

**Letter of Commitment from City of West Linn to Willamette Falls [& Landings](#) Heritage Area
Coalition
Regarding the Historic City Hall Building at 22825 Willamette Drive in West Linn**

This Letter of Commitment (“LOC”) follows a previously executed Letter of Intent in December 2018 under which the City of West Linn (“City”) and Willamette Falls [& Landings](#)- Heritage Area Coalition (“Coalition”) agreed to conduct due diligence investigations regarding the City-owned building at 22825 Willamette Drive in West Linn (“Historic City Hall”) at Coalition expense.

Appropriate architectural, engineering, capital project funding, capital project phasing, and Cultural Center and nonprofit building occupancy operations’ due diligence work efforts have been completed by the Coalition.

This Letter of Commitment is legally binding [and completely replaces a previous June 2019 LOC between the parties](#). Attached exhibits are incorporated herein as though included in the body of this LOC.

RECITALS

1. The Historic City Hall building, completed in 1936, is an important historic structure that lies vacant and needs appropriate capital improvements, upgrades, and public-use occupancy.
2. The Coalition is a partnership of public, private, and nonprofit organizations with a shared passion for the 56-river-miles of the proposed Willamette National Heritage Area: its rich history, natural beauty, agriculture, and recreational opportunities. The Coalition’s mission is leading efforts to enhance, assist, and promote the Heritage Area.
3. The City and Coalition both support a partnership to develop an arts and heritage Cultural Center (“Cultural Center”) in the Historic City Hall that recognizes its pivotal location adjacent to the Arch Bridge, the iconic Willamette Falls Navigational Canal & Locks, and great falls of the Willamette River; and serves as a gateway to West Linn, the Willamette Falls State Heritage Area, and the proposed National Heritage Area.
4. The City is currently working on a broader Waterfront Master Planning Project which aims to revitalize a large section of land stretching along the Willamette River for more than two miles upstream of the Arch Bridge/Historic City Hall area. The proposed Cultural Center will serve as a catalyst for implementation of these efforts.
5. The Coalition proposes to collaborate and partner with other local and regional cultural nonprofits for operational coordination of cultural activities and attractions to provide cultural experience opportunities to visitors and residents.
6. The Cultural Center meets West Linn’s objective to “Build on the rich natural and cultural history of West Linn and its relationship to the environment, particularly the Willamette River.”
7. The Cultural Center is a collaboration between the City and nonprofit organizations to the benefit of the public. Each of these partner organizations has a public mission and vision that supports both a local and regional cultural space as well as reestablishing the identity of West Linn’s “historic heart.”
8. The Cultural Center will serve to enhance the value of West Linn’s Historic City Hall by serving as a resource for the community and visitors alike. Eventual façade restoration will bring the building back to its historic appearance while providing public accessibility for its adaptive re-use.
9. The physical proximity of the Cultural Center across the Arch Bridge from the Willamette Falls Legacy Project, inclusive of the Riverwalk Project, is both serendipitous and strategic. As a

unique cultural nexus for Clackamas County, the location positions the Center to serve as a magnet destination that will draw visitors west of the river into West Linn, its Historic City Hall district, and future Waterfront Project.

DUE DILIGENCE FINDINGS

Pursuant to the December 2018 Letter of Intent, the Coalition undertook due diligence efforts which have yielded the following:

1. Summary of Architectural/Engineering Findings:
 - a. The intent of the architectural and engineering analysis was to evaluate the existing condition of the Historic City Hall building and its building systems to determine necessary and future improvements for adaptive re-use, and facilitate preservation/restoration to enable this unique Works Progress Administration building to remain useful for years to come.
 - b. The architectural and engineering findings of fact are not inconsistent with expectations for a building constructed in 1936 and remodeled a number of times over the years for a variety of uses. No extraordinary or unexpected conditions were found.
 - c. An exception to the number of WLMC required parking spaces will be sought through appropriate City processes to be consistent with the unique attributes of the site and the building's proposed uses.
 - d. There are numerous code required upgrades that were identified, including such things as:
 - i. Abatement of asbestos containing materials.
 - ii. Decommissioning the building's heating oil tank (as part of new HVAC system installation).
 - iii. ADA compliant parking, entry, and access to interior spaces and facilities.
 - iv. Energy Code requirements for insulation, doors, and windows.
 - v. Fire & Life Safety upgrades such as appropriate fire separations between spaces, and alarm, exiting, and emergency lighting systems.
 - vi. A formal appeal to the Building Official will be made to allow upper level assembly use (public meetings) without installing a fire suppression system that would compromise the historic integrity of the building interior.
 - vii. Additional toilet rooms.
 - viii. Change water supply and waste piping to appropriate, code-approved material.
 - e. Complete new roofing and HVAC systems are required as the existing ones are at the end of their useful lives.
 - f. Need to open up the north façade of the building similar to the original design.
 - g. Need to appropriately clean exterior masonry and replace inappropriate north façade awning.
 - h. All new interior walls, finishes (such as flooring, etc.), fixtures (such as casework, decorative lighting fixtures, etc.), and furnishings (window coverings, seating, etc.) will be required for Cultural Center operation on the first floor as well as public meeting spaces and nonprofit offices on the second floor.
 - i. Removal of existing dropped ceilings is required to restore original interior building volume (ceiling height) and specialty construction will duplicate historic ceiling detail where it has been altered.

