

AGENDA

REGULAR CITY COUNCIL MEETING

June 26, 2017

5:30 p.m.

CITY HALL COUNCIL CHAMBER

313 COURT STREET

THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. Mercury Development regarding Cascade Square Façade Project – David Zimel & Brian Shahum

6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT
8. CITY ATTORNEY REPORT
9. CITY COUNCIL REPORT
10. CONTRACT REVIEW BOARD
 - A. Authorization to Purchase Asphalt to be Used for Street Maintenance Projects July 1 Through the End of the Construction Season, about November 30, 2017
 - B. Authorization to Purchase Emulsions and Chip Rock for 2016-17 Chip Seal Projects

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles"

11. ACTION ITEMS

- A. Authorization to Provide Water Service Outside City Limits to 6140 Mill Creek Road for Irrigation of a Commercial Marijuana Growing Operation
- B. Adoption of Resolution No. 17-019 A Resolution Authorizing Transfer of Funds Between Departments of the General Fund of the City of The Dalles Budget, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2017

12. DISCUSSION ITEMS

- A. Converting Meadow Outdoor Leases to Easement

13. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Izetta Grossman
City Clerk



AGENDA STAFF REPORT

AGENDA LOCATION: Contract Review Board Item #10-A

MEETING DATE: June 26, 2017

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Authorization to purchase asphalt for street maintenance projects

BACKGROUND: The Public Works Department solicits quotes from the two local asphalt suppliers twice annually, the first time in the spring for pricing through June 30 and the second time for pricing from July 1st through the Fall. Hot mix asphalt is then purchased from the lowest cost supplier, considering distance from the project and associated hauling costs, that is available when projects are undertaken. There are several reasons that a plant may be unavailable when a project is undertaken – it could be committed to supplying another customer, it could be making a different asphalt mix than is needed for our project, it could be off-line for maintenance or repairs, it may only initiate operations for quantities greater than those used in a project, or it may not be open yet for the season or has closed for the winter.

The quotes received from the two local suppliers covering the second part of the 2017 construction season, from July 1st through the Fall, were as follows.

<i>Mix type</i>	<i>Granite Construction</i>	<i>Munsen Paving</i>
Oregon ¾” Dense Graded	NA	\$59.00/ton
Oregon ½” Dense Graded, oil 6.0%	NA	\$61.00/ton
Oregon ½” Dense Graded, oil 5.5%	\$57.00/ton	\$59.00/ton
Oregon ¾” Dense Graded	\$59.00/ton	\$60.00/ton

These prices were unchanged from the Spring quotes.

For FY 2017/18, \$205,382 was budgeted in the Street Fund and Transportation System Reserve Fund for purchases of asphalt; it is anticipated that another \$160,000 will be rolled-over, through a supplemental budget, from FY 2016/17 for the paving of W 6th Street between Hostetler and Chenoweth Loop Road. In addition, the Water and Wastewater Funds each budgeted \$10,240 and \$19,200 respectively for purchase of asphalt for patching of utility trench cuts.

BUDGET IMPLICATIONS: If approved, it is projected that \$85,382 will be spent from Fund 5, the Street Fund, budget lines 005-0500-000.60-87 and 005-0500-000.75-10, \$120,000 from Fund 13, the Transportation System Reserve Fund, budget line 013-1400-000.75-10, \$10,240 from Fund 51, the Water Fund, budget line 051-5100-000.60-87, and \$19,200 from Fund 55, the Wastewater Fund, budget line code 055-5500-000.60-87, to purchase hot-mix asphalt for street maintenance and trench patching projects. If approved through a supplemental budget, another \$160,000 will be spent from Fund 5, budget line 005-0500-000.75-10. There are adequate funds budgeted for these purposes.

COUNCIL ALTERNATIVES:

1. *Staff recommendation: Move to authorize the purchase of hot-mix asphalt as needed for street maintenance from the lowest-cost supplier available at the time of the projects in an amount not to exceed \$394,822.*
2. Deny authorization to purchase the hot-mix asphalt and provide additional direction to staff.



AGENDA STAFF REPORT

AGENDA LOCATION: Contract Review Board Item #10-B

MEETING DATE: June 26, 2017

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Authorization to purchase emulsions (oils) and chip rock for 2016/17 chip seal projects

BACKGROUND: Goal A-1 of the City Council Work Plan is to “Develop street construction projects and focus resources on preventive maintenance projects (ie: patching, crack sealing, chip sealing) through fiscal year 2017-18.” Consistent with that goal, 4.6 miles of City streets are scheduled to be chip sealed in June. Those streets are:

- E 10th St, Dry Hollow to Thompson
- W 10th St, Kelly Ave to J Street
- W 10th St, Walnut to Chenowith Creek
- Blakely Way, Blakely Dr, W 11th and W 12th Streets
- Honey Do, 8th to 10th
- Webber, 6th to 10th
- Crates Way, full loop
- Klindt Dr, River Road to the end
- Steelhead Way, Klindt Dr to Columbia

Since the City does not have the equipment to perform chip seals, this is one of the types of projects for which we partner with the County to get the work done. The City needs to purchase the chip rock and emulsion (oil) for the project. The City has received a quote for pricing from Albina Asphalt, a State Bid supplier, to purchase the emulsion; the bid price is \$380/ton plus \$30 shipping to The Dalles, total \$410.00/ton. It is estimated that it will require 119.72 tons of emulsion to chip seal the planned 4.6 miles of City streets and will cost a total of \$49,085.20.

The chip sealed streets will also be fog coated to help lock in the chip rock and increase the life of the street surface. This will require 33.6 tons of fog seal oil at a total purchase cost of \$10,248, also to be purchased from Albina.

Lastly, the angular chip rock is only available from one local supplier, Munsen Paving. A total of 1020 tons of rock will be needed to chip seal the City streets identified. The price of the chip rock is \$10.50/ton for a total cost of \$10,710.

The City will pre-level some of the streets with asphalt prior to chip sealing. The estimated cost of asphalt to complete the pre-level is about \$25,000.

Altogether, the total cost to chip seal 4.6 miles of City streets is estimated to be \$95,043.20.

BUDGET IMPLICATIONS: Within Fund 5, the Street Fund, budget line 005-0500-431.75-10, a total of \$133,449 is available for chip seal projects. The estimated cost to chip seal the identified City streets, at \$95,043.20, is within the funds budgeted for these projects.

