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August 20, 2015

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City of Medford
200 South Ivy
Medford, OR 97501
Re: MD-2

Dear Mayor and Councilors:

We represent Mike Malepsy and Bill Leever, members of Coker Butte Development, LLC, the owner of 37 1W 05 Tax Lots 300, 600, and 900 in MD-2. MD-2 is the only recommended area of growth on the north side of Medford, thus distributing the growth already slated to occur on all other sides of the City. The currently-recommended area of expansion in MD-2 has been thoroughly vetted by various committees and staff from before the RPS process to now. We urge you to include the Coker Butte Development, LLC property in its entirety in the Urban Growth Boundary expansion for the reasons set forth in this letter.

I. Transportation

We have heard suggestions from other MD candidates that MD-2 is not suited for inclusion due to inherent transportation problems on Highway 62. The scarce nature of available acreage in the UGB expansion has resulted in some MDs attacking other MDs. We believe MD-2's virtues are evident and reflected in staff's thorough analysis and recommendation and we have refrained from pointing out flaws in other candidates for inclusion.

We do, however, feel compelled to dispel any false conceptions about the impact of inclusion of MD-2 on Highway 62. UGB expansion is long-range planning. The City is planning for the future. To do so properly, the City must look to forecasting based on empirical data and expert studies. We believe that when one analyzes the forecasting for traffic in the Medford area, it is apparent that Highway 62 is not anticipated to be

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problematic. In fact, it compares favorably with other MD candidate areas. Please review the attached model data prepared by the RVMPO that predicts future congestion in the area.

Furthermore, during the ESA, MD-2 scored favorably in all areas with the exception of transportation. We believe that the ESA scoring system was a generally accurate and useful method to rank the MD candidates. However, there were occasional oversights. In this case, the transportation analysis on MD-2 included additional lands that are no longer recommended to come in as part of MD-2 during this UGB expansion. Those additional properties lowered the score. Since those additional properties have since been removed, the lower score is inaccurate. As a result, our client took the initiative to demonstrate the true transportation compatibility of MD-2 as recommended. Kim Parducci, professional traffic engineer of Southern Oregon Transportation Engineering (SOTE), determined that MD-2, as recommended, would merit a transportation score of 3 or 4. SOTE's supporting information can be found in Exhibit P and Exhibit KK of the record. Attached is also a memo from SOTE with some rebuttal to Exhibit OO of the record.

II. Schools and Parks

It has become fashionable during the course of the UGB expansion process for various MD owners to tout their compatibility for a school or park, or even their willingness to gift land for schools or parks. The attorney representing Hillcrest Orchards pointed out that those offers are "anecdotal" and not binding. We generally agree, except in the case of MD-2. Coker Butte Development's property in MD-2 is subject to a binding agreement to deed property both to the Medford School District and the Medford Parks Foundation if the Coker Butte Development Property is included (in its entirety) in the UGB during this expansion. The donation agreements are executed by our client and the school district and the parks foundation. Both agreements were vetted by their respective boards. Additionally, the Medford School District has already adopted this school site in its school facilities plan, as it has identified a need for an additional school in that area. Similarly, the Parks Services and Leisure Plan identifies a need in this area.

Because of the binding and executed agreements, the community is guaranteed to benefit if Coker Butte Development's property is included. The land to be donated has already been specifically identified and described, leaving nothing to doubt. Most importantly, the prospective school and park lands are identified as areas of need by their respective boards, rather than just randomly donated land that does not fit into an overall plan. Other MDs that have pledged school or park land are merely anecdotal and subject to further negotiation and acceptance by the School District or Parks Foundation. Omitting MD-2 will deprive the School District of a desired school site and deprive the Parks Foundation of a site in an area of identified need.

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III. Goal 14

Based on the record, specifically the Commission report and supporting documentation, it is very evident that staff did not choose the recommended lands solely on the “ranking” or “filtration” maps. These were merely a tool to help narrow the scope looking at all the urban reserve lands. Staff relied upon other justifiable factors to support the areas they ultimately recommended to the Planning Commission.

It is important to note that through the grueling Regional Problem Solving (RPS) process that identifies all the urban reserves, the Urban Reserve Rule requires determination of which lands are to be included in an urban reserve based on the location factors of statewide planning Goal 14 – Urbanization. The section reads:

660-021-0030 Determination of Urban Reserve

(2) Inclusion of land within an urban reserve shall be based upon the locational factors of Goal 14 and a demonstration that there are no reasonable alternatives that will require less, or have less effect upon, resource land. Cities and counties cooperatively, . . . shall first study lands adjacent to, or nearby, the urban growth boundary for suitability for inclusion within urban reserves, as measured by the factors and criteria set forth in this section. Local governments shall then designate, for inclusion within urban reserves, that suitable land which satisfies the priorities in section (3) of this rule.

Goal 14 was evaluated for ALL of the urban reserves through the RPS process. As a result of the conclusion of RPS, the City of Medford adopted into their Comprehensive Plan, the Regional Plan Element which is a summation of the RPS results, including the Goal 14 discussions. Based on review of the record, one can see that Staff’s recommendation is substantiated by this document.¹

The lands that were included into the urban reserves evaluated the Goal 14 and the Medford’s Regional Plan Element of the Comprehensive Plan identifies the different areas that are planned for more immediate inclusion and some to be reserved for long term planning. For instance MD-1 which was recommended for exclusion in this first 20 projection largely because of the necessity to have to redevelop this area due to access and circulation being affected by the development of the Highway 62 bypass projected for 2016.

The Goal 14 criteria, as seen in the Medford Comprehensive Plan, Regional Plan Element, our area MD-2 in north Medford is ideally suited for inclusion based on the Goal

¹ City of Medford Comprehensive Plan, Regional Plan Element pages 9-50, “City Growth Guidelines and Policies”.

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Page 4

14 discussions², as well as the ranking material. This area is really set apart from any of the other areas of Medford, both east and west.

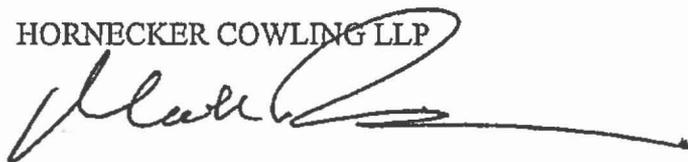
Documentation and public testimony indicate Staff is drawing conclusions without evaluating Goal 14 and that the Commission report is incomplete because Goal 14 ESEE was not considered until after specific areas were recommended for inclusion. These statements are not correct, as Staff relies on justifications that are outlined in Medford's own Comp Plan, Regional Plan Element, to substantiate the inclusion areas along with other information to justify the areas recommended for inclusion.