2. Proposed tenant improvements provide the following:
 - a. Main Floor Plan:
 - i. Cultural Center main gallery space including glass fronted display wall
 - ii. Cultural Center video room
 - iii. Cultural Center reception
 - iv. Storage for the Cultural Center and nonprofit tenants
 - v. Mechanical, electrical, and janitorial rooms
 - vi. Toilet rooms
 - vii. One office adequate for two people to house Coalition and Cultural Center personnel
 - viii. Donor wall
 - b. Upper Level Plan:
 - i. Lobby
 - ii. Public Meeting Hall (60-person max. occupancy)
 - iii. Common area for shared services such as copiers, printers, etc.
 - iv. Offices for nonprofit tenancy
 - v. Break room to also serve as light kitchen support for public meeting space
 - vi. Toilet rooms
 - vii. Janitorial room
3. Project construction ~~phasing~~ detail is attached as Exhibit A to this LOC.
4. Cost estimates for project design and ~~construction phasing~~ funding program is attached as Exhibit B to this LOC.
5. Necessary Partnership Agreements:
 - a. Lease Agreement between the City and Coalition is attached as Exhibit C to this LOC.
 - b. Sub-leasing is addressed in Section 11 of the Lease Agreement attached as Exhibit C to this LOC. Sub-lease agreements between the Coalition and other nonprofit tenants shall make the third party subject to applicable Tenant obligations under the master lease.
 - c. Tenant Rules and Responsibilities to establish expectations for behavior will be an exhibit to every sub-lease agreement.
 - d. Shared Services Agreement between the Coalition and other tenants will itemize proportional financial responsibilities for such things as copier lease costs, monthly data usage, and janitorial services. Janitorial will be contracted through the current City Janitorial service provider.
- ~~6. Proposed funding plan for phase 1 design and construction is provided as Exhibit D to this Letter of Commitment. The names of private granting agencies are protected in Exhibit D, since it is a public document, to maintain confidentiality until grant award.~~

TERMS

The following obligations are agreed to by the City and the Coalition:

1. Joint Obligations and Agreements of City and Coalition:
 - a. The City and Coalition will share resources with the intention of establishing a Cultural Center at the Historic City Hall in West Linn, through a phased approach.

- b. The City and Coalition will collaborate effectively to complete the Phase 1 project no later than 20213, with an anticipated completion date of 20220.
 - i. This Phase 1 project schedule meets the requirements for use of City's overall GO Bond funds ~~within three (3) years.~~
 - ~~c. The City and Coalition agree to coordinate grant applications for capital funding as deemed necessary by the granting agency.~~
 - ~~i. For instance, if a CDBG grant is pursued for ADA-related work efforts, the City shall submit such application under its name. The grant application itself will be drafted by the Coalition as will be required status reporting.~~
 - ~~ii. Other granting agencies may prefer to have a public agency or the property owner as the applicant. In such instances, the City shall submit grant applications under its name with grant applications and required status reports drafted by the Coalition.~~
 - ~~d. The City and Coalition agree the construction bid process cannot commence until all Phase 1 project grant funding awards have been made.~~
 - ~~e.c.~~ The City and Coalition agree to collectively approach/continue working with contiguous property owners with the intent of negotiating and finalizing a parking agreement to the benefit of the Cultural Center and its resident nonprofit organizations.
 - ~~f.d.~~ The City and Coalition agree to execute the Lease Agreement concurrent with City Certificate of Occupancy, including Temporary Certificate of Occupancy if applicable.
2. Coalition Obligations:
- a. Coalition is responsible for complete architectural/engineering design services for the Phase 1 project including cost estimating.
 - i. Coalition's architectural/engineering contract for design will include support by the architect through the bid process, award, and construction administration.
 - ~~ii. Coalition may manage the future design process for subsequent project phases.~~
 - b. Coalition will continue to fund the Phase 1 design work effort through the Clackamas County Tourism grant awarded for 2019.
 - c. Coalition will fund the Phase 1 construction work effort through grants that make up the difference between the City's financial obligation stated below and total estimated Phase 1 project costs.
 - d. Coalition will manage Cultural Center operations, access to public meeting space, and nonprofit tenancy.
3. City Obligations:
- a. City shall provide access to the Historic City Hall for any purpose in support of designing or funding the proposed Cultural Center project.
 - b. City shall provide Four Hundred Thousand Dollars (\$400,000) One Million Two Hundred Eighty Five Thousand (\$1,285,000) from its General Obligation bond proceeds for construction of Phase 1 capital improvements for the Cultural Center.
 - i. City funds are anticipated to contribute to building systems' replacements and upgrades such as mechanical, plumbing, electrical, energy code work efforts, exterior doors and windows, site improvements, and hazardous material remediation.
 - ii. City shall invoice Coalition for 50% reimbursement of each City-approved contractor billing until the remaining funds raised and committed to by the Coalition have been expended. Coalition shall make payment within fourteen