RECOMMENDATIONS:

1. Staff Recommendation: *Move to authorize the purchase of emulsion, fog seal oil, chip rock and County labor and equipment in an amount estimated to be \$95,043.20.*
2. Deny authorization to purchase the chip seal project materials and provide additional direction to staff.



AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #11-A

MEETING DATE: June 26, 2017

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Authorization to provide water service outside City Limits

BACKGROUND: The City has received a request from the property owner at 6140 Mill Creek Road to connect to the City water transmission line that runs through his property to provide a new or larger water service for use in a marijuana production operation. Identification of an irrigation water source is a condition of approval that must be met for the County to approve permitting for the operation. The property in question is outside both the City Limits and the Urban Growth Area and is currently served water from the City system for domestic use only. There is an easement agreement for the City water transmission line to cross the property, and an allowance that the property owner be supplied water for domestic use, through a ¾-inch meter, at In-City rates.

The request is for a 1½-inch meter and a projected use of 30,000 gallons per month during the months of October through April; these are low-use periods for the City. The City system has the capacity to supply the request.

The City's water ordinance, General Ordinance No. 91-1133, Section 17, requires Council authorization to provide water service to properties outside the City Limits. If approved, the property owner would need to pay a Water System Development Charge (SDC) for the new or larger service. Monthly billing would occur at Outside-City Limits commercial rates which are 1.5 times In-City commercial rates.

BUDGET ALLOCATION: There are no costs to the City with this issue. If approved, the property owner would need to pay an SDC of \$9268 for a 1½-inch meter. Estimated monthly water rates would be about \$150/month at 30,000 gallons of usage.

COUNCIL ALTERNATIVES:

Staff Recommendation: None.

Alternatives:

1. Move to authorize the provision of commercial water service outside the City Limits to the property located at 6140 Mill Creek Road.
2. Move to deny the provision of commercial water service outside the City Limits to the property located at 6140 Mill Creek Road.
3. Provide additional direction to staff.



AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #11-B

MEETING DATE: June 26, 2017

TO: Honorable Mayor and City Council

FROM: Angie Wilson, Finance Director

ISSUE: Resolution No. 17-019 Authorizing Transfers of Funds Between Categories of the State Office Building Fund, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2017.

RELATED COUNCIL GOAL: Balanced Budget

BACKGROUND: Oregon Budget Law recognizes that after the beginning of the fiscal year, changes in appropriations in the budget sometimes become necessary and so allows for those changes via supplemental budgets and budget amendments. The budget amendments in the proposed resolution are to make changes to the adopted budget to accommodate direction given by the City Council to proceed with certain payments and projects as follows:

Resolution No 17-019 contains budget amendments that makes transfers between budgeted amounts in the General Fund. This resolution transfers \$24,500 from the Contingency line item to cover three items:

1. A \$2,500 transfer to the City Clerk Department due to a step increase that was inadvertently left out of the budget.
2. \$15,000 estimated to cover the additional legal and temporary services needed in the Legal Department.
3. An additional \$7,000 is needed in the Finance Department to cover a VEBA contribution, which was not budgeted, due to the previous finance director's retirement.

BUDGET IMPLICATIONS: The Budget Amendment Resolution No. 17-019 is transfers of current budgeted amounts, and does not have any impact on the total budget of the General Fund.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation: *Move to Adopt Resolution No. 17-019 Authorizing Transfers of Funds between Departments and Categories of the State Office Building Fund, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2017.***
2. Council may choose to modify or add to these budget transfers and direct staff to update the resolution to bring back to a future Council meeting.
3. Decline

RESOLUTION NO. 17-019

A RESOLUTION AUTHORIZING TRANSFERS OF BUDGETED AMOUNTS BETWEEN DEPARTMENTS AND CATEGORIES OF THE STATE OFFICE BUILDING FUND OF THE CITY OF THE DALLES ADOPTED BUDGET, MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2017.

WHEREAS, during the budget year certain funds may experience expenditures above approved department and/or category limits; and

WHEREAS, Oregon Budget Law recognizes these events and allows for transferring of funds between approved department and/or category limits within and between funds; and

WHEREAS, a budget amendment is required to avoid an over-expenditure of the Personnel Category of the City Clerk Department due to an employee step increase in the amount of \$2,500, requiring a budget transfer from the Contingency; and

WHEREAS, due to the finance director retiring in March, a transfer is required from Contingency to the Finance Department to cover VEBA contribution in the amount of \$7,000; and

WHEREAS, due to additional legal services in the Legal Department need in the current fiscal year, a transfer is required from the Contingency line item in the amount of \$15,000;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF THE DALLES, OREGON, AS FOLLOWS:

Section 1. Authorizing Budget Transfers. The City Council hereby authorizes the following transfers of funds between budgeted departments and categories of the State Office Building Fund:

<u>FUND OR DEPT.</u>	<u>BUDGETED</u>	<u>RESOURCES NEEDED</u>	<u>REALLOCATED</u>
<u>GENERAL FUND (001)</u>			
from Contingency	\$ 588,506	\$ 564,006	- \$24,500
to City Clerk Department	\$ 120,892	\$ 123,392	+ \$ 2,500
to Legal Department	\$ 259,575	\$ 274,575	+ \$15,000
to Finance Department	\$ 363,635	\$ 363,635	+ \$7,000

Section 2. Effective Date. This Resolution shall become effective upon adoption by the City Council and shall remain in effect until receipt and acceptance of the FY16/17 audit report.

PASSED AND ADOPTED THIS 26th DAY OF JUNE 2017.

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 26th DAY OF JUNE 2017.

SIGNED:

ATTEST:

Stephen E. Lawrence, Mayor

Izetta Grossman, City Clerk



AGENDA STAFF REPORT

AGENDA LOCATION: Discussion Item #12-A

MEETING DATE: June 26, 2017

TO: Honorable Mayor and City Council

FROM: Gene Parker, City Attorney

ISSUE: Request by Meadow Outdoor Advertising to convert leases for two outdoor advertising signs to easements

BACKGROUND: The City has two lease agreements with Meadow Outdoor Advertising for the lease of real property owned by the City for the display of two outdoor advertising signs. One of these signs is located upon the property containing the City's wastewater treatment plant, and the other is located upon a parcel of property adjacent to Sixth and Mt. Hood Streets. Enclosed with this staff report are copies of the two lease agreements and copies of a Letter of Intent to Purchase Easement from Meadow Outdoor Advertising for the two lease agreements.

The lease agreement for the sign located upon the City's wastewater treatment plant expires on July 31, 2024. There is a provision that allows for successive renewal terms of the lease for 10 year periods. The lease agreement provides for annual payments to the City of \$1,750. Meadow Outdoor Advertising is proposing to convert this lease agreement to a perpetual easement for the sum of \$25,000.