IV. Conclusion

We ask that the City Council adopt the Planning Commission recommendation for the UGB expansion. The recommendation pays heed to the lengthy evaluative process that led up to it. Notably, both 1000 Friends of Oregon and DLCD are supportive of the Planning Commission recommendation. Alteration of that recommendation may jeopardize the process. Further delays may require the City to use different, much lower population figures that would result in a fraction of acres to distribute among the urban reserves. The Planning Commission recommendation reflects years of planning, projects, and feasibility studies. Adoption of the recommendation would provide the City with room to grow on all sides, provide a free school site, free parkland, additional connectivity, trails, and a diverse stock of residential land that would bolster the supply of affordable housing in Medford.

Very truly yours,

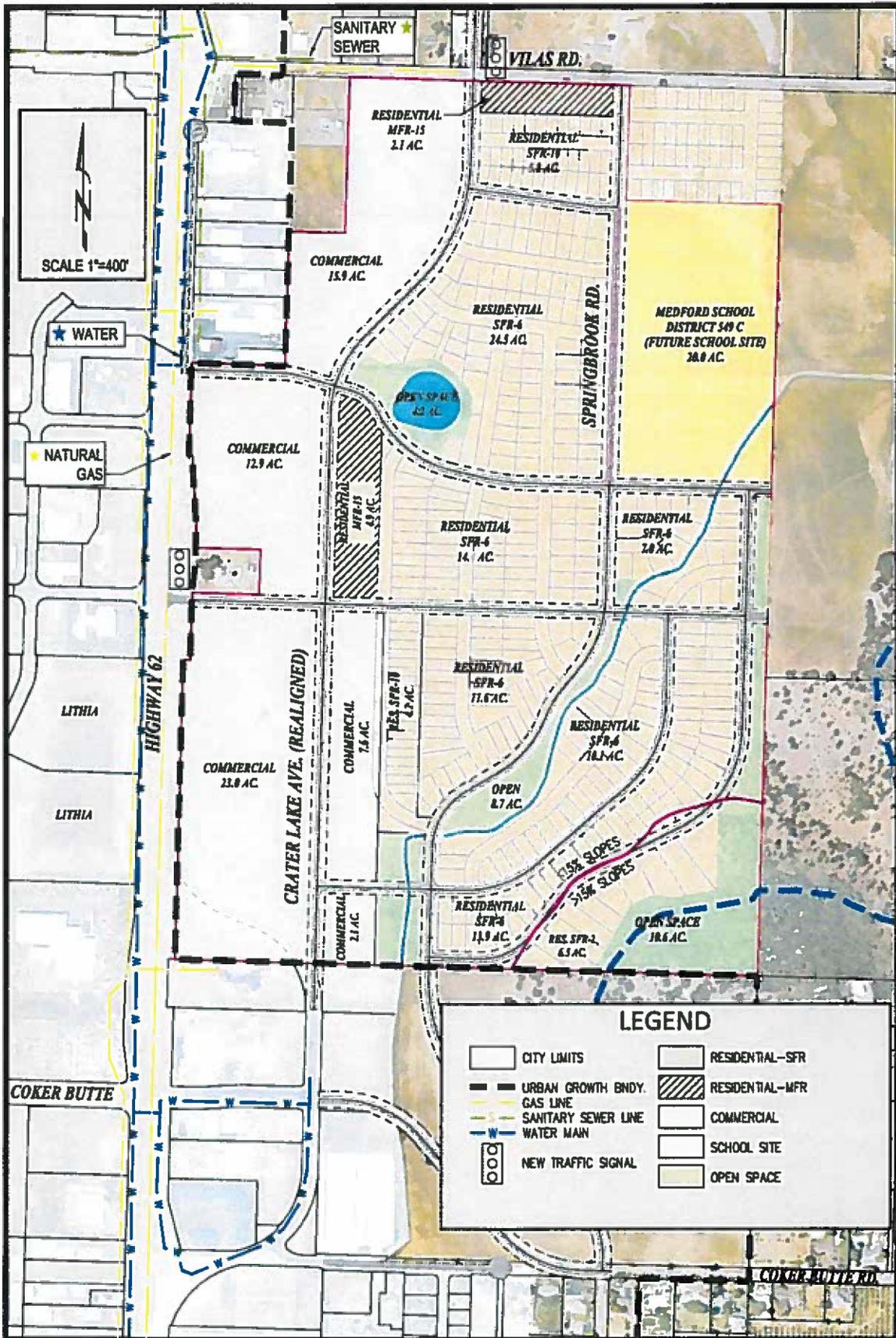
HORNECKER COWLING LLP



MARK S. BARTHOLOMEW

MSB:lvw

² Pages 16-18 of the Regional Plan Element, Medford Comprehensive Plan (attached)



LEGEND

CITY LIMITS	RESIDENTIAL-SFR
URBAN GROWTH BNDY.	RESIDENTIAL-MFR
GAS LINE	COMMERCIAL
SANITARY SEWER LINE	SCHOOL SITE
WATER MAIN	OPEN SPACE
NEW TRAFFIC SIGNAL	



**COKER BUTTE DEVELOPMENT
CONCEPTUAL SITE PLAN**

Revised: 07-21-15 EHM

MD-2

This 358-acre area is located along and east of Crater Lake Highway between Medford and White City. A linear band of existing development is situated between MD-2 and Crater Lake Highway to the west. The existing City of Medford Urban Growth Boundary defines the southern boundary, a short distance north of Coker Butte Road, a Major Arterial. MD-2 is approximately 0.5 miles wide (east-west) by 1.3 miles long (north-south). The eastern boundary of MD-2 runs parallel to Highway 62.

Medford recognizes MD-2 could be appropriately dedicated for mixed use development, and will likely adopt a master plan before the area is incorporated into the city limits. With exception lands in the southeastern corner on Coker Butte, the area contains lands that are generally flat and can accommodate the higher densities that Medford has planned for its new growth areas.

