
HOOD RIVER COUNTY BOARD OF COMMISSIONERS
EXECUTIVE SESSION @ 1:00pm

ORS 192.660 (2)(h) Legal Counsel

HOOD RIVER COUNTY BOARD OF COMMISSIONERS
SPECIAL BUSINESS MEETING

June 1, 2020 @ 1:30pm, Virtual Meeting to be held with Webex

Hood River County is taking steps to limit exposure to and spread of COVID-19 (novel coronavirus). In support of state and federal guidelines for social distancing, the Hood River County Board of Commissioners will hold this meeting by using Webex Event. To listen in to the meeting please call **(408) 418-9388** and use **Event Number: 963 965 646**. You may also access the meeting via a smart device or computer. Please visit the Board of Commissioners webpage for the link.

For best results please dial into the number above and mute the microphone and speakers on your device once logged in. Thank you.

I. ADDITIONS OR DELETIONS FROM THE AGENDA

II. CONFLICT OR POTENTIAL CONFLICTS OF INTEREST TO DECLARE

III. ITEMS FROM THE PUBLIC (3 mins person per subject NOT on the agenda)

IV. PUBLIC HEARINGS

1. Crystal Springs Lease & Easement on County Forest Land
RECOMMENDATION: Reopen the hearing, take public comment, and determine the best action for the public.
2. Paul Jones Forest Template Dwelling Denial Appeal
RECOMMENDATION: Reopen the hearing and at the request of the Appellant, continue the hearing to July 20, 2020 at 6:00pm or soon thereafter in hopes to have an in-person Commission meeting.

V. NEW BUSINESS

Board of Commissioners

1. Columbia River Gorge Commission – Urban Area Boundary Revisions
RECOMMENDATION: Discuss the Commissioners position on the CRGC proposed Urban Area Boundary Revisions and determine how best to respond.

VI. ADJOURNMENT

HOOD RIVER COUNTY BOARD OF COMMISSIONERS AGENDA REQUEST FORM

DATE: March 5, 2020 **DEPARTMENT:** Forestry **NAME:** Doug Thiesies

SUBJECT: Hearing for Crystal Springs South Reservoir on County Forest

AUTHORITY: *ORS:* 275.330 *OAR:* _____

COUNTY ORD.: _____

BACKGROUND/SUMMARY OF SUBJECT:

Crystal Springs reservoir storage is a critical need in the South half of their service area. Any disruption in flow delivery could result in emptying of the Southern waterlines and place the District in violation of state water system laws. Crystal Springs Water District has worked with the Forestry Department to develop a proposal similar to the Middle Mountain reservoir lease approved by the BOC in February 2019. This second proposal would allow Crystal Springs to lease approximately 1.24 acres and provide easements to construct and utilize a domestic water supply reservoir near the end of Dog River Road, South of Parkdale. The lease and easement as proposed will result in alienation of approximately 3.5 acres of Designated County Forest.

In April 2019, the BOC reviewed and confirmed the proposed terms and directed staff to complete review of documents and prepare a staff report. A hearing was subsequently set to review the matter on March 16th, 2020 and determine if the alienation is in the best interest of the public.

ATTACHMENTS: Multiple 1

FISCAL IMPACT:

ACKNOWLEDGEMENT BY AFFECTED PARTIES:

COUNTY COUNSEL *FINANCE* *OTHER AGENCIES* *ADMIN*
HR DEPT *APPROPRIATE COUNTY COMMITTEE* *OTHER*

RECOMMENDATION OF THE DEPARTMENT:

Conduct the public hearing, consider the proposed lease and easement of County Forest by Crystal Springs Water District and determine the best interest of the public.

ADMINISTRATION RECOMMENDATION:

On May 18, 2020 the Commission took testimony and then continued the hearing to today. Conduct the public hearing and determine if the Lease and Easement are in the best interest of the public and if so, direct legal counsel to draft an Order stating findings of fact and conclusions of law stated by staff and authorize Chair Oates to sign all documents needed to approve the action, the Lease and the Easement with Crystal Springs Water District.

FOLLOW UP: ORD/RESO/AGMT/ORDER, ETC: ORIGINALS TO R&A
 COPIES TO: _____



Hood River County Forestry Department

918 18th Street, Hood River, OR 97031

Douglas M. Thiesies, County Forest Manager
TEL (541) 387-6888

To: Hood River County Board of Commissioners

From: Douglas M. Thiesies, Director, County Forestry Department

Date: April 30, 2020 (for May 18th, 2020 Public Hearing)

RE: **Forest Land Lease and Easement for Crystal Springs Water District South Reservoir site.**

I. Background:

A. Request: A lease of approximately 1.24 acres of county forestland for use by Crystal Springs Water District as a water reservoir site near the end of Dog River Road and access and utility easements to accommodate the use. The primary reason for this request is to provide Crystal Springs Water District the ability to provide storage for the south half of the district and meet needs identified in the CSWD 20-year Master Plan. The Hood River County Board of Commissioners (BOC) has expressed general support of Crystal Springs in improving water storage in their service area.

The proposed lease will compensate the County for use of land and timberland productivity that the public will forego due to the water district use of the County forestland. Since 2018, the Forestry Director has worked with Crystal Springs to develop an alternative that would meet the needs of Crystal Springs and the County. In April 2019, Crystal Springs Water District signed an understanding and terms letter outlining conditions for a proposed lease and easement arrangement with the County. Next, lease and easement documents were prepared and reviewed by County Counsel. At the January 21, 2020 Board of Commissioner meeting, the BOC set a hearing date for March 16, 2020, at 6pm or soon thereafter, to consider a Lease and Easement proposal with Crystal Springs Water District. Due to COVID-19 public safety measures the meeting was rescheduled for May 18th, 2020. The water reservoir lease and easement proposal would alienate approximately 3.5 acres of designated county forest and is subject to the requirements of ORS 275.330.

- B. Location: The Property proposed for alienation by lease and easement is located South of Dog River Road. The affected parcel is further described below:

Property proposed for Lease to Crystal Springs Water District:

T1S, R10E, 20, Portion of Tax Lot 200, approximately 1.24 Acres

T1S, R10E, 21, Portion of Tax Lot 400

- C. Zoning: T1S, R10E, 20, Portion of Tax Lot 200 is zoned F1. Unimproved.
T1S, R10E, 21, Portion of Tax Lot 400 is zoned F2. Unimproved.

- D. Current Use: Property currently used as timberland.

- E. Staff Attachments:

Exhibit A- Terms Letter

Exhibit B –Lease & Easement Document w/exhibits.

Exhibit C- Notice of Hearing

II. Findings of Fact and Conclusions of Law:

Alienation of County Forest Land is governed by ORS 275.330.

In general, alienation proceedings must be heard by the Board of Commissioners acting in a quasi-judicial capacity, following due notice published for two consecutive weeks in a newspaper circulated generally in the county describing the property affected. ORS 275.330(2).

Before making an Order for alienation of county forest, the Board of Commissioners must conduct a hearing at which objections to the proposed alienation may be heard. ORS 275.330(3). The Board must make a determination that the alienation is in the best interests of the public. ORS 275.330(2).

A. Procedural Requirements.

1. Notice of Hearing. ORS 275.330(2). The Notice of Hearing describing the property to be alienated, applicable approval criteria, hearing date, location and time was published in the Columbia Gorge News on the 6th and 13th of May 2020. In addition, the County mailed the Notice of Hearing to requesting agencies and landowners owning property within approximately 1500 feet of the project. (See Exhibit C).

2. Quasi-Judicial Hearing. The Board of Commissioners will conduct the hearing as an adjudicative matter, acting in a quasi-judicial capacity. All documents submitted for the BOC's consideration have been made available to the public, including this staff report and exhibits, and to the extent applicable, the hearing will be conducted pursuant to the hearing procedures set forth in ORS 197.763 and Section 6.D.40 of the Hood River County Administrative Code for quasi-judicial hearings.

3. Order Authorizing Alienation. ORS 275.330 (3). Following conclusion of the hearing and deliberations, if the Board determines the alienation is in the best interest of the County, an Order shall be made to authorize the alienation and utilize the funds for future acquisition of lands. The Order authorizing the alienation will be subject to review by the Circuit Court under writ of review requirements set forth in ORS Chapter 34.

B. Substantive Approval Criteria.

1. Best interest of the public. The lease payment amount was derived by comparing current utility lease rates of other County Forest properties, timber growth value of the 1.24 acres of designated county forest and considering benefits of fire emergency water access at the site.

After negotiation, Crystal Springs Water District agreed to the lease terms outlined in the letter dated April 22nd, 2019. (Exhibit A) The lease payments will allow the County to acquire additional lands with the revenue and offset loss of timber revenue from the 1.24 acres and associated easements.

This alternative also accommodates general BOC support for the Crystal Springs Water District project to facilitate a water reservoir and improve delivery limitations in the Parkdale area which includes commercial, industrial and residential use.

Based on the foregoing considerations, Forestry believes the proposed alienation is in the best interests of the County since it provides consideration to the County for the Forestland alienation, timber growth value, provides access to fire emergency water and accommodates a BOC supported water improvement project for the South half of the Crystal Springs Water District.

III. Recommendation:

Based upon the above Findings of Fact and Conclusions of Law, the County Forestry Director hereby recommends that the Board of Commissioners approve the proposed alienation of designated county forest and the signing of the lease and easement documents provided and direct legal counsel to enter an Order finding that the alienation is in the best interest of the public, as set forth herein.



Crystal Springs Water District

Domestic Water System

PO Box 186 / 3006 Chevron Drive Odell, Oregon 97044 Phone:(541)354-1818

Doug Thiesies
Forest Manager
Hood River County
918-18th St.
Hood River, OR 97031

RE: Letter of Understanding for lease of Hood River county forest lands.

Dear Mr. Thiesies:

Below are the terms we have discussed. Upon approval of a lease and these terms by our respective Boards, Crystal Springs Water District will continue to develop a reservoir and access road on Hood River County Forest land at the location we have discussed.

Terms:

- Hood River County will grant Crystal Springs a pipeline and road easement total width and length to be determined. Crystal Springs to provide a survey of final locations.
- Lease terms for approximately 1.7 acres to be 99 years at \$350.00 per month adjusted annually, in relations to any change in inflation as established by Seattle Washington CPI-U or comparable escalation index if the future CPI-U calculation is revised by the Bureau of Labor and Statistics. Escalation shall commence on December 31, 2019. Lease payment shall be made annually beginning on the first month of the lease period and continued each January thereafter. Payment shall be prorated on a monthly basis for the first year.
- Both parties shall limit motorized public access to the reservoir site with road gates.
- Crystal Springs will supply emergency water service at the reservoir site.
- Crystal Springs Water District, if not already done by Hood River County, will clear deck logs to specifications set by the forestry department.

A handwritten signature of Doug Thiesies, consisting of a stylized 'D' and 'T'.

Doug Thiesies
Forest Manager
Hood River County
918-18th St.
Hood River, OR 97031

4-22-19

A handwritten signature of Frederick W. Schatz, written in cursive.

Frederick W. Schatz
Superintendent
Crystal Springs Water District
P.O. Box 186
Odell, OR 97031

LEASE

Date: _____

Between: Hood River County, a Home Rule County ("Lessor")
601 State Street
Hood River, OR 97031

And: Crystal Springs Water District, an Oregon Special District ("Lessee")
3006 Chevron Drive / PO Box 186
Odell, OR 97044

Lessor hereby leases to Lessee and Lessee leases from Lessor the following real property (the "Premises") owned by Lessor and legally described and set forth as "Parcel 4 – Lease Parcel" in Exhibit A attached hereto.

As part of the consideration for this lease, Lessor shall also grant certain non-exclusive access and utility easements to Lessee over, under and across other land owned by Lessor, for Lessee's use in connection with Lessee's use of the Premises. The easement parcels are also legally described on Exhibit A hereto as follows:

- PARCEL 1 – Access, Utility, Slope & Drainage
- PARCEL 2 – Slope and Drainage Easement
- PARCEL 3 – Waterline Easement

Exhibit B hereto is a map illustrating and delineating the Premises and easement areas. The easements granted by Lessor shall be in the form attached hereto as exhibit C. and shall be executed and recorded by the parties upon execution of this lease.

Section 1. Occupancy

1.1 Original Term. The term of this lease shall commence _____, and continue for a period of ninety-nine (99) years through _____, unless sooner terminated as hereinafter provided.

1.2 Possession. Lessee's right to possession and obligations under the lease shall commence following entry of the Order pursuant to ORS 275.330.

Section 2. Rent

2.1 Rent. During the term, Lessee shall pay to Lessor as rent the sum of \$350.00 per month (\$4200 per year). Rent shall be payable on the first day of January each year in advance at such place as may be designated by Lessor except that rent for the first year shall be prorated based on the date of lessee's right to possession as stated above, and paid upon the execution of this lease, and Lessor acknowledges receipt of this sum.

2.2 Escalation. The base rent provided in Section 2.1 shall be increased in the month of January each year commencing January 2021, by a percentage equal to the percentage change in the Consumer Price Index, if any, published by the United States Bureau of Labor Statistics of the United States Department of Labor. Comparisons shall be made using the index for the City of Seattle, Washington CPI-U, or the nearest comparable data on changes in the cost of living if such index is no longer published.

Section 3. Use of the Premises

3.1 Permitted Use. The Premises shall be used as a reservoir site, access road, waterline, utilities and associated facilities (herein "Lessee's infrastructure") to be constructed by Lessee and utilized as part of Lessee's domestic water supply district pursuant to ORS Chapter 264, and for no other purpose without the consent of Lessor, which consent shall not be withheld unreasonably.

3.1(a) During construction of Lessee's infrastructure, Lessee shall clear and deck logs cut to specifications set by the forestry department if not already done by Lessor.

3.1(b) Lessor will have the right to use the access road constructed by Lessee in such manner as not to damage Lessee's infrastructure. The parties shall cooperate during periods of joint use so that each party's use shall cause a minimum of interference to the other. Lessee shall be responsible for the maintenance and repair of the access road.

3.1(c) Lessee shall supply Lessor with emergency water from Lessee's reservoir on the same rates, terms and conditions as other customers of Lessee.

Section 4. Repairs and Maintenance

4.1 Lessor's Obligations. Lessor shall be under no obligation to make or perform any repairs, maintenance, replacements, alterations, or improvements on the Premises or to Lessee's infrastructure.

4.2 Lessee's Obligations. Lessee, at its expense, shall keep the Premises in good repair, operating condition, working order, and appearance.

Section 5. Insurance

5.1 Insurance Required.

5.1.1 Property. Lessee shall keep the Premises insured at Lessee's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Lessee shall also bear the expense of any insurance insuring the property of Lessee on the Premises against such risks.

5.1.2 Liability. Lessee further agrees to maintain insurance levels, or self-insurance in accordance with ORS 30.282, for the duration of this Lease, at levels necessary to protect against public body liability. This Lease is expressly subject to the tort limits and provisions of the Oregon Tort Claims Act (ORS 30.260 to 30.300).

5.2 Waiver of Subrogation. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in

the event of insured loss, neither party's insurance company shall have a subrogated claim against the other. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to use best efforts to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

Section 6. Utilities

6.1 Payment of Utilities Charges. Lessee shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Premises.

Section 7. Eminent Domain

7.1 If a condemning authority takes all of the Premises or a portion sufficient to render the remaining premises reasonably unsuitable for the use that Lessee was then making of the premises, the lease shall terminate as of the date the title vests in the condemning authorities. The parties shall be entitled to share in the condemnation proceeds in proportion to the values of their respective interests in the Premises.

7.2 Sale in Lieu of Condemnation. Sale of all or part of the premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section 7 as a taking by condemnation.

Section 8. Liability and Indemnity

8.1 Liens

(1) Lessee shall pay as due all claims for work done on and for services rendered or material furnished to the Premises, and shall keep the Premises free from any liens.

(2) Lessee may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, as long as Lessor's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Lessee shall, within 30 days after knowledge of the filing, secure the discharge of the lien or deposit with Lessor cash or sufficient corporate surety bond or other surety satisfactory to Lessor in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien.

8.2 Indemnification. Subject to the limitations of liability for public bodies set forth in the Oregon Tort Claims Act, ORS 30.260 to 30.300, and the Oregon Constitution, Lessee agrees to hold harmless, defend, and indemnify Lessor, including its officers, agents, and employees, against all claims, demands, actions and suits (including all attorney's fees and costs) arising out of or related to any activity of Lessee on the Premises or any condition of the Premises in the possession or under the control of Lessee where the loss or claim is attributable to the negligent acts or omissions of Lessee. Nothing contained herein is intended to limit the remedy, if any, of Lessor against Lessee, including claims under subrogation agreements with the Lessee's insurance carrier, to recover damages to property or injury to persons caused by Lessee's negligence.

Section 9. Quiet Enjoyment

9.1 Lessor's Warranty. Lessor warrants that it is the owner of the Premises and easement parcels and has the right to lease and grant easements to them. Lessor will defend Lessee's right to quiet enjoyment of the Premises and easement parcels from the lawful claims of all persons during the lease term.

Section 10. Assignment and Subletting

No part of the Premises may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the property be conferred on any third person by any other means, without the prior written consent of Lessor which shall not be unreasonably withheld. No consent in one instance shall prevent the provision from applying to a subsequent instance. Lessor shall consent to a transaction covered by this provision when withholding such consent would be unreasonable in the circumstances.

Section 11. Default

The following shall be events of default:

11.1 Default in Rent. Failure of Lessee to pay any rent or other charge within 30 days after written notice that it is due.

11.2 Default in Other Covenants. Failure of Lessee to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within 60 days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 60-day period, this provision shall be complied with if Lessee begins correction of the default within the 60-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

Section 12. Remedies on Default

12.1 Termination. In the event of a default the lease may be terminated at the option of Lessor by written notice to Lessee.