The lease agreement for the sign located on the property adjacent to Mt. Hood and West 6th Street was renewed in 2016 to extend the term of the lease from May 31, 2016 to May 31, 2026. The lease agreement provides for an annual rent payment of \$500. There is a provision for increasing the annual rent by the consumer price index. Meadow Outdoor Advertising is currently paying the annual sum of \$561.87 for the lease. They are proposing to convert the lease agreement to a perpetual easement for the sum of \$7,500.

The City Public Works Director has expressed concerns related to the proposal to convert the lease for the billboard located upon the site of the City's wastewater treatment plant to a perpetual easement. This billboard is located over the top of the pump station.

According to the Public Works Director, future needs to increase the flow of effluent out of the treatment plant may require an increase in the size of the pump station which could require an increase in the size of the footprint for the pump station. The Public Works Director is concerned that creation of a permanent easement for the billboard could create potential conflict with a need to increase the size of the pump station.

BUDGET IMPLICATIONS: If the City were to accept the proposal from Meadow Outdoor Advertising to convert the lease agreement to perpetual easements, the City would receive the sum of \$32,500. Under the current lease agreements, the City would anticipate receiving the sum of \$17,747.48 until the scheduled expiration of the leases in 2024 and 2026.

COUNCIL ALTERNATIVES:

1. *Staff recommendation:* This is a discussion item, and staff is seeking direction from the Council as to whether they want to accept the proposal from Meadow Outdoor Advertising to convert the lease agreements to easements, or continue the current lease agreements in effect.

LEASE AGREEMENT

Lease Number: 98020
Description: W. 6TH STREET
NORTUNE @ MT. HOOD
STREET; P1 WF, P2 EF

THIS AGREEMENT, dated this 1st day of June, 2006, by and between CITY OF THE DALLES, a municipal corporation, hereinafter referred to as "Lessor", and J R ZUKIN, a California corporation dba MEADOW OUTDOOR ADVERTISING, hereinafter referred to as "Lessee",

WITNESSETH:

1. The Lessor hereby leases and grants exclusively for the purpose of erecting and maintaining an outdoor advertising structure, the following described real property located in the City of The Dalles, Wasco County, State of Oregon:

A portion of the property located on Assessor's Map No. 1N 13E 4BD, Tax Lot 2000; on the north line of West Sixth Street 100 feet East of Mt. Hood Street. The location of the proposed structure is shown on the map attached as Exhibit "A".

Lessor further grants to Lessee such free access to and the use of the real property described above as Lessee requires to construct, post, paint, illuminate, maintain, repair, and remove the structure and advertisements placed thereon. The term "structure" as used herein shall mean an outdoor advertising structure including fixtures, power poles, lines and connections. The term "premises" as used herein shall mean that portion of the real property where Lessee's structure is placed. The Lessor reserves for its use and benefit of Lessor and Lessor's tenants, lessees, and other persons authorized by Lessor, the right to use all of the ground surface of the parcel herein leased and all the area lying below the bottom of Lessee's sign (except for the space occupied by the steel post or posts supporting said sign) for ingress and egress and other beneficial and reasonable uses.

2. The initial term of this lease shall be for a term of ten (10) years commencing upon June 1st, 2006, and terminating upon May 31st, 2016.

Thereafter, this lease agreement may be renewed for successive ten (10) year terms. The amount of rent for any successive rental term must be mutually agreed upon by both parties. If either party has good cause to seek a modification of a provision of this agreement, that party shall give written notice to the other party at least 180 days prior to the expiration of any successive rental term, requesting that the parties initiate negotiations to modify the lease agreement. In the event Lessor and Lessee are not able to mutually agree upon the terms for any successive

extension of the lease agreement by 30 days prior to the date the lease agreement is scheduled to expire, then the lease agreement shall expire, and Lessee will be obligated to remove the sign from the premises in accordance with the provisions of this lease agreement.

3. The rent shall be Five Hundred Dollars (\$500.00) per year payable annually in advance commencing on the date the sign structure is completed. The rent shall be updated every five (5) years by an amount equivalent to the annual increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City average, with a base period of 1982-84, as published in the Bureau of Labor Statistics, which occurred during the previous 5 year period. In the event the base period for this index is modified during any five (5) year period, the updated base period shall be used to calculate the amount of the increase of the Consumer Price Index. Prior to completion, the rent shall be Twenty-five Dollars (\$25.00) per year, commencing on May 24th, 2006, payable upon execution of this agreement by Lessee.

4. Lessee shall save the Lessor harmless from all damage to persons or property by reason of accidents resulting from the negligent acts of its agents, employees, or others employed in the construction, maintenance, repair or removal of its signs on the property.

5. Lessor agrees that Lessor, its tenants, agents or employees will not place or allow to be maintained any object, materials, equipment, supplies, or obstructions on the leased property or the real property, or permit the growth of trees or other vegetation on the leased property or the real property, which would in any way obstruct the view of Lessee's sign structure and advertising copy, or interfere with or impede Lessee's painting, posting, or servicing of the sign structure. In the event Lessee determines, in Lessee's exclusive discretion, that the view of Lessee's sign structure and advertising copy is obstructed by an object or vegetation, Lessor agrees that Lessee may, without notice or liability, remove the object or trim or remove trees and other vegetation on the property as Lessee deems necessary to prevent the obstruction of Lessee's sign structure. In the event Lessee determines that the existence of Lessor's materials, equipment, supplies or obstructions interferes with or impedes Lessee's painting, posting or servicing of the sign structure, Lessor shall remove such obstructions within ten days notice from Lessee. If Lessor fails to do so, Lessee may remove same without liability and at Lessor's expense, or cancel this lease and remove the sign structure.

6. Lessee understands and agrees the portion of the premises being leased is adjacent to the area where the proposed Mill Creek Greenway, including a pedestrian and bicycle trail, may be located. In the event the Lessor determines the Lessee's sign must be moved to facilitate construction or development of the Mill Creek Greenway, Lessee will move it's sign to a new location on the same parcel of property, mutually agreed upon by both Lessee and Lessor, not affected by the development. In the event that a new location cannot be found that is not affected by the development, Lessor shall have the right to terminate this lease, or any successor lease agreement, upon thirty (30) days written notice to Lessee, and Lessee shall remove its sign within thirty (30) days of receipt of the written notice.