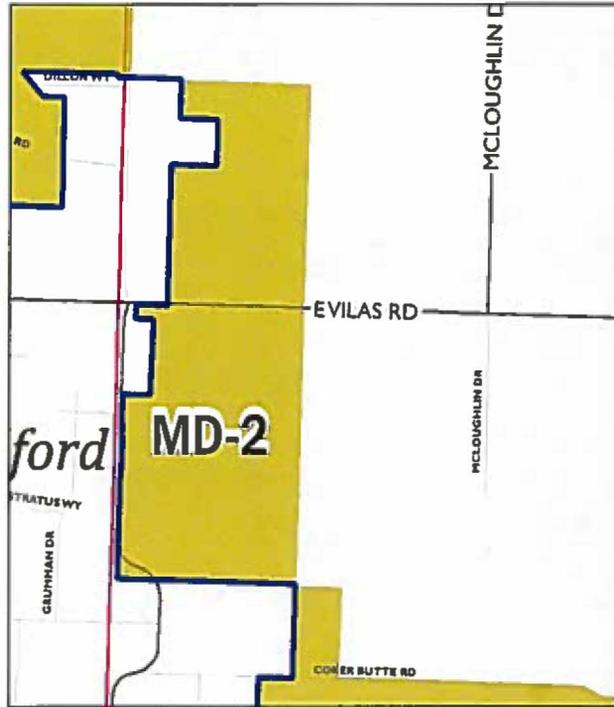


Figure 3.3-2. Area MD-2: Existing and Proposed Land Use Type by percent of area

	Current	Proposed	
Residential	>1	50	gross acres
Aggregate	-	-	568
Resource	99	-	reasonably
Open Space/Parks	-	11	developable acres
Employment	>1	39	491

This area was found to be suitable due to the following Goal 14 boundary location factors and resource land use impacts:

1. *Efficient Accommodation of Identified Land Needs.* Suitability of this area is determined in large measure on the area’s ability to efficiently accommodate identified land needs. This area has excellent visibility from the Highway 62 corridor making it capable of supporting a mixture of employment and residential land

uses. This mixture can support the existing employment lands in the corridor with additional labor markets. Some of the land can serve to satisfy some of Medford's identified employment land needs. Also, the area is far enough away from major agricultural uses, major industrial uses, and the airport flight path to work for residential development. New housing in this area will offer the possibility for shorter commutes between home and work for some residents. Urban facilities are generally available and future urbanization will provide an opportunity for a local street network that can provide alternative north-south circulation to the Highway 62 corridor.

2. *Orderly and Economic Provision of Public Facilities and Services.* Urban facilities and services are adjacent to the area and can feasibly be extended. The northern portion of the area drains to Whetstone Creek and the southern portion drains to Upton Slough. Both of these areas may experience downstream drainage challenges. The area would benefit from a storm water master plan prior to significant urbanization and this can feasibly be incorporated into a master plan for the area. This area also benefits from its proximity and exposure to the Highway 62 corridor from an urban intensification standpoint. However, intensified lands uses will add demands on the corridor as well. A well planned local street network may be capable of reducing the marginal impacts on the corridor. Nonetheless, aggregate travel demand impacts may be unavoidable and these will need to be incorporated into the long-range transportation planning in the Highway 62 corridor.
3. *ESEE Consequences.* The overall comparative ESEE consequences of an Urban Reserve boundary in this area are positive, based upon the following:
 - a. **Economic.** The comparative economic consequence of including these lands is positive based upon its potential to integrate many urban land uses in a manner that supports household investments and economic development.
 - b. **Social.** The comparative social consequences are expected to be positively correlated with positive economic consequences as it has the potential to result in a well connected and well thought-out combination of housing and job opportunities.
 - c. **Environmental.** The comparative environmental consequences are expected to be neutral. The site does contain some wetlands and urbanization around these wetlands has the potential for slightly negative consequences. However, this area is well situated to integrate a mix of land uses that supports efficient urbanization that reduces marginal impacts on the region's airshed.

- d. **Energy.** The comparative energy consequences are expected to be positive as it has the potential for a well balanced mix of employment and residential uses in an accessible location for efficient use of the regional transportation assets and efficient energy usage.
4. *Compatibility of the Proposed Urban Uses with Nearby Agriculture and Forest Activities Occurring on Farm and Forest Land Outside the Urban Growth Boundary-* As noted under MD-D above, Bear Creek Orchards has invested millions of dollars into developing orchards along Foothill Road, to the east. The eastern extent of MD-2 was purposely confined to parcels that are partially or wholly within a quarter mile of the existing UGB, in order to maintain adequate separation between future urban uses and these important nearby agricultural lands to the east. MD-2 lands are not actively utilized for any high value agricultural activity nor are they immediately adjacent to any such lands. MD-2 does consist of Class III and IV NRCS rated agricultural soils and ultimate urbanization of these lands will consume some lands designated agricultural.

SOUTHERN OREGON TRANSPORTATION ENGINEERING, LLC

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

August 19, 2015

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

RE: North Medford MD-2 rebuttal to JRH Exhibit OO

Dear Mayor & Councilors,

Southern Oregon Transportation Engineering reviewed Exhibit OO prepared by JRH Transportation Engineering and would like to provide clarifications regarding relevant matter.

JRH claim 1: The Planning Commission changed their recommendation as a result of our memo to remove MD-4 and retain MD-2.

Rebuttal: This claim is erroneous. The Planning Commission recommended removing MD-4 to remedy a discrepancy in the amount of land needed for the UGB amendment. They also recommended removing a portion of MD-3 (from staff's original recommendation) to bring in additional land in MD-5. MD-2 has always been recommended for inclusion.

JRH claim 2: Residents and businesses in MD-2 will need to use Highway 62 and Vilas Road and there is no evidence that the existing roadways have the capacity to handle them.

Rebuttal: The claim was never made that MD-2 development would not use adjacent roadways. Rather, we demonstrated how the strong network of east-west and north-south streets through MD-2 will distribute the load of traffic, which is accurate.

JRH claim 3: At present there are no solutions for congestion at Delta Waters and Poplar intersections on Highway 62 and these problems are exacerbated by any development adding traffic to Highway 62.

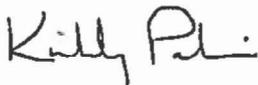
Rebuttal: This claim is completely false. The OR 62 project, which is expected to begin construction in 2016, is projected to divert "through" traffic to the parallel bypass road (which accounts for approximately half of traffic on OR 62). The result of this reduction of traffic along existing OR 62 is that intersection operations improve and continue to meet performance standards through the planning year. Results of our analysis verify this, as well as show that development of MD-2 can be adequately accommodated by the transportation system. See Exhibit KK in the record for supporting information.

JRH claim 4: *With regard to the general effects on safety....the safety issues for Foothill Road will only be increased by loading more growth to the north on land that has a direct connection by way of Vilas Road.... urban drivers will undoubtedly come into conflict with farm equipment drivers and farm workers along Vilas Road.*

Rebuttal: The broad claims of this paragraph are no different for any MD property that produces traffic on North Phoenix Road, Foothill Road, South Stage Road, or any other roadway abutting agricultural land.

Thank you for your time and consideration of these clarifications. The one point we agree with JRH on is the importance of complete and accurate information.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Parducci". The signature is written in a cursive, flowing style.