Section 13. Surrender at Expiration

13.1 Upon expiration of the lease term or earlier termination on account of default, Lessee shall surrender the Premises to Lessor. Lessee shall promptly decommission and remove its facilities and related equipment from the Premises to a depth of three (3) feet, and repair and restore the surface of the Premises, excepting ordinary wear and tear. Should this situation occur during the winter season, the restoration may commence at the start of weather permissible to commercially reasonable workmanship. Such time period shall be mutually agreed upon. In the event that Lessee's facilities and related equipment are not removed to commercially reasonable standards, they shall be deemed abandoned and become the property of the Lessor, and Lessee shall have no further rights thereto. In the event that Lessee's facilities and related equipment are not removed to commercially reasonable standards, Lessor shall have the option to fully decommission the facilities, have them removed, and repair and restore the Premises, excepting ordinary wear and tear, and collect the cost of such restoration from the Lessee.

13.2 Holdover

(1) If Lessee does not vacate the Premises at the time required, Lessor shall have the option to treat Lessee as a Lessee from month to month, subject to all of the provisions of this lease except the provisions for term or to eject Lessee from the Premises and recover damages caused by wrongful holdover.

(2) If a month-to-month tenancy results from a holdover by Lessee under this Section 13.2, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given not less than 10 days prior to the termination date which shall be specified in the notice. Lessee waives any notice that would otherwise be provided by law with respect to a month-to-month tenancy.

Section 14. Miscellaneous

14.1 Nonwaiver. Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

14.2 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.

14.3 Notices. Any notice required or permitted under this lease shall be given when actually delivered or 48 hours after deposited in United States mail as certified mail addressed to the address first given in this lease or to such other address as may be specified from time to time by either of the parties in writing.

14.4 Succession. Subject to the above-stated limitations on transfer of Lessee's interest, this lease shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

14.5 Recordation. Upon request by Lessee, Lessor shall execute and acknowledge a memorandum of this lease in a form suitable for recording, and Lessee may record the memorandum.

14.6 Entry for Inspection. Lessor shall have the right to enter upon the Premises at any time to determine Lessee's compliance with this lease.

14.7 Interest on Rent and Other Charges. Any rent or other payment required of Lessee by this lease shall, if not paid within 10 days after it is due, bear interest at the rate of 9% per annum (but not in any event at a rate greater than the maximum rate of interest permitted by law) from the due date until paid.

14.8 Proration of Rent. In the event of commencement or termination of this lease at a time other than the beginning or end of one of the specified rental periods, then the rent

shall be prorated as of the date of commencement or termination and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Lessee or paid on its account.

14.9 Time of Essence. Time is of the essence of the performance of each of Lessee's obligations under this lease.

Section 15. Dispute Resolution

15.1 The parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.

LESSOR:
Hood River County

LESSEE:
Crystal Springs Water District

By:

By:

EXHIBIT "A"

Crystal Springs Water District
 Hood River, OR 97031
 Job No.: 18877
 February 7, 2020

Parcel 1 – Access, Utility, Slope, & Drainage

A parcel of land for the purpose of access, utilities, slopes and drainage lying in the Northeast one-quarter of Section 20, Township 1 South, Range 10 East, and the Northwest one-quarter, Section 21, Township 1 South, Range 10 East, of the Willamette Meridian, Hood River County, Oregon; said parcel being that portion of land being fifty feet wide, lying twenty-five feet either side of construction centerlines "A", "B", and "C", construction centerlines being more particularly described as follows:

Construction Centerline Alignment "A"

Commencing at the Northwest corner of Section 21, Township 1 South, Range 10 East, Willamette Meridian, thence North $66^{\circ}42'22''$ East, 12.92 feet to the Point of Beginning; thence South $1^{\circ}28'16''$ West, 312.87 feet to a point of curvature; thence along a curve concave to the east having a radius of 350.00 feet and through a central angle of $27^{\circ}24'00''$ (chord bearing South $12^{\circ}13'44''$ East, 165.79 feet) and an arc length of 167.38 feet; thence South $25^{\circ}55'45''$ East, 34.69 feet to a point of curvature; thence along a curve concave to the northeast having a radius of 200.00 feet and through a central angle of $5^{\circ}56'26''$ (chord bearing South $28^{\circ}53'58''$ East, 20.73 feet) and an arc length of 20.74 feet; thence South $31^{\circ}52'11''$ East, 67.26 feet to a point of curvature; thence along a curve concave to the northeast having a radius of 200.00 feet and through a central angle of $2^{\circ}14'39''$ (chord bearing South $32^{\circ}59'30''$ East, 7.83 feet) and an arc length of 7.83 feet; thence South $34^{\circ}06'50''$ East, 27.39 feet to a point of curvature; thence along a curve concave to the southwest having a radius of 108.00 feet and through a central angle of $33^{\circ}05'38''$ (chord bearing South $17^{\circ}34'01''$ East, 61.52 feet) and an arc length of 62.38 feet; thence South $1^{\circ}01'12''$ East, 3.89 feet to a point of curvature; thence along a curve concave to the west having a radius of 340.00 feet and through a central angle of $20^{\circ}56'25''$ (chord bearing South $9^{\circ}27'01''$ West, 123.57 feet) and an arc length of 124.26 feet; thence South $19^{\circ}55'13''$ West, 54.00 feet to a point of curvature; thence along a curve concave to the east having a radius of 560.00 feet and through a central angle of $21^{\circ}55'34''$ (chord bearing South $8^{\circ}57'26''$ West, 213.00 feet) and an arc length of 214.30 feet; thence South $2^{\circ}00'21''$ East, 11.69 feet to a point of curvature; thence along a curve concave to the west having a radius of 320.00 feet and through a central angle of $41^{\circ}12'04''$ (chord bearing South $18^{\circ}35'42''$ West, 225.19 feet) and an arc length of 230.11 feet; thence South $39^{\circ}11'44''$ West, 182.94 feet to the terminus of this centerline, terminus point being North $4^{\circ}03'04''$ West, 1233.51 feet from the West quarter-corner of said Section 21.

Construction Centerline Alignment "B"

Beginning at the point of terminus of Construction Centerline Alignment "A" described herein; thence South $6^{\circ}31'39''$ West, 108.02 feet to a point of curvature; thence along a curve concave to the northwest having a radius of 35.56 feet and through a central angle of $33^{\circ}06'45''$ (chord bearing South

23°05'02" West, 20.27 feet) and an arc length of 20.55 feet; thence South 39°38'25" West, 48.78 feet to the terminus of the centerline.

Construction Centerline Alignment "C"

Beginning at the terminus of Construction Centerline Alignment "A" described herein; thence South 72°13'50" West, 110.26 feet to a point of curvature; thence along a curve concave to the southeast having a radius of 32.32 feet and through a central angle of 32°54'14" (chord bearing South 55°46'43" West, 18.31 feet) and an arc length of 18.56 feet; thence South 39°19'36" West, 48.13 feet to the terminus of this centerline.

Parcel 2 – Slope and Drainage Easement

A parcel of land for the purpose slopes and storm drainage lying in the Northeast one-quarter of Section 20, Township 1 South, Range 10 East, and the Northwest one-quarter, Section 21, Township 1 South, Range 10 East, of the Willamette Meridian, Hood River County, Oregon; said parcel being that portion of land included in a strip of land variable in width, lying east of Construction Centerline Alignment "A", which centerline is described in Parcel 1:

The width of a strip of land on the Easterly side of the Construction Centerline Alignment "A" centerline is as follows:

<u>Station</u>	<u>to</u>	<u>Station</u>	<u>Width on Easterly Side of Centerline</u>
6+09.64		6+23.24	25.00 feet in a straight line to 66.93 feet
6+23.24		6+44.24	66.93 feet in a straight line to 53.99 feet
6+44.24		6+56.64	53.99 feet in a straight line to 41.36 feet
6+56.64		6+66.40	41.36 feet in a straight line to 34.33 feet
6+66.40		6+78.50	34.33 feet in a straight line to 28.64 feet
6+78.50		6+88.68	28.64 feet in a straight line to 25.00 feet

EXCEPT therefrom all that land lying within that land described in Parcel 1.

Parcel 3 – Waterline Easement

A parcel of land for the purpose of a constructing and maintaining a waterline lying in the Northeast one-quarter of Section 20, Township 1 South, Range 10 East, and the Northwest one-quarter, Section 21, Township 1 South, Range 10 East, of the Willamette Meridian, Hood River County, Oregon; said parcel being that portion of land included in a strip of land variable in width, lying east of Construction Centerline Alignment "A", which centerline is described in Parcel 1:

The width of a strip of land on the Easterly side of the Construction Centerline Alignment "A" centerline is as follows:

<u>Station</u>	<u>to</u>	<u>Station</u>	<u>Width on Easterly Side of Centerline</u>
6+88.68		6+89.54	25.00 feet in a straight line to 61.61 feet
6+89.54		7+07.57	61.61 feet in a straight line to 63.13 feet
7+07.57		7+11.16	63.13 feet in a straight line to 25.00 feet

EXCEPT therefrom all that land lying within that land described in Parcel 1.

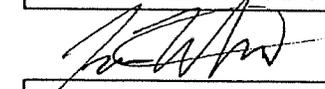
Parcel 4 – Lease Parcel

A parcel of land lying in the Northeast one-quarter of Section 20, Township 1 South, Range 10 East, and the Northwest one-quarter, Section 21, Township 1 South, Range 10 East, of the Willamette Meridian, Hood River County, Oregon; said parcel being more particularly described as follows:

Commencing at a the terminus of Construction Centerline Alignment "B", thence South 50°19'53" East, 38.50 feet to the Point of Beginning, point being the most northeasterly corner of the herein described parcel; thence along the southeasterly line, South 39°39'15" West, 257.00 feet; thence along the southwesterly line, North 50°19'53" West, 210.00 feet; thence along the northwesterly line, North 39°39'15" East, 257.00 feet; thence along the northeasterly line, passing through the terminus of Construction Centerline Alignment "C" at a distance of 42.50 feet, South 50°19'53" East, 210.00 to the point of Beginning.

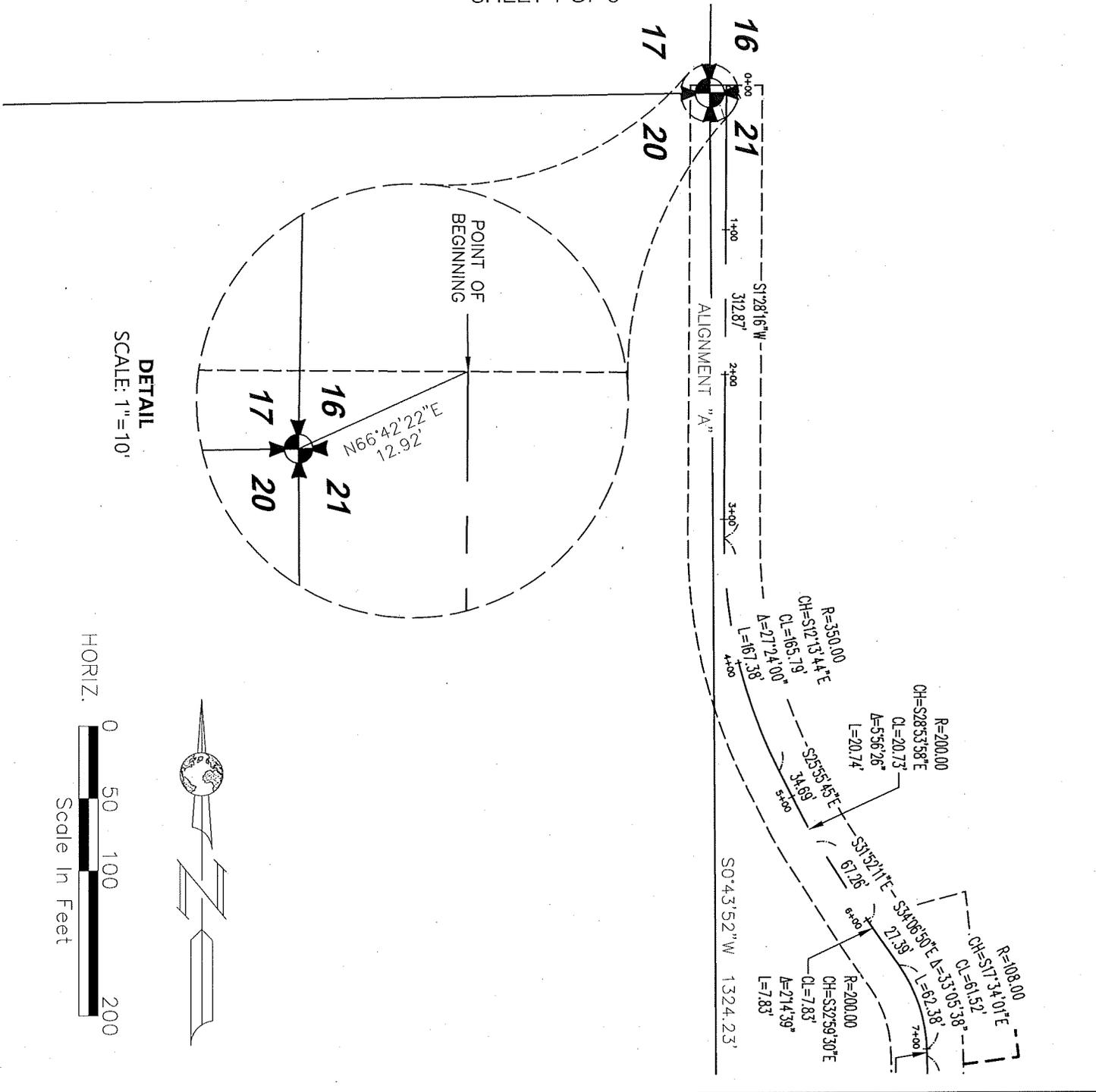
Containing in area: 1.24 acres of land, more or less.

REGISTERED
PROFESSIONAL
LAND SURVEYOR



OREGON
JULY 10, 2018
JESSE M. WHITE
92118

RENEWS: 6/30/2020



4500 Kruse Way, Suite 250
Lake Oswego, OR 97035
503.597.3222

ACCESS, UTILITY, SLOPE, & DRAINAGE
EASEMENT

NE1/4 SEC. 20, T1S, R10E, W.M.,
NW1/4 SEC. 21, T1S, R10E, W.M.,
HOOD RIVER COUNTY, OREGON

SURVEYED FOR:

CRYSTAL SPRINGS WATER DISTRICT
3006 CHEVRON DR.
ODELL, OR 97044

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Jesse M. White
OREGON
JULY 10, 2018
JESSE M. WHITE
92118

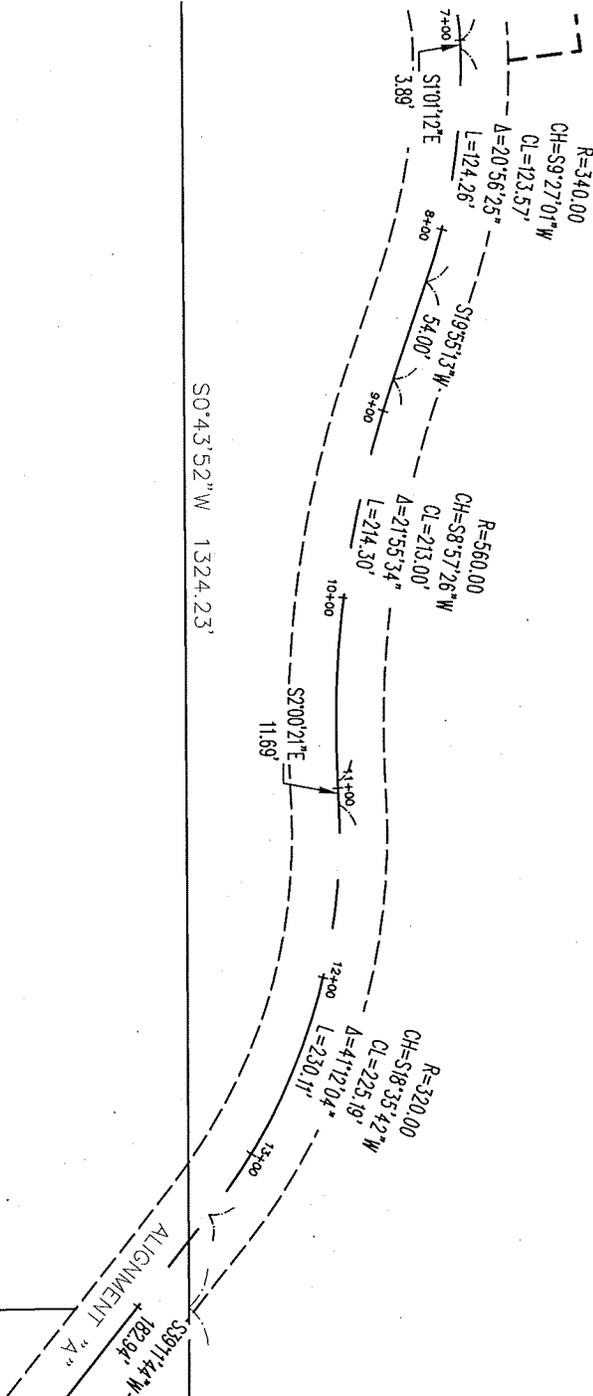
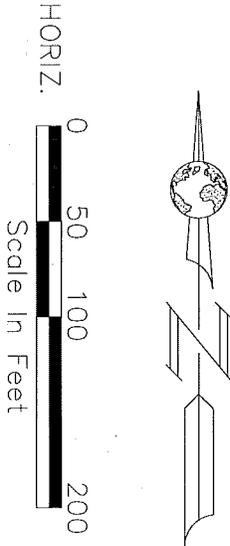
RENEWES: 6/30/2020

DATE FEB 27, 2020

JOB NO. 18877

EXHIBIT B
SHEET 2 OF 5

SCALE: 1" = 100'