7. Lessee may terminate this lease on thirty (30) days written notice prior to the initial construction of the sign structure. Lessee may also terminate this lease prior to the initial construction of the sign structure if Lessee is unable to secure the necessary state, county or city permits required to construct the sign structure. After the sign structure is constructed and completed, Lessee may cancel this lease upon giving thirty (30) days written notice by certified mail to Lessor if in the sole opinion of Lessee: the view of the advertising message on the sign structure is partially or wholly obstructed; the Leased Property has become unsafe for the maintenance of the sign structure; Lessee has no advertiser paying for the advertising space on the structure for a period of three (3) consecutive months or more; or the Lessee's use of the structure is prevented or restricted by law or governmental regulations. In the event Lessee cancels this lease on the date of termination Lessor shall refund to Lessee that portion of the prepaid rent which has not been used by Lessee.

8. Lessee has agreed that it will plant six (6) trees on the portion of property owned by the Parks & Recreation District, at the Parks District's discretion, described as Assessor's Map No. 1 N 13E 4AA, Tax Lot 801, which is adjacent to the leased premises. The location and size of the planting, and the type of species shall be approved by the Lessor and the Parks District. Lessee shall be responsible for the care and maintenance of the trees until the trees have survived for a period of five (5) years. Lessee shall replace any damaged, diseased, or deceased trees which do not survive for the specified time period with new trees. Thereafter, the Parks District shall be responsible for the care and maintenance of the trees planted by the Lessee. If for some reason less than six (6) trees are needed at this location by the Parks District, Lessee will plant the balance of the unused trees in other locations agreed upon by Lessor and Lessee.

9. Lessee shall have the right to sub-lease or assign this agreement to others and such signs owned by them shall be subject to the terms and conditions of this lease. It is agreed between the parties that Lessee, or such other person, as the case may be, shall remain the owner of all of said advertising signs, structures, and improvements, and that notwithstanding the fact that the same constitute real estate fixtures, the Lessee or such person, as the case may be, shall have the right to remove said signs, structures, and improvements at any time during the term of this lease, or after the expiration of this lease.

10. This is an exclusive lease. Lessor agrees not to permit the placement of any other off-premise signs by anyone other than Meadow Outdoor Advertising on this property or any adjacent properties which Lessor owns or controls.

11. In the event the law of the State of Oregon or the ordinances of Wasco County or the City of The Dalles shall lawfully prohibit the operation of Lessee's sign and/or require its removal, the Lessee shall be entitled to terminate this lease thirty (30) days after giving Lessor written notice of the prohibition or required removal and after removal of Lessee's sign and sign structure from the leased premises. In said notice, Lessee shall cite the law and/or ordinance requiring the Lessee to prohibit operation of the sign or require its removal. The Lessee shall continue to pay the pro rata rental to Lessor thereafter through the date the sign is removed.

12. All maintenance, repair, upkeep and restoration of the sign improvement placed on the leased premises shall be performed by Lessee at Lessee's expense. Lessee agrees to keep the premises and the sign improvement on the premises in a clean, neat and proper condition and in a good and safe condition of maintenance and repair at Lessee's expense.

13. Lessee, its successors, assigns, owners, holding companies and all others acting by, through, or under Lessee, agrees not to bring any legal actions or suits against Lessor, nor to raise any counterclaim or defense in any action brought by Lessor against Lessee, at the termination of this lease, relating to the enforcement of the termination of the lease, eviction by Lessor against Lessee, and/or removal of the advertising sign and appurtenances therefrom which is the subject of this lease. Lessee waives all rights and claims for damages, relocation expenses and fees, which it might have against Lessor from this time to any time in the future and covenants not to sue Lessor, by way of complaint, counterclaim or defense, which said covenant shall survive the termination and/or term of this lease, for or in any way relating to the removal of the advertising sign and all equipment, structures and appurtenances thereto on the property left at the termination of this lease and/or for any other claim for damages for "just compensation", relocation fees and expenses which are owed to Lessee by Lessor in the future by virtue of ORS Chapter 377; 23 U.S.C. Sect. 131, et. seq.; ORS Chapter 281; 42 U.S.C. Sect. 4622, 4623, 4624, 4625, 4626, 4651, 4652, 4653 & 4654; or by any other Federal or State statute, or City ordinance or rule. Lessee further agrees that it will not seek any temporary restraining order and/or permanent injunction to prohibit the removal of the advertising sign and appurtenances therefrom at the termination of this lease for any reason whatsoever.

14. Lessee at its sole cost and expense shall remove the sign and all of the sign structure upon any termination of this lease so that said sign and sign structure shall be removed from the leased premises and the leased premises restored to its original condition at the date of the termination of this lease.

15. This lease is binding upon, and inures to the benefit of the heirs, executors, successors, and assigns of Lessor and Lessee.


16. All rents to be paid pursuant to this lease, and all notices are to be forwarded to the undersigned Lessor at the address noted below Lessor's signature. This lease shall constitute the sole agreement of the parties relating to the lease of the above described premises. Neither party shall be bound by any statement, warranties, or promises, oral or written, unless such statements, warranties, or promises are set forth specifically in this lease.


17. Lessor warrants the title of said leasehold for the term herein mentioned. In the event this lease is not renewed or is canceled, Lessor agrees that it will not for a period of five (5) years subsequent to the date of termination, release said premises to any other advertiser or outdoor advertising company other than Lessee for advertising purposes. Lessor represents that it is the owner of the property covered by this lease and has the authority to execute this lease.

18. If any rent shall be due and unpaid for fifteen (15) days after written notice that it is due, or default shall be made in any of the covenants herein contained (other than the payment of rent or other charges) following thirty (30) days written notice by Lessor to Lessee specifying the nature of the default with reasonable particularity and allowing the Lessee to remedy said default within said thirty (30) days, then the Lessee shall remove the sign structure and appurtenances thereto and it shall be lawful for the Lessor to enter the premises and remove all persons therefrom and said sign structure and appurtenances, the Lessee hereby waiving any notice to quit or intention to re-enter. In the event it is necessary to institute suit or action to enforce any of the covenants or provisions in this lease or to effect a re-entry upon said premises by the Lessor, the Lessee agrees to pay to the Lessor its attorney fees and expenses of such suit or action and the cost, if any, of removing said sign structure and appurtenances. Lessee covenants to pay to Lessor the rent specified herein and at the expiration of the term of this lease or other termination to remove said sign structure and to surrender and quit the premises hereby leased in as good a state and condition as the same now are or shall be put into, damages by the elements excepted. The Lessee, on paying the said rent and performing the covenants herein contained, shall and may peaceably and quietly have and enjoy the leased premises for the term herein specified, and any successor terms. No assent, express or implied, by the Lessor to any breach of any of the covenants or agreements herein shall be deemed to be a waiver of any succeeding breach of the same covenant or agreement or as a waiver of the covenant and/or agreement itself.