Kimberly Parducci PE, PTOE
SOUTHERN OREGON TRANSPORTATION ENGINEERING, LLC

MEMORANDUM

To: Megan LaNier-Wattier, Richard Stevens & Associates, Inc.
From: Kimberly Parducci, Southern Oregon Transportation Engineering, LLC
Date: 07/20/2015
Re: MD2 Coker Butte Development, LLC
Coker Butte Community Project (Additional Analyses)

Southern Oregon Transportation Engineering evaluated buildout conditions of the Urban Growth Boundary (UGB) Expansion Area MD2 south of Vilas Road. This expansion area is located south of Vilas Road and east of OR 62 in NE Medford. Potential impacts were evaluated based on a conceptual site plan which includes:

- 98 acres SFR residential
- 7 acres MFR residential
- 61.5 acres commercial
- 20 acres for a school
- 23.5 acres of open space for parks

The proposed site plan for MD2 is served by two major north-south streets. These include Crater Lake Avenue and a future extension of Springbrook Road. Crater Lake Avenue is re-aligned and signalized at a new location 1,320 feet east of OR 62 to support proposed development. An extension of Burl Crest Road across OR 62 to the east provides a central east-west street, while Vilas Road and Coker Butte Road provide northern and southern connectors, respectively.

Under existing conditions, OR 62 experiences congestion at Vilas Road near the proposed site and at several locations within the corridor between Vilas Road and the North Medford Interchange, but intersections continue to operate within ODOT performance standards. Several intersections were projected to exceed performance standards along OR 62 by the year 2015 in the OR 62 Unit II Environmental Impact Study (EIS), but growth has occurred at a slower rate than predicted since 2010 and many intersections, including the intersections with Vilas Road, Coker Butte, Owens Drive, Delta Waters Road, and Poplar Drive continue to operate within ODOT volume-to-capacity (v/c) ratio performance standards. Current traffic counts also show intersections along Crater Lake Avenue operating acceptably. These intersections with Crater Lake Avenue include Vilas Road, Coker Butte, Owen Drive, and Delta Waters Road.

MD2 is surrounded by significant roadways with OR 62 along the western boundary and several others roadways running through it (Vilas Road, Crater Lake Avenue, proposed Springbrook Road extension, and proposed Burl Crest Road extension), but this is only a detriment if sufficient facilities do not exist or cannot be provided to support future growth, and what we've found in our analysis is that adequate facilities can be provided to support future growth and provide a benefit to the area. Future growth in the City of Medford is projected primarily where developable land exists, and the largest growing areas do not include MD2 so growth near MD2 is shown to be manageable. Model data provided by the Rogue Valley Metropolitan Planning Organization (RVMPO) and future congestion

projections in the current Regional Transportation Plan (RTP) provide supporting evidence for this, which is attached for reference.

Our analysis shows that as growth occurs along OR 62 and parallel facilities (such as Table Rock Road and Crater Lake Avenue) and traffic volumes increase, planned street improvements are shown to provide adequate mitigation. Phase 1 of the OR 62 Unit II project includes a bypass from a location north of Poplar Drive to approximately Corey Road that is scheduled to begin construction in 2016. This project is expected to divert through-traffic from existing OR 62, Table Rock Road and Crater Lake Avenue, which will reduce congestion along existing OR 62 and improve intersection operations throughout the corridor. MD2 benefits greatly from this project.

Development of the proposed MD2 UGB expansion site was evaluated with phase 1 of the OR 62 project complete. With the bypass in place and internal street connections provided that are consistent with the conceptual layout, proposed development of MD2 south of Vilas Road is shown to operate acceptably. Our analysis assumed 3-lane future cross-sections on Vilas Road, Crater Lake Avenue, Springbrook Road, and Coker Butte Road within MD2 and all are shown to have adequate capacity to support proposed future development. In terms of off-site impacts, no adverse impacts were shown to occur on Owen Drive and/or Delta Waters Road intersections. Under current conditions, Delta Waters Road carries the majority of east-west traffic from Foothill Road to OR 62 because the Owen Drive extension ends at Springbrook Road. Land proposed for inclusion in the UGB Expansion will allow for the extension of Owen Drive to Foothill Road in the future, which will reduce reliance on Delta Waters Road. With planned improvements in place, the east-west and north-south streets within the northeast area are shown to operate acceptably through the planning horizon.

To reiterate previous conclusions of proposed MD2 development south of Vilas Road, key transportation points are as follows:

- Provides a solid network of planned north-south and east-west connections which disperses traffic and reduces reliance on OR 62.
- Benefits from transit services along OR 62.
- Provides pedestrian and bicycle facilities through the site and connects gaps that would otherwise not be connected without proposed development.
- Does not have connectivity constraints that were shown in Scenario 1 as a result of connectivity through the airport, over Bear Creek, or across the steep topography east of Foothill Road
- Is not shown to create adverse conditions or safety concerns relating to congestion on OR 62
- Is not limited in creating the necessary infrastructure to support full development of MD2 south of Vilas Road

Based on key points, it can be shown that the lower traffic rating of Scenario 1 in no way is representative of the portion of MD2 south of Vilas Road. Additional analyses specific to MD2 south of Vilas Road easily support a traffic rating of 3 or 4.