4500 Kruse Way, Suite 250
Lake Oswego, OR 97035
503.597.3222

DATE FEB 27, 2020

JOB NO. 18877

ACCESS, UTILITY, SLOPE, & DRAINAGE
EASEMENT

NE1/4 SEC. 20, T1S, R10E, W.M.,
NW1/4 SEC. 21, T1S, R10E, W.M.,
HOOD RIVER COUNTY, OREGON

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CRYSTAL SPRINGS WATER DISTRICT
3006 CHEVRON DR.
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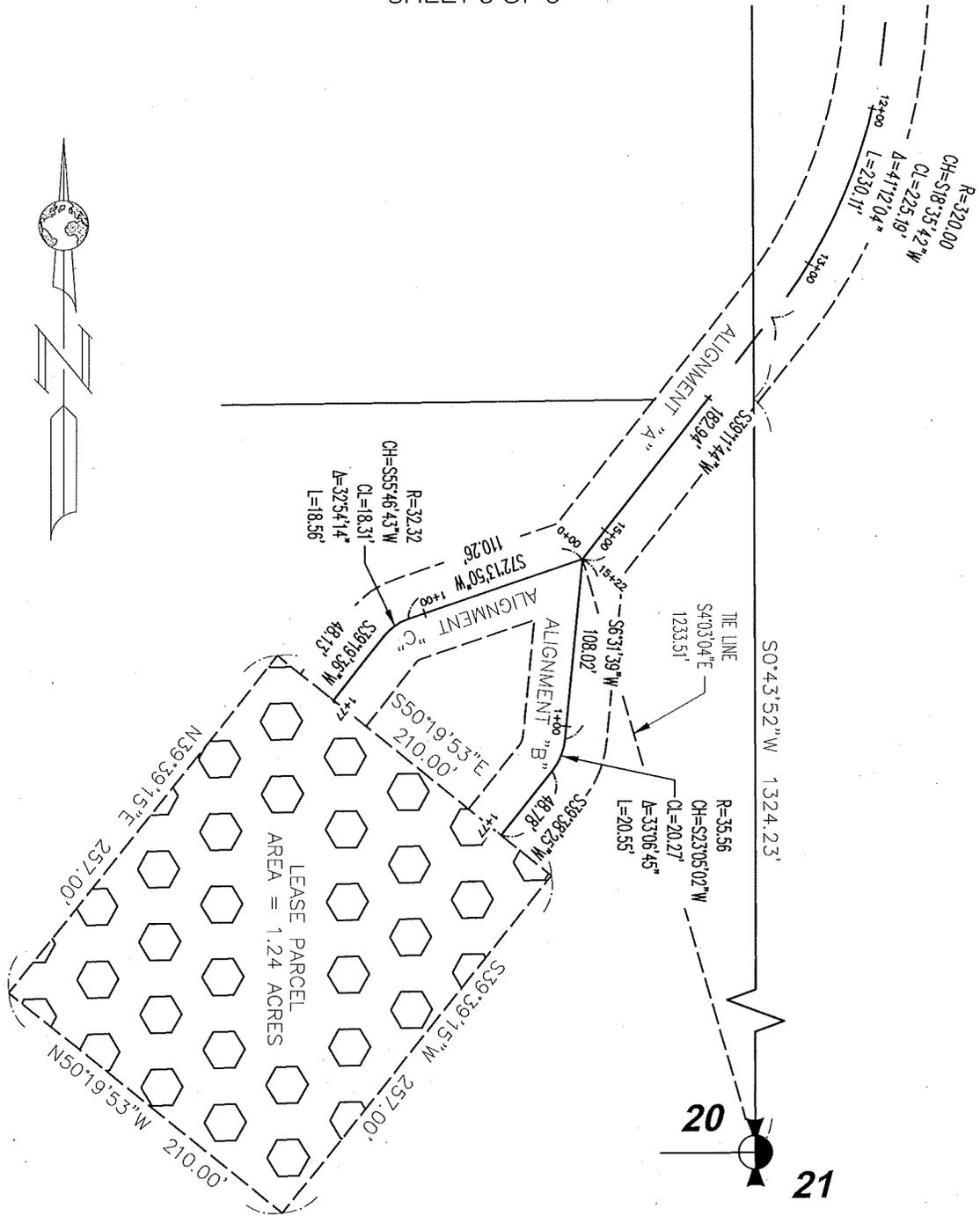
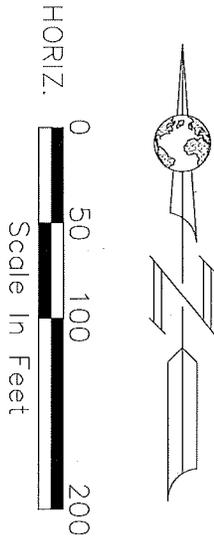
REGISTERED
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LAND SURVEYOR

Jesse M. White
OREGON
JULY 10, 2018
JESSE M. WHITE
92118

RENEWES: 6/30/2020

EXHIBIT B
SHEET 3 OF 5

SCALE: 1" = 100'



4500 Kruse Way, Suite 250
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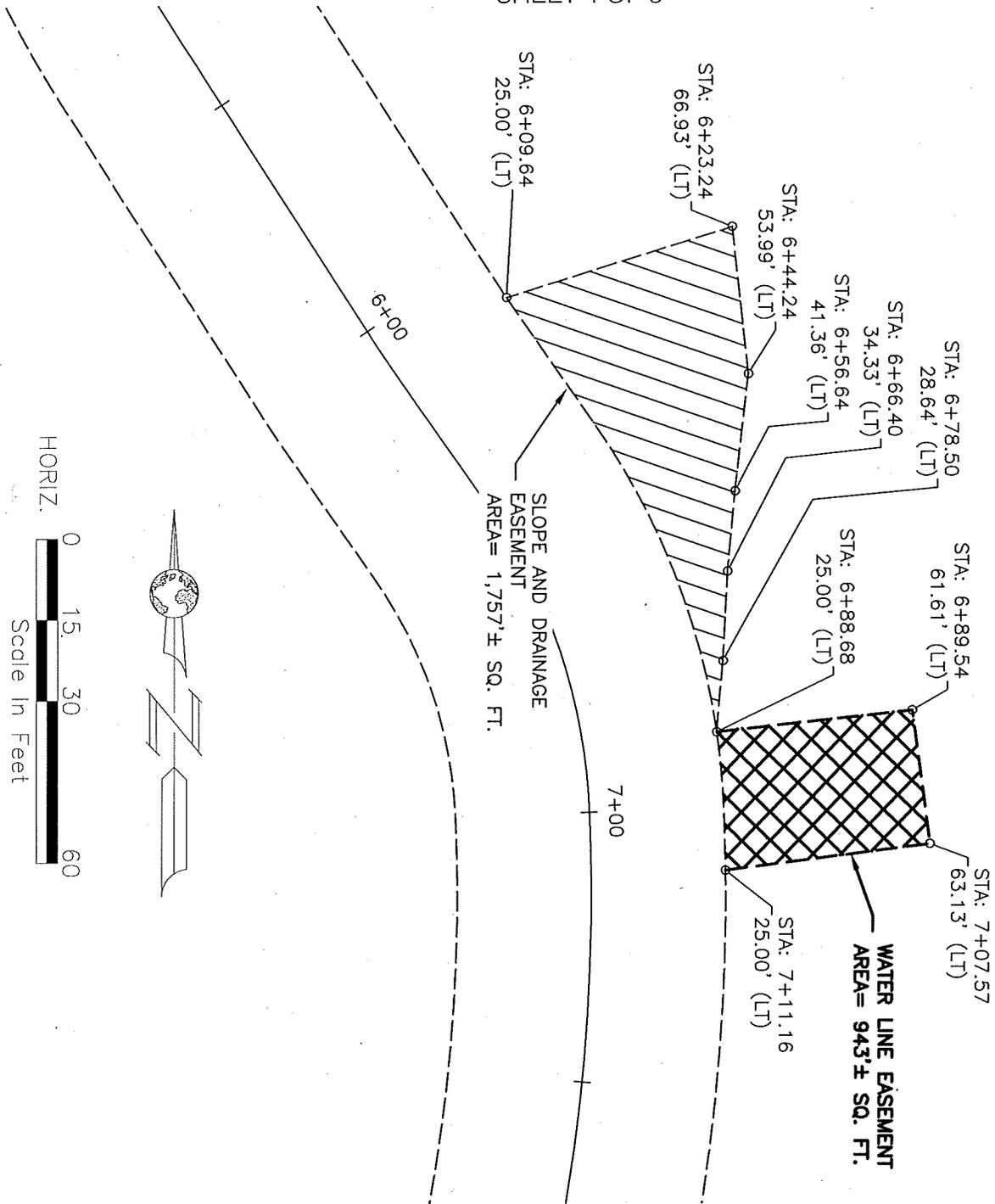
REGISTERED
PROFESSIONAL
LAND SURVEYOR

Jesse M. White
OREGON
JULY 10, 2018
JESSE M. WHITE
92118

RENEWES: 6/30/2020

EXHIBIT B
SHEET 4 OF 5

SCALE: 1" = 30'



4500 Kruse Way, Suite 250
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DATE FEB 27, 2020

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ACCESS, UTILITY, SLOPE, & DRAINAGE
EASEMENT

NE1/4 SEC. 20, T1S, R10E, W.M.,
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HOOD RIVER COUNTY, OREGON

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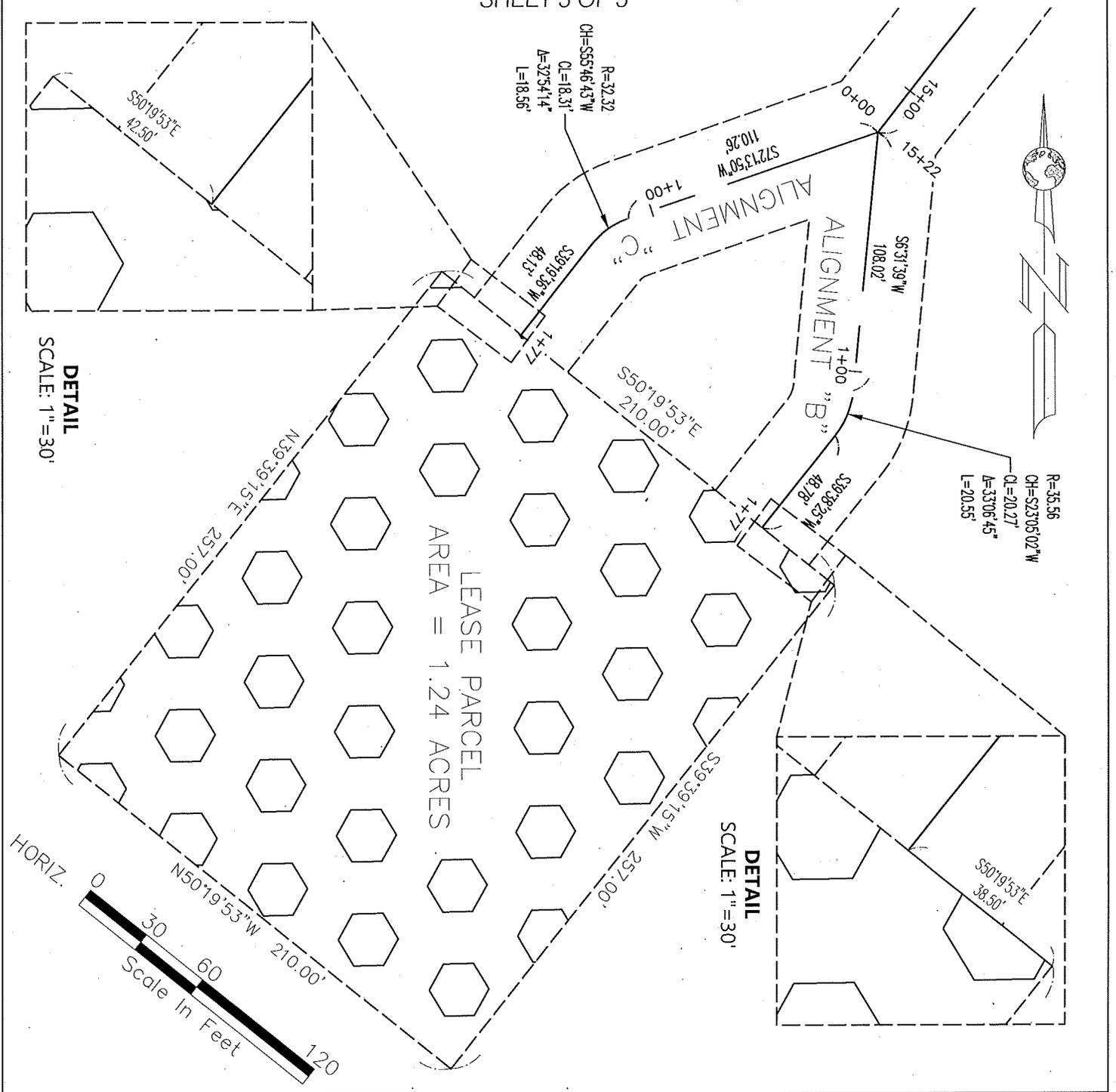
REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JULY 10, 2018
JESSE M. WHITE
92118

RENEWES: 6/30/2020

EXHIBIT B
SHEET 5 OF 5

SCALE: 1" = 60'



4500 Kruse Way, Suite 250
Lake Oswego, OR 97035
503.597.3222

DATE FEB 27, 2020
JOB NO. 18877

LEASE PARCEL
NE1/4 SEC. 20, T1S, R10E, W.M.,
NW1/4 SEC. 21, T1S, R10E, W.M.,
HOOD RIVER COUNTY, OREGON

SURVEYED FOR:
CRYSTAL SPRINGS WATER DISTRICT
3006 CHEVRON DR.
ODELL, OR 97044

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Jesse M. White
OREGON
JULY 10, 2018
JESSE M. WHITE
92118

RENEWES: 6/30/2020

Exhibit C (Form of Easement)

After Recording, return to:

Until a change is requested, all tax statements should be sent to:

NO CHANGE

EASEMENTS

(Access Road and Utility Easement; Waterline Easement; Utilities Easement)

This agreement is made this ___ day of _____, 2020, by and between **Hood River County**, a home rule county and political subdivision of the State of Oregon, **Grantor**, and **Crystal Springs Water District**, an Oregon Domestic Water Supply Special District, **Grantee**.

Grantor hereby grants to Grantee easements on certain parcels of real property owned by Grantor as follows:

1. **Access Road, Utility, Slope and Drainage Easement.** Grantor hereby grants and conveys to Grantee, for a term of 99 years, a non-exclusive easement for ingress, egress and installation and maintenance of utilities, and adequate slope and drainage over, under and across a strip of land owned by Grantor and described on Exhibit A hereto as "Parcel 1". In conjunction with Grantee's use, Grantee may construct, reconstruct, maintain and repair a road thereon. Grantor retains the right to use the access road constructed by Grantee in such manner as not to damage Grantee's infrastructure located on the properties for which Grantee has a lease and easements from Grantor. The parties shall cooperate during periods of joint use so that each party's use shall cause a minimum of interference to the other. Grantee shall be responsible for the maintenance and repair of the access road.

2. **Slope and Drainage Easement.** Grantor hereby grants and conveys to Grantee, for a term of 99 years, a non-exclusive easement for the purpose of providing adequate slope and drainage over, under and across a strip of land owned by Grantor and described on Exhibit A hereto as "Parcel 2"

3. **Water Line Easement.** Grantor hereby grants and conveys to Grantee, for a term of 99 years, a non-exclusive easement for ingress and egress, and installation, re-installation and maintenance of a water line over, under and across a strip of land owned by Grantor and described on Exhibit A hereto as "Parcel 3".

4. The foregoing easements are for the benefit of Grantee as lessee and appurtenant to Grantee's leasehold interest in certain real property more particularly described in Exhibit A hereto as "Parcel 4", which property is owned by Grantor and leased to Grantee (herein "The Lease"). The easements granted herein shall inure to the benefit of any successors and assigns of Grantee that may be allowed under The Lease.

5. The rights and obligations granted under this easement shall be deemed to run with the land benefitted and burdened by these easements for a period of 99 years from the date of execution hereof, and shall also continue during the period of any extensions or renewals of The Lease as may be agreed by the parties thereto.

The true and actual consideration paid for this easement are lease payments from Grantee to Grantor pursuant to the lease of Parcel 1 executed this date by the parties, and other good and valuable consideration.