CITY OF THE DALLES

J R ZUKIN,
dba MEADOW OUTDOOR ADVERTISING

By: 
Nolan K. Young, City Manager
313 Court Street
The Dalles, Oregon 97058

Accepted by: 
John Lehman, Vice-President
P. O. Box 331
The Dalles, Oregon 97058
J. CHRIS ZUKIN



OUTDOOR ADVERTISING

P.O. Box 331 ★ The Dalles, Oregon 97058 ★ 541-296-9684

AGREEMENT OF LEASE

Lease # _____

This agreement is made this _____ day of _____, 2006 by and between CITY OF THE DALLES hereinafter called "LESSOR" and Meadow Outdoor Advertising hereinafter called "LESSEE".

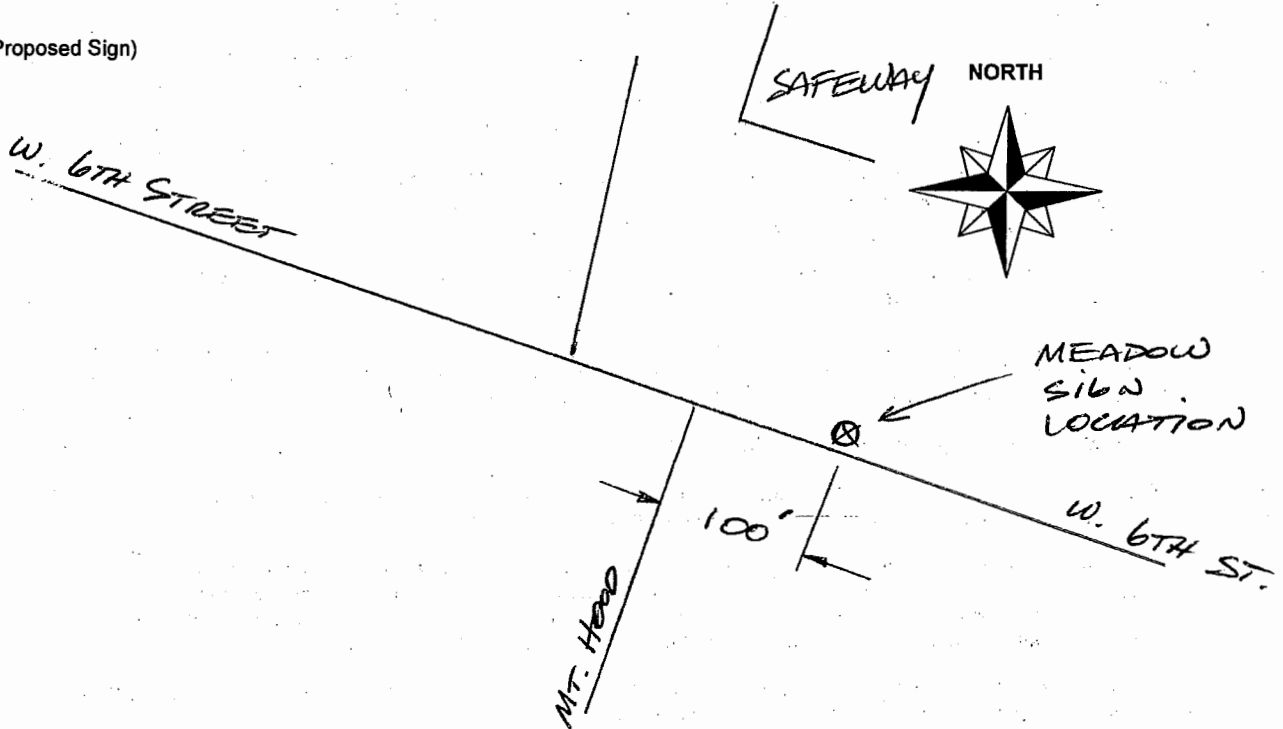
In consideration of FIVE HUNDRED (\$500.00) dollars per year, payable in advance annually beginning upon the date the sign structure is completed, Lessor hereby leases to Lessee a portion of Lessor's real property and thereupon grants exclusive permission to Lessee to erect and maintain an outdoor advertising sign structure on the leased property located at and described as:

TOWNSHIP 1 N., RANGE 13 E. W.M., SECTION 4 AB, TL # 2000;
W. 6TH ST. NORTHLINE 100' EAST OF MT. HOOD STREET

Situated in the City of THE DALLES County of WASCO State of OREGON

Lessor further grants to Lessee the unrestricted right to travel across Lessor's property for free access to sign structure and use of the real property described herein as Lessee requires to construct, maintain, post, paint, illuminate, repair and otherwise deal with Lessee sign structure including the placement and maintenance of support structures, service ladders, illumination facilities, devices, power poles, power lines and connections.

Diagram (Location of Proposed Sign)



The term of this lease is twenty years commencing on the date of this agreement. All advertising signboards and structures placed on the leased property under this lease shall remain the property of the Lessee. The Lessor represents that he is the owner of the above-described real property and has the authority to grant the leasehold estate and to execute this lease for the term thereof. The word Lessor as used herein shall include all joint owners of the real property. This lease is binding upon and inures to the benefit of the heirs, executors, successors, and assigns of the Lessee and the Lessor.

The provisions on the reverse side of this agreement are incorporated into and made a part of this agreement by reference.

ACCEPTED BY MEADOW OUTDOOR

ACCEPTED BY LESSOR CITY OF THE DALLES

By _____
(Authorized Agent of Meadow Outdoor Advertising)

By _____

Date _____

Print Name _____

Address _____

City, State, Zip _____

Tax ID/SS# _____

FIRST ADDENDUM TO LEASE AGREEMENT

WHEREAS, the City of The Dalles, a municipal corporation of the State of Oregon, hereinafter referred to as "Lessor," and JR Zukin, a California corporation, dba Meadow Outdoor Advertising, hereinafter referred to as "Lessee," entered into a Lease Agreement on June 1, 2006, for the lease of real property described as a portion of the property located on Assessor's Map No. 1N 13E 4BD, Tax Lot 2000; on the north line of West Sixth Street 100 feet East of Mt. Hood Street; and

WHEREAS, said Lease Agreement did not include a provision concerning the payment of real property taxes that might be imposed by Wasco County as a result of the Lease Agreement entered into between Lessor and Lessee; and

WHEREAS, Lessor and Lessee have mutually agreed that Lessee shall be responsible for the payment of real property taxes assessed by Wasco County as a result of the Lease Agreement;

NOW, THEREFORE, in consideration of the mutual promises set forth in this First Addendum, it is mutually agreed as follows:

1. The Lease Agreement dated June 1, 2006, shall be modified by adding a new paragraph 19, which shall read as follows:

19. During the initial term of this lease, and any renewal term during which this lease remains in effect, Lessee shall be responsible for payment of any real property taxes assessed against the real property which is the subject of this lease, as a result of the Lessee's erection of an outdoor advertising structure on the property. Lessee shall provide proof of payment of the property taxes to Lessor.

