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DEC 16 2015

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December 16, 2015

Medford City Council
c/o John Adam, Sr. Planner
Lausmann Annex Rm. 240
200 S. Ivy Street
Medford, OR 97501

RE: MD-2 and Grand Discussion

Dear Honorable Mayor Wheeler and Councilors:

We represent Coker Butte Development, LLC and O'Side Industry, LLC, the owners of a large portion of MD-2. The purpose of this letter is: 1) to inform you of the latest developments with regard to our clients' binding agreements to donate property to the Medford School District and to the Medford Parks Foundation; 2) to respond to the "Grand Discussion" and provide a clarification on the property ownership in MD-2; and 3) to respond to the inaccuracies contained within the October 22, 2015 JRH engineering memorandum and the November 17, 2015 letter from Perkins Coie.

I. School and Parks Agreements

Our clients have amended the agreement they have with the Medford School District and the Medford Parks Foundation. The nature of the amendment for both agreements is identical—our clients removed any condition requiring annexation of MD-2 prior to their obligation to convey title to the School District and Medford Parks Foundation. The amendments are solely for the benefit of the School District and Parks Foundation, as they are ensured the right to receive the

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property as soon as all of our clients' property is included in the UGB, without waiting for annexation.

II. "Grand Discussion"

We attended the "Grand Discussion" held in the Medford Room on Monday, November 30. We are keenly aware that the limited number of acres that may be included in the UGB at this juncture is not enough to take in all eligible reserve areas. The discussion essentially boiled down to a request for a small number of MD areas to provide additional acreage to those owners who want more acreage. After discussing the request with our clients, they are unable to offer up additional acreage. The reasoning is very simple—they have already pledged to donate 43.5 acres to the School District and Parks Foundation. Had our clients not committed to providing those acres, free of charge, to benefit the public, then they would have had "extra" acres to offer to another private developer, as suggested at the Grand Discussion. However, the binding agreements with the School District and Parks Foundation not only commit a large amount of acreage to be gifted, those agreements in return provide that the School District and Medford Parks Foundation do not receive any acreage unless all of our clients' MD-2 property is included.

This is also an appropriate time to clarify the ownership in MD-2. We believe that there is some misunderstanding that our clients own all of MD-2. That is incorrect. Our clients own 37 1W 05 TL 202, 300, 600, and 900. *Those four tax lots are the only tax lots in MD-2 that must be included in the UGB to trigger our clients' obligation to gift property to the School District and Medford Parks Foundation.* There are other parcels in MD-2 that our clients do not own that the Council may consider redistributing without harming the School District and Parks Foundation. Those include tax lot 200 and 201 totaling 8.05 acres per assessment records.

III. Perkins Coie and JRH Correspondence

Attached to this letter is a rebuttal from traffic engineer Kim Parducci, P.E. to the inaccurate and speculative nature of the letter from Perkins Coie and the memorandum from JRH. In sum, both of those submittals seek to impose a standard on MD-2 that has not been imposed on any other MD candidate property. Any reliance on that correspondence or the reasoning contained within it would be erroneous and jeopardize the final decision. We have refrained from attacking other MDs during this process because our clients' MD-2 property's merits are

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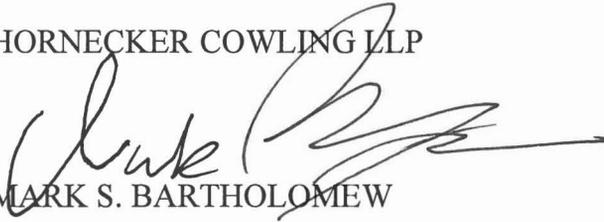
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evident, leading all prior committees, staff, and the Planning Commission to recommend inclusion.

Very truly yours,

HORNECKER COWLING LLP

A handwritten signature in black ink, appearing to read 'Mark S. Bartholomew', written over the printed name.

MARK S. BARTHOLOMEW

MSB:lvw
Enclosure

Southern Oregon Transportation Engineering, LLC

112 Monterey Drive - Medford, Or. 97504 – Phone (541) 608-9923 – Email: Kwkp1@Q.com

December 2, 2015

Honorary Mayor & City Councilors
City of Medford
200 South Ivy Street
Medford, Oregon 97501

RE: MD-2 rebuttal to JRH October 22, 2015 Memorandum

Dear Mayor & Councilors,

Southern Oregon Transportation Engineering reviewed a memorandum dated October 22, 2015 prepared by JRH Transportation Engineering and would like to provide clarifications regarding relevant matter.