GRANTOR:
Hood River County

GRANTEE:
Crystal Springs Water District

By:

By:

STATE OF OREGON)
) ss.
County of Hood River)

On the ___ day of _____, 2020, the above-named

_____ personally appeared before me and acknowledged the foregoing instrument to be their voluntary act and deed.

Notary Public for _____
My commission expires: _____

STATE OF OREGON)
) ss.
County of Hood River)

On the ___ day of _____, 2020, the above-named

_____ personally appeared before me and acknowledged the foregoing instrument to be their voluntary act and deed.

Notary Public for _____
My commission expires: _____

EXHIBIT "A"

Crystal Springs Water District
 Hood River, OR 97031
 Job No.: 18877
 February 7, 2020

Parcel 1 – Access, Utility, Slope, & Drainage

A parcel of land for the purpose of access, utilities, slopes and drainage lying in the Northeast one-quarter of Section 20, Township 1 South, Range 10 East, and the Northwest one-quarter, Section 21, Township 1 South, Range 10 East, of the Willamette Meridian, Hood River County, Oregon; said parcel being that portion of land being fifty feet wide, lying twenty-five feet either side of construction centerlines "A", "B", and "C", construction centerlines being more particularly described as follows:

Construction Centerline Alignment "A"

Commencing at the Northwest corner of Section 21, Township 1 South, Range 10 East, Willamette Meridian, thence North $66^{\circ}42'22''$ East, 12.92 feet to the Point of Beginning; thence South $1^{\circ}28'16''$ West, 312.87 feet to a point of curvature; thence along a curve concave to the east having a radius of 350.00 feet and through a central angle of $27^{\circ}24'00''$ (chord bearing South $12^{\circ}13'44''$ East, 165.79 feet) and an arc length of 167.38 feet; thence South $25^{\circ}55'45''$ East, 34.69 feet to a point of curvature; thence along a curve concave to the northeast having a radius of 200.00 feet and through a central angle of $5^{\circ}56'26''$ (chord bearing South $28^{\circ}53'58''$ East, 20.73 feet) and an arc length of 20.74 feet; thence South $31^{\circ}52'11''$ East, 67.26 feet to a point of curvature; thence along a curve concave to the northeast having a radius of 200.00 feet and through a central angle of $2^{\circ}14'39''$ (chord bearing South $32^{\circ}59'30''$ East, 7.83 feet) and an arc length of 7.83 feet; thence South $34^{\circ}06'50''$ East, 27.39 feet to a point of curvature; thence along a curve concave to the southwest having a radius of 108.00 feet and through a central angle of $33^{\circ}05'38''$ (chord bearing South $17^{\circ}34'01''$ East, 61.52 feet) and an arc length of 62.38 feet; thence South $1^{\circ}01'12''$ East, 3.89 feet to a point of curvature; thence along a curve concave to the west having a radius of 340.00 feet and through a central angle of $20^{\circ}56'25''$ (chord bearing South $9^{\circ}27'01''$ West, 123.57 feet) and an arc length of 124.26 feet; thence South $19^{\circ}55'13''$ West, 54.00 feet to a point of curvature; thence along a curve concave to the east having a radius of 560.00 feet and through a central angle of $21^{\circ}55'34''$ (chord bearing South $8^{\circ}57'26''$ West, 213.00 feet) and an arc length of 214.30 feet; thence South $2^{\circ}00'21''$ East, 11.69 feet to a point of curvature; thence along a curve concave to the west having a radius of 320.00 feet and through a central angle of $41^{\circ}12'04''$ (chord bearing South $18^{\circ}35'42''$ West, 225.19 feet) and an arc length of 230.11 feet; thence South $39^{\circ}11'44''$ West, 182.94 feet to the terminus of this centerline, terminus point being North $4^{\circ}03'04''$ West, 1233.51 feet from the West quarter-corner of said Section 21.

Construction Centerline Alignment "B"

Beginning at the point of terminus of Construction Centerline Alignment "A" described herein; thence South $6^{\circ}31'39''$ West, 108.02 feet to a point of curvature; thence along a curve concave to the northwest having a radius of 35.56 feet and through a central angle of $33^{\circ}06'45''$ (chord bearing South

23°05'02" West, 20.27 feet) and an arc length of 20.55 feet; thence South 39°38'25" West, 48.78 feet to the terminus of the centerline.

Construction Centerline Alignment "C"

Beginning at the terminus of Construction Centerline Alignment "A" described herein; thence South 72°13'50" West, 110.26 feet to a point of curvature; thence along a curve concave to the southeast having a radius of 32.32 feet and through a central angle of 32°54'14" (chord bearing South 55°46'43" West, 18.31 feet) and an arc length of 18.56 feet; thence South 39°19'36" West, 48.13 feet to the terminus of this centerline.

Parcel 2 – Slope and Drainage Easement

A parcel of land for the purpose slopes and storm drainage lying in the Northeast one-quarter of Section 20, Township 1 South, Range 10 East, and the Northwest one-quarter, Section 21, Township 1 South, Range 10 East, of the Willamette Meridian, Hood River County, Oregon; said parcel being that portion of land included in a strip of land variable in width, lying east of Construction Centerline Alignment "A", which centerline is described in Parcel 1:

The width of a strip of land on the Easterly side of the Construction Centerline Alignment "A" centerline is as follows:

<u>Station</u>	<u>to</u>	<u>Station</u>	<u>Width on Easterly Side of Centerline</u>
6+09.64		6+23.24	25.00 feet in a straight line to 66.93 feet
6+23.24		6+44.24	66.93 feet in a straight line to 53.99 feet
6+44.24		6+56.64	53.99 feet in a straight line to 41.36 feet
6+56.64		6+66.40	41.36 feet in a straight line to 34.33 feet
6+66.40		6+78.50	34.33 feet in a straight line to 28.64 feet
6+78.50		6+88.68	28.64 feet in a straight line to 25.00 feet

EXCEPT therefrom all that land lying within that land described in Parcel 1.

Parcel 3 – Waterline Easement

A parcel of land for the purpose of a constructing and maintaining a waterline lying in the Northeast one-quarter of Section 20, Township 1 South, Range 10 East, and the Northwest one-quarter, Section 21, Township 1 South, Range 10 East, of the Willamette Meridian, Hood River County, Oregon; said parcel being that portion of land included in a strip of land variable in width, lying east of Construction Centerline Alignment "A", which centerline is described in Parcel 1:

The width of a strip of land on the Easterly side of the Construction Centerline Alignment "A" centerline is as follows:

<u>Station</u>	<u>to</u>	<u>Station</u>	<u>Width on Easterly Side of Centerline</u>
6+88.68		6+89.54	25.00 feet in a straight line to 61.61 feet
6+89.54		7+07.57	61.61 feet in a straight line to 63.13 feet
7+07.57		7+11.16	63.13 feet in a straight line to 25.00 feet

EXCEPT therefrom all that land lying within that land described in Parcel 1.

Parcel 4 – Lease Parcel

A parcel of land lying in the Northeast one-quarter of Section 20, Township 1 South, Range 10 East, and the Northwest one-quarter, Section 21, Township 1 South, Range 10 East, of the Willamette Meridian, Hood River County, Oregon; said parcel being more particularly described as follows:

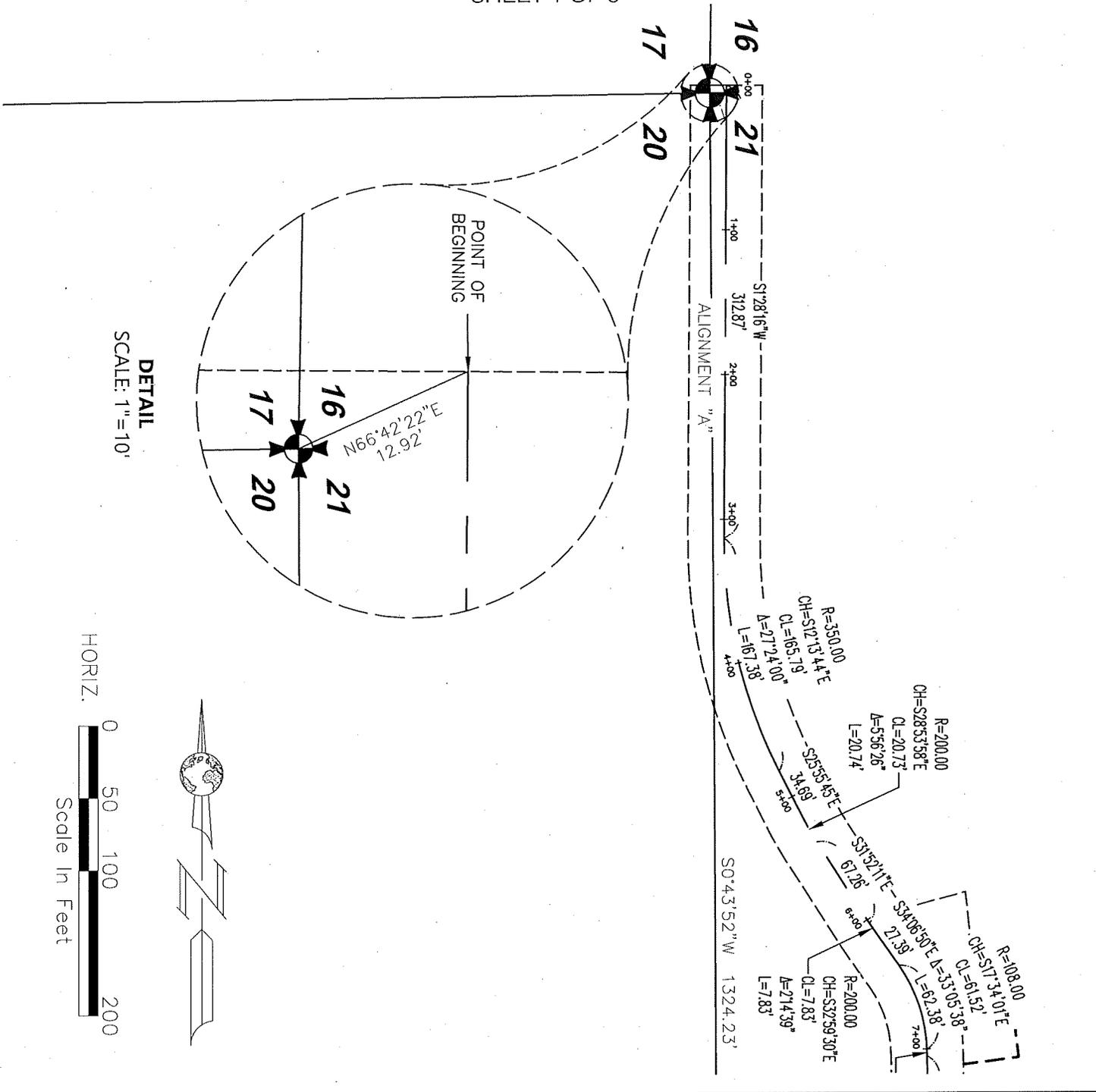
Commencing at a the terminus of Construction Centerline Alignment "B", thence South 50°19'53" East, 38.50 feet to the Point of Beginning, point being the most northeasterly corner of the herein described parcel; thence along the southeasterly line, South 39°39'15" West, 257.00 feet; thence along the southwesterly line, North 50°19'53" West, 210.00 feet; thence along the northwesterly line, North 39°39'15" East, 257.00 feet; thence along the northeasterly line, passing through the terminus of Construction Centerline Alignment "C" at a distance of 42.50 feet, South 50°19'53" East, 210.00 to the point of Beginning.

Containing in area: 1.24 acres of land, more or less.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Jesse M. White
OREGON
JULY 10, 2018
JESSE M. WHITE
92118

RENEWS: 6/30/2020



4500 Kruse Way, Suite 250
Lake Oswego, OR 97035
503.597.3222

ACCESS, UTILITY, SLOPE, & DRAINAGE
EASEMENT

NE1/4 SEC. 20, T1S, R10E, W.M.,
NW1/4 SEC. 21, T1S, R10E, W.M.,
HOOD RIVER COUNTY, OREGON

SURVEYED FOR:

CRYSTAL SPRINGS WATER DISTRICT
3006 CHEVRON DR.
ODELL, OR 97044

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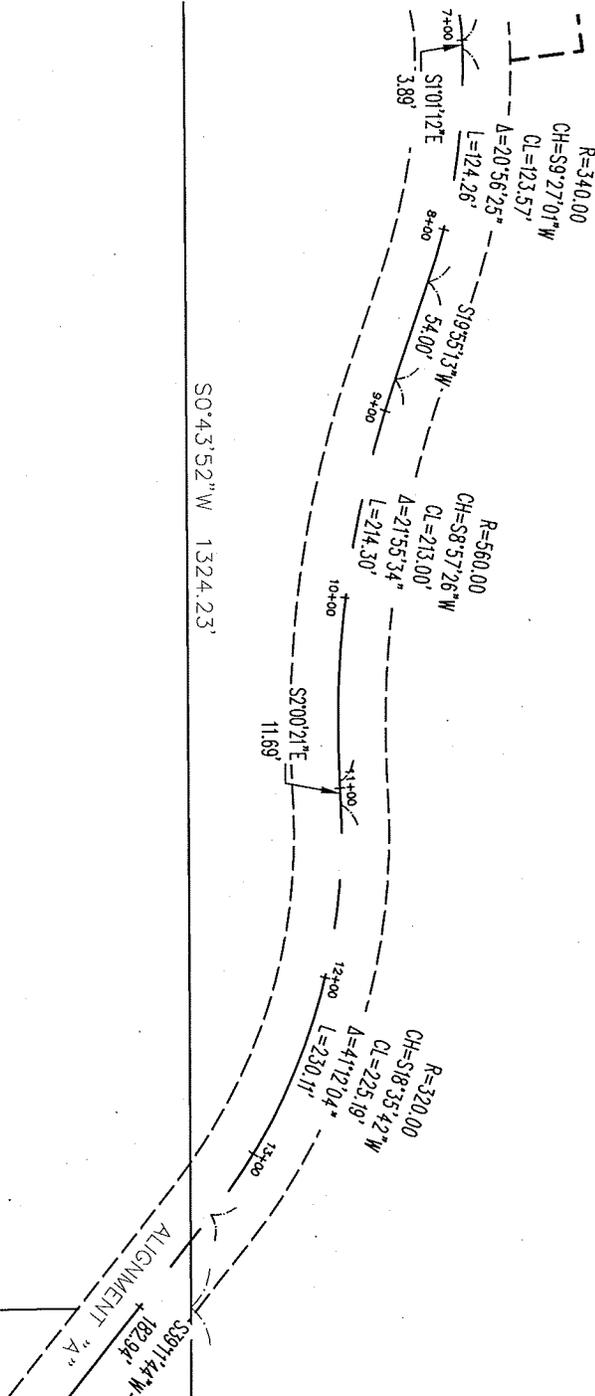
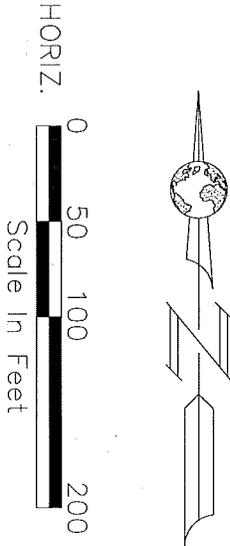
RENEWES: 6/30/2020

DATE FEB 27, 2020

JOB NO. 18877

EXHIBIT B
SHEET 2 OF 5

SCALE: 1" = 100'



4500 Kruse Way, Suite 250
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DATE FEB 27, 2020

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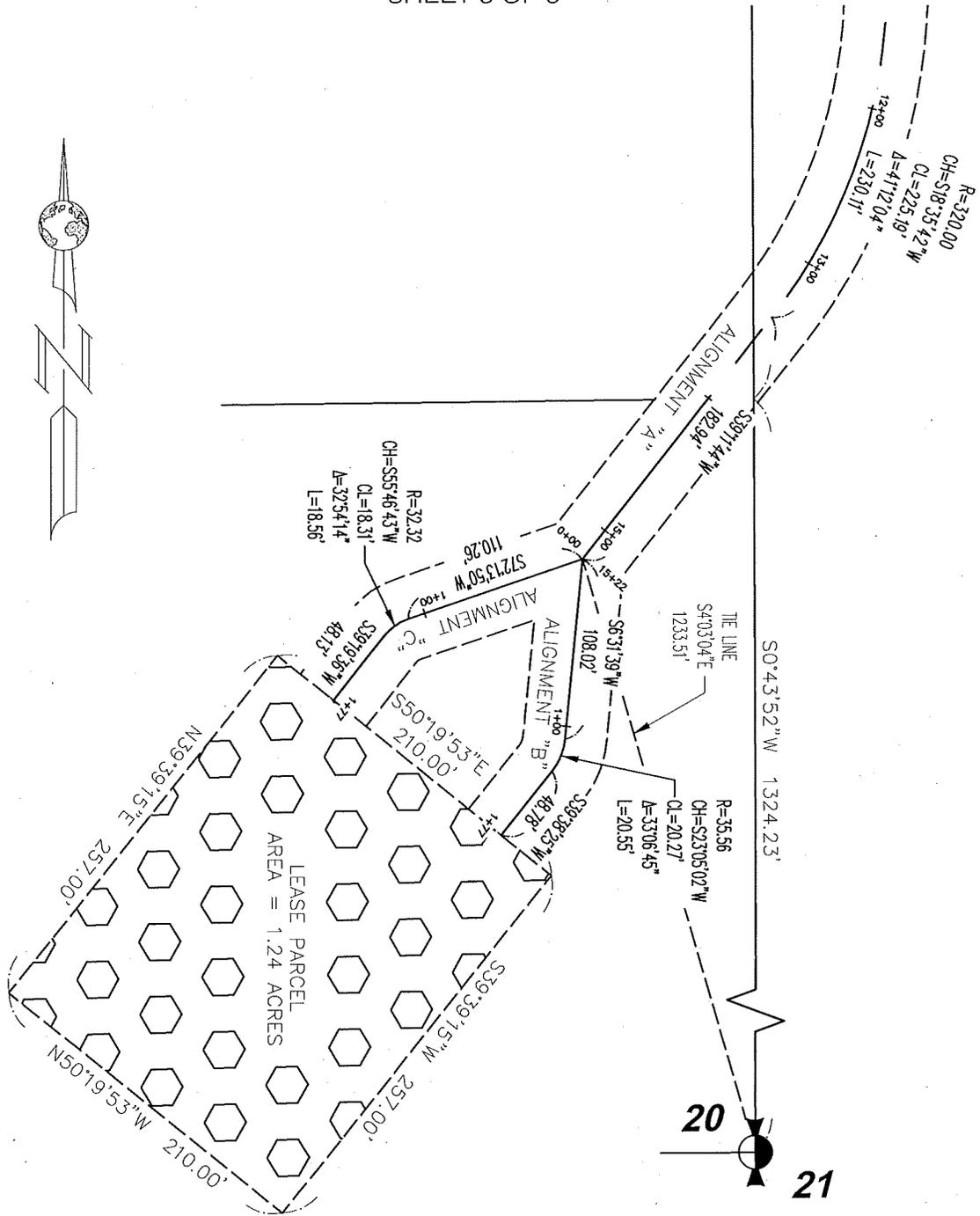
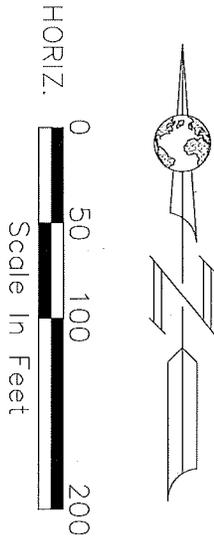
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RENEWES: 6/30/2020