2. Except as modified by this First Addendum, the terms and conditions of the June 1, 2006, Lease Agreement shall remain in full force and effect.

Dated this 30th day of OCTOBER, 2007.

CITY OF THE DALLES

JR ZUKIN
dba MEADOW OUTDOOR ADVERTISING

By: Nolan K. Young
Nolan K. Young, City Manager

By: J. Chris Zukin
J. Chris Zukin, Vice-President

11/2/07 orig Julie
cc Zukin
Duroow
file

AMENDMENT TO LEASE AGREEMENT

WHEREAS, the City of The Dalles, a municipal corporation of the State of Oregon, hereinafter referred to as "Lessor," and JR Zukin, a California corporation, dba Meadow Outdoor Advertising, hereinafter referred to as "Lessee," entered into a Lease Agreement on June 1, 2006, and a First Addendum to said Lease on October 30, 2007, for the lease of real property described as a portion of the property located on Assessor's Map No. 1N 13E 4BD, Tax Lot 2000; on the north line of West Sixth Street 100 feet East of Mt. Hood Street; and

WHEREAS, an error has been found in the description listed in said Lease Agreement and Addendum, which needs to be corrected;

NOW, THEREFORE, in consideration of the mutual promises set forth in this Amendment, it is mutually agreed as follows:

1. The Lease Agreement dated June 1, 2006, and the First Addendum dated October 30, 2007, shall be modified by changing the description of the location of the property to read as follows:

Assessor's Map No. 1N 13E 4AB, Tax Lot 2000; on the north line of West Sixth Street 100 feet East of Mt. Hood Street

2. Except as modified by this Amendment, the terms and conditions of the June 1, 2006, Lease Agreement and the First Addendum dated October 30, 2007, shall remain in full force and effect.

Dated this 27th day of November, 2007.

CITY OF THE DALLES

JR ZUKIN
dba MEADOW OUTDOOR ADVERTISING

By: Nolan K. Young
Nolan K. Young, City Manager

By: J. Chris Zukin
J. Chris Zukin, Vice-President

11/27/07 orig - Julie
cc Zukin
Denise

LETTER OF INTENT TO PURCHASE EASEMENT

_____, 2017

Meadow Outdoor Advertising ("Grantee") and the City of The Dalles ("Grantor") wish to enter into a permanent easement agreement for an existing billboard sign structure which will be located on property owned by Grantor in The Dalles, Oregon.

The property is described by the following map and tax lot #'s and/or address:

Assessor's Map #: 01N. 13E. Section 04BD Tax Lot # 02000
Location Description: West 6th Street Northline @ Mt. Hood Street
The Dalles, Oregon L#98020

Meadow Outdoor Advertising will pay Seventy Five Hundred dollars (\$7,500.00) to purchase this easement. Meadow Outdoor Advertising will cover the cost of creating the easement agreement. Meadow will pay for the purchase of the easement upon recording in the county records.

This agreement will be contingent upon the following items:

1. Meadow's review and approval of the title search on the property, performed at Meadow's expense.
2. Execution of a formal easement agreement acceptable to Meadow Outdoor Advertising.
3. The easement must be prior in right to all other liens and financial encumbrances on the property, or Meadow Outdoor must receive non-disturbance agreements, in form and content satisfactory to Meadow Outdoor, from all lien holders and other persons or entities holding security interests in the property that have priority of right over the easement.
4. The permanent easement document must be recorded in the county records.

Accepted by:

Accepted by:

City of The Dalles Date

Meadow Outdoor Advertising Date

LEASE AGREEMENT

LEASE NUMBER: 98015

DESCRIPTION: I-84 SL 1.3 mi. E/O West The Dalles Exit 83

THIS AGREEMENT, dated this 14th day of April, 2014 by and between CITY OF THE DALLES, a municipal corporation, hereinafter referred to as "Lessor", and JR ZUKIN, a California corporation d.b.a. MEADOW OUTDOOR ADVERTISING, hereinafter referred to as "Lessee",

WITNESSETH:

1. The Lessor hereby leases and grants exclusively for the purpose of erecting and maintaining outdoor advertising structures, the following described real property located in the City of The Dalles, Wasco County, State of Oregon:

A portion of the property located on Assessor's Map# IN 13 3BD, Tax Lot #100. The location of the proposed structure is shown on the map attached as Exhibit "A".

Lessor further grants to Lessee such free access to and the use of the real property described above as Lessee requires to construct, post, paint, illuminate, maintain, repair, and remove the structures and advertisements placed thereon. The term "structures" as used herein shall mean outdoor advertising structures including fixtures, power poles, lines and connections. The term "premises" as used herein shall mean that portion of the real property where Lessee's structures are placed. The Lessor reserves for its use and benefit of Lessor and Lessor's tenants, lessees, and other persons authorized by Lessor, the right to use all of the ground surface of the parcel herein leased and all the area lying below the bottom of Lessee's sign (except for the space occupied by the steel post or posts supporting said sign) for ingress and egress and other beneficial and reasonable uses.

2. The initial term of this lease shall be for a term of ten (10) years commencing upon August 1, 2014, and terminating upon July 31, 2024. If the lease is not in default as of May 1, 2024, Lessee shall have the option to renew the lease for an additional ten (10) year period, which term would commence on August 1, 2024, by giving written notice on May 1, 2024 of its intent to renew the lease. The terms and conditions of the renewal term shall be identical with those for the original ten (10) year lease term.

Thereafter, this lease agreement may be renewed for successive ten (10) year terms. The terms of any successive renewals shall be the same as those of the original lease term, except that Lessor and Lessee must mutually agree upon the rent for each successive rental term. If the parties have not mutually agreed upon the terms of the rent for a successor term, by 90 days prior to the date the lease agreement is scheduled to expire, then the lease agreement shall expire, and Lessee will be obligated to remove the sign from the premises in accordance with the provisions of this lease agreement.