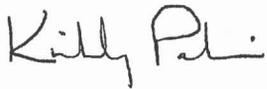
The first and most important clarification is that a traffic analysis was not a requirement or factor in whether or not any MD would be considered for inclusion into the City's urban growth boundary. Furthermore, no traffic analyses have been provided for any MD other than MD-2 so conclusions made by JRH in their October 22, 2015 memorandum that MD-2 shouldn't be included based upon a question of whether or not it was accurately shown that sufficient facilities exist to serve MD-2 are without merit. This hasn't been shown by any MD, and using that argument would mean that no MD should be considered for inclusion because no evidence exists in the record that ensures facility adequacy for any MD. In truth, the only technical traffic analysis evidence in the record to date is the analysis provided for MD-2, and this was provided for the purpose of developing a conceptual plan that considered impacts to the surrounding area. The City of Medford has plans to provide a comprehensive traffic analysis for all MDs as part of their Transportation System Plan update process. When this occurs, development impacts for all MDs will be addressed and conclusions made for facility requirements.

Another necessary clarification is that the traffic impacts projected for the Coker Butte Conceptual Plan substantially understates what will actually occur. This is an unsubstantiated statement that attempts to draw a clear conclusion from speculative assumptions. While it's true that staff developed a GLUP map designation arrangement for MD-2 that differentiated from an earlier concept plan for MD-2 south of Vilas Road, it's pure speculation that the result is a substantially underestimated impact. Many factors are taken into consideration when generating, distributing, and evaluating traffic impacts for undeveloped land, and it's certainly not as simple as developing a couple of trip generation tables from hypothetical development plans and concluding that the gross exaggeration of additional trips in any way produces an accurate or substantiated conclusion of impacts to an area. Many claims in the JRH memorandum are similarly unsubstantiated or just plain inaccurate. It's inaccurate to state that the intersection of

Poplar Drive and OR 62 has no financially feasible solution, or that Crater Lake Avenue cannot be realigned in the future because of a wetland. It's just as unsubstantiated that Springbrook Road won't be extended to the north because of a creek crossing. These and many more of the claims provided in the JRH memorandum are nothing more than unfounded speculations.

Thank you once again for your time and consideration of these clarifications.

Sincerely,

Handwritten signature of Kimberly Parducci in black ink.

Kimberly Parducci PE, PTOE
Southern Oregon Transportation Engineering, LLC

AMENDED GIFT PLEDGE AGREEMENT

This Amended Gift Pledge Agreement is entered into this 24 day of Nov, 2015, by and between Coker Butte Development, LLC, an Oregon limited liability company and O'Side Industry, LLC, a California Limited Liability Company (Coker Butte Development, LLC and O'Side Industry, LLC are hereinafter collectively referred to as "Coker Butte"), and Medford Parks and Recreation Foundation, Inc. (hereinafter referred to as the "Foundation").

WHEREAS, Coker Butte and the Foundation entered into a Gift Pledge Agreement ("Original Agreement") on February 25, 2015;

WHEREAS, the Parties desire to modify the Original Agreement to remove a contingency and provide a more clear path for the Foundation to receive the Gift Property;

WHEREAS, for reference purposes, the Original Agreement is attached to this Amended Gift Pledge Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Subsection (c) of paragraph 1 of the Original Agreement is hereby deleted and shall not be one of the "Conditions Precedent" as defined in the Original Agreement. For clarity, Paragraph 1(c) is restated as follows: "annexation to the City of Medford and zone change of the Gift Property and any partition, subdivision, or property line adjustment necessary to convey the Gift Property in substantially the location and dimensions shown on Exhibit A." The foregoing quoted text is removed from the Original Agreement.
2. The terms of the Original Agreement shall remain in full force and effect so long as they are not inconsistent with this Amended Gift Pledge Agreement.

COKER BUTTE DEVELOPMENT, LLC

MEDFORD PARKS AND RECREATION
FOUNDATION, INC.


By: DOUG SIMPSON
Its: manager


By: Joe Brett
Its: President

O'SIDE INDUSTRY, LLC


By: DOUG SIMPSON
Its: manager