EXHIBIT B
SHEET 3 OF 5

SCALE: 1" = 100'



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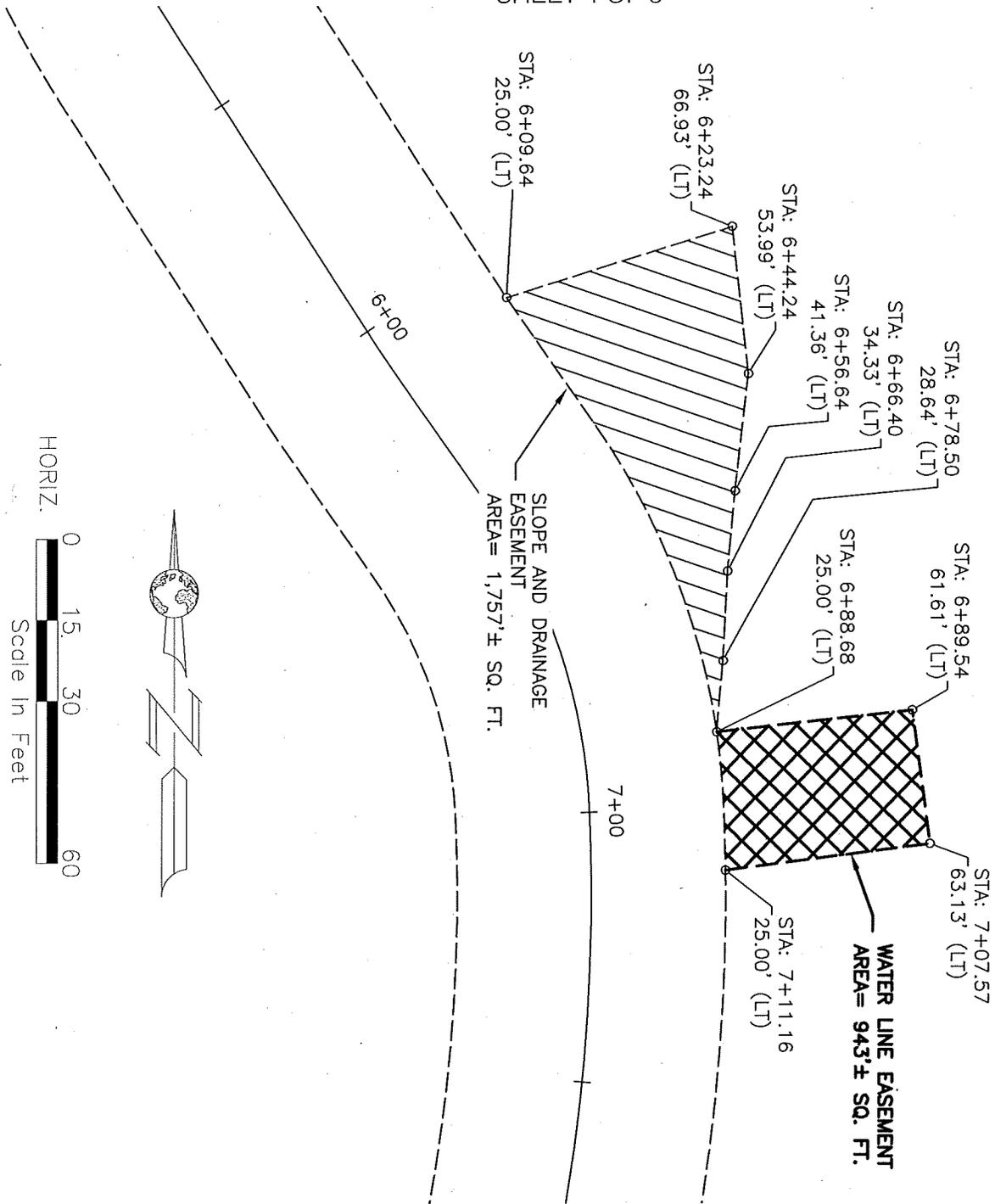
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OREGON
JULY 10, 2018
JESSE M. WHITE
92118

RENEWES: 6/30/2020

EXHIBIT B
SHEET 4 OF 5

SCALE: 1" = 30'



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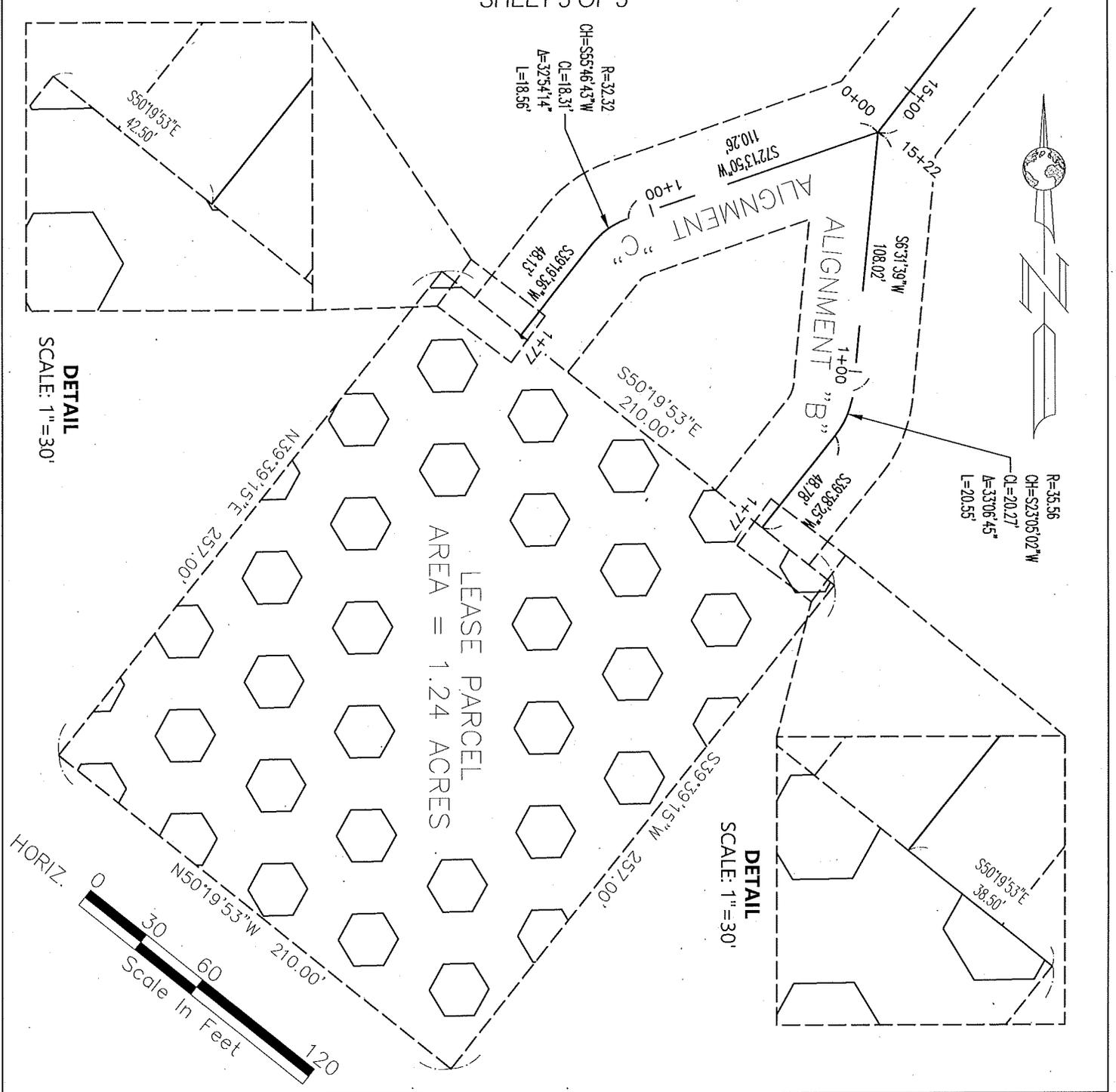
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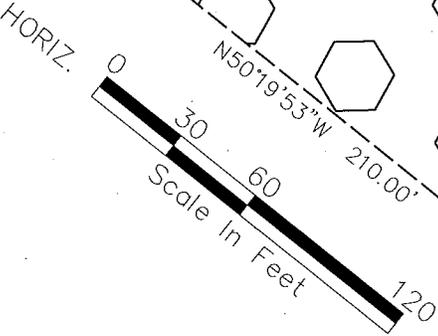
SCALE: 1" = 60'



DETAIL
SCALE: 1" = 30'

DETAIL
SCALE: 1" = 30'

LEASE PARCEL
AREA = 1.24 ACRES



PACE
An Engineering Services Company

4500 Kruse Way, Suite 250
Lake Oswego, OR 97035
503.597.3222

DATE FEB 27, 2020
JOB NO. 18877

LEASE PARCEL
NE1/4 SEC. 20, T1S, R10E, W.M.,
NW1/4 SEC. 21, T1S, R10E, W.M.,
HOOD RIVER COUNTY, OREGON

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REGISTERED
PROFESSIONAL
LAND SURVEYOR

Jesse M. White
OREGON
JULY 10, 2018
JESSE M. WHITE
92118

RENEWES: 6/30/2020

**NOTICE OF PUBLIC HEARING
HOOD RIVER COUNTY BOARD OF COMMISSIONERS**

The Hood River County Board of Commissioners will conduct a Public Hearing on Monday, May 18th, 2020, beginning at 6:00 PM or soon thereafter via web conference. Access information to the virtual meeting will be available on the Hood River County Website the Friday prior to the hearing.

The hearing was rescheduled from March 16, 2020 and is to consider a proposed forestland lease and easement between Hood River County and Crystal Springs Water District concerning TL 200 in T1S, R10E, Section 20 and TL 400 in T1S, R10E Section 21.

Written comments or oral testimony may be provided at the hearing, or to staff in advance of the hearing. The Board of Commissioners may take action at the hearing on May 18th, 2020, or may continue the matter to a date and time announced at the hearing. The Board of Commissioners acting in a quasi-judicial capacity will ultimately determine if the lease and easement is in the best interest of the County.

Copies of materials related to the proposed lease and easement are available online at <http://www.co.hood-river.or.us/>, on the Forestry Department page. For additional information or questions concerning the proposed forestland lease and easement, contact Doug Thiesies, Hood River County Forest Manager at doug.thiesies@co.hood-river.or.us or at (541) 387-6888.

HOOD RIVER NEWS: May 6th and 13th, 2020

PO # 051820BOC

Heidi DeHart
541-387-6826

Public Comments Received Up to May 15, 2018 @ 4:00pm



May 13, 2020

Hood River County Board of County Commissioners
601 State Street
Hood River, OR 97031

Via email to administration@co.hood-river.or.us

Re: Proposed Lease on Disputed Land Trade Property

Dear Board of County Commissioners:

The County, Thrive and Mt. Hood Meadows are all parties to a settlement entered into on June 28, 2005 and a First Amendment thereto entered into May 16, 2006. The Settlement Agreement provides:

“The Land Trade Lawsuits. The Parties are named in two lawsuits, both entitled "Hood River Valley Residents Committee and Michael McCarthy v. Board of Commissioners of Hood River County and Mt. Hood Meadows, Oregon, Ltd.," Hood River County Circuit Court Case Nos. 020029 CC and 020055 CC, Oregon Court of Appeals Case Nos. A118889 and A124051 (the "Lawsuits"). The Parties agree that the obligations set forth herein are conditioned upon the Oregon Court of Appeals and the Oregon Supreme Court either abating the proceedings or extending the time within which the parties are required to file any additional pleadings, petitions or motions in the Lawsuits. Until the completion of the Exchange, *if any party determines that the manner in which the Lawsuits are abated or delayed is inadequate to meet their needs, the obligations set forth herein will not bind any party.*” (Emphasis added)

To date, the parties have put the pending litigation on hold to allow for the consummation of the settlement that hinges upon the consummation of a land trade between Mt. Hood Meadows and the United States Forest Service, among other agreements. The proposed settlement is still pending, and *it is possible that the settlement will not be achieved.*

If the settlement is *not completed*, then the parties will re-activate the pending litigation identified above (the “Hood River County land trade litigation”).

In the Hood River County land trade litigation, the Plaintiffs seek remedies including the voiding or nullification of the original trade that would return the subject property at issue in the proposed lease being considered at this hearing back to Mt. Hood Meadows.

Back in 2011, Hood River County proposed to “salvage” log a portion of the forest land subject to the suit. After a back and forth between the parties, County Counsel Wil Carey provided assurances that the County would not oppose the voiding or nullification of the trade because of the County’s salvage operation, nor use the salvage operation for any reason to argue for or help justify the trade. These assurances met Thrive’s needs.

The County now proposes to enter into a 99-year lease with the Crystal Springs Water District for the use of a portion of the forestland subject to the Land Hood River County Land Trade litigation (Map and Tax Lots: T1S R10E Section 20 Tax Lot 200 and T1S R10E Section 21 Tax Lot 400). Thrive has voiced its objection to this proposed lease. Thrive has made it clear that it does not see any way that the County could provide adequate assurances or meet Thrive’s needs.

For those reasons, Thrive writes to state its clear and unequivocal objection to the County moving ahead with a 99-year lease and/or authorizing the construction of any facilities of improvements on the disputed property. If the County decides to proceed with the lease, Thrive is likely to reactivate the pending litigation and seek all available interim remedies, including a stay in any transaction that might encumber the property at issue in the still pending lawsuit. Furthermore, if the County moves ahead with the lease, Thrive may be forced to pursue additional litigation to preserve its remedies naming the County and the Crystal Springs Water District as parties.

To avoid this eventuality and the cost and expenses associated with it, Thrive asks the County to table the matter for the foreseeable future. The parties to the settlement are about to enter into mediation to determine if the settlement can be achieved. This proposed lease is unnecessarily injecting additional complications into an already complex situation, which is likely to be resolved in the coming months.

Sincerely,



Dale Hill
President



Heather Staten
Executive Director

Enclosures:

Final Settlement Agreement, July 5, 2005

First Amendment to Settlement Agreement, May 16, 2006

cc: Ralph Bloemers, Senior Staff Attorney, Crag Law Center

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Settlement Agreement

This Settlement Agreement is entered by and between the Parties identified in Section 1 of this Agreement, is made effective as of July 5, 2005, and represents the Parties' efforts to resolve longstanding conflicts involving a previous land trade on the north side of Mt. Hood, Meadows' use of all of its real property and related real estate interests on the north side of Mt. Hood and disputes related to the protection of the environment and quality of life on the north side of Mt. Hood and in Hood River County in a way that the Parties believe is beneficial to their individual and collective interests (the "Agreement"). The success of this Agreement depends on the actions of the Parties and on their respective, mutual work to demonstrate to others the value of the terms set forth in this Agreement. The Parties enter into this Agreement after their serious and considered conclusions about the merits of the proposed solution.

Recitals

A. This Agreement arises from a dispute between the parties stemming from a trade of land owned by Hood River County in the Upper Hood River Valley to Mt. Hood Meadows Oreg., Ltd. and associated proposals by Meadows and its affiliated entities to develop the private lands that were part of the land trade, additional private lands and public lands in and around the north side of Mt. Hood into a destination resort and expand the ski area at Cooper Spur.

B. This Agreement contemplates an exchange of public real property interests for private real property interests. Because of the public interest involved in this Proposed Solution, the Parties have agreed upon a procedure designed to verify that the exchanged properties are of equal value – if the Exchange proceeds, both the substance and the process utilized in the Exchange will be open to public evaluation and input. One way that this Agreement assures the acceptability of the "equal value" of exchanged properties is that if any of the Parties decides not to proceed with the Exchange this Agreement can be terminated.

C. This Agreement represents a culmination of extensive settlement negotiations, which were an effort to resolve even more extensive disputes between and involving these parties. It represents a mutual effort to proceed with compromised goals and outcomes, which results would not have been any party's unilateral choice. For instance, while Meadows anticipated the development of a destination resort on the north side of Mt. Hood, and had invested substantial time and resources in that vision, this Agreement envisions giving up that development vision in exchange for land in Government Camp. This Agreement envisions the permanent protection of the north side of Mt. Hood as part of a compromise and exchange, whereby Meadows acquires land that is zoned for development in Government Camp.

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Agreement

The parties agree as follows:

1. The Parties. The parties to this Agreement are the Board of Commissioners of Hood River County ("HRC"), the Hood River Valley Residents Committee ("HRVRC"), Michael McCarthy ("McCarthy"), Mt. Hood Meadows, Oregon, Limited Partnership, Mt. Hood Meadows Development Corp., Meadows North LLC, Meadows Utilities, LLC, and North Face Inn (collectively, "Meadows") The execution of this Agreement by Franklin Drake, Matthew Drake and David Riley only binds these individuals to sections 8(A)(3), 9, 21, 22, 23, 25 and 26, regardless of whether those sections specifically refer to those individuals.

2. Representations and Warranties.

A. Meadows represents and warrants that the names of the entities listed above constitute a full and complete list of the entities that own and operate the real estate and business interests on the North side of Mt. Hood as defined in Section 9, which real estate and business interests are the subject of this Agreement.

B. Meadows represents and warrants that Franklin Drake is authorized to execute this Agreement on behalf of the various entities that comprise "Meadows" herein. HRVRC and the County represent and warrant that the signatories executing this Agreement on their respective behalves are fully authorized to execute this Agreement.

C. Meadows represents and warrants that this Agreement shall be binding upon and inure to the benefit of any successors, assigns, executors, and administrators, to the extent set forth in paragraph 25.

D. Meadows further warrants that if any controlling interest in any of the Meadows entities named herein, or all or substantially all of the assets of any Meadows entity named herein, is voluntarily transferred, the transfer documentation shall include a provision that binds the transferee.