3. The rent shall be One Thousand Seven Hundred Fifty Dollars (\$1,750.00) per year payable annually in advance commencing ~~August 1, 2014.~~

March 4 CP

COPY
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4. Lessee shall save the Lessor harmless from all damage to persons or property by reason of accidents resulting from the negligent acts of its agents, employees, or others employed in the construction, maintenance, repair or removal of its signs on the property.

5. Lessee understands and agrees the portion of the premises being leased is adjacent to the Lessor's wastewater treatment plant, and that the Lessor is initiating a planning process for an expansion and modernization of the existing plant. Lessor agrees as part of the planning process that it will use its best efforts to ensure that no structure or obstacle is placed in such a manner as to obstruct or impair Lessee's sign. In the event Lessor determines the Lessee's sign must be removed to facilitate the expansion or renovation of the Lessor's wastewater treatment plant, Lessor shall have the right to terminate this lease, or any successor lease agreement, upon thirty (30) days written notice to Lessee, and Lessee shall remove its sign within thirty (30) days of receipt of the written notice. If Lessor determines that placement of a structure is necessary to facilitate the expansion or renovation of Lessor's wastewater treatment plant, which structure obstructs or impairs the visibility of Lessee's sign, then Lessee shall have the option to terminate this lease agreement, or any successor agreement, upon thirty (30) days written notice to Lessor. If the lease agreement is terminated under this provision, Lessee shall receive a refund of the portion of rent paid for the unexpired term.

6. In the event of any potential change in ownership of the property hereby leased, Lessor agrees to notify Lessee of such potential change at least thirty (30) days prior to any closing consummating such change in ownership. Lessor also agrees to give the prospective purchaser formal written notice of the existence of this lease at least thirty (30) days prior to such a closing and agrees to grant to Lessee an unconditional right of first refusal to purchase said property. Lessor will first offer property to Lessee on the same terms and conditions as received from the prospective buyer, and Lessee must exercise this right no later than thirty (30) days after receipt of written notice of said potential change of ownership.

7. Lessee shall have the right to sub-lease or assign this agreement to others and such signs owned by them shall be subject to the terms and conditions of this lease. It is agreed between the parties that Lessee, or such other person, as the case may be, shall remain the owner of all of said advertising signs, structures, and improvements, and that notwithstanding the fact that the same constitute real estate fixtures, the Lessee or such person, as the case may be, shall have the right to remove said signs, structures, and improvements at any time during the term of this lease, or after the expiration of this lease.

8. This is an exclusive lease. Lessor agrees not to permit the placement of any other off-premise signs by anyone other than Meadow Outdoor Advertising on this property or any adjacent properties which Lessor owns or controls.

9. In the event the law of the State of Oregon or the ordinances of Wasco County or the City of The Dalles shall lawfully prohibit the operation of Lessee's sign and/or require its removal, the Lessee shall be entitled to terminate this lease thirty (30) days after giving Lessor written notice of the prohibition or required removal and after removal of Lessee's sign and sign structure from the leased premises. In said notice, Lessee shall cite the law and/or ordinance requiring the Lessee to prohibit operation of the sign or require its removal. The Lessee shall continue to pay the pro rata rental to Lessor thereafter through the date the sign is removed.

10. All maintenance, repair, upkeep and restoration of the sign improvement placed on the leased premises shall be performed by Lessee at Lessee's expense. Lessee agrees to keep the premises and the sign improvement on the premises in a clean, neat and proper condition and in a good and safe condition of maintenance and repair at Lessee's expense.

In the event the placement of the sign, the supporting structure, or the concrete foundation for the advertising sign results in the restriction or obstruction of access required by Lessor to perform emergency repairs or maintenance upon the sewer treatment plant, and Lessor, in its discretion, determines that no alternative means of access to perform the repairs is available to Lessor, the Lessee shall be responsible for the costs of removal and replacement of the sign, the supporting structure, or the concrete foundation, to ensure the Lessor has access to perform the necessary repairs or maintenance.

11. Lessee, its successors, assigns, owners, holding companies and all others acting by, through, or under Lessee, agrees not to bring any legal actions or suits against Lessor, nor to raise any counterclaim or defense in any action brought by Lessor against Lessee, at the termination of this lease, relating to the enforcement of the termination of the lease, eviction by Lessor against Lessee, and/or removal of the advertising sign and appurtenances therefrom which is the subject of this lease. Lessee waives all rights and claims for damages, relocation expenses and fees, which it might have against Lessor from this time to any time in the future and covenants not to sue Lessor, by way of complaint, counterclaim or defense, which said covenant shall survive the termination and/or term of this lease, for or in any way relating to the removal of the advertising sign and all equipment, structures and appurtenances thereto on the property left at the termination of this lease and/or for any other claim for damages for "just compensation", relocation fees and expenses which are owed to Lessee by Lessor in the future by virtue of ORS Chapter 377; 23 U.S.C. Sect. 131, et. seq.; ORS Chapter 281; 42 U.S.C. Sect. 4622, 4623, 4624, 4625, 4626, 4651, 4652, 4653 & 4654; or by any other Federal or State statute, or City ordinance or rule. Lessee further agrees that it will not seek any temporary restraining order and/or permanent injunction to prohibit the removal of the advertising sign and appurtenances therefrom at the termination of this lease for any reason whatsoever.

12. Lessee at its sole cost and expense shall remove the sign and all of the sign structure upon any termination of this lease so that said sign and sign structure shall be removed from the leased premises and the leased premises restored to its original condition at the date of the termination of this lease.

13. This lease is binding upon, and inures to the benefit of the heirs, executors, successors and assigns of Lessor and Lessee.

14. All rents to be paid pursuant to this lease and all notices are to be forwarded to the undersigned Lessor at the address noted below Lessor's signature. This lease shall constitute the sole agreement of the parties relating to the lease of the above described premises. Neither party shall be bound by any statement, warranties, or promises, oral or written, unless such statements, warranties, or promises are set forth specifically in this lease.

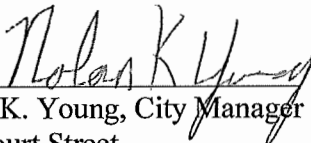
15. Lessor warrants the title of said leasehold for the term herein mentioned. In the event this lease is not renewed or is canceled, Lessor agrees that it will not for a period of five (5) years subsequent to the date of termination, release said premises to any other

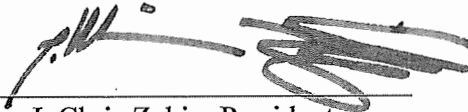
advertiser or outdoor advertising company other than Lessee for advertising purposes. Lessor represents that it is the owner of the property covered by this lease and has the authority to execute this lease.

16. If any rent shall be due and unpaid for fifteen (15) days after written notice that it is due, or default shall be made in any of the covenants herein contained (other than the payment of rent or other charges) following thirty (30) days written notice by Lessor to Lessee specifying the nature of the default with reasonable particularity and allowing the Lessee to remedy said default within said thirty (30) days, then the Lessee shall remove the sign structure and appurtenances thereto and it shall be lawful for the Lessor to enter the premises and remove all persons therefrom and said sign structure and appurtenances, the Lessee hereby waiving any notice to quit or intention to re-enter. In the event it is necessary to institute suit or action to enforce any of the covenants or provisions in this lease or to effect a re-entry upon said premises by the Lessor, the Lessee agrees to pay to the Lessor its attorney fees and expenses of such suit or action and the cost, if any, or removing said sign structure and appurtenances. Lessee covenants to pay to Lessor the rent specified herein and at the expiration of the term of this lease or other termination to remove said sign structure and to surrender and quit the premises hereby leased in as good a state and condition as the same now are or shall be put into, damages by the elements excepted. The Lessee, on paying the said rent and performing the covenants herein contained, shall and may peaceably and quietly have and enjoy the leased premises for the term herein specified, and any successor terms. No assent, express or implied, by the Lessor to any breach of any of the covenants or agreements herein shall be deemed to be a waiver of any succeeding breach of the same covenant or agreement or as a waiver of the covenant and/or agreement itself.

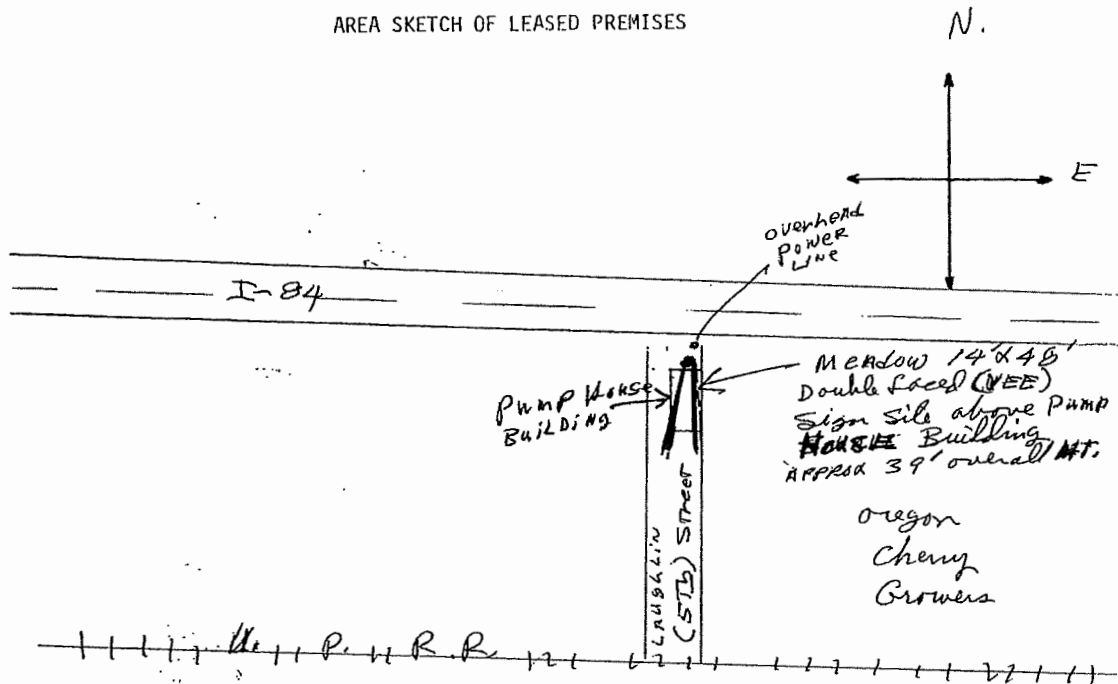
CITY OF THE DALLES

JR ZUKIN CORP,
a California Corporation d.b.a.
MEADOW OUTDOOR ADVERTISING

BY: 
Nolan K. Young, City Manager
313 Court Street
The Dalles, OR 97058

BY: 
J. Chris Zukin, President
PO Box 331
The Dalles, OR 97058

ADDENDUM TO ATTACHED LEASE
 AREA SKETCH OF LEASED PREMISES



INDICATE FOLLOWING:

- 1) sketch of sign
- 2) property lines
- 3) street names
- 4) buildings, landmarks, etc.
- 5) north, south, east, west

The City of The Dalles
X Nolan K. Young

LANDOWNER

August 25, 1998

DATE

Best & Street

MEADOW OUTDOOR ADVERTISING
 REPRESENTATIVE

July, 8, 1998

DATE

Exhibit "A"

LETTER OF INTENT TO PURCHASE EASEMENT

_____, 2017

Meadow Outdoor Advertising ("Grantee") and the City of The Dalles ("Grantor") wish to enter into a permanent easement agreement for an existing billboard sign structure which will be located on property owned by Grantor in The Dalles, Oregon.

The property is described by the following map and tax lot #'s and/or address:

Assessor's Map #: 01N. 13E. Section 03BD Tax Lot # 00100
Location Description: I-84 SL 1.3 Mi. E/O West The Dalles Exit #83
The Dalles, Oregon L#98015

Meadow Outdoor Advertising will pay Twenty Five Thousand dollars (\$25,000.00) to purchase this easement. Meadow Outdoor Advertising will cover the cost of creating the easement agreement. Meadow will pay for the purchase of the easement upon recording in the county records.

This agreement will be contingent upon the following items:

1. Meadow's review and approval of the title search on the property, performed at Meadow's expense.
2. Execution of a formal easement agreement acceptable to Meadow Outdoor Advertising.
3. The easement must be prior in right to all other liens and financial encumbrances on the property, or Meadow Outdoor must receive non-disturbance agreements, in form and content satisfactory to Meadow Outdoor, from all lien holders and other persons or entities holding security interests in the property that have priority of right over the easement.
4. The permanent easement document must be recorded in the county records.

Accepted by:

Accepted by:

City of The Dalles Date

Meadow Outdoor Advertising Date