locations where the RVMPO travel demand

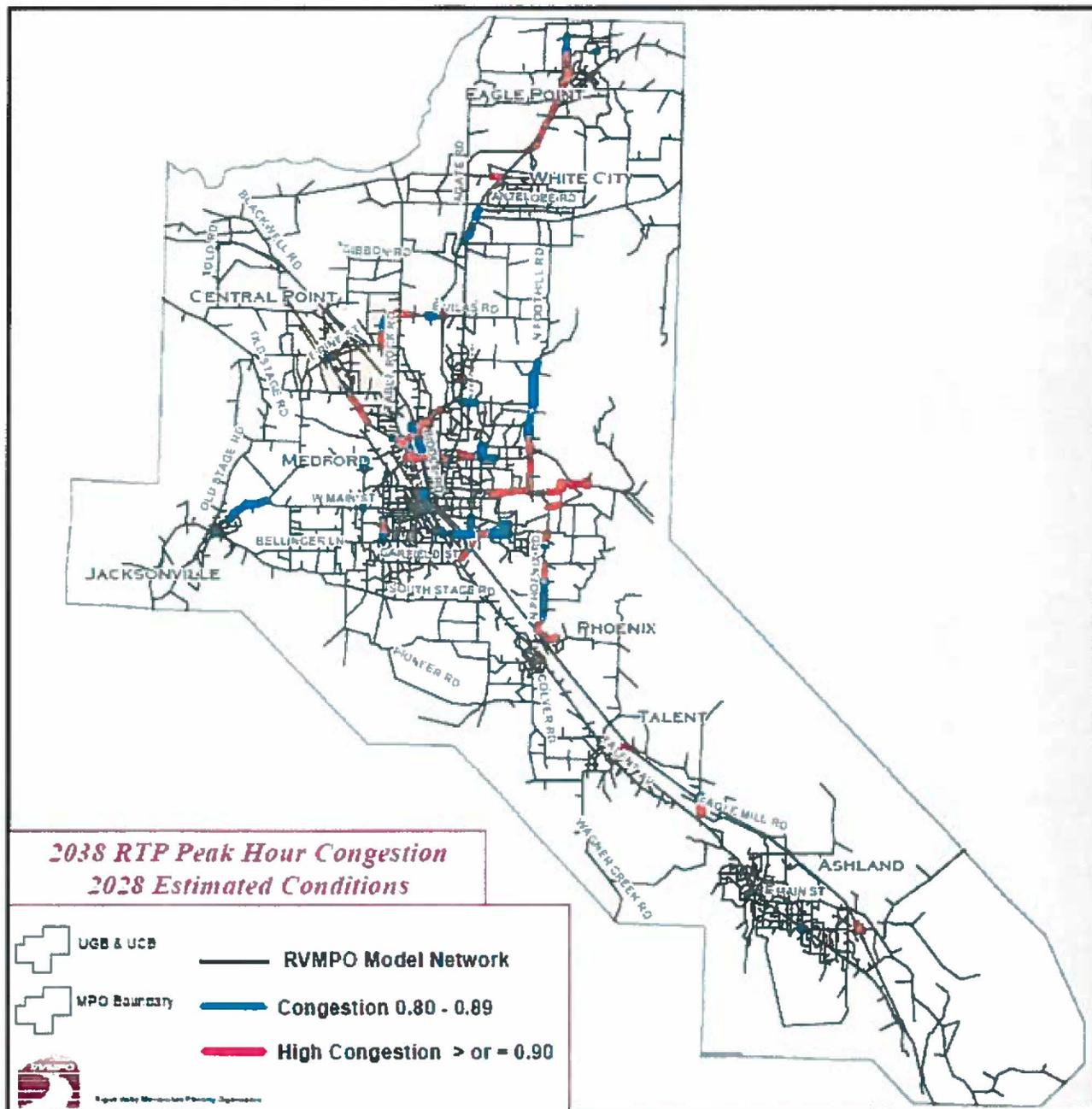
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GIFT PLEDGE AGREEMENT

This Gift Pledge Agreement is entered into this 25 day of February, 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 owns real property in Jackson County, Oregon that would be beneficial for future park land;

WHEREAS, Coker Butte desires to convey real property to the Foundation as a gift on certain conditions and following certain conditions precedent;

WHEREAS, the Foundation desires to receive a gift of real property from Coker Butte in accordance with the terms of this agreement;

WHEREAS, the parties acknowledge that there are various conditions precedent that must occur prior to any gift conveyance to the Foundation and that Foundation's cooperation and support for those conditions shall be necessary;

NOW, WHEREFORE, the parties agree as follows:

1. As provided herein, Coker Butte agrees to gift approximately 23.5 acres of real property (the "Gift Property") to the Foundation within one year of the completion of all Conditions Precedent. For purposes of this Agreement, "Conditions Precedent" shall mean all of the following: a) Foundation support as provided in Paragraph 3; b) inclusion of the entire 210-acre Coker Butte property, described on Exhibit B, into the Urban Growth Boundary of the City of Medford; c) 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. Coker Butte shall have the right, but not the obligation, to apply for a zone change on the Gift Property prior to conveyance to the Foundation. Coker Butte may seek any zoning designation, so long as parks are a permitted use in the new zone. The Coker Butte property on Exhibit B, less the Gift Property, shall be referred to herein as the "Coker Butte Property."
2. The Foundation shall cooperate with any efforts of Coker Butte to secure entitlements on its property described on Exhibit B, including the Gift Property, and/or to establish the value of the Gift Property by appraisal, but such efforts are not required of Coker Butte.
3. The Foundation shall publicly express support for the inclusion of Coker Butte's portion of urban reserve area MD-2 into the Urban Growth Boundary of the City of Medford. Expression of support shall, at a minimum, include written and verbal support at each City of Medford public hearing regarding Urban Growth Boundary expansion. Coker Butte shall provide reasonable advance notice to the Foundation for each such public

- hearing. However, the Foundation shall not have any direct financial responsibilities and shall not be responsible for making any formal land use applications. All letters of support from the Foundation shall be on Foundation letterhead. Verbal expressions of support shall identify the speaker as a representative of the Foundation.
4. Coker Butte shall gift the Gift Property to the Foundation via bargain and sale deed. The Gift Property shall be free and clear of all encumbrances other than the normal standard exceptions.
 5. The Gift Property shall consist of approximately 23.5 gross acres of raw land. Coker Butte makes no promises or warranties regarding any development rights on the Gift Property.
 6. After the conveyance of the Gift Property, the Foundation shall cooperate with Coker Butte in granting reasonable requests for easements for access, drainage, and utilities on the Gift Property for the benefit of the Coker Butte Property. The foregoing cooperation shall mean that the Foundation shall work with Coker Butte to assist in any conditions of approval of development of the Coker Butte Property, including permitting storm water detention ponds or swales on the Gift Property as may be required as a condition of approval of development entitlements on the Coker Butte Property. Furthermore, the Gift Property shall count toward any open space requirements that may be a condition of approval for development entitlements on the Coker Butte Property.
 7. The Foundation shall cooperate with and shall waive remonstrance against any reimbursement district that may affect the Gift Property.
 8. Contemporaneous with the conveyance of the Gift Property or as soon as practicable thereafter, the Foundation shall execute Covenants, Conditions, & Restrictions ("CC&Rs"), requiring that the Gift property be used for Park Purposes. "Park Purposes" shall mean that the primary use of the Gift Property is for a city park, which may consist of open space, play areas, or ball fields. Following conveyance of the Gift Property to the Foundation, the Foundation shall have 10 years to put the Gift Property to use for Park Purposes. The Foundation may unilaterally extend its timeframe for use of the Gift Property for Park Purposes for an additional 10 years by notifying Coker Butte in writing within 90 days of the expiration of the original 10 year period following conveyance of the Park Property to the Foundation. In the event the Foundation fails to use the Gift Property for Park Purposes within the timeframes specified herein, the Foundation shall offer to sell the Gift Property to Coker Butte for market value at the time of the sale, based on an appraisal by a licensed appraiser acceptable to both parties. In the event Coker Butte does not purchase the Gift Property following the Foundation's nonuse for Park Purposes, the Foundation may convey the Gift Property to another public entity, so long as it is used for park purposes. All of the foregoing shall be memorialized in the CC&Rs. The CC&Rs shall further provide for the Foundations obligations in paragraphs 6 and 7 and shall require that the Gift Property be covered by liability insurance, mowed, watered, and otherwise be maintained in an attractive fashion. The CC&Rs shall benefit the Coker Butte Property and shall run with the land.
 9. In the event the conditions precedent are not completed within 5 years, this Agreement shall terminate and the parties shall have no obligations to each other. Notwithstanding the foregoing, Coker Butte shall have the unilateral ability to extend the Agreement for

additional terms, the sum of which shall not exceed 5 years beyond the initial term of this Agreement, provided that Coker Butte provide written notice of such extension to the Foundation prior to the expiration of the then-current term.