~~(14) days of receipt of City invoice. Remaining Coalition funds are Sixty Two Thousand Dollars (\$62,000). After those funds are spent the City's One Million Two Hundred Eighty Five Thousand Dollars (\$1,285,000) GO Bond Funds will be applied toward City Approved Contract billings until their financial obligation has been met. City's Four Hundred Thousand Dollar (\$400,000) financial obligation has been met, and then the City shall invoice Coalition for 100% reimbursement of City-approved contractor billings. Coalition shall make payment within fourteen (14) days of receipt of City invoice.~~

- c. City agrees to timely review and processing of parking space exception, fire suppression system appeal, and all permitting and related inquiries.
- d. City shall manage the construction bid process and award following appropriate City contracting regulations.
 - i. It is anticipated the bid package will include bid alternates to manage scope and actual construction cost.
- e. City shall provide construction management services for the [Phase 1](#) project through final close-out.
 - ~~i. The City may manage future bid and construction processes for subsequent project phases.~~

ADDITIONAL TERMS

1. Indemnification:
 - a. Coalition shall defend, indemnify, and hold harmless City, City's officers, employees, agents, and representatives from and against all liability, claims, demands, judgments, penalties, and causes of action of any kind or character, or other costs or expenses incidental to the investigation and defense thereof, or whatever nature, resulting from or arising out of the activities of the Coalition or its agents, or employees under this LOC, except, however, that the foregoing shall not apply to liability that arises out of City's negligence.
 - b. City shall defend, indemnify, and hold harmless Coalition, Coalition's officers, employees, agents, and representatives from and against all liability, claims, demands, judgments, penalties, and causes of action of any kind or character, or other costs or expenses incidental to the investigation and defense thereof, of whatever nature, resulting from or arising out of the activities of its contractor or its subcontractors, agents, or employees under this LOC, except, however, that the foregoing shall not apply to liability that arises out of Coalition's negligence.
2. Timing: This proposed Letter of Commitment may be accepted until 5:00 p.m. on [July 15, 2019](#) [September 18, 2020](#) ("LOC Expiration"). If the above terms and conditions are acceptable, Coalition should sign this LOC in the signature block provided below and deliver the signed letter to the City prior to the LOC Expiration. If this LOC is not signed by Coalition and delivered to the City prior to the LOC Expiration, the Letter of Commitment will be deemed withdrawn and will be of no further force or effect. Coalition shall deliver the signed LOC to ~~Deputy Interim~~ City Manager John Williams, West Linn City Hall, 22500 Salamo Road, West Linn, OR 97068.
3. Merger: This writing is intended both as a final expression of the LOC between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the LOC.

No modification of this LOC shall be effective unless and until it is made in writing and signed by both parties.

4. Governing Law: The provisions of this LOC shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this LOC must be brought in the appropriate court of the State of Oregon.
5. Severability: In the event any provision or portion of this LOC is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the agreement.
6. Force Majeure: Neither Party shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subcontractor or supplies due to such cause; provided that the parties so disabled shall within ten days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the LOC.
7. Nonwaiver: The failure of either party to insist upon or enforce strict performance by the other party of any of the terms of this LOC or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon such terms or rights on any future occasion.
8. Early Termination:
 - a. This LOC may be terminated without cause prior to the expiration of the agreed upon term by mutual written consent of the parties and for the following reasons:
 - i. If work under the LOC is suspended by an order of a public agency for any reason considered to be in the public interest, or by reason of any third party judicial proceeding relating to the work; or
 - ii. If the circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the LOC.
 - b. Termination under any provision of this Section 8 shall not affect any right, obligation, or liability of Coalition or City which accrued prior to such termination.

Thank you for the opportunity to present this Letter of Commitment. We are very excited about the potential for this adaptive re-use of the Historic City Hall and we look forward to working with you on this project.

Sincerely,

John Williams, West Linn ~~Deputy City Manager/Community Development Director~~ Interim City Manager

Date

FOR COALITION:

This Letter of Commitment accepted on this _____ day of _____, 201920.

By:

Jon Gustafson, President