E. Meadows, David Riley, Franklin Drake, and Matthew Drake represent and warrant that they are the only individuals that are officers, managing members, and/or general partners of the Meadows entities listed above.

3. Parties' Representatives. This Agreement includes a number of steps in a lengthy process. At many of those steps, one or more of the Parties hereto will be required to take action and make decisions related to the terms of the Agreement. The following persons are authorized to transmit the parties' decisions regarding this Agreement: for HRC: David Meriwether, for HRVRC, Scott Franke, President for HRVRC: for McCarthy: Michael McCarthy, and for Meadows: David Riley.

4. Non-parties. Whether the goals of this Agreement are met will depend largely upon the opinions and actions of non-parties to this Agreement. Those non-parties include the following: the members of the Cooper Spur Wild and Free Coalition ("CSWF"), the United

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States Forest Service ("USFS") and other organizations, their members and individuals in the communities of Mt. Hood.

5. The Land Trade Lawsuits. The Parties are named in two lawsuits, both entitled "Hood River Valley Residents Committee and Michael McCarthy v. Board of Commissioners of Hood River County and Mt. Hood Meadows, Oregon, Ltd.," Hood River County Circuit Court Case Nos. 020029 CC and 020055 CC, Oregon Court of Appeals Case Nos. A118889 and A124051 (the "Lawsuits"). The Parties agree that the obligations set forth herein are conditioned upon the Oregon Court of Appeals and the Oregon Supreme Court either abating the proceedings or extending the time within which the parties are required to file any additional pleadings, petitions or motions in the Lawsuits. Until the completion of the Exchange, if any party determines that the manner in which the Lawsuits are abated or delayed is inadequate to meet their needs, the obligations set forth herein will not bind any party.

6. The Water Rights Protest. Meadows, HRVRC, the Friends of Mt. Hood, WaterWatch of Oregon and the Northwest Environmental Defense Center (the "Protestants") are parties to a water rights protest over a water right permit that is the property of Meadows Utilities, LLC (the "Protest"). The Protestants have filed a notice of intent to appeal the decision of Oregon Water Resources Department. The Parties agree that the obligations set forth herein are conditioned upon the Oregon Court of Appeals extending the time within which the parties to the Protest are required to file any additional pleadings, petitions or motions. Until the completion of the Exchange, if any party determines that the manner in which the Protest is abated or delayed is inadequate to meet their needs, the obligations set forth in this Agreement will not bind any party. As the Parties work to achieve the Proposed Solution, Meadows shall not take any action on the permit without first providing notice to HRVRC and Mike McCarthy because action on the permit is not required until October 1, 2005.

7. The Properties. This Agreement involves a variety of parcels of property in Hood River County and Clackamas County, Oregon. The properties are generally defined as follows, and are specifically defined on Exhibits A-1 and A-2, attached hereto.

a. Prior to August 2001, Meadows acquired approximately 155.25 acres of property in Hood River County in and around the Inn at Cooper Spur. The Inn at Cooper Spur and its associated buildings are located on a 2.86 acre parcel of commercially zoned land ("the 2.86 Acre Parcel"). The remainder of the land is separated into three parcels (tax lots 102, 103, 401), all of which are zoned forestland. The Inn at Cooper Spur includes not just the underlying real property and the improvements thereon, but also the business associated with those improvements, in the form of the 16 rental units and a restaurant, as well as the associated inventory and assets. This 155.25 acres of property, including the 2.86 Acre Parcel, and associated improvements are referred to as "the Dillard Property."

b. Also prior to August 2001, Meadows owned (and still owns) 73.9 acres west of Dog River. That property is referred to as "the Dog River Property."

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c. In August 2001, HRC and Meadows entered into an agreement to exchange property. Over protest from the HRVRC and McCarthy, the deeds effectuating that exchange were executed and recorded in February, 2002. In that exchange, Meadows transferred to HRC approximately 775 acres ("the County Exchange Property"), and HRC transferred to Meadows approximately 620 acres ("the Meadows Exchange Property"), along with an equalization payment of approximately 1.2 million dollars paid by HRC to Meadows. Those properties are the subject of the Lawsuits.

d. Meadows has a federal permit for skiing on the north side of Mt. Hood. This permit and associated buildings, improvements, business, inventory and assets related to that business are referred to herein as "the Cooper Spur Ski Area."

e. The Crystal Springs Water District and the State of Oregon have identified boundaries of the zone of contribution to the Crystal Springs Water District. While the zone of contribution covers a variety of property ownerships, and a variety of zoning designations, that zone of contribution, as it is presently identified, is generally referred to as "the Crystal Springs Watershed."

f. The USFS owns approximately 120 acres of forestland in Government Camp, comprised of one 80-acre parcel and one 40-acre parcel, both of which have been zoned by Clackamas County for low-density residential development and are within the Government Camp revitalization plan. These parcels are collectively referred to as "the Government Camp Property."

8. The Proposed Solution. This Agreement seeks to permanently protect the north side of Mt. Hood including the Cooper Spur Ski Area, the Dillard Property, the Meadows Exchange Property, portions of the Crystal Springs Watershed, and certain adjacent lands located in the vicinity of the Crystal Springs Watershed from expansion and development in a manner consistent with the vision for this area that HRVRC shares with the members of the CSWF Coalition, while allowing Meadows to obtain other property in Government Camp, in exchange for its interests on the north east side of Mt. Hood (the "Proposed Solution"). The Parties recognize that the material terms, obligations, covenants and restrictions, as well as their enforceability, are critical to the overall acceptability of this Agreement to all of the Parties.

The Proposed Solution shall include the following:

A. For purposes of facilitating a compromise settlement of the disputes discussion herein, Meadows shall propose to complete an exchange of real property interests, business interests, and permit rights with the USFS ("the Exchange"). While the Exchange must be approved by the USFS and/or Congress, the parties to this Agreement intend to work in good faith to accomplish the Exchange, which would result in the following transfers and/or limitations on property rights, all of which must occur as part of the Proposed Solution:

(1) Meadows would transfer the Dillard Property, the Meadows Exchange Property, and the Cooper Spur Ski Area to the USFS.

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(2) The USFS would transfer all or part of the Government Camp Properties to Meadows based upon full fair market value appraisals and equal value. If the value of Meadows' interests is greater than the value of the Government Camp Properties, then the Parties may also mutually agree to the transfer of additional real property and/or an equalization payment to Meadows from the U.S. Government within the bounds of any limitations on equalization payments set by federal law. If the value of Meadows' interests are less than the value of the Government Camp Properties, then the acreage Meadows may receive shall be accordingly reduced and there shall be no equalization payment to make up the difference from Meadows to the USFS. Meadows, HRVRC and McCarthy shall have the right to not go forward with the Proposed Solution, as provided in Section 18.

(3) Approximately 1350 acres of undeveloped property within the Cooper Spur Ski Area, adjacent lands within the Cloud Cap Tilly Jane Special Interest Area and other adjacent lands shall be legislatively designated as Wilderness, as identified on Exhibit A-2. The remaining, developed 50 acres of the current Cooper Spur Ski Area may be expanded by up to 20 acres, after an opportunity for input from interested members of the public pursuant to the requirements of federal law. The Cooper Spur Ski Area, including all improvements on the public lands and the going concern, and inventory and assets, shall be owned by the USFS after the Exchange is completed. Meadows agrees that it shall never lease, manage, or have any ownership interest in the Cooper Spur Ski Area and/or the Inn at Cooper Spur, or the improvements located thereon, with the exception of typical and ordinary use of the Cooper Spur Ski Area or the Inn at Cooper Spur as a typical and ordinary customer. Use as a typical and ordinary customer does not include or allow any resale of goods or services purchased, to the public.

By agreeing to bind themselves to this Section 8(A)(3), Franklin Drake, Matthew Drake and David Riley are agreeing only that upon completion of the Exchange, none of them will own an interest in, start, lead or invest in a business that acts in a manner from which Meadows is precluded from acting in this Section 8(A)(3).

(4) Real property owned by USFS, a large portion of which is within the Crystal Springs Watershed but outside of the Cooper Spur Ski Area, shall be legislatively designated as Wilderness as set forth on Exhibit A-2 to the extent that the property meets the necessary requirements for a wilderness designation. Any of the identified USFS property not designated as Wilderness, within the Crystal Springs Watershed, shall be designated and congressionally withdrawn from the Mt. Hood National Forest Plan as an area that is reserved for watershed protection in a manner that is approved by the HRVRC and Mike McCarthy in their sole discretion and after consultation with the Crystal Springs Water District. The congressional designation shall cover the federal land in the Crystal Springs Zone of Contribution, but would not apply to the other owners of real property

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within the Crystal Springs Watershed. Rather, those owners' use of their property would be in accordance with applicable land use laws and regulations.

B. The Parties shall pursue and effectuate the following terms, the timing of which shall occur either: (i) upon execution of this Agreement and as consideration for this Agreement, (ii) concurrently with the completion of the Exchange or (iii) immediately after the Release of the Lawsuits or completion of the Exchange, as set forth below. As used herein, "completion of the Exchange" shall mean execution and recording of deeds and other necessary transfer documentation.

(1) Land Trade Ordinance. At the first regularly scheduled meeting of the HRC Board of Commissioners as soon as practicable after the execution of this Agreement but no later than 45 days after its execution, HRC agrees to provide notice as may be required and then consider the adoption and approval of a "Land Trade Ordinance" governing future trades of Hood River County forestland pursuant to ORS Ch. 275, which at a minimum shall contain the provisions set forth on the attached Exhibit B. By entering this Agreement, HRC is not agreeing to adopt the proposed draft Land Trade Ordinance; rather the Board of Commissioners of Hood River County is agreeing to consider such legislation at its next scheduled meeting. HRC shall consider the Land Trade Ordinance as consideration for the execution of this Agreement, whether the Proposed Solution is completed or not. The County acknowledges the HRVRC reserves the right to contest the ability of the County to make or receive equalization payments in an exchange of County forest land.

(2) Watershed Mapping. At the first regularly scheduled meeting of the HRC Board of Commissioners as soon as practicable after completion of the Exchange, but no more than 60 days thereafter, HRC agrees to provide public notice as may be required and then consider the adoption and approval of a resolution regarding a "Watershed Mapping Process." The HRC shall undertake a process providing for the mapping of the watersheds within Hood River County as set forth on Exhibit C, after completion of the Exchange, as part of the consideration for this Agreement. Each water district shall be individually responsible for participating in the mapping process. HRC may or may not share the responsibility for creating and/or paying for any watershed delineation maps; however HRC shall be primarily responsible for a plan and formal requests that each water district map their respective zones of contribution. The parties shall also pursue federal funding for the watershed mapping process in the legislation that is part of the Proposed Solution. The mapping process is designed to protect the watersheds and retain those lands for watershed purposes.

(3) Amendment of Hood River County's Economic Development Plan. Upon completion of the Exchange, HRC shall start a process to eliminate all references to destinations resorts in Hood River County.

(4) North Side Vision/South Side Vision. Concurrent with the completion of the Exchange and ongoing thereafter, and in compromise consideration of the disputes resolved herein, Meadows and HRC agree to publicly support, with respect to the North side of Mt. Hood, the historic backcountry wilderness vision and appropriate restoration for the lands protected by the Proposed Solution that is shared by the HRVRC and members of the CSWF Coalition. In compromise consideration of the disputes resolved herein, HRVRC and

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McCarthy agree not to oppose Meadows' development efforts within the current and/or future boundaries of the unincorporated community of Government Camp. That support and non-opposition, respectively, will be reflected in, and will only be required to consist of, issuing agreed-upon statements, which the Parties will not thereafter contradict, unless this Agreement is terminated pursuant to Section 18. Concurrently with completion of the Exchange, and with any costs to be borne by HRVRC, Meadows shall transfer its rights in the domain name www.friendsofcooperspur.com to HRVRC. Meadows shall maintain its rights to the website until the transfer is made and bear all registration renewal costs until the transfer is made to HRVRC. HRVRC shall provide a domain name transfer agreement within 14 days after the parties agree upon the language in proposed legislation.

(5) The Lawsuits. Contemporaneously with completion of the Exchange, HRVRC will dismiss the Lawsuits, with prejudice. Concurrent with the dismissal of the Lawsuits, HRC will pay HRVRC and McCarthy costs and disbursements for the Writ of Review case in the amount of \$2,500.00. As part of the dismissal, Meadows will file a satisfaction of the attorney fees awarded to Meadows in the Declaratory Judgment action, Meadows will pay the HRVRC \$4,000 for its attorney fees, costs and disbursements incurred in the two lawsuits and the parties shall agree to remove the protective order's application to the destination resort development map that was covered by that order.

(6) Dog River Property Restrictions. Contemporaneously with completion of the Exchange, Meadows shall execute and record the necessary documents to place a restriction on the Dog River Property that the parties intend to perpetually prohibit the development of the Dog River property in a form that is mutually agreed to by all the parties. That restriction shall only allow the holder of that property to make use of the Dog River Property in a manner that is presently allowed under Goal 4, except as specified herein. A list of allowed Goal 4 uses is attached as Exhibit D, and all currently allowed uses listed in the exhibit are allowed by this agreement excepting the provisions under OAR 660-006-0025 (3)(n) and (q) and excepting the provisions under OAR 660-006-0025 (4)(e), (p), (w) and (y). HRVRC and McCarthy shall work with Meadows to agree on the legal documentation necessary to effectuate the parties' intent. The restriction shall run with the land and bind future purchasers of the land and be enforceable by HRVRC, Mike McCarthy and his successors and assigns, and/or by a willing and able conservation easement holder. HRVRC and McCarthy agree to assist Meadows in efforts to find a potential conservation buyer and conservation easement holder.

Contingent upon completion of the Exchange, HRVRC and McCarthy shall assist Meadows in its efforts to obtain the maximum possible benefit from the conservation approach for the property, including identifying the fair market value of the Dog River Property when that property is put to its highest and best use. Contingent upon completion of the Exchange, HRVRC agrees to not oppose Meadows efforts to obtain the maximum possible benefit, including any uses and value attributable to potential development beyond the uses allowed in Goal 4 that seeks to provide Meadows with the best economic return and/or available tax advantages possible.

Specifically, contingent upon completion of the Exchange, HRVRC and McCarthy agree to not oppose: (1) the approval of a lot of record dwelling on the Dog River Property; (2) approval of all necessary utilities and related easements for the lot of record dwelling, including

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but not limited to power, telephone, Crystal Springs water connection, and a well; and (3) granting of a new road easement across Hood River County land from either Cooper Spur Road or Dog River Road. HRVRC's and McCarthy's assent to not oppose these needed approvals and the road easement would not be binding or made effective until the completion of the Exchange.

(7) Protest. Contemporaneously with the completion of the Exchange, whether by legislation or through the administrative process, the parties shall request OWRD to enter in an order specifying the location of use of the water right as being within the 2.84 Acre Parcel (zoned for commercial uses). Contemporaneously with the completion of the Exchange, the parties agree to enter in a stipulated dismissal that is without prejudice to HRVRC's and Friends of Mt. Hood's rights to pursue the unresolved issues in the water right in the future. Each party shall bear their own fees, costs and expenses incurred as part of the Protest.

9. Divestiture of Ownership Interests. Upon the completion of the Exchange, and thereafter, Meadows shall not purchase, lease, manage, operate, or acquire any ownership interest in any real property, or business or other interest located on the North side of Mt. Hood, other than the Dog River Property, on the North side of Mt. Hood, with the exception of transactions where Meadows acts as a typical and ordinary customer, and with the exception of Meadows' possible purchase of property and/or business interests known as the Frost Property and the Elliot Glacier Public House specifically described in Exhibit E. For purposes of this section, Meadows acts as a typical and ordinary customer when it enters into arms length transactions with purveyors of goods or services, to purchase such goods and/or services, where the goods or services so provided are regularly and frequently sold to individual members of the general public, and such transaction occurs in the regular course of the purveyors, except that Meadows may not purchase goods or services for resale. For purposes of this Section 9 and Section 2, the North side of Mt. Hood means all the public and private lands between a northernmost point marked by an east-west line set at 45 degrees, 32 minutes and 15 seconds North Latitude on a United States Geological Survey map, and a southernmost point of an east-west line set at 45 degrees, 22 minutes and 24 seconds North Latitude on a United States Geological Survey map, running to the easternmost and westernmost edges of Hood River County, as more specifically shown on Exhibit E. In the event that Meadows violates this Section 9, upon receipt of written notice from HRVRC of the violation, Meadows shall have 30 days to provide objectively reasonable assurances that Meadows shall immediately divest itself of the property, business or other interest on the North side of Mt. Hood. After receiving notice from HRVRC, Meadows shall divest itself within 90 days and, if the assurances are not provided or divestiture does not occur, either HRVRC or McCarthy shall have the right to seek specific performance of this Section 9, and the prevailing party therein shall be entitled to recover reasonable attorney fees, costs and expenses, at trial and on appeal, for enforcing this Section 9, pursuant to Section 22, herein. If any claim in any suit or legal action to enforce this section 9, is rendered and/or adjudged moot due to Meadows' compliance with the original claim or demand, then HRVRC and McCarthy shall be the prevailing party(ies) for purposes of this section, with respect to such claim or demand.

By agreeing to bind themselves to this Section 9, Franklin Drake, Matthew Drake and David Riley are agreeing only that, upon completion of the Exchange, none of them will own an interest in, start, lead or invest in a business that acts in a manner from which Meadows is precluded from acting in this Section 9.

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10. Party Support for the Proposed Solution. The Parties agree that by entering into this Agreement, they expressly support the Proposed Solution as a compromise and resolution of their disputes. The Parties will jointly agree on all public statements regarding this Agreement. The Parties further agree that unless one of the parties terminates this Agreement, they will not take any action to oppose the Proposed Solution and/or Meadows' prospective development efforts in the current or future unincorporated community boundary of Government Camp in Clackamas County, Oregon, and that persons who serve as their respective board members, officers or directors shall not individually take any action to oppose the Proposed Solution and/or Meadows' prospective development efforts in the current or future unincorporated community boundary of Government Camp in Clackamas County, Oregon. As used herein, a person does not "take any action to oppose" the Parties' efforts herein if that person individually remains neutral on any such issue.

11. Non-Party Support for the Exchange. The Parties will work together, in a manner that they find most productive, to educate others and encourage their support for the Proposed Solution. More specifically, the Parties will expressly seek the support of the CSFW and its constituent members, Hood River County, Clackamas County, and other businesses, interest groups and individuals that are interested in the lands involved in this Agreement. The Parties will request that support for the Proposed Solution be expressed in writing, so that the parties can educate the public and advocate in favor of the Proposed Solution.

12. Congressional Support for the Exchange. As the Parties obtain Non-Party support for the Proposed Solution, the Parties shall work to obtain Congressional support for the Proposed Solution, starting with the seven members of the Oregon delegation, either in the form of Congressional legislation and appropriation directing that the Proposed Solution be completed, or in the form of Congressional support for administrative approval for the Proposed Solution. The Congressional Support required for the Proposed Solution is approval of the Proposed Solution, funding for all administrative aspects of the Exchange, including (but not limited to) formal appraisals, NEPA/EIS evaluations, and any other out-of-pocket expenses associated with the Proposed Solution, and any and all actions to accomplish the objectives of the Proposed Solution.

13. Survey(s). When Meadows determines that there is adequate Non-Party and Congressional Support for the Exchange, Meadows shall, at its expense, commission any boundary surveys and maps necessary to complete a legal description, for purposes of completing appraisals of the properties that are the subject of the Exchange. Meadows may, in its discretion, commission any such surveys before determining that there is adequate support to move forward with the Exchange.

14. Appraisals. When the Parties mutually agree that Congressional Support for the Proposed Solution is adequate to move forward, HRVRC, McCarthy and Meadows shall retain an appraiser mutually acceptable to all Parties ("Appraiser") to conduct appraisals of the Dillard Property, the Meadows Exchange Property, the Government Camp Property, and the value of the Cooper Spur Ski Area. For the purposes of the Exchange, the parties have agreed that the Appraiser shall conduct the appraisals and fix the values of those properties as of the date of the "self-contained Appraisal Report," and that any valuations or appraisals of the properties, related

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to the Exchange, shall fix the values of the properties as of the date of the "self-contained Appraisal Report," as defined herein. The parties have mutually agreed to retain Steve Hall, MAI to conduct these appraisals for the HRVRC, McCarthy and Meadows, after this Settlement Agreement is executed and announced to the public. Prior to executing this Agreement, Meadows retained Mr. Hall to collect preliminary data and other information on the value of the properties to be traded as part of the proposed solution. The Appraiser may retain a timber cruiser to conduct a timber cruise of the Government Camp Property and the Dillard Property, and to review and update the prior timber cruises of the Meadows Exchange Property, as directed by the Appraiser. In the event an appraiser or appraisers selected is not available to perform the work, the Parties shall select a substitute appraiser which substitute shall require mutual agreement of all the parties. The timber cruiser's report shall be included in the real property appraisal, which shall be delivered to Meadows by the Appraiser. Meadows shall pay for the appraisal, and the Parties' respective rights to review and approve the appraisal shall be limited to the rights specifically set forth in this Agreement. Meadows shall be allowed to first review the appraisal of the Government Camp Property before ordering the appraisal of the real property and business interests to be exchanged for the Government Camp Property. The appraisal(s) shall be prepared for the benefit of Meadows and HRVRC pursuant to the following guidelines:

A. HRVRC, Meadows and McCarthy have consulted with Steve Hall, the appraiser selected to do the work. Prior to the self-contained appraisal work being performed, HRVRC, Meadows and HRC shall each designate one or more (but no more than three) representatives to consult further with the appraiser(s), if necessary, to discuss an appropriate scope and methodology for the self-contained Appraisal Report that is to be prepared for the parties pursuant to this Agreement.

B. During the course of the appraisals, HRVRC and HRC shall be informed at least 7 days in advance of any meetings and discussions between Meadows and the appraiser(s) and shall be allowed to have a designated representative, Mr. Bob Bancroft or another designated appraiser (the "HRVRC Review Designee"), present at those meetings, but shall not be allowed to have representatives present when any of the appraisers are reviewing or evaluating proprietary and confidential business records or information of Meadows, which review and evaluation may include conversations between the Appraiser and David Riley. In addition, HRVRC and HRC will not be entitled to review any information or documents designated by Meadows as being confidential, but as described herein, HRVRC and HRC shall be entitled to review the detailed summary of such proprietary and confidential information, as that information is subject to disclosure to HRVRC and HRC under the terms described in Section D, herein. These restrictions on the use of proprietary and confidential information are designed solely to protect Meadows proprietary and confidential information in the event that the Proposed Solution is not accomplished. In the event that the Appraisal Report is provided to HRVRC and McCarthy, and then made public as part of the effort to complete the Exchange, then the confidentiality obligations in this Section 14 shall be terminated and no longer in effect with respect to any information presented in the Appraisal Report. The confidential information that is not in the Appraisal Report shall remain confidential.

C. With respect to the substantive work to be performed during the appraisal process, the Parties agree to meet with appraisers to determine the scope and design of the appraisal process. With respect to the substantive work to be work to be performed during the

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appraisal process, the Parties acknowledge that this Agreement is part of an effort to compromise and settle disputes. The Appraiser should consider applicable federal, state, and local laws, regulations, and procedures to determine the potential development value and highest and best use of the properties, without influence on the process by the Parties.

D. Meadows shall have the right to the first review of the completed appraisals for the purpose of allowing Meadows to conduct an initial review in a manner that preserves Meadows' proprietary and confidential business information if the Proposed Solution does not proceed. HRC, HRVRC and McCarthy shall be notified of the date that the appraisal(s) are provided to Meadows by the appraiser and Meadows shall have 20 days to review each appraisal. If Meadows identifies what it considers to be an error in an appraisal, Meadows shall notify the HRC and HRVRC of that error prior to contacting the appraisers. If the Parties agree that there is an error or errors, the Parties shall identify those errors in writing and jointly provide the error or errors to the appraiser and request that the errors be rectified prior to the issuance of the appraisal(s) to Meadows for another review. If there is an error, then after the Appraisal Report is corrected, Meadows shall have an additional 10 days to review the Appraisal Report, and shall determine whether if, in Meadows' sole discretion, it is appropriate to go forward with the Proposed Solution. Meadows shall have no more than 20 days from the date that the Appraisal Report is received by Meadows to make a determination whether it will proceed with the exchange, unless there is a correction of an error or errors as set forth in subsection D above. If Meadows does not communicate its determination to the Parties within those prescribed timelines, Meadows shall immediately provide the appraisal(s) to the HRVRC and Mr. McCarthy. During this process, Meadows shall continue to have the rights of termination set forth in Section 18, herein.

E. If Meadows decides, after reviewing the Appraisal Report, to not proceed with the Exchange, the Appraisal Report shall remain Meadows' sole property and shall be maintained strictly confidential. The Parties agree that in the event that Meadows terminates this Agreement after reviewing the Appraisal Report that no Party other than Meadows shall have any right, title or legal interest in the Appraisal Report, and no Party will seek its production in any legal proceeding. Notwithstanding any other provision of this Agreement, if the Exchange is not completed, the Parties agree that none of them shall use, refer to, introduce into evidence or otherwise attempt to utilize in any fashion the Appraisal Report or any part thereof, in any litigation or public proceeding.

F. If Meadows' decision is to proceed with the Exchange, then the appraisal(s) shall be provided to HRVRC and Mike McCarthy. HRVRC and McCarthy shall have 14 days from the receipt of the report to review the appraisal(s) and to determine whether or not to proceed with the Exchange. In the event that HRVRC wishes to review the underlying information upon which the appraisal(s) is based, including Meadows confidential, proprietary or other business information or data provided to the appraisers, then HRVRC shall be entitled to request that a designee have access to all the underlying information. If such a request is made to Meadows, Meadows shall have the right to refuse to respond to the request, in whole or in part. With respect to any information provided by Meadows to HRVRC under this section, that information shall be reviewed by HRVRC's designee, for purposes of determining whether the appraisal(s) accurately reflect the underlying data reviewed. As a precondition to the review of the information by HRVRC's designee, HRVRC's designee shall execute a confidentiality

FINAL SETTLEMENT AGREEMENT

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provision, precluding him or her from keeping, copying, or sharing the information with any other person or entity. Upon completion of his review of the information, which review must occur in Meadows' offices, the original and all copies of the information and documents shall be returned to Meadows, and shall not be taken by HRVRC's designee, and any documents he or she has prepared that would reveal the contents of the data so provided shall be destroyed.

15. Legislative vs. Administrative Exchange. After the Parties have acknowledged an adequate level of Congressional support for the Exchange, the Parties shall agree on whether the Proposed Solution will proceed as a Legislative Exchange or an Administrative Exchange. The Parties recognize that HRVRC and Mike McCarthy are likely to agree to proceed with the Proposed Solution if there is legislation that provides for the permanent protection for the public lands on the North side of Mt. Hood through congressionally designated wilderness protection of the undeveloped part of the Cooper Spur Ski Area, congressional withdrawal of the Crystal Springs Watershed and certain adjacent lands as set forth on Exhibit A-2. If the Parties are not able to agree on which course to take, this Agreement will terminate.

16. Bill Drafting. After the parties have acknowledged an adequate level of support for the Proposed Solution, and if the parties agree to pursue a Legislative Exchange, the parties shall either request that legislative counsel draft a bill to approve the Exchange or the Parties shall draft the proposed legislation approving the Exchange (the "Bill"). In either case, the Parties shall have the right to review and approve the Bill, in both form and substance, in their sole discretion. The Bill, as drafted, shall provide that the Proposed Solution between Meadows and the USFS shall be a like kind exchange for purposes of calculation of federal and state taxation. If the legislation as drafted, introduced, amended, approved and/or adopted is not acceptable to any of the parties, in their sole discretion, the parties may terminate this Agreement.

17. Gauging Success. On or around the 90th day after execution of this Agreement, and every 90 days thereafter, the Parties shall confer to assess the status of the Proposed Solution.

18. Termination; Dispute Resolution. Prior to the completion of the Exchange, any party may terminate this Agreement after giving 30 days' written notice. After the completion of the Exchange, this Agreement shall become irrevocable, binding and fully enforceable by any Party hereto. In the event that a Party provides notice of Termination, as set forth herein, during that 30-day period, all other timelines set forth in this Agreement shall be tolled. In the event of a termination, during that 30-day period, the parties agree that they shall participate, in good faith, in a mediation of the issue or issues that caused the notice of termination to be issued, in an effort to resolve any disputes and continue with the purpose and intent of this Agreement. The Parties' expressed intent in requiring mediation of any such decision or conflict is to preserve their mutual goals, if at all possible. Nonetheless, the Parties acknowledge and agree that until the completion of the Exchange any Party hereto, for any reason, may terminate this Agreement subject to this Dispute Resolution provision. After the completion of the Exchange, the parties may not terminate this Agreement. The Parties also anticipate that the services of the mediator, Robert Fisher, may be helpful to the parties in resolving any disputes that may or may not involve a potential termination. Therefore, any Party may request the services of the mediator at any time through the completion of the exchange. In any case where the Mediator is requested

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by the Parties, the Parties agree to share the costs of Mediator between them in a manner they agree upon.

19. Potential Future Mediation. If for any reason the Exchange fails or any Party "opts out" or terminates this Agreement, then the Parties agree that they shall enter into further mediation, with the assistance of a mediator, if desired, to attempt to settle the issues that are the subject of this Agreement. At any future mediation, the Parties agree to explore alternative settlements for resolving the issues, including, but not limited to a conservation easement, a change in development activities and other options proposed by any Party. No party is bound to accept any other option; instead the parties will need to accept any other option in their sole discretion and in writing prior to being bound.

20. Public Statements. This Agreement was entered into after a lengthy, confidential mediation. Prior to the preparation of this Agreement, the Parties agreed to share the results of the mediation with certain non-parties which necessarily required explanation of the process and the substance of the mediation. While the Parties requested that non-parties keep the results in confidence to allow the Parties to proceed with finalizing this agreement, the Parties recognized that the results of the mediation were no longer confidential. Nonetheless, the Parties shall not describe or characterize the position of any other party in discussions with the media, except as the parties agree upon. The Parties shall not seek to place blame on any other party for any reason in public statements or in discussions with the media. In their efforts to educate the broader public and their allies, in their statements, the Parties shall focus on the results of the mediation, rather than the details of any mediation discussions. In an effort to ensure full public understanding of the Proposed Solution and maintain a good working relationship, the Parties will agree upon the contents of public statements and press releases that describe the Proposed Solution and the other terms in this Agreement.

21. No Admission of Liability. This Agreement represents the culmination of extensive settlement negotiations, which were an effort to resolve even more extensive disputes between and involving the Parties. If any aspect of the Parties' negotiations, or the result of those negotiations, could be used against the Parties in any public, administrative or judicial proceeding, the Parties would not likely execute this Agreement. Therefore, the Parties agree that neither the contents nor the terms of this Agreement, nor the contents of their negotiations leading up to this Agreement, may be used in any public, administrative or judicial proceeding, except for a proceeding which involves or relates to the enforcement, interpretation, or otherwise relevant description of the specific terms of this Agreement.

22. Venue. The Parties agree that the only allowed venue for judicial resolution of any dispute about this Agreement is the Circuit Court of Hood River County.

23. Enforcement. The Parties hereby expressly agree and acknowledge that the rights, duties and obligations imposed by this Agreement may be specifically enforced by Court order, there being no reasonable method for ascertaining the monetary damages that might be suffered by one or more of the Parties, if another party breaches any provision of this Agreement. The Parties agree that the covenants and obligations in this Agreement are part of a series of covenants and obligations. If in any judicial proceeding a court refuses to enforce all of the separate covenants included in this Agreement, any unenforceable covenant will be deemed

FINAL SETTLEMENT AGREEMENT

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eliminated from the provisions of this Agreement for the purposes of such proceeding to the extent necessary to allow the remaining covenants and obligations to be enforced in such proceeding.

24. Authorization. Meadows, HRVRC, McCarthy and HRC have taken all the necessary action to authorize the execution, delivery and performance of this Agreement. HRVRC, Meadows, McCarthy and HRC have full power and authority to enter into this Agreement and carry out the terms hereof, and this Agreement is a valid and binding obligation enforceable in accordance with its terms.

25. Successors. The Parties agree that this Agreement is intended to bind their respective successors, assigns, executors, and/or administrators, to the extent that any such successor, assign, executor, or administrator owns or otherwise controls a controlling interest in any of the named entities, or owns all or substantially all of the assets of any of the named entities, whether that ownership interest in the entities or assets was acquired or obtained by merger, acquisition, gift, inheritance, or other transfer.

FINAL SETTLEMENT AGREEMENT

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26. Integration Clause. The Parties agree that this Agreement and their Mediation Agreement constitute the entire written understanding of their respective obligations. This Agreement modifies the Mediation Agreement, which the Parties agree is no longer confidential, and to the extent that the Mediation Agreement is inconsistent with this Agreement, this Agreement shall control. No prior oral or written communications, other than those in the Mediation Agreement, whether electronic or otherwise recorded, shall be considered to be part of this Agreement. This Agreement may only be modified in writing by mutual agreement of the Parties hereto.

It is so agreed.

<p>Board of Commissioners of Hood River County</p> <p>By: <u>[Signature]</u></p> <p>Its: <u>[Signature]</u></p>	<p>Mt. Hood Meadows Oregon, Limited Partnership</p> <p>By: Mt. Hood Meadows Development Corp.</p> <p>By: <u>[Signature]</u></p> <p>Its: <u>PRES</u></p>
<p>Hood River Valley Residents Committee</p> <p>By: <u>[Signature]</u></p> <p>Its: <u>PRESIDENT</u></p>	<p>Mt. Hood Meadows Development Corp.</p> <p>By: <u>[Signature]</u></p> <p>Its: <u>PRES</u></p>
<p><u>[Signature]</u></p> <p>Michael McCarthy</p>	<p>Meadows North LLC</p> <p>By: Mt. Hood Meadows Development Corp.</p> <p>Its: Managing Member</p> <p>By: <u>[Signature]</u></p> <p>Its: <u>PRES</u></p>
<p><u>[Signature]</u></p> <p>Franklin Drake</p>	<p>North Face Inn LLC</p> <p>By: Mt. Hood Meadows Development Corp.</p> <p>Its: Managing Member</p> <p>By: <u>[Signature]</u></p> <p>Its: <u>PRES</u></p>
<p><u>[Signature]</u></p> <p>David Riley</p>	<p>Meadows Utilities, LLC</p> <p>By: Mt. Hood Meadows Development Corp.</p> <p>Its: Managing Member</p> <p>By: <u>[Signature]</u></p> <p>Its: <u>PRES</u></p>
<p><u>[Signature]</u></p> <p>Matthew Drake</p>	

First Amendment to Settlement Agreement

This First Amendment to the Settlement Agreement between Hood River Valley Residents Committee ("HRVRC"), Michael McCarthy ("McCarthy"), Mt. Hood Meadows Oreg., Limited Partnership, Mt. Hood Meadows Development Corp., Meadows North LLC, Meadows Utilities LLC, and North Face Inn LLC (all described herein collectively as "Meadows"), and Hood River County ("HRC") (collectively "the Parties"), is entered into this 16th day of May, 2006 to memorialize changes and specifications agreed to by these parties since the execution of their original Settlement Agreement - effective July 5, 2005, in order to effectuate the purpose and intent of these parties. Except as specifically modified in this First Amendment, all of the provisions of the July 5, 2005 Settlement Agreement shall remain in full force and effect.

1. Valuation of Traded Property. For the purposes of Closing the transaction, the Parties agree to request the Oregon Congressional Delegation to prepare and pass federal legislation (the "Mt. Hood Legislation") which shall fix the values of the properties and interests to be traded and donated, which values shall be based on the appraisals performed by Steve A. Hall, MAI, CCIM, Oregon State Certified General Appraiser, which appraisals were prepared in compliance with Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions 2000 (UASFLA 2000), which have been reviewed and are hereby approved by the Parties.

The appraisals are described as:

- i. Complete Appraisal Self-Contained Report Cooper Spur Properties Located in Hood River County, Oregon for Mt. Hood Meadows Oreg., Limited Partnership Consisting of 1.) Cooper Spur Ski Area, 2.) Cooper Spur Inn (Dan Dillard Property) and 3.) Hood River County Exchange Property (HRCEP). Date of Valuation: April 20, 2005. Date of Report September 26, 2005. Total appraised value of \$5,535,000.
 - ii. Complete Appraisal Self-Contained Report on Government Camp Property Located in North Fringe Government Camp Clackamas County, Oregon for Mt. Hood Meadows Ski Resort Consisting of the 40-acre parcel and the 80-acre parcel. Date of Valuation: March 16, 2005. Date of Report: September 12, 2005. Total appraised value of \$3,810,000.
2. Property to Meadows. Consistent with the Settlement Agreement previously entered into between the Parties and in accordance with its terms, the Parties agree that Meadows shall trade all of its holding on the North side of Mt. Hood, except for the Dog River Property, to the Forest Service and in exchange Meadows shall

receive 120 acres of public land located in Government Camp, comprised of two parcels that had been originally identified by the Parties – one 40-acre parcel and one 80-acre parcel.

3. **Meadows Donation to the Trade.** In order to equalize the values of the properties being traded, Meadows shall donate property to the U.S. Forest Service. The difference in monetary valuation between all properties Meadows receives from the Forest Service in Government Camp versus all properties conveyed to the Forest Service by Meadows on the North side of Mt. Hood will be donated to the U.S. Forest Service in the form of property and holdings contained in the appraisal referenced in Section 1(i). The actual monetary value of the donation is \$1,725,000 which is based on the appraised values as stated in Section 1. For the purposes of federal taxation with respect to the donated amount of property, the Legislation shall specify that Meadows shall be eligible for a tax deduction in the amount of the fair market value of the property and holdings that Meadows contributes and with respect to the traded portion of the property, Meadows shall be eligible for a like kind exchange for the property that Meadows trades to the Forest Service.
4. **Timing and Closing of the Land Trade.** The Mt. Hood Legislation shall require the U.S. Forest Service to complete all required legal and regulatory processes and complete the Closing of the Land Trade within eight (8) months after the legislation is signed into law. The Mt. Hood Legislation shall specifically acknowledge that the Land Trade being proposed by the parties is the culmination of years of work by local residents, citizens and businesses from throughout Oregon and Washington states that was designed to protect the north side of Mt. Hood. The Mt. Hood Legislation shall acknowledge that numerous public hearings have been held where broad public support has been voiced for the protection of the North side of Mt. Hood and the consummation of the Land Trade. Because of this broad public support, the broad public airing that fostered dialogue regarding the proposal, and the process agreed to by the Parties, together with open and public hearings held by Congressman Greg Walden and Congressmen Earl Blumenauer of the Oregon Congressional delegation, the Mt. Hood Legislation shall specify that the Land Trade as described herein and in the July 5, 2005 Settlement Agreement is in the “best public interest for the purpose of complying with all federal laws and rules that apply to implementing the Closing and Land Trade.”
5. **U.S. Forest Service’s Sale of Real Property and Improvements at Cooper Spur.** The Mt. Hood Legislation shall specify that the U.S.

Forest Service is authorized to lease or sell the ongoing concern that is the Inn at Cooper Spur and the Cooper Spur Ski Area, in their reconfigured footprints, including all fixed assets and improvements, but shall be prohibited from selling the land underlying the Inn at Cooper Spur, the Cooper Spur Ski Area and any other land that Meadows is trading to the Forest Service as part of the Land Trade Closing or that is being protected on the north side of Mt. Hood as part of this settlement agreement. The Mt. Hood Legislation shall specify that any sale or lease of the ongoing concern, fixed assets and improvements shall be to a person other than Meadows as per the Settlement Agreement. The sale or lease of the ongoing concern shall be within the footprints specified on Exhibit A - Map. The funds received from this subsequent transaction shall be retained on the Mt. Hood National Forest, and priority shall be given to the Mt. Hood Ranger District for proposal to use these funds for restoration projects on the North side of Mt. Hood. The Mt. Hood Legislation shall specify that the U.S. Forest Service shall retain ownership and management of the underlying land received from Meadows in the Land Trade and that the U.S. Forest Service shall not sell, trade or otherwise transfer ownership of the land underlying or adjacent to the Inn at Cooper Spur and the Cooper Spur Ski Area.

6. Post Closing Transition Plan. The Parties recognize the community's desire for a smooth transition of the operation of the Inn at Cooper Spur and the Cooper Spur Ski Area within their reconfigured size and scope. Beginning after passage of the Mt. Hood Legislation, the Meadows companies and the Hood River Valley Residents Committee shall work collaboratively with the Cooper Spur Wild and Free Coalition member groups and the U.S. Forest Service to prepare for the orderly and smooth transition of the operation of the Inn at Cooper Spur and the Cooper Spur Ski Area to one or more concessionaires within the boundaries of the Settlement Agreement vision. The Mt. Hood Legislation shall specify that Concessionaires shall be able to bid competitively for the right to operate either the Inn at Cooper Spur or the Cooper Spur Ski Area (or both together) in an open process that considers all values, not just the highest dollar value. The assets, lease, and going concern interests, which interests have been appraised by Steve Hall, MAI as referenced in Section 1, shall be transferred to the U.S. Forest Service after the passage of the Land Trade Legislation only upon implementation of the trade through the "Closing" of the transaction by the U.S. Forest Service and Meadows. The Mt. Hood Legislation shall specify that if the U.S. Forest Service desires to have Meadows continue to operate the going concern business after the Closing to facilitate an orderly

transition then a short-term Special Use Permit may be issued by the U.S. Forest Service to Meadows for a period not-to-exceed one (1) year under terms similar to the existing Cooper Spur Ski Area Special Use Permit, even if new concessionaire(s) have not been secured within one (1) year after the closing. The Mt. Hood Legislation shall direct the Forest Service to immediately prepare and circulate a proposed prospectus within two months following the passage of the Mt. Hood Legislation in order to solicit new concessionaire(s). The Legislation and the short-term lease to Meadows shall specify that the Forest Service may transfer the concession to one or more concessionaires at any time after the Closing. The Mt. Hood Legislation shall direct the Forest Service to select the new concessionaire(s) and establish a turn-over date for the transfer of the operation of the two facilities as soon as possible after the closing. The liabilities and assets will be prorated to the turnover date in accordance with normal real estate closing procedures. The Parties recognize that from an operational point-of-view the least disruptive and most logical time to implement the turn-over date to the new concessionaire(s) is May 1st of any given year and will strive to time the turn-over on that date.

7. Dog River Property Resolution. This First Amended Settlement Agreement alters the Parties July 5, 2005 agreement regarding the Dog River property. Upon the execution of this First Amendment to Settlement Agreement, Meadows shall apply for a lot of record home site permit and a roadway/utility easement from Hood River County to develop one home site (the "Applications") on the 73.19 acre ("Dog River") property that is just south of the upper edge of the farming valley in the Upper Hood River Valley and currently owned by Meadows Oreg. Ltd., an Oregon partnership. HRVRC agrees not to oppose the Applications, and in exchange for that good and valuable consideration and other consideration Meadows agree to provide the HRVRC with a non-revocable option for the Dog River property that will protect the property through the conservation approach as outlined herein. Specifically, Meadows provides the HRVRC a non-revocable option that is assignable to any person that HRVRC selects as set forth in the Option Agreement attached hereto as Exhibit B (the "Option"). The Option shall allow for HRVRC, or its assignee, to purchase the property for up to one year after a favorable decision (if granted) by HRC on the lot of record and roadway/utility easement applications or if an unfavorable decision is rendered by HRC on the lot of record and/or roadway/utility easement, the option to purchase the Dog River property within one year after the Land Trade Closing occurs. This option entitles HRVRC to find a

suitable conservation buyer(s) selected by HRVRC in its sole discretion for up to one year after the favorable decision by HRC approving the lot of record application and roadway/utility easement or after the Land Trade Closing in the event of an unfavorable decision on the Applications. The Option Agreement shall provide that the HRVRC or its assignee (conservation buyer) and Meadows shall jointly select an appraiser to value the Dog River property and the identified buyer has the first right to purchase the property at the appraised value. The buyer shall be required to pay for the appraisal. If the identified conservation buyer decides not to buy the Dog River property, the HRVRC shall be allowed to find an alternative buyer within the original one-year time frame. In case the appraisal is delayed, the HRVRC shall have up to nine (9) months after the completion of the appraisal to find a buyer if the identified buyer did not purchase the Dog River property. If no buyer purchases the property within the time frames provided to HRVRC, the parties agree that Meadows can then place the Dog River property and its associated building permits and roadway/utility easements, if any, on the open market for sale except that the property shall be restricted as provided in the Settlement Agreement between the parties prior or concurrently with its sale. In the event that the lot of record and/or roadway/utility easement are not granted, the Closing occurs but a buyer is not located within the time frames above and Meadows retains ownership of the Dog River property, Meadows shall restrict the use of the Dog River property in a manner consistent with the July 5, 2005 Settlement Agreement and as approved jointly by the Hood River Valley Residents Committee and Meadows if the Land Exchange is Closed.

8. Government Camp Development Non-Opposition. The HRVRC requested the Cooper Spur Wild and Free Coalition member groups and the Coalition as an entity to voice their support for the proposed solution at the congressional hearing on December 3, 2005 and thereafter as part of a comprehensive package to protect the North side of Mt. Hood. HRVRC has also requested and will continue to request these groups to provide non-opposition to Meadows development plans for the 120 acres the parties are proposing that Meadows will receive in exchange in Government Camp provided Meadows plans for that property stay within the parameters of the Government Camp Revitalization Plan and the Clackamas County Comprehensive Land Use Plan and Zoning Ordinances (any of which may be amended in the future), including the maintenance and/or appropriate relocation of existing ski trails and protection of wetlands that run through the property and other features that have been identified on the Government

Camp Revitalization Plan. HRVRC makes no warranty or promise that it is able to secure the non-opposition of the members of the Cooper Spur Wild & Free Coalition to Meadows plans in Government Camp.

9. Crystal Springs Watershed Protection Zone. The HRVRC has worked to put forward legislative language in in Exhibit C that outlines how the Crystal Springs Watershed Protection Zone shall be congressionally withdrawn and managed after closing of the Land Trade for the purposes identified therein. The parties agree and request Congress to make this language part of the legislation contingent upon and effective only upon the Closing of the Land Trade, rather than effective at the time the legislation becomes signed into law. The legislation shall reflect the years of community supported dialogue on the issue of watershed protection and any clarifications shall continue to be authorized by the Hood River Valley Residents Committee. If for any reason the Closing of the Land Exchange does not occur, the requirements outlined in Exhibit C shall become null and void.

Board of Commissioners of Hood River County

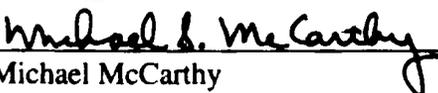
By: 

Its: Chair

Hood River Valley Residents Committee

By: 
Scott Franke

Its: President


Michael McCarthy

Mt. Hood Meadows Oregon, Limited Partnership

By: Mt. Hood Meadows Development Corp.

By: 

Its: PPS

Mt. Hood Meadows Development Corp.

By:  _____

Its: P.R.S. _____

Meadows North LLC

By: Mt. Hood Meadows Development Corp.

Its: Managing Member

By:  _____

Its: P.R.S. _____

North Face LLC

By: Mt. Hood Meadows Development Corp.

Its: Managing Member

By:  _____

Its: P.R.S. _____

Meadows Utilities, LLC

By: Mt. Hood Meadows Development Corp.

Its: Managing Member

By:  _____

Its: P.R.S. _____

PUBLIC COMMENTS
RECEIVED AFTER MAY 18, 2020



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March 26, 2020

Eric Walker, *Community Development Director*
Hood River County
601 State Street
Hood River, Oregon 97031

RE: Proposed Forestland Lease/Easement between Hood River County and Crystal Springs Water District

Mr. Walker:

I write on behalf of the Port of Hood River Commissioners to convey their support for the proposed forestland lease and easement between Hood River County and Crystal Springs Water District on TL 200 in T1S, R10E, Section 20 and TL 400 in T1S, R10E Section 21.

The planned use of the property, including for a reservoir, waterline and access road, will enhance reservoir storage and help maintain critical flows in CSWG's domestic water supply system.

The Port Commission recommends your approval of the lease and easement.

Sincerely,

Michael S. McElwee
Executive Director
Port of Hood River

cc: Port of Hood River Commissioners

HOOD RIVER COUNTY BOARD OF COMMISSIONERS AGENDA REQUEST FORM

DATE: June 1, 2020 **DEPARTMENT:** Planning **NAME:** Keith Cleveland

SUBJECT: Request for TWO public hearings regarding Appeal #20-0045 of the Planning Commission's Final Order for Appeal #19-0266.

AUTHORITY: *ORS:* _____ *OAR:* _____

COUNTY ORD.: HRCZO Article 61

BACKGROUND/SUMMARY OF SUBJECT:

On May 18, 2020 this hearing was continued to this evening in hopes that the Commissioners would be holding an in person meeting. Since that is not yet possible, the applicant is requesting the hearings again be continued this time to July 20, 2020.

On November 12, 2019, Paul Jones filed an appeal of of the County Planning Director's decision to deny his Forest Template Dwelling request. On January 8, 2020, the Planning Commission unanimously denied the appeal. On February 3, 2020, Paul Jones filed an appeal of Planning Commission's Final Order for Appeal #19-0266.

As part of the filed appeal, the appellant requested to either submit additional evidence, or to hold a de novo hearing. Therefore; staff is requesting that the Board of Commissioners hold two hearings. The first hearing will consider the appellant's request for the submission of additional evidence or a de novo hearing, then, based on the outcome of the first hearing, ~~the second hearing will consider the merits of the Planning Commission's decision.~~

FISCAL IMPACT- *Budget Line Item:* _____ *Acct Bal \$* _____

Est. Hrs. Spent to Date: _____ *Est. Completion Date:* _____

Comments:

Fiscal impacts associated with this application are limited to staff time.

ACKNOWLEDGEMENT BY AFFECTED PARTIES:

COUNTY COUNSEL *FINANCE* *OTHER AGENCIES* *ADMIN*

HR DEPT *APPROPRIATE COUNTY COMMITTEE* *OTHER*

RECOMMENDATION OF THE DEPARTMENT:

It is recommended that the Board of County Commissioners 1) deny the request for the submission of additional evidence or a de novo hearing, and 2) deny Appeal #20-0045 and uphold the Planning Commission's decision, dated January 21, 2020, to dismiss Appeal #19-0266 filed by Paul Jones.

ADMINISTRATION RECOMMENDATION:

Open the Paul Jones appeal hearings and continue both hearings to July 20, 2020 at 6:00pm or soon thereafter at the request of the appellant.

FOLLOW UP: ORD/RESO/AGMT/ORDER, ETC: ORIGINALS TO R&A

COPIES TO: County Planning

From: [Bill Sumerfield](#)
To: [Eric Walker](#)
Cc: [Keith Cleveland](#); [Paul Jones](#); [Heidi DeHart](#)
Subject: RE: Testimony for Appeal Hearing 20-0045 JONES
Date: Thursday, May 14, 2020 11:29:17 AM

Eric,

Paul and I would prefer to continue this matter until we can have an in-person hearing. We appreciate the County's efforts to move the appeal forward via the proposed virtual meeting, but we have too many concerns about the potential impact the limitations inherent in the process will have on the hearing to be comfortable going forward at this time.

Please extend our apologies to the Commissioners for any inconvenience the rescheduling may cause them, but there are important issues at stake and we believe a full and complete in-person hearing, with normal procedures in effect, is essential. We are willing to wait for that to be scheduled in due course.

Bill

William H. Sumerfield

PO Box 758

718 State Street

Hood River, OR 97031

bill@phillipsreynier.com

(541) 386-4264 Ext 0103 (Main)

(541) 436-0674 (Direct)

PHILLIPS REYNIER SUMERFIELD & CLINE, LLP is committed to supporting our clients, employees, and our community. In response to government and health authority orders and recommendations to slow the spread of COVID-19, we are at times working remotely and also enforcing safety precautions and social distancing at our office. We are functioning and operational, subject to the litigation limitations imposed by the court systems, and we remain available to support your legal needs and inquires by telephone, video conferencing, or email. In-person meetings are limited to essential services and will be structured to maximize the health and safety of all participants. Many of you are used to dropping by without appointments, but we ask that you call and confirm protocols before coming in with documents or questions.

We appreciate the opportunity to be of service and wish you well during this trying time.

From: Eric Walker <eric.walker@co.hood-river.or.us>
Sent: Thursday, May 14, 2020 9:32 AM
To: Bill Sumerfield <bill@phillipsreynier.com>
Cc: Keith Cleveland <keith.cleveland@co.hood-river.or.us>; Paul Jones <wyeastforestry@yahoo.com>; Heidi DeHart <heidi.dehart@co.hood-river.or.us>
Subject: RE: Testimony for Appeal Hearing 20-0045 JONES



Hood River County Community Development

Planning, Building Codes, Code Compliance, Economic Development & GIS

601 State Street, Hood River OR 97031

ERIC WALKER, DIRECTOR
(541) 387-6840 • plan.dept@co.hood-river.or.us

May 22, 2020

Columbia River Gorge Commission
c/o Robert Liberty, Chair
P.O. Box 730
White Salmon, WA 98672

RE: Gorge 2020 – Urban Area