10. Nothing in this agreement shall be construed to limit the Foundation's ability to convey the Gift Property to the City of Medford at any time.

DATED the day and year first above written.

COKER BUTTE DEVELOPMENT, LLC

MEDFORD PARKS AND RECREATION
FOUNDATION, INC.

D Simpson

Joe Brett

By: *Douglas G. SIMPSON*
Its: *manager*

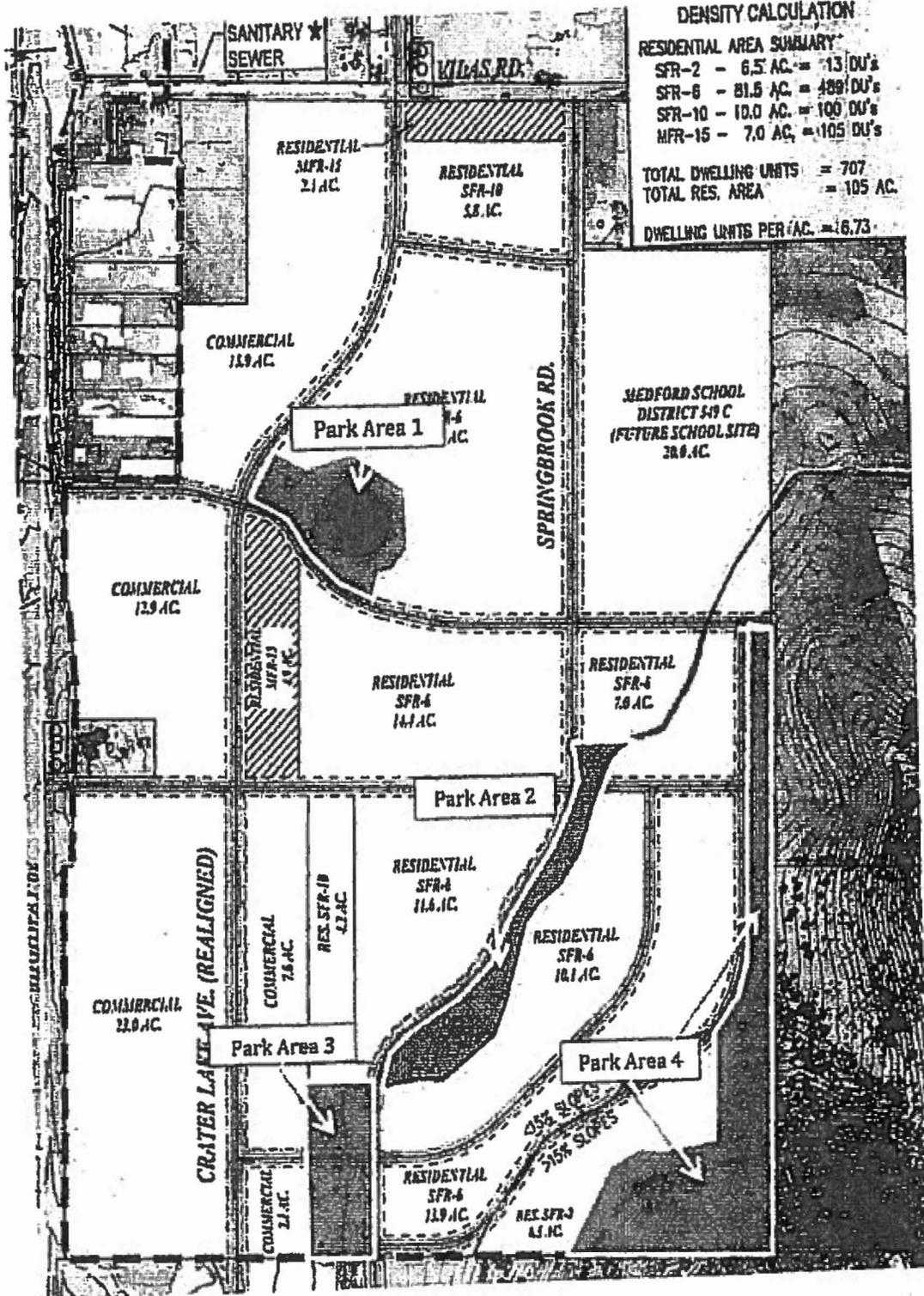
By: *Joe Brett*
Its: *President*

O'SIDE INDUSTRY, LLC

D Simpson

By: *Douglas G. SIMPSON*
Its: *manager*

"Exhibit A"





*Office of the
Chief Operations Officer*

March 19, 2015

Dear City Councilors, Planning Commissioners, and Staff:

On behalf of Medford School District 549C, I want to again express the District's support for the inclusion of MD-2 in the urban growth boundary.

I have heard testimony from other property owners stating that their properties are ideal for school sites. However, the only property currently located within the City's urban reserves with a binding and executed agreement for the donation of a school site to the Medford School District is the Coker Butte Development, LLC property in MD-2. Simply put, if the entirety of the property identified as Map 371W05 Tax Lots 202, 300, 600 and 900 is included in the UGB, then the District receives 20 acres for a school site. This is very important to the District because our projected growth patterns identify a need for a school in that area in the near future. If we are unable to procure this site as a donation, we will likely need to seek a bond to pay for a land acquisition. Land acquisitions generally become cost prohibitive to us once they are brought into the city boundary. The site is important enough to the District that the District adopted it into the District's facilities plan. The District is open to other suitable site locations in the future, if they become available.

It should be noted that other property owners with land currently included in the City's urban reserves have verbally offered to donate a school site to the District. We evaluated this potential site, but found it did not meet the District's needs, and politely declined to negotiate an agreement with them. We are not interested in entering into donation agreements for school property when the proposed property is not a good fit for the District. Inclusion of the Coker Butte Development, LLC property in the UGB provides a public benefit by meeting our needs in that area.

Sincerely

Brad L. Earl
Chief Operations Officer
Medford School District 549C
815 S Oakdale
Medford OR 97501

cc: Dr. Brian T. Shumate, Superintendent
Thaddeus G. Pauck, Attorney

GIFT PLEDGE AGREEMENT

This Gift Pledge Agreement is entered into this 15th day of September, 2014, 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 School District 549C (hereinafter referred to as the "District").

