#), under this agreement shall be considered an event of default, time being the essence of this agreement. Upon breach of any such term, condition, or obligation and upon the Agency giving [CLIENTSCLIENT](#) written notice of the breach, [CLIENTSCLIENT](#) shall have 45-days to provide proof that the breach is fully cured or Agency shall have the right to terminate the agreement and seek specific recovery of all sums advanced under this agreement immediately, excluding any sums which have been forgiven under Section 3.e., or seek any other or further remedy authorized by law. Waiver of any one breach by the Agency shall not excuse performance of any other term, condition, or obligation by the [CLIENTSCLIENT](#) in a timely manner.

Section 7 Entire Agreement: This Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement.

Section 8 Survival: Any provisions of this Agreement relating to indemnification shall survive the termination or expiration hereof. In addition, any terms and conditions contained in this Agreement that by their sense and context are intended to survive the termination or expiration of this Agreement shall so survive.

Section 9 Severability: If any provision of this Agreement is held invalid, illegal or unenforceable by a court or agency of competent jurisdiction, (a) the validity, legality and enforceability of the remaining provisions of this Agreement are not affected or impaired in any way if the overall purpose of the Agreement is not rendered impossible and the original purpose, intent or consideration is not materially impaired; and (b) the parties shall negotiate in good faith in an attempt to agree to another provision (instead of the provision held to be invalid, illegal or unenforceable) that is valid, legal and enforceable and carries out the parties' intentions to the greatest lawful extent. If any such action or determination renders the overall performance of this Agreement impossible or materially impairs the original purpose, intent or consideration of this Agreement, and the parties are, despite the good faith efforts of each, unable to amend this Agreement to retain the original purpose, intent and consideration in compliance with that court or agency determination, either party may terminate this Agreement upon sixty (60) days' prior written notice to the other party and upon [CLIENTSCLIENT](#) immediately repaying all unpaid loan principal together with all accrued interest.

Section 10 Attorney Fee Clause: In the event action is instituted to enforce any terms of this contract, the prevailing party shall be entitled to recover from the other party all expenses, including attorney fees and litigation costs, which it may reasonably incur in taking such action, including any appeal therefrom.

CITY of LA GRANDE

URBAN RENEWAL AGENCY ACTION FORM

Agency Meeting Date: **January 3, 2024**

PRESENTER: **Robert Strope, District Manager**

AGENCY ACTION: **CONSIDER RESCINDING LOT SALE AT THE LA GRANDE BUSINESS AND TECHNOLOGY PARK**

- 1. MAYOR: Request Staff Report.
- 2. MAYOR: Request Public Comments.
- 3. MAYOR: Invite Agency Discussion.
- 4. MAYOR: Entertain a Motion:

Suggested Motion: I move that the District Manager be authorized to complete and sign all necessary documents to rescind the sale of Lot 4 at the La Grande Business and Technology Park as presented.

- 5. MAYOR: Invite Additional Agency Discussion.
- 6. MAYOR: Ask for the Vote.

EXPLANATION: The Urban Renewal Agency sold Lot 4 at the La Grande Business and Technology Park in May of 2022. The purchaser has been and is unable to complete the development of the property as required in the Covenants, Conditions, and Restrictions (CC&Rs). In discussions with the purchaser, it has become apparent that providing additional time to develop the property will not resolve the situation. Based on this, the options available to the Agency are to rescind the sale or take legal action to force specific performance, which the District Manager strongly recommends against. The attached letter outlines the parameters for rescinding the sale and the purchaser has signed their agreement. Once the Agency approves the recession, the required documents will be prepared and signed and the lot will be relisted for sale once ownership is transferred back to the Agency.

District Manager Strope recommends the Agency approve the motion.

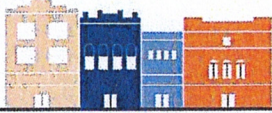
Reviewed By: (Initial)

District Manager _____
 City Recorder _____
 Aquatics Division _____
 Building Department _____
 ED Department _____
 Finance _____
 Fire Department _____

Human Resources Dept _____
 Library _____
 Parks Department _____
 Planning Department _____
 Police Department _____
 Public Works Department _____

AGENCY ACTION (Office Use Only)

- Motion Passed
- Motion Failed; _____
- Action Tabled: _____
Vote: _____
- Resolution Passed
Effective Date: _____
- Ordinance Adopted
First Reading: _____
Second Reading: _____
Effective Date: _____
Second Reading: _____
Effective Date: _____



LA GRANDE URBAN RENEWAL AGENCY

1000 Adams Ave.; PO Box 670; La Grande, OR 97850; 541-962-1307; tbishop@cityoflagrande.org

December 7, 2023

Chris Arvidson
Med Transport Inc.
48387 McCarty Bridge Rd,
North Powder, OR 97867

RE: Lot #4 La Grande Business and Technology Park

Dear Chris,

Thank you for your email dated November 20, 2023 regarding the status of your project on Lot #4 at the La Grande Business and Technology Park.

Based on your email and having reviewed the CCRs, I would support a rescission of the sale as outlined in Article 11. The Agency would need to take formal action on the recession, which I would recommend they approve at their January meeting. The applicable provisions are as follows:


11.2 Purchase Price. The purchase price to be paid upon exercise of this rescission option shall be the sum of the following:

- 11.2.1 The purchase price paid for the land by the Owner; less
- 11.2.2 The cost to restore the property to the condition at time of sale if any site work or construction, including construction of a foundation, has occurred; less
- 11.2.3 Unpaid real estate tax and special assessment, if any; less
- 11.2.4 Proration of current year's real estate taxes to date of closing; less
- 11.2.5 Title insurance policy premium paid by the Owner in connection with the original sale; less
- 11.2.6 Unpaid liens or special charge of an ascertainable amount; plus
- 11.2.7 The fair market value of improvements provided the Co-Declarant opts to exercise this option after construction has commenced beyond the foundation which shall be determined by a mutually agreed upon appraiser, which determination shall be binding on the Co-Declarant and the Owner.

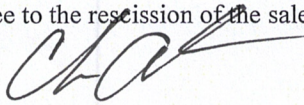
11.3 Conveyance shall be by Warranty Deed from said Owner to the Co-Declarant free and clear of all liens, encumbrances except those in existence prior to the Owner's purchase of the Property, and subject to municipal zoning and land division ordinance, recorded easements for public utilities, and the protective covenants contained in these CCRs and amendment thereto. Owner shall furnish a title insurance policy, at Owner's expense, to the Co-Declarant in the full amount of the purchase price.

If you would like to proceed with rescission of the sale of Lot #4 as described above, please sign this letter below and return it to the City of La Grande Economic Development office by December 15th.

Sincerely,


Robert A. Strobe
District Manager

I agree to the rescission of the sale as described above



Chris Arvidson

12/20/27

Date