Initiative Petition 28: A New Tax That Would Cost Consumers Billions With No Guarantee Where the Money Would Be Spent

FACTS

An initiative on the November 2016 statewide ballot, IP28 would impose $6 Billion in new taxes on the sales of products and services that Oregonians buy every day.

Oregon consumers, as well as small businesses, should be very concerned about this costly and damaging proposal. If passed by voters, IP28 would impose a huge new tax on many products and services sold in Oregon.

A study by the nonpartisan Legislative Revenue Office (LRO) concluded that most of this tax on sales would end up being paid by Oregon consumers through higher prices on nearly everything we buy – including gasoline, utilities, clothing, medicine, and even food – **costing the average Oregon household over $600 every year.**

IP28 does nothing to guarantee the new tax revenues will go to schools, healthcare, or senior services. The new taxes from this measure would be paid into the state General Fund, giving the politicians and bureaucrats a blank check to spend billions of dollars as they please, with no accountability to the public.

This measure's $6 Billion tax increase on companies' sales in Oregon would badly damage our state's economy and job market. In fact, the in-depth LRO study concluded that **this giant tax increase would result in over 38,000 lost private sector jobs in Oregon.**

[continued]

***Editorial:* [IP28] would only hurt those it aims to help**

"The $6.1 billion it would raise each biennium would come from one of the most regressive forms of taxation. IP28 would have its largest proportional impact on low- and medium-income families in this state. The basic problem with IP28 is that it behaves like a sales tax, but it doesn't exclude all the items normally exempted from sales taxes."

—*Portland Tribune*, 5/26/16

www.DefeatTheTaxOnOregonSales.com

DEFEAT THE TAX ON OREGON SALES

Because this would be a new tax on gross sales – not profits – businesses would be required to pay the tax on their total revenues, regardless of whether they make a large profit, a small profit, or no profit at all. That would mean many employers would have to raise prices or cut jobs, or both.

For many products sold in Oregon, this measure would add a new tax at each step in the production process. By the time an Oregon product goes from a manufacturer to a distributor and then to a retailer in the state, it may have been taxed multiple times before finally reaching the consumer. This type of "tax on a tax" would make Oregon products more expensive, and would make Oregon companies less competitive.

So what does IP28 mean for small businesses and consumers? It means higher costs for Oregon products and services, as well as damaging economic impacts that could threaten the recent economic improvements we have worked so hard to achieve.

Editorial: Beware of sales tax lurking in disguise

"[IP28] resembles a sales tax and will be most burdensome to the low-income Oregonians who can least afford to pay."

—*Portland Tribune*, 11/12/15

Editorial: [IP28] will act as a sales tax, state says

"...IP28 would give Oregonians a hidden sales tax unaccompanied by measures that would make the tax system work better or legislators spend more responsibly. It's the worst of all possible worlds."

—*The Oregonian*, 5/23/16

DEFEAT THE TAX ON OREGON SALES

INDIVIDUAL COALITION MEMBER FORM

I am **opposed** to the new $6 Billion tax increase on Oregon sales on the November 2016 statewide ballot. This costly and damaging proposal would harm our economy and increase prices for products and services that Oregonians buy every day. You may list me publicly as a member of the growing coalition of Oregon consumers, taxpayers, small and large businesses, and organizations who are coming together to oppose this harmful initiative.

NAME _____ SIGNATURE _____

CURRENT OCCUPATION OR JOB TITLE* _____ EMPLOYER* _____

OTHER TITLES OR AFFILIATIONS* _____

MAILING ADDRESS _____ CITY, STATE, ZIP _____

PHONE NUMBER _____ EMAIL ADDRESS _____

OTHER CONTACT NUMBER _____ DATE SIGNED _____

**Titles and affiliations are for identification purposes only and will be indicated as such on any published lists*

Please return this completed form to: Defeat The Tax On Oregon Sales
PO Box 5275, Portland, OR 97208 • Phone: (877) 575-9950 • Fax: (877) 703-3367
info@DefeatTheTaxOnOregonSales.com

Printed on recycled paper ♻ This voter information paid for by Defeat The Tax On Oregon Sales, PO Box 5275, Portland, OR 97208 v6. 0629

OAK LODGE LIBRARY CLOSURE ISSUES

2008 BALLOT MEASURE 3-310

- Promised that "All of the monies shall be spent on library operations and services." Construction is a "**capital** expense" and using library taxes for construction or encumbering for debt service directly violates the measure as approved by voters.

- Promised that if approved, "This dedicated funding would allow the libraries in Clackamas County **to stay open** and continue their programs." This does not seem to apply to the Oak Lodge Library and the citizens it serves.

- Says nothing about Gladstone providing library services to the unincorporated citizens, or, that these tax dollars would be distributed to and spent by a city government **where unincorporated citizens cannot vote.** Library taxes collected in our community must stay in our community. **Taxation without representation is unacceptable.**

ISSUE – OAK LODGE LIBRARY

- The Oak Lodge Library is scheduled to close once a Gladstone facility "sufficient to serve such area" is available.

- Unincorporated citizens rely on the Oak Lodge Library for more than just access to free books and other library materials. The library acts as a resource center, providing computer access and other services to the most vulnerable in our community – families living below the poverty line, children, and senior citizens.

- Numerous unincorporated citizens who must walk or use public transit will struggle to visit a library a great distance from our population center.

- Our community will be diminished and our citizens will suffer if the Oak Lodge Library closes.

ISSUE – GLADSTONE LIBRARY

- The city of Gladstone is designated to provide library services to a library population that includes 29,500 citizens of the unincorporated areas of Oak Grove/Jennings Lodge/North Clackamas.

- Gladstone's "revised" plan is to build a three-story combined library and City Hall on Portland Avenue in downtown Gladstone. (This change in location does not meet the 2011 agreement with Clackamas County).

- The plan supports Gladstone's downtown business revitalization goals, but does not sufficiently meet the needs of the majority of residents served by the designated library service area.

- The first floor designated for the library is approximately 6,500 sq. ft. This is **smaller** than the Oak Lodge Library (8,770 sq. ft.), which is already insufficient to serve the needs of the service population. In fact, the proposed library will be **smaller than the combined current Gladstone and Oak Lodge libraries**, which are both undersized.

- The second floor would be community space of 6,500 sq. ft. to be shared between library patrons/programs and City Hall needs.

- The third floor would be City Hall.

- Parking for this building would be provided by tearing down the existing Gladstone Library.

- **NO** Gladstone City money would be used for the construction, loan repayment, or operations of this library. The **majority** of the funds for this library would be provided by Library District taxes of our unincorporated citizens.

For additional info, find us on Facebook: www.facebook.com/oaklodgelibraryadvocates
Join our email list by emailing: OLlibraryadvocates@gmail.com

Measure 3-310

Ballot Title

ESTABLISH A COUNTYWIDE LIBRARY SERVICE DISTRICT IN CLACKAMAS COUNTY

QUESTION: Shall District be formed for countywide libraries to restore hours and retain services; $0.3974 per $1000 assessed value beginning FY2009?

SUMMARY: If approved, the "Library Service District of Clackamas County" ("Library District") would be formed. Its territory would be countywide, exempting the cities of Damascus, Johnson City, and that portion of Tualatin within Clackamas County. Creation of the Library District would do the following:

- Provide permanent and dedicated library funding;
- Allow libraries to make basic repairs and library improvements;
- Restore all libraries' ability in the Library District to purchase more books and materials; and
- Prevent reductions in services and closure of some city libraries.

Declining federal funding to counties creates a shortfall for local programs, including libraries. The creation of a Library Service District would ensure a dedicated long-term funding source for library services, allowing libraries to retain educational resources and programs.

The Library District would be governed by the Board of County Commissioners and advised by an independent citizen committee. All of the monies shall be spent on library operations and services. An annual audit is available to the public.

Explanatory Statement

If approved, the "Library Service District of Clackamas County" ("Library District") would be formed. Its territory would be countywide, exempting the cities of Damascus, Johnson City, and that portion of Tualatin within Clackamas County.

Current Library Services

The libraries of Clackamas County currently work together to provide important community services, including:

- ***Educating youth:*** Public libraries shoulder a greater proportion of this role today as school library budgets are cut.
- ***Fostering literacy:*** Libraries support literacy education efforts by providing teaching resources and space for tutoring.
- ***Providing information and referral services:*** Libraries provide information in areas of personal interest, research, business development, or to support recreational interests.
- ***Serving pre-school children:*** Libraries provide educational opportunities by supplying rotating collections of books to pre-school centers, holding weekly story hours and craft events and special programs directed at pre-school children.
- ***Serving the elderly and home-bound:*** Libraries provide rotating collections housed in retirement centers and direct loan service to home-bound, and provide large print and audio books.
- ***Providing cultural opportunities:*** Artistic, musical, and cultural experiences are held at libraries usually without fee and libraries in Clackamas County provide "Cultural Passes" so that patrons can take their children to museums and gardens free of charge.

This work is currently supported by annual payments from the County general fund to supplement city libraries and provide funding for County operation of three libraries serving unincorporated residents. The County also funds the Library Network allowing the libraries to connect electronically, share their collections and work together to more efficiently provide library services.

Rationale for Proposal

However, declining federal funding to counties, including Clackamas County, has created a shortfall for local programs, including libraries. Clackamas County can no longer provide supplemental funding to city libraries or operate the three existing county libraries. The county has announced that, barring new funding, the three county libraries will close on June 30, 2009, and county-provided supplemental funding to city libraries will be reduced by 20% per year for the next five years, ending completely in 2014.

What the New District Would Provide

The creation of a Library District would ensure a stable, dedicated, and long-term funding source for library services, allowing libraries to retain their educational resources and programs. The Library District would implement a permanent rate of $0.3974 per $1,000 assessed value to exclusively fund library services. A home assessed at $200,000 would pay approximately $79.48 per year. This dedicated funding would allow the libraries in Clackamas County to stay open and continue their programs.

District Governance

The Library District would be governed by the Board of County Commissioners and advised by an independent citizen committee representing each library in the District. Each of these libraries would be required to ensure representation of both city and unincorporated residents on their local library board, whose designated member will then serve and represent their library on the District Advisory Board. An annual audit of District finances would be conducted and made available to the public.

(This information furnished by Christopher B. Storey, Assistant County Counsel.)

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

FILED

DEC 3 2008

Clackamas County Clerk

In the Matter of the Formation of the Library District of Clackamas County

ORDER NO. 2008-189

This matter coming before the Board at this time, and it appearing that by Order No. 2008-81 dated June 5, 2008, this Board initiated the formation of a county service district under ORS Chapter 451 for library services to be known as the "Library District of Clackamas County" (the "District") with the boundaries legally described on Exhibit A and shown on the map attached hereto as Exhibit B; and

It further appearing that this Board approved formation of the District pursuant to Board Order 2008-110 on July 17, 2008 for the purposes described in the attached Exhibit C; and

It further appearing that this matter came before the Board for a second public hearing on August 7, 2008 and that additional public testimony was received; and

It further appearing that pursuant to Board Order 2008-135, this Board ordered an election on the question of formation of the District be held on November 4, 2008; and

It further appearing that an election was held with respect to the question on November 4, 2008, in which more than a majority of the relevant voters were in favor of formation of the District in the numbers set forth in the Clackamas County Clerk's Certificate of Election attached hereto as Exhibit D; and

NOW, THEREFORE, IT IS HEREBY ORDERED that for the purposes described on Exhibit C, a county service district named "Library District of Clackamas County" as legally described on Exhibit A and as shown on the map attached as Exhibit B is hereby formed.

DATED this 26th day of November, 2008.

BOARD OF COUNTY COMMISSIONERS

Chair

Mary Raethke

Recording Secretary

301 358

CCP-PW25 (3/94)

EXHIBIT A

Proposal No. CL-1408

LEGAL DESCRIPTION

All of Clackamas County, the boundaries of which being defined by Oregon Revised Statute 201.030,

Excepting therefrom any portion lying within the city of Johnson City, the city of Damascus and the city of Tualatin.

The boundary described by this legal description being shown on the attached Exhibit "C" which by this reference is made a part hereof.

EXHIBIT C

The purposes of the Library District of Clackamas County are:

1. To provide a dedicated, stable funding source for the support of library services.

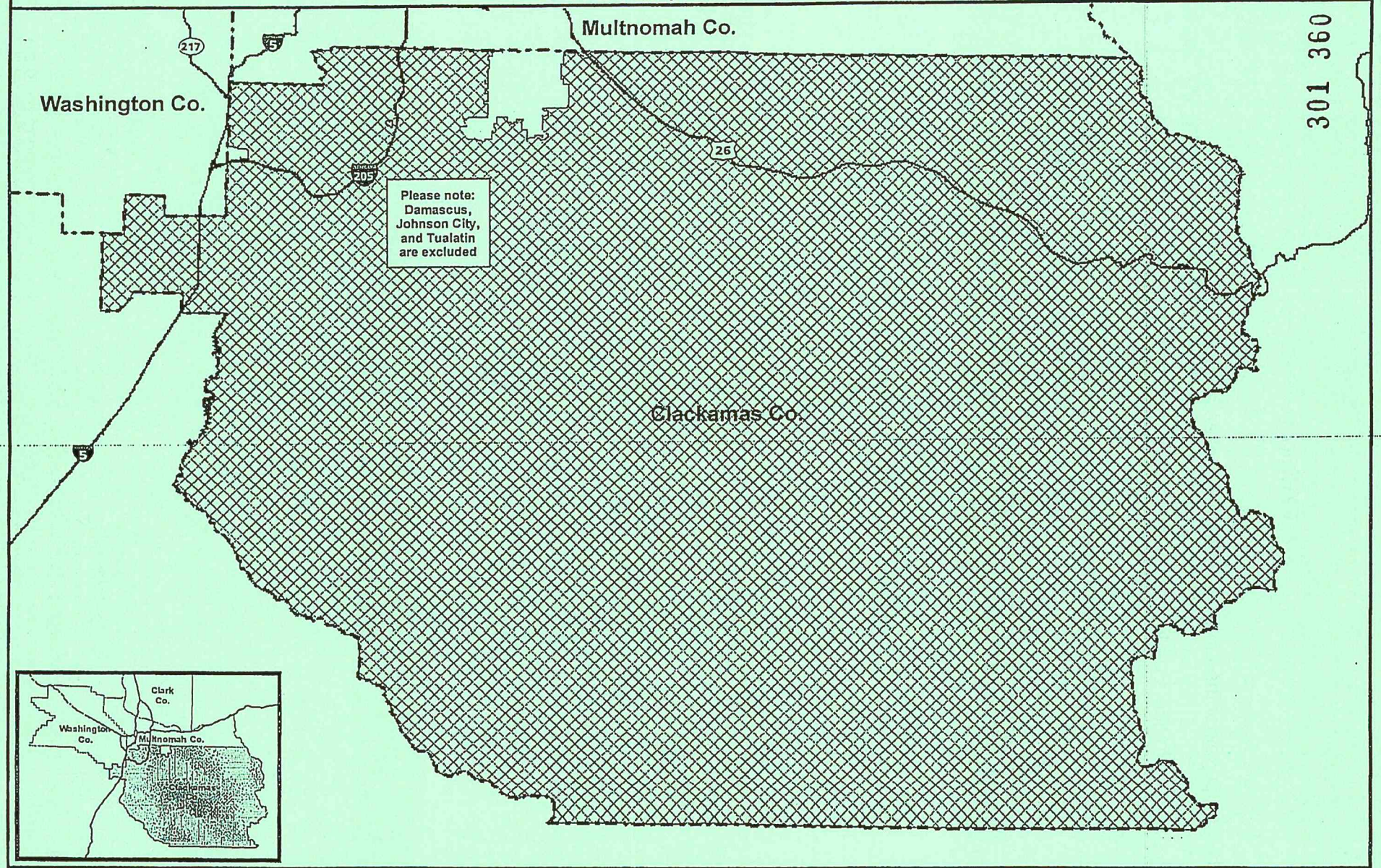
2. To raise revenue to be distributed to the existing city and county-operated libraries in the system. Formation of the District should provide sufficient funding to raise the service levels at all facilities to the most basic ("Threshold") level recommended by the Oregon Library Association.

2008-189

Proposal No. CL1408

Formation of Library District of Clackamas County

Clackamas Co.



301 360

-7-

Data Resource Center
600 NE Grand Ave
Portland, OR 97232-2736
(503) 797-1742
http://www.metro-region.org/drc

METRO

County boundary

Library District of Clackamas County

Figure 1

1:410,000

EXHIBIT B

Ken Martin Consulting
P.O. Box 29079
Portland, OR 97296-9079
(503) 222-0955

KMC

COOPERATIVE INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE LIBRARY DISTRICT OF CLACKAMAS COUNTY
AND
MEMBER CITIES

THIS COOPERATIVE INTERGOVERNMENTAL AGREEMENT (this "Agreement"), is entered into this ____ day of _____, 2009, by and between the Library District of Clackamas County (the "District") a county service district formed under ORS Chapter 451, and each of the Cities of Barlow, Canby, Estacada, Gladstone, Happy Valley, Lake Oswego, Milwaukie, Molalla, Oregon City, Rivergrove, Sandy, West Linn, and Wilsonville (each, a "City" and collectively, the "Cities").

WHEREAS, voters approved formation of the District to provide financial support to the library service providers of Clackamas County (the "Library Cities"); and

WHEREAS, the Parties desire to work in a cooperative manner to support and provide library services to their residents; and

WHEREAS, many of the Cities participate in the Clackamas County-supported Library Network of Clackamas County, which is discussed in an intergovernmental agreement by and between the participating Cities and Clackamas County; and

WHEREAS, the Cities desire funding by the District and to provide the levels of service described herein;

NOW, THEREFORE, the District and Cities each covenant and agree to the following:

Section 1 Obligations of the District

1.1 District Board. The Board of County Commissioners acting under the provisions of ORS 451 is the governing body of the District and shall be known as the District Board.

1.2 District Advisory Committee. The District Board shall organize and appoint a District Advisory Committee consisting of one nominee from each Library City consistent with the policies and procedures of Clackamas County and/or the District for advisory committees. The District Board shall appoint the individual nominated by the Library City governing body to fill the service area's representative seat. The District Advisory Committee shall be responsible for meeting at least annually to consider: (i) the evaluation reports of participating libraries as submitted pursuant to Section 2.3, (ii) any proposed changes to this Agreement pursuant to the amendment process described in Section 3.3, and (iii) any impact of the annexation or withdrawal of territory from the District pursuant to Sections 3.4 and 3.5 hereof.

1.3 District Budget Committee. State law also requires that the District constitute a Budget Committee consisting of the members of the District Board and an equal number of citizens, who may be nominated pursuant to existing County budget committee procedures. The role and responsibilities of the Budget Committee shall be as set forth in the applicable statutes.

1.4 District Revenue. The District has a permanent tax rate of $0.3974 per $1,000 of assessed value, collected from all parcels of real property in the District.

1.5 Distribution of Revenue. Revenues generated by the District permanent rate, including delinquent taxes, are allocated, appropriated and expended pursuant to the budget adopted by the District Board. The District Board agrees to allocate, appropriate, and distribute the funds of the District pursuant to the formula as defined on Attachment A (the "Formula") for the service areas as shown on the maps included as Attachment B ("Service Area Maps"). The Formula may be reevaluated as necessary by the Parties to this Agreement. Any change to the Formula shall occur as an amendment to this Agreement.

1.6 Transition Payments. The parties hereto acknowledge and agree that the District shall distribute funds to Clackamas County for the operation of the Clackamas Corner and Oak Lodge Libraries pursuant to the alternative Service Area Maps described on Attachment B until such time as the City of Happy Valley and the City of Gladstone construct facilities sufficient to serve such area. During the term of such distributions, the Parties anticipate that the County libraries will be operated in a manner consistent with the Service Standards. Upon completion of such facilities, distributions shall be made based on the indicated Service Area Maps. To the extent the annual distribution of funds to Clackamas County is greater than the annual need to operate such libraries, the District shall retain such funds in trust for the Cities of Gladstone and/or Happy Valley, respectively, for distribution at such time as such City is constructing new library facilities.

1.7 Library Authority. Clackamas County operates public libraries pursuant to a board order creating public libraries for all Clackamas County residents dated July 9, 1938, as amended and updated pursuant to Board Order 85-1221 dated October 31, 1985. The District has received a delegation of such authority from Clackamas County to operate as a public library for the benefit of incorporated and unincorporated residents of Clackamas County pursuant to an Intergovernmental Agreement. To the extent necessary to insure the legal and effective functioning of the public libraries of Clackamas County but in no way intended to limit or otherwise restrict the powers or abilities of the City service providers to operate public libraries, the District hereby delegates such authority to operate public libraries for the benefit of incorporated and unincorporated residents of Clackamas County to each City service provider a party hereto or as may join this Agreement from time to time.

Section 2 Obligations of the Cities

2.1 Use of Funds. The Library Cities will use District revenue to provide public library service, and shall expend the entire library revenue paid under this Agreement in accordance with the purpose for which it was provided by implementing a plan to achieve the Service Standards. For the purposes of this Agreement, "Service Standards" shall mean (i) the standards described on Attachment C, (ii) the provision of services to all District residents on the same terms, and (iii) the proper expenditure of funds as described in this Section 2.1. District funds may not be used to support general overhead or administrative costs of Cities except to the extent such overhead or administrative costs are directly related to the provision of library services and/or the operation of a public library. It is the intention of the parties to work cooperatively in helping each city make progress in meeting the Service Standards.

2.2 Library Management. Library Cities retain administrative control over the library and library services in its service population. Each such City is responsible for developing library services based on the needs of its service population and the available revenue. The Library Cities will cooperate with the District Advisory Committee to assist in the review of library services to District residents.

2.3 Cooperation and Reporting. Each Library City will cooperate to the maximum extent practicable with other participating Cities to form standardized rules, procedures, and programs that affect the District and the provision of library services in Clackamas County as a whole. Each Library City will provide the District with (i) copies of its annual report to the State of Oregon regarding the provision of library services, (ii) a report on its efforts to meet OLA Threshold Standards as defined on Attachment C, and (iii) any supplemental reports that the District through both the District Advisory Committee and the District Board may require.

Section 3 Term and Amendment

3.1 Term. This Agreement shall commence on July 1, 2009 and continue until terminated as set forth herein.

3.2 Termination. This Agreement shall terminate upon the dissolution of the District.

3.3 Amendment. Except as specifically provided in Section 4.14, this Agreement may be amended at any time upon the agreement of the District and two-thirds of the Library Cities; *provided, however*, that any amendment that would amend that portion of the Formula providing for the return of one hundred percent (100%) of revenue collected within a City service provider's boundaries to such City service provider shall require the unanimous consent of all Cities serving on the District Advisory Committee.

3.4 Changes in District Territory. The parties hereto recognize that during the term of this Agreement changes in the District territory may occur, such as (i) territory outside the District may annex into the District, (ii) territory currently in the District may withdraw by annexation into a non-participating City, or (iii) unincorporated territory currently in the District may annex into a participating City. The District shall inform the District Advisory Committee of any such changes, and the District Advisory Committee shall review the Service Area Maps and the Formula and recommend any amendments to this Agreement necessary to adjust for such changes.

3.5 Incorporation of a City within District Boundaries. Should an unincorporated area within the District choose to incorporate during the life of the District, the District Advisory Committee shall make a recommendation to the District Board of whether the newly-incorporated city qualifies as a service provider as such term is generally used in this Agreement, and if so to what extent the Formula should be adjusted to allow for a distribution to such new service provider. If the newly-incorporated city does not qualify as a service provider, the District Advisory Committee shall make a recommendation to the District Board regarding the impact, if any, of the new city on the provision of library services. Any proposed changes shall be addressed as an amendment to this Agreement.

Section 4 General Provisions

4.1 Indemnification. Each party shall release, defend, indemnify and/or hold harmless the other, its officers, commissioners, councilors, elected officials, employees, and agents, from and against all damages, claims, injuries, costs, or judgments that may in any manner arise as a result of the party's performance under this contract, subject to Oregon Tort claims limitations.

4.2 Governing Law. This Agreement shall be construed and governed in all respects in accordance with laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.

4.3 Savings. Should any portion of this Agreement or amendment there to be adjudged by a Court of appropriate final jurisdiction to be in violation of any local, state or federal law, then such portion or portions shall become null and void, and the balance of the Agreement shall remain in effect. All Parties shall immediately renegotiate any part of this Agreement found to be in such violation by the Court and to bring it into compliance with said laws.

4.4 Reasonable Attorney's Fees. In the event any action is brought to enforce, modify or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees and costs incurred in connection with such action or on appeal or review; said amount to be set by the court before which the matter is heard.

durability to meet or exceed the levels of library service currently being provided by the party seeking to assign. The District Advisory Committee shall evaluate any request for assignment and make a recommendation to the District Board regarding the granting or denial of the same based on the above criteria, including the District Advisory Committee's determination of criteria (iii) above.

4.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and such counterparts shall constitute one and the same instrument.

4.14 Enforcement of Terms. The Parties hereto recognize that the District is relying on the good faith and commitments of the Library Cities to utilize the funding provided by the District in the promised manner. The Parties expect that to the extent there is any noncompliance or breach of this Agreement, the Parties will discuss such noncompliance or breach in the District Advisory Committee and encourage an effort towards compliance. If discussions and encouragement do not remedy the continued failure of a party to meet the Service Standards or other term of this Agreement, then the District Advisory Committee shall meet to consider an amendment to this Agreement to create incentives for compliance, including but not limited to withholding of District funds, reallocation of unincorporated residents to neighboring service areas, or other such actions as may be deemed appropriate. The Parties hereto agree that in an event of a material breach of this Agreement by one of the Parties, an amendment proposed to specifically address such breach shall require a two-thirds vote of the Library Cities, including but not limited to any amendment which would reduce the breaching City's 100% return on assessments within such City's boundaries, either via a Formula amendment or otherwise.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS, AS THE GOVERNING BODY OF THE
LIBRARY DISTRICT OF CLACKAMAS COUNTY
By:_____ Title: Chair
ATTEST: _____

4.5 Notices. Formal notices, demands and communications between the Parties shall be deemed given three (3) business days after being sent by registered or certified mail, postage prepaid, return receipt requested to the principal offices of the party hereto, or upon confirmation of receipt via facsimile, electronic transmission, or hand delivery. Such written notices, demands and communication may be sent in the same manner to such other addresses and to such other persons and entities as either party may from time to time designate by mail as provided in this section.

4.6 No Personal Liability. No member, official, agent, or employee of the County, the District, or any City shall be personally liable to the other or any successor-in-interest thereto in the event of any default or breach by such entity.

4.7 No Agency. Neither anything in this Agreement nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement. No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.

4.8 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the party granting such waiver.

4.9 Further Action. The parties hereto shall, without additional consideration, acknowledge, execute, and deliver from time to time such further instruments as a requesting party may reasonably require to accomplish the purposes of this Agreement.

4.10 Non-Waiver of Rights. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision of this Agreement shall not constitute a waiver of any provision of this Agreement or limit the party's right thereafter to enforce any provision or exercise any right.

4.11 Time is of the Essence. A material consideration of the parties entering into this Agreement is that the parties will perform all obligations under this Agreement in a timely manner. Time is of the essence as to each and every provision of this Agreement.

4.12 Restricted Assignment. No party hereto may assign its rights, responsibilities or obligations hereunder to another party, by operation of law or otherwise, without (i) seeking and receiving an amendment of this Agreement, (ii) having said party join this Agreement on the terms, conditions and covenants herewith, and (iii) with a demonstration that such new party has the capability and

Attachment A

1. For the purposes of this Agreement, the "Formula" shall be calculated consistent with the following concepts:

a. The District rate is $0.3974 per $1000 of assessed value.

b. Each year the District will receive the amount collected for the year plus delinquent taxes recovered from the previous year. The District will distribute funds when received using the formula described below and shown in the example.

2. The Formula has two components:

a. City Assessed Value Component: The annual distribution to a Library City for properties within its boundaries shall equal the assessed value of such Library City's properties, as established annually by the Clackamas County Assessor, divided by the total assessed value of all properties in the District. This determines the Assessed Value Percentage Rate for each Library City. Each Library City will receive funds equal to the Assessed Value fund amount multiplied by its individual Assessed Value Percentage Rate.

b. Unincorporated Population Served Component: After calculation of each Library City's Assessed Value fund amount, the District shall calculate the remaining funds to be distributed (the "Remainder Amount") and distribute those funds based on the Unincorporated Population Served Percentage Rate based on the Service Area Maps attached to this Agreement as Attachment B. The term "Unincorporated Population" will also include residents of those cities that do not provide library services.

The Unincorporated Population Served Percentage Rate is determined by the number of unincorporated residents served by each City as allocated on the Service Area Maps divided by the total number of unincorporated residents within the District. Each Library City will receive funds equal to the Remainder Amount multiplied by its individual Unincorporated Service Area Percentage Rate.

3. Prior year recovered delinquencies and interest earned: Recovered delinquent taxes combined with any interest earned will be distributed to Library Cities based on the distribution percentage allocations calculated in the previous tax year.

Below are examples of the distribution of funds based on 2008 assessed values and population figures. The spreadsheet assumes the new Gladstone/Oak Lodge and Happy Valley libraries have not yet been constructed.

Library District Distribution Formula

Assessed Value 2008		
Total County Assessed Value (AV)	$32,936,836,893	100%
Less: Non-Participating City AV	$(1,239,770,249)	-4%
Equals: Total Library District AV	$31,697,066,644	96%
Participating Cities:	Assessed Value	
Canby	$999,941,295	6%
Estacada	$179,662,976	1%
Gladstone	$635,886,719	4%
Happy Valley	$1,508,430,197	9%
Lake Oswego	$4,756,391,295	28%
Milwaukie	$1,467,817,328	9%
Molalla	$409,821,923	2%
Oregon City	$2,002,572,357	12%
Sandy	$551,473,814	3%
West Linn	$2,655,549,376	16%
Wilsonville	$1,652,437,025	10%
Total Participating Cities AV	$16,819,984,305	100%
Total Library District AV	$31,697,066,644	100%
Less: Participating Cities AV	$(16,819,984,305)	-53%
Equals: Unincorporated AV in District	$14,877,082,339	47%

Unincorporated Population Served 2008		
Canby	10,221	6%
Estacada	16,802	9%
Gladstone	8,506	5%
Happy Valley (Town Center)	32,373	18%
Lake Oswego	3,305	2%
Milwaukie	10,756	6%
Molalla	15,001	8%
Oregon City	28,015	15%
Sandy	22,236	12%
West Linn	5,691	3%
Wilsonville	3,421	2%
Oak Lodge	28,036	15%
	184,363	100%

Example Distribution Calculation Assuming $12 million in tax receipts		
	Total District Tax Receipts	
Total Tax Collected	$12,000,000	100%
City Assessed Value	$6,367,776	53%
Unincorporated Population Served	$5,632,224	47%

City Distribution of Receipts				
	Assessed Value	*Pop Served*	*Total $*	*%*
Canby	$378,562	$312,248	$690,810	6%
Estacada	$68,018	$513,295	$581,313	5%
Gladstone	$240,736	$259,855	$500,592	4%
Happy Valley (Town Center)	$571,067	$988,984	$1,560,051	13%
Lake Oswego	$1,800,693	$100,967	$1,901,660	16%
Milwaukie	$555,692	$328,592	$884,284	7%
Molalla	$155,152	$458,275	$613,427	5%
Oregon City	$758,142	$855,848	$1,613,990	13%
Sandy	$208,779	$679,302	$888,081	7%
West Linn	$1,005,348	$173,858	$1,179,206	10%
Wilsonville	$625,586	$104,510	$730,096	6%
Oak Lodge	$-	$856,490	$856,490	7%
	$6,367,776	$5,632,224	$12,000,000	100%

Attachment B

Service population maps are included as Attachment B.

1. The maps divide Clackamas County into library service areas. These areas are based on distance, roads, rivers, travel patterns, etc. and are intended to define where people are most likely to receive library service, and to give a Library City the ability to meet the library threshold standards in Attachment C. Each Library City's service area has been constructed by assigning Census tracts into library service areas. Based on census data compiled every 10 years, the population in each census tract will be verified and then the total unincorporated population within each service area will be used to calculate the Formula.

2. For the continuation of library service to the citizens in the Oak Lodge and Clackamas Corner areas, the service area boundaries and population served totals will not change until the new Happy Valley Library is open and the new Gladstone/Oak Lodge Library is open. As each new facility is opened to the public, the service population will be adjusted to the new agreed-upon boundaries found in this Attachment. The population service area changes and resulting increase in payments for unincorporated population served will take place in the fiscal year following the library opening.

[See attached maps]

Attachment C
Service Standards

The Parties agree that all library service providers shall strive to meet OLA Threshold Standards, with a particular emphasis on:

STAFFING: Provide qualified staff employed by the library as outlined in the table below:

Population Served	Threshold Staffing Level
0 - 2,499	0.5 FTE, with high school diploma
2,500 - 4,999	0.35 FTE/1,000 served. Director has B.A.
5,000 - 9,999	0.35 FTE/1,000 served. Director has B.A.
10,000 - 24,999	0.35 FTE/1,000 served. Director has MLS.
25,000 - 49,999	0.35 FTE/1,000 served. Director has MLS. 1/5 of staff has MLS.
50,000 - 499,999	0.33 FTE/1,000 served. Director has MLS. 1/5 of staff has MLS.

MATERIALS: Provide the number of volumes in the library's total collection as spelled out in the table below:

Population served	Threshold Materials
0 - 49,999	Material collection of 5,000 items or two items per capita, whichever is greater.
50,000+	Material collection of two items per capita.

ACCESS: Provide and post open hours which fit the community's need, including evening and weekend hours, and provide the minimum standards listed in the table below:

Population served	Threshold
0 - 4,999	20 hours
5,000 - 9,999	30 hours
10,000 - 24,999	40 hours
25,000 +	50 hours

NOTE: Total staffing levels and material volumes may be constrained by current facility size limitations. The Parties understand and agree that a strategic plan that recognizes such size limitations and adjusts staff and material goals accordingly is an acceptable implementation of this standard.

March 2011

COOPERATIVE INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY
AND
THE CITY OF GLADSTONE

THIS COOPERATIVE INTERGOVERNMENTAL AGREEMENT (this "Agreement"), is entered into this 7 day of April, 2011, by and between the Clackamas County (the "County") a political subdivision of the State of Oregon, and the City of Gladstone, a municipal corporation (the "City").

WHEREAS, the County has formed the Library District of Clackamas County (the "District"), a county service district dedicated to supporting the provision of library services within its boundaries; and

WHEREAS, as part of the preparatory process for the formation of the District, the Board of County Commissioners proposed a one-time contribution from the County general fund to each city providing library services in the District for the sole purpose of capital improvements to the libraries therein (the "Capital Contribution"); and

WHEREAS, the City and other cities within the District have entered into a separate intergovernmental agreement dated August 20, 2009 with the District for the distribution of District funds for the purposes of operating, maintaining and enhancing services at the libraries within the District (the "District IGA"); and

WHEREAS, the County is entering into similar intergovernmental agreements with city library service providers ("Library Cities") for their respective Capital Contributions; and

WHEREAS, the parties desire to enter into this Agreement to reflect the terms of the Capital Contribution by the County;

NOW, THEREFORE, the County and City each covenant and agree to the following:

Section 1 Obligations of the County

1.1 County Capital Contribution. The County shall provide a one-time capital contribution of Two Million Five Hundred Thousand and No/100 Dollars ($2,500,000.00) to the City for the purposes set forth in Section 2.2 (the "Capital Contribution"), which will be distributed in one or more distributions pursuant to Section 1.3 hereof. The goal of distributing such capital funds is to assist libraries in meeting the Service Standards as defined in the District IGA. The Capital Contribution shall consist of $1 million from the County general fund as with all other Library Cities as defined in the District IGA, $1 million

from the County Library Capital Fund originally intended for capital improvements to County-operated libraries, and $500,000 from anticipated savings in County Library operations.

1.2 Library Capital Trust Fund. The County shall allocate a guaranteed amount per fiscal year to a County-managed dedicated library capital trust fund (the "Capital Fund") as scheduled and set forth in Exhibit A (the "Disbursement Schedule").

1.3 Capital Fund Distribution. The County shall disburse the Capital Contribution from the Capital Fund to the City and other Library Cities based on the Disbursement Schedule. The County shall make distributions up to the maximum available amount for that fiscal year. Such distribution will be made by the County no earlier than January of such fiscal year and no later than 60 days after the City submits to the County a capital plan identifying how the City will use the Capital Contribution. If requests for distributions in a given fiscal year are for a total amount less than the total amount in the Capital Fund, the County shall carry forward such balance to the next fiscal year for distribution as requested. The Parties intend that City shall receive its disbursement in February 2011.

1.4 Changes In Capital Fund Disbursement Schedule. To the extent the City desires a change in the schedule of disbursement, the City shall meet with representatives of the other Library Cities as constituted by the Library District Advisory Committee or otherwise and arrive at a mutually agreeable reordering of the Disbursement Schedule, which shall then be presented to the County Board for its approval. The City hereby consents to an alteration of the Disbursement Schedule without requiring the adoption of a specific amendment upon presentation of a resolution agreed to by a majority of the representatives of the Library Cities consenting to such change and upon approval of the requested change by the Board of County Commissioners.

1.5 Library Network. The County currently funds and operates the Library Network of Clackamas County (the "Network") to support the provision of services by the libraries in Clackamas County. The County shall fund the Network to provide the following services at an overall service level at least equal to that being provided by Network in fiscal year 2008/2009:

1.5.1 Automated library system and related telecommunications and technical support;
1.5.2 Courier services;
1.5.3 Administration;
1.5.4 Database management services including creating/acquiring MARC format bibliographic records;
1.5.5 Inter-library loan services;
1.5.6 Inter and intra-regional cooperative library planning;

1.5.7 Shared online databases for public use; and
1.5.8 Internet Service Provider for member libraries.

The County shall not be financially or otherwise responsible for the provision of new services requested or added to Network at the request of the City. To the extent the City or Library Cities generally request new or additional services, such requesting provider(s) will be billed back on separate contracts initiated as services are added. Such agreements shall not modify or restrict the covenants and agreements of the parties hereto.

Section 2 **Obligations of the City**

2.1 Capital Fund Disbursement. The City shall receive its Capital Contribution pursuant to Sections 1.3 and 1.4 hereof.

2.2 Use of Funds. The City shall expend the Capital Contribution solely for library purposes such as library construction, remodel, expansion, building and site improvements, library construction bonded debt service, and/or collection development.

2.3 Proof of Use. After distribution, the County may monitor the use of the Capital Contribution to ensure that these County general funds are used for purposes permitted by Section 2.2. Upon request of the County the City shall provide a certification that the Capital Contribution has been so used to the head of the Business and Community Services Department of Clackamas County or his or her designee.

2.4 Library Board Representation. The City shall provide for fair representation of served library patrons on the City's Library Board, including patrons from unincorporated Clackamas County.

Section 3 Term and Termination

3.1 Term. This Agreement shall commence on July 1, 2010 and automatically renew annually thereafter, unless otherwise terminated as set forth herein.

3.2 Termination. This Agreement shall terminate upon the agreement of both parties, or upon one hundred eighty (180) days prior written notice from one party to the other.

3.3 Amendment. This Agreement may be amended at any time upon the agreement of both parties.

3.4 Failure of the City to use Capital Contribution for Library Purpose. If the City at any time uses the Capital Contribution other than for purposes permitted in Section 2.2., the City will be in material breach of this Agreement and shall promptly repay to the County that portion of the Capital Contribution not so used plus accrued interest on such sum calculated from the date of disbursement to the date of repayment at a rate of 6% per annum.

Section 4 General Provisions

4.1 Indemnification. Each party shall release, defend, indemnify and/or hold harmless the other, its officers, commissioners, councilors, elected officials, employees, and agents, from and against all damages, claims, injuries, costs, or judgments that may in any manner arise as a result of the party's performance under this contract, subject to Oregon Tort claims limitations.

4.2 Governing Law. This Agreement shall be construed and governed in all respects in accordance with laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.

4.3 Savings. Should any portion of this Agreement or amendment thereto be adjudged by a Court of appropriate final jurisdiction to be in violation of any local, state or federal law, then such portion or portions shall become null and void, and the balance of the Agreement shall remain in effect. Both parties shall immediately renegotiate any part of this Agreement found to be in such violation by the Court and to bring it into compliance with said laws.

4.4 Reasonable Attorney's Fees. In the event any action is brought to enforce, modify or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees and costs incurred in connection with such action or on appeal or review; said amount to be set by the court before which the matter is heard.

4.5 Notices. Formal notices, demands and communications between the Parties shall be deemed given three (3) business days after being sent by registered or certified mail, postage prepaid, return receipt requested to the principal offices of the Agency and the City as designated herein. Such written notices, demands and communication may be sent in the same manner to such other addresses and to such other persons and entities as either party may from time to time designate by mail as provided in this section. Notices shall be sent to the addresses shown below and to the attention of the person indicated.

The principal offices and mailing address of the Parties are:

Clackamas County
Attn: Board of County Commissioners

2051 Kaen Road
Oregon City, Oregon 97045

With a copy to:
Clackamas County Libraries
Atten: Doris Grolbert, Library Director
150 Beavercreek Road, 4th Floor
Oregon City, OR 97045

City of Gladstone
Attn: Pete Boyce, City Administrator
525 Portland Avenue
Gladstone, Oregon 97027

4.6 No Personal Liability. No member, official, agent, or employee of the County or any City shall be personally liable to the other or any successor-in-interest thereto in the event of any default or breach by such entity.

4.7 No Agency. Neither anything in this Agreement nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement. No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.

4.8 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the party granting such waiver.

4.9 Further Action. The parties hereto shall, without additional consideration, acknowledge, execute, and deliver from time to time such further instruments as a requesting party may reasonably require to accomplish the purposes of this Agreement.

4.10 Non-Waiver of Rights. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision of this Agreement shall not constitute a waiver of any provision of this Agreement or limit the party's right thereafter to enforce any provision or exercise any right.

4.11 Time is of the Essence. A material consideration of the parties entering into this Agreement is that the parties will perform all obligations under this Agreement

in a timely manner. Time is of the essence as to each and every provision of this Agreement.

4.12 Restricted Assignment. No party hereto may assign its rights, responsibilities or obligations hereunder to another party, by operation of law or otherwise, without (i) seeking and receiving an amendment of this Agreement and (ii) having said party join this Agreement on the terms, conditions and covenants herewith.

4.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and such counterparts shall constitute one and the same instrument.

4.14 Library Authority. Clackamas County operates public libraries pursuant to a board order creating public libraries for all Clackamas County residents dated July 9, 1938, as amended and updated pursuant to Board Order 85-1221 dated October 31, 1985. The Library Cities operate or in future plan to operate public libraries under state law within their boundaries. Under the District IGA, the Library Cities have agreed to provide public library services in unincorporated areas of the County as well as within City boundaries. Clackamas County nonexclusively delegates the authority to operate public libraries for the benefit of incorporated and unincorporated residents of Clackamas County to the City.

Section 5 **Transition of Oak Lodge Library**

5.1 Transfer of Operations. The County currently operates the Oak Lodge Public Library for the benefit of unincorporated residents in the Oak Lodge Service Area as defined in the District IGA. The City operates the Gladstone Public Library for the benefit of its citizens and a number of unincorporated residents in the surrounding area. Upon completion of a new Public Library located at 18235 Webster Road, the Oak Lodge Library will close and the City's service population will change as specified in the District IGA to include areas of the Oak Lodge service population. The City shall provide for fair representation of served library patrons on the City's library board, including patrons from unincorporated Clackamas County to comply with Section 2. .4.

5.2 Transfer of Employees. County employees of the Oak Lodge Public Library may be transferred to the employ of the City pursuant to ORS 236.605-640. No later than ninety (90) days before the opening of the new public library both parties agree to enter into a separate agreement regarding the transition of materials, resources and labor from the Oak Lodge Public Library to the new Public Library.

5.3 Transfer of Assets. The County will transfer or assign, as appropriate, to the City all assets of the Oak Lodge Public Library desired by the City as agreed by

the parties. No later than ninety (90) days before the opening of the new public library both parties agree to enter into a separate agreement regarding the transition of materials, resources and labor from the Oak Lodge Public Library to the new Public Library.

[Signature Page Follows]

March 2011

Exhibit A

Disbursement Schedule

	Year 1 2009/10	**Year 2** 2010/11	**Year 3** 2011/12	**Year 4** 2012/13	**Year 5** 2013/14	**TOTAL**
Annual Distribution	3,500,000	3,000,000	2,500,000	2,000,000	1,250,000	12,250,000
Prior Year Carryover	--	1,350,000	350,000	850,000	--	
Total Funds Available	3,500,000	4,350,000	2,850,000	2,850,000	1,250,000	
Library Cities:						
Canby				1,000,000		1,000,000
Estacada	1,000,000					1,000,000
Gladstone		2,500,000				2,500,000
Happy Valley		2,000,000				2,000,000
Lake Oswego			1,000,000			1,000,000
Milwaukie				1,000,000		1,000,000
Molalla	150,000			850,000		1,000,000
Oregon City		1,000,000				1,000,000
Sandy			1,000,000		250,000	1,250,000
West Linn	1,000,000					1,000,000
Wilsonville					1,000,000	1,000,000
Total						13,750,000
Carryover:	1,350,000	350,000	850,000	--	--	

March 2011

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

THE CITY OF GLADSTONE	CLACKAMAS COUNTY
By: Wade Byers	By: Charlotte Lehan
Title: Mayor	Title: Chair
ATTEST:	ATTEST: Mary Raethke 4-7-11 D.i

Gladstone City Charter Amendments, 2 (May 2012)

Two **Gladstone City Charter Amendment** measures were on the May 15, 2012 ballot in the city of Gladstone which is in Clackamas County.

Both measures were **approved**

The first measure sought to make it that there would have to be a public vote on any decision by the city council which would spend more than $1 million on any public building.

- **YES** 1,657 (56.3%) ✓
- **NO** 1,285 (43.7%)

The second measure sought to make it that there would have to be a public vote to if the city would be put into debt for any public project.

- **YES** 1,635 (55.3%) ✓
- **NO** 1,320 (44.7%)

These two measures were brought to the ballot through a petition drive which sought to stop the city from spending for a new library in the city.

Measure 3-446

BALLOT TITLE

AUTHORIZATION TO CONSTRUCT AND INCUR DEBT TO FINANCE NEW LIBRARY

QUESTION: Shall Gladstone authorize the construction and incurrence of debt to finance a new library projected to cost over $1,000,000?

SUMMARY: This measure authorizes the Gladstone City Council to incur debt by issuing municipal bonds to finance and construct a new Gladstone library.

Funding sources:

- Clackamas County Capital Contribution – One time contribution $1 million
- Library District Funds – One time contribution $1.375 million
- Library District Funds - Continuing library support of approximately $1.2 million annually, increased from $631,000 the City currently receives. Annual Library District Funds will be used for library operating costs and to pay down library project debt estimated to total $3.99 million ($2.7 million principal and $1.29 million interest)

Estimated budget for the project would be $6.365 million. This includes $5.075 million to design, construct, finance, and acquire property for the new library plus $1.29 million in interest. The $6.365 million budget may increase if additional non-city/urban renewal funds are acquired. The approximately 13,000 to 16,000 square foot library would be constructed in the Portland Avenue area between Gladstone High School and Clackamas River. There are no new taxes associated with this proposal. No City/urban renewal funds may be used to construct/operate new library.

EXPLANATORY STATEMENT

If approved by the City of Gladstone voters, this referral would authorize the Gladstone City Council to construct and incur debt to finance a new library. The new library will be located in the Portland Avenue area between Gladstone High School and the Clackamas River and will be approximately 13-16,000 square feet depending on final project costs.

The Gladstone City Charter requires voter approval for public projects costing more than $1,000,000 and/or which require the City to incur debt to finance.

A City Council appointed Library Advisory Committee, comprised of 37 people held six meetings February-May, 2014

The estimated budget for the project is $6.365 million. This includes $5.075 to design, construct, finance and acquire property for the new library plus $1.29 million in interest. The $6.365 million budget may increase only if additional non-city/urban renewal agency funds are acquired for the project. No City or urban renewal funds can be used for this project or operation of the library in the future.

Funding sources:

- Clackamas County Capital Contribution – one time contribution of $1,000,000
- Clackamas County Library District Funds - one time contribution of $1.375,000
- Clackamas County Library District Funds - continuing library support of $1.2 million per year increased from $631,000 the City currently receives. These annual Library District Funds will be used for library operating costs and to pay down library project debt estimated to total $3.99 million ($2.7 million principal and $1.29 million interest)

No City or Gladstone Urban Renewal Agency funds will be used for the new library project. The City's general fund contribution to library operations would be discontinued and instead a special revenue fund will be created. The special revenue fund will be comprised of Clackamas County Library District Funds in the amount of $1.2 million per year that are received by City twice yearly. The amount in excess of the operating expenses will be used to pay down the debt (principal and interest) acquired to build the new library. Given the timing of when the City receives the County Library Funds, a cash reserve on behalf of the City may need to be considered and City funds may be needed upfront to cover real property acquisition costs which will be reimbursed to the City after County funds are received. There will be no tax increase for the Gladstone residents.

The above-mentioned Clackamas County Capital Contribution and part of the Library District funds are conditioned on the City's agreement to build a new library and provide library services to Gladstone and Oak Lodge library patrons. The City will work with the County to amend the current Intergovernmental Agreement between the City and the County governing County Library Funds and Capital Contributions to (1) reflect new library parameters if this referral passes and (2) ensure that the City receives the estimated Library District operating funds until any debt incurred for the new library is paid off.

More detailed plans on financing and constructing the library will be finalized if referral is approved by voters.

Submitted by
Heather Martin
City of Gladstone

NO ARGUMENTS IN OPPOSITION TO THIS MEASURE WERE FILED

For complete filing of this measure visit our website at www.clackamas.us/elections/November2014.html or visit us at 1710 Red Soils Ct, Suite 100, Oregon City, OR 97045

The above information has not been verified for accuracy by the county.

The above information has not been verified for accuracy by the county.

City of GLADSTONE

February 22, 2016

Chair John Ludlow
Clackamas County
Board of County Commissioners
2051 Kaen Road
Oregon City, OR 97045

Dear Chair Ludlow and Commissioners:

The City of Gladstone requests Clackamas County release funds to which Gladstone is entitled per existing IGAs for the purpose of building a new library to serve Gladstone and surrounding unincorporated areas.

The history of Clackamas County's plans to stop operating retail libraries, while long and colorful, is beyond the scope of this request. Clackamas County has committed to funding the new joint library in Gladstone both in the Library District Master IGA of 8/20/09 (Master IGA) and in the Capital Compensation IGA between Gladstone and Clackamas County of 4/11/2011 (Capital IGA).

City representatives met with County staff on January 12, 2016. County staff invited our City representatives to submit a timeline (see attached).

The following funds are specifically requested:

- $1M per the Capital IGA, Section 1.1.
- $500K in initial savings from Oak Lodge per the Capital IGA Section 1.1.
- All savings from Oak Lodge per the Master IGA Section 1.6 when construction of the new library in Gladstone starts and as reaffirmed by the Board of County Commissioners on July 8, 2014.
- All remaining savings after the closing of Oak Lodge per Master IGA Section 1.6.

This request includes the $875K of savings noted by the BCC on July 8, 2014 and $225K of savings noted by Clackamas County Staff on January 12, 2016 for a total of $2.6M plus any remaining savings that exist when the Oak Lodge Library is closed.

City Hall
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5223
FAX: (503) 650-8938
E-Mail: (last name)@ ci.gladstone.or.us

Municipal Court
525 Portland Avenue
Gladstone, OR 97027
(503) 656-5224 ext. 1
E-Mail: municourt@ ci.gladstone.or.us

Police Department
535 Portland Avenue
Gladstone, OR 97027
(503) 656-4253
E-Mail: (last name)@ ci.gladstone.or.us

Fire Department
555 Portland Avenue
Gladstone, OR 97027
(503) 557-2776
E-Mail: (last name)@ ci.gladstone.or.us

Public Library
135 E. Dartmouth
Gladstone, OR 97027
(503) 656-2411
FAX: (503) 655-2438

Senior Center
1050 Portland Avenue
Gladstone, OR 97027
(503) 655-7701
FAX: (503) 650-4840

City Shop
18595 Portland Avenue
Gladstone, OR 97027
(503) 656-7957
FAX: (503) 722-9078

Per section 5.1 and 5.2 of the Capital IGA, the City of Gladstone proposes to transfer operations and employees to the city as soon as possible so long as all current funding for Oak Lodge is transferred to Gladstone at the same time. Per section 5.1 of the Capital IGA, Gladstone will continue to operate the Oak Lodge Library until the completion of the new library in Gladstone at which time the Oak Lodge Library will be closed.

All funds as listed are requested in full and as available per IGAs, without further delay or new conditions. The City is ready to move forward understanding more time results in additional costs to complete the project. We trust Clackamas County will honor these commitments.

Sincerely,

Thomas Mersereau, Gladstone Council President	Kim Sieckmann, Gladstone City Council
Steve Johnson, Gladstone City Council	Neal Reisner, Gladstone City Council
Patrick McMahon, Gladstone City Council	

c: Don Krupp, Clackamas County Administrator

CLACKAMAS COUNTY

BOARD OF COUNTY COMMISSIONERS
PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

March 8, 2016

Mr. Thomas Mersereau, Council President
Gladstone City Council
525 Portland Ave.
Gladstone, OR 97027

Dear Council President Mersereau and Councilors:

The Board of County Commissioners ("BCC") has received and reviewed the request dated February 22, 2016 (the "City Letter") from the Gladstone City Council on behalf of the City of Gladstone ("City") requesting disbursement of funds in support of a library construction plan. This letter was discussed at the BCC policy session held February 23, 2016 and subsequently, and remains a topic of significant concern. In particular, the BCC is receiving reports from unincorporated residents regarding a lack of engagement by the City and protesting the significantly changed plans of the City with respect to a library facility. To ensure that all parties are clear about expectations, below is a summary of the BCC's concerns regarding the current agreements and public process, followed by a prospective path forward.

Current Agreements

The City Letter presented several arguments for why the City is entitled to receive a minimum of $2.6 million from Clackamas County ("County"), mainly pursuant to the agreement between the City and the County dated April 2011 (the "Capital IGA") and partially pursuant to the Library District Master IGA entered into by the City in August 2009 (the "Master IGA"). The Master IGA's language is conditional on fulfillment by the City of its obligations as described in the Capital IGA, so for clarity we will focus on that document. In reviewing the current situation, it appears that the City has not fulfilled its obligations under the Capital IGA in several ways.

The demand for $1.5 million under the Capital IGA references Section 1.1, which provides for the distribution of such funds. However, Section 1.3 clearly states that the City must submit a "...capital plan identifying how the city will use the capital contribution." This plan is to be reviewed and approved by the County for sufficiency. The City Letter provided, as a purported capital plan, a ballot measure that was submitted to voters in November 2014 and a timeline. This does not provide sufficient clarity regarding the City's approach to the facility. Of particular concern would be a specific plan to address how costs would be split out between the library facility and the city hall, which are proposed to be co-located at the same location. The Capital IGA is designed to ensure the financial integrity of the use of the funds for only library purposes, and given the proposed mixed use as discussed by the City, it is our expectation that, at a minimum, the City would have an answer to that important issue.

P. 503.655.8581 | F. 503.742.5919 | WWW.CLACKAMAS.US

We also require more clearly articulated designs and plans regarding the level of service, amenities, and staff that would be provided at that facility, as promised in the 2014 ballot language. This is especially important given the unusual ratio of service population that could theoretically apply to the Gladstone library if the Oak Lodge library closes, where the unincorporated patrons would represent approximately seventy percent of those served. Therefore the BCC finds that Gladstone has not met its initial obligation to provide a sufficient capital plan as required under the IGA, and the County is not obligated to deliver funds at this time.

Second, the County Administrator has provided in an email to the City Manager, per the Capital IGA's Section 2.3, a request for an accounting of the $1,000,000 previously distributed to the City and reportedly spent on library purposes. The information provided in the City Letter does not speak to the availability of those funds or how they were used. It is difficult for this Board to distribute additional funds to the City until it has conducted a diligence review about whether or not prior funds distributed to the City per the Capital IGA were properly used. It the BCC's expectation that the City would appreciate this point and have responded promptly to this request. To date this accounting has not been sent, nor has the County received notice that the City is working on the request.

Third, Section 5.1 of the Capital IGA specifically references that the library being constructed by the City will be located on Webster Road. The BCC has tried to keep an open mind as the City has shifted plans several times, including in discussion of July 2014, since it was possible that the replacement proposal would be equal to or superior to the original concept. However, that does not seem to be the case. Our best understanding at this point is that the proposed library will be located on Portland Avenue further away from unincorporated customers, is now a combination facility with a new City Hall instead of a standalone structure, and be ~6,500 square feet smaller, or over one third less than originally anticipated. These changes were made without significant input of library patrons outside the City who will constitute more than a majority of those receiving service from the proposed library. Rather, it seems to have been driven by City votes in which unincorporated residents could not participate.

Another significant change is the withdrawal of any city funds to the construction of the city library. The original plan, upon which the Master IGA and Capital IGA were premised, assumed $2.5 million from the County pursuant to the Capital IGA and over $6 million from the City, as well as other funding sources for a total project effort of over $10 million for a facility of over 19,000 square feet. This would have placed it in the middle of Clackamas County libraries in terms of square footage per customer served. In subsequent disclosures from City staff, it appears that the City is reducing its contribution to the project by over six million dollars, and seeking to use only funds contributed by the County or the Library District of Clackamas County (either as reserves or debt service) for the facility that has been significantly reduced in scope and size. Indeed, it seems that at this point the funding plan as suggested by the City relies completely on outside revenues, calling into question whether the facility need be located within the City. The demand of the City to be the final maker of decisions regarding the library and its services seems inconsistent with its unwillingness to contribute funds to the effort. Together, these changes raise grave doubts in the BCC's mind that the library service levels envisioned at the time of execution of the Master IGA and Capital IGA upon which the closure of the Oak Lodge library was premised remains accurate.

Finally, Section 2.4 of the Capital IGA obligates the City to provide for "fair" representation of library patrons, including specifically unincorporated residents. The City's current service area includes a substantial unincorporated population from the Jennings Lodge area, nearly one third of the City's current library patron base. We have heard reported that, and would like the City to speak to the truth of, the current City library board does not have any unincorporated residents serving. If this is true, it is inconsistent with the City's current obligations under the Capital IGA. It also appears that the City has not been sending even a member of this truncated board to the Library District Advisory Committee, but rather an elected official to press for the official City position. We understand that is now being corrected after it having been called to the City's attention. These actions are not supportive of citizen engagement and oversight over the expenditure of library funds. Further, it would represent, together with the above, a consistent pattern of the City not meeting its obligations under the agreements.

Public Process

The Master IGA and the Capital IGA are premised on the theory that a city desires to provide quality library services to both its own residents and nearby unincorporated citizens. The Master IGA provides operational funds, and the Capital IGA provides a one-time infusion of capital funds from the County, to support that effort. One of the key requirements for this effort, as enshrined in both IGAs, is the idea of unincorporated resident participation in library decisions. It is incumbent upon a Library City to involve its entire service population in the decision-making process. To date it does not appear that the City has had a robust engagement of the unincorporated area. At the February 23 policy session, the BCC requested that the City undertake an engagement effort in a fair manner with the unincorporated residents who would be served by the Gladstone library if the Oak Lodge library closes. This has not occurred to date. The BCC strongly recommends that the City take up this effort consistent with the purpose and vision of the Library District and the concept of a Library City. The City should further look to meet its basic obligations of involving unincorporated residents currently within its service area in the local library board. These are not new conditions, but rather normal expectations for community engagement for a public body facing decisions of this magnitude. We encourage the City to assume the leadership role that being a library city requires and involve all affected citizens in a process around the future of the Gladstone City Library.

A Path Forward

As shown by the above discussion, the current proposal from the City is materially different from that contemplated by the County when first entering into the Master IGA and the Capital IGA. Indeed, it would seem that the fundamental "basis of the bargain" that lies at the heart of the agreements pertaining to the Oak Lodge closure and Gladstone expansion are no longer true. We cast no blame on anyone for shifting priorities and needs that have been reflected by City votes. However, the County's interest was and remains ensuring that all citizens in Clackamas County receive at least a "threshold" level of library services through appropriate facilities, professional staff, quality collections and integrated systems. The City may choose to meet those interests for its residents as it sees fit. It is the County's obligation to ensure they are equally met for unincorporated residents who do not have a vote in City affairs. The closure of the Oak Lodge library was premised on the city's facility being able to meet those obligations. That premise is now in significant doubt.

The failure of the basis of the bargain seems to have given rise to great concerns from both City and unincorporated voices about a path forward. All sides are clamoring for changes to the Capital IGA, with the City demanding a distribution greater than $1.5 million, and unincorporated residents opposing giving the City any money for their library project. To date the City as the library city for the potential service area has not led a conversation about reconciling the different viewpoints about the issue. To motivate all parties to engage in a constructive dialogue, the BCC feels that it is important to change the current status quo. Therefore, for that reason, the reasons regarding the City's performance above, and for other good and sufficient reasons, the County hereby gives the City official notice pursuant to Section 3.2 of the Capital IGA that the County is exercising its unilateral right to terminate that agreement. According to the terms thereof, the agreement will officially be terminated as of Sunday September 4, 2016, or 180 days from the date of this letter.

It is our hope that the ending of the Capital IGA will shift the focus away from claims for money to support a materially reduced library facility plan, to an engagement effort led by the City that fairly and proportionately involves the voices of unincorporated residents in the decision making process. We ask that the City lead that process to a successful conclusion, which includes (i) clarity on how capital funds would be used for library purposes exclusively; (ii) meaningful involvement and outreach in a fair and proportional form to involve multiple perspectives and addressing concerns from all affected citizens, city or unincorporated; and (iii) some level of agreement between City and unincorporated residents regarding the final size, location and service levels of the Gladstone library. Once the City has reached those agreements, we encourage it to then provide a full report back to the BCC. If the BCC concurs in the proposed solution, it would be pleased to have staff prepare a new agreement that would reflect the changed understanding of the new basis of the bargain. We look forward to a positive report and the City's leadership in ensuring that quality library services are being provided to all affected residents of Clackamas County.

Sincerely,

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

John Ludlow
Chair

Jim Bernard
Commissioner

Paul Savas
Commissioner

Martha Schrader
Commissioner

Tootie Smith
Commissioner

9-5

Beery Elsner & Hammond LLP

June 21, 2016

SENT VIA EMAIL AND FIRST-CLASS MAIL

Gary Barth, Director
Clackamas County Business and Community Services
150 Beavercreek Road, 4th Floor
Oregon City, OR 97045
GaryBar@co.clackamas.or.us

Re: City of Gladstone Proof of Use Certification and Capital Plan for New Library

Dear Mr. Barth:

This office serves as city attorney for the City of Gladstone. As you know, the county previously provided to the city $1,000,000 (of a total obligated amount of $2.5M) as a "Capital Contribution" in accordance with the April 2011 IGA between the city and the county (the "Capital IGA"). Per the county's request under Section 2.3 of the Capital IGA, I am enclosing documentation regarding the capital expenditures the city made relative to the initial $1M Capital Contribution.

As you will see, the city spent most of the money on designs for a new library (TNA Architecture). The balance of the $1M (plus additional city monies) was spent on related professional services (civil engineering, planning services through Clackamas County, construction management services and financing services). As such, on behalf of the city, I certify that Gladstone spent the previous $1M Capital Contribution for purposes permitted by Section 2.2 of the Capital IGA.

In addition, please find enclosed a capital plan identifying how the city will spend the remaining $1,500,000 the county owes it in accordance with the Capital IGA. Having submitted this capital plan, pursuant to Section 1.3 of the Capital IGA the city expects to receive the remaining $1.5M from the county no later than 60 days from the date of this letter (August 20, 2016).

Sincerely,

David F. Doughman

DFD/yh
Enclosures
cc: Eric Swanson (via email)
Linda Lewis (via email)
Chris Storey (via email)

9-6

t 503.226.7191
f 503.226.2348
e info@gov-law.com
1750 SW Harbor Way, Suite 380
Portland, OR 97201-5106
www.gov-law.com

Bibliography sheet with listed links for further source information

1. County Ballot Measure 3-310
https://www.ci.oswego.or.us/sites/default/files/archives/pressreleases/Clackamas%20Co%20Measure%203-310.pdf

2. Master Order
(No on-line copy found)

3. Master IGA
http://www.clackamas.us/librarydistrict/documents/librarydistrictiga.pdf

4. Capital IGA between County and Gladstone
http://www.ci.gladstone.or.us/Council/2016-06-28-A.pdf (p144-152)

5. Gladstone Ballot Measure limiting capitol projects to $1 million without vote
https://ballotpedia.org/Gladstone_City_Charter_Amendments,_2_(May_2012)

6. Gladstone Ballot Measure 3-446 setting Library on Portland Avenue
& NO Gladstone funds for library building
http://www.clackamas.us/elections/documents/voterpamphlet.pdf (p48)

7. Gladstone funding/demand letter 2/22/16
http://www.ci.gladstone.or.us/Council/2016-06-28-A.pdf (p139-140)

8. 180 day Letter from County to Gladstone
http://www.ci.gladstone.or.us/Council/2016-06-28-A.pdf (p103-106)

9. Recent letter with August deadline – from Gladstone Lawyer to County
http://www.ci.gladstone.or.us/Council/2016-06-28-A.pdf (p107)

10. On page 77 of the 2016-17 budget, Gladstone states the following:
"Currently the plans call for the Library to be located on the first floor. Conference or community rooms on the 2nd floor and City Hall located on the 3rd floor." Here is the link to read for yourself:
http://www.ci.gladstone.or.us/BUDGET/Gladstone_2016-17_Budget.pdf

This Bibliography of Library related materials was gathered together by the Oak Lodge Community Library Advocates (OLCLA).
If you want to stay informed, help affect change, and influence the future of the Oak Lodge Library, join and make your voice heard. E-mail us at **OLlibraryadvocates@gmail.com** and see our Facebook page www.Facebook.com/**OakLodgeLibraryAdvocates**.