WHEREAS, Coker Butte owns real property in Jackson County, Oregon that would be beneficial for future District expansion;

WHEREAS, Coker Butte desires to convey real property to the District as a gift on certain conditions and following certain conditions precedent;

WHEREAS, the District desires to receive a gift of real property from Coker Butte in accordance with the terms of this agreement;

WHEREAS, the parties acknowledge that there are various conditions precedent that must occur prior to any gift conveyance to the District and that District's cooperation and support for those conditions shall be necessary;

NOW, WHEREFORE, the parties agree as follows:

1. As provided herein, Coker Butte agrees to gift approximately 20 acres of real property (the "Gift Property") and 20 acres of Coker Butte's existing irrigation rights to the District within one year of the completion of all Conditions Precedent. For purposes of this Agreement, "Conditions Precedent shall mean all of the following: a) adoption of the Gift Property as part of the District's Facilities Plan as provided in Paragraph 2; b) District support as provided in Paragraph 4; c) inclusion of the entire 210-acre Coker Butte property, described on Exhibit B, into the Urban Growth Boundary of the City of Medford; d) annexation to the City of Medford and zone change of the Gift Property and any partition, subdivision, or property line adjustment necessary to create a discrete and transferable 20 acre unit of real property in substantially the location and dimensions shown on Exhibit A; e) District cooperation with Coker Butte as provided in Paragraph 3. Coker Butte shall have the right, but not the obligation, to apply for a zone change on the Gift Property prior to conveyance to the District. Coker Butte may seek any zoning designation, so long as schools are a permitted use in the new zone.
2. Within 45 days of execution of this Agreement, the District shall initiate efforts to identify the Gift Property as a suitable site for its Facilities Plan and begin the process of formally adopting it as part of the Facilities Plan.
3. The District shall reasonably cooperate, so long as there is no cost to the District other than any costs that may be incurred with the District's obligations as set forth in Section 4 of this agreement, with any efforts of Coker Butte to secure entitlements on its property

- described on Exhibit B, including the Gift Property, and/or to establish the value of the Gift Property by appraisal, but such efforts are not required of Coker Butte.
4. The District shall publicly express support for the inclusion of Coker Butte's portion of urban reserve area MD-2 into the Urban Growth Boundary of the City of Medford. Expression of support shall, at a minimum, include written and verbal support at each City of Medford public hearing regarding Urban Growth Boundary expansion. Coker Butte shall provide reasonable advance notice to the District for each such public hearing. However, the District shall not have any direct financial responsibilities and shall not be responsible for making any formal land use applications.
 5. Coker Butte shall gift the Gift Property to the District via bargain and sale deed. The Gift Property shall be free and clear of all encumbrances other than the normal standard exceptions.
 6. The Gift Property shall consist of 20 contiguous gross acres of raw land. Coker Butte makes no promises or warranties regarding any development rights on the Gift Property.
 7. After the conveyance of the Gift Property, the District shall cooperate with Coker Butte in granting reasonable requests for easements for access, drainage, and utilities.
 8. The District shall cooperate with and shall waive remonstrance against any reimbursement district that may affect the Gift Property.
 9. Contemporaneous with the conveyance of the Gift Property or as soon as practicable thereafter, the District shall execute Covenants, Conditions, & Restrictions ("CC&Rs"), requiring that the Gift property be used for School Purposes. "School Purposes" shall mean that the primary use of the Gift Property is for an elementary school, junior high school, high school, or District administrative offices. Following conveyance of the Gift Property to the District, the District shall have 10 years to put the Gift Property to use for School Purposes. The District may unilaterally extend its timeframe for use of the Gift Property for School Purposes for an additional 10 years by notifying Coker Butte in writing within 90 days of the expiration of the original 10 year period following conveyance of the Gift Property to the District. In the event the District fails to use the Gift Property for School Purposes within the timeframes specified herein, the District shall offer to sell the Gift Property to Coker Butte for market value at the time of the sale, based on an appraisal by a licensed appraiser acceptable to both parties. In the event Coker Butte does not purchase the Gift Property following the District's nonuse for School Purposes, the District may convey the Gift Property to another public entity, so long as it is used for park purposes. All of the foregoing shall be memorialized in the CC&Rs. The CC&Rs shall further provide for the waiver of remonstrance provided for in paragraph 8 and shall require that the Gift Property be mowed, watered, and otherwise be maintained in an attractive fashion. The CC&Rs shall benefit the property identified on Exhibit B, less the Gift Property, and shall run with the land.
 10. In the event the conditions precedent are not completed within 5 years, this Agreement shall terminate and the parties shall have no obligations to each other. Notwithstanding the foregoing, Coker Butte shall have the unilateral ability to extend the Agreement for additional terms, the sum of which shall not exceed 5 years beyond the initial term of this Agreement, provided that Coker Butte provide written notice of such extension to the District prior to the expiration of the then-current term.

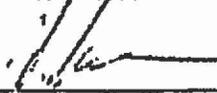
DATED the day and year first above written.

COKER BUTTE DEVELOPMENT, LLC



By:
Its:

MEDFORD SCHOOL DISTRICT 549C



By:
Its:

O'SIDE INDUSTRY, LLC



By:
Its:

Kaiser Surveying

18764 Highway 62
Eagle Point, OR 97524

Bary D. Kaiser
R.P.L.S. ORE. 62823

Phone: (541) 876-3895
Fax: (541) 876-3835
E-mail: bkaiser@embarqmail.com

EXHIBIT "A"

DESCRIPTION OF A 20 ACRE PARCEL LOCATED IN THE NORTHWEST QUARTER OF SECTION 5, T.37S., R.1W., W.M., IN JACKSON COUNTY, OREGON

Commencing at the quarter corner common to Section 5, Township 37 South, Range 1 West and Section 32, Township 36 South, Range 1 West of the Willamette Meridian in Jackson County, Oregon; thence along the North-South centerline of said Section 5, South $0^{\circ} 02' 25''$ West, 540.00 feet to the Easterly Northeast corner of Parcel No. 2 of Partition Plat recorded July 14, 1993 as Partition Plat No. P-56-1993 of "Records of Partition Plats" in Jackson County, Oregon and filed as Survey No. 13567 in the Office of the County Surveyor for THE TRUE POINT OF BEGINNING; thence along the Northerly boundary of said Parcel No. 2 and the Westerly extension thereof, North $89^{\circ} 50' 00''$ West, 747.56 feet; thence South $0^{\circ} 02' 25''$ West, 1165.40 feet; thence South $89^{\circ} 50' 00''$ East, 747.56 feet to intersect the said North-South centerline of Section 5; thence along said boundary, North $0^{\circ} 02' 25''$ East, 1165.40 feet to THE TRUE POINT OF BEGINNING.

August 13, 2014



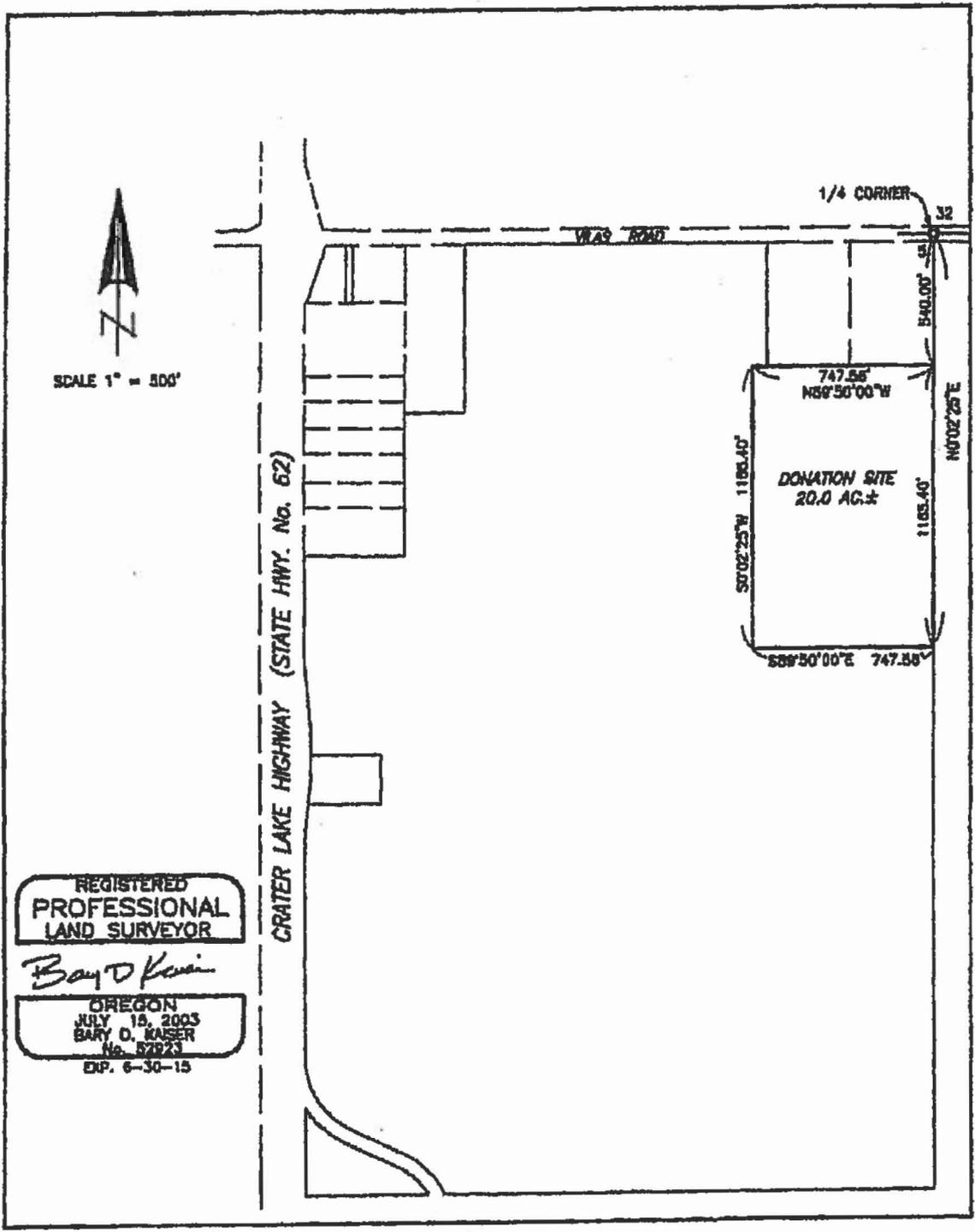
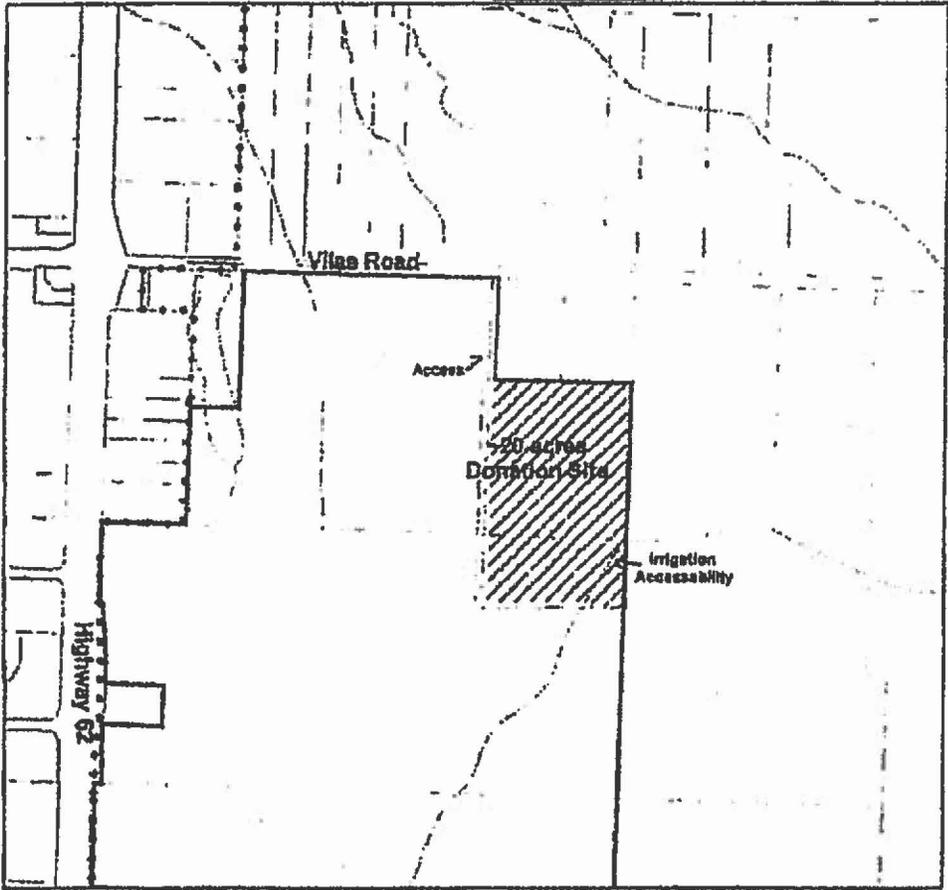


Exhibit A



Coker Butte LLC
Donation Land
School District 549C
37-1W-05 TL 300, 202,
600 & 900



Legend

- Donation Land
- Potential Future Access
- Taxlots
- Subject Parcel
- UGB
- City Limits

0 300 600 Feet
1 inch = 600 feet

This map is based on a digital dataset compiled by Johnson County GIS from a variety of sources, and may include RSA data collected by a Trimble GPS. We accept no responsibility for errors, omissions, or special-use notices. These are not warranted, expressed or implied 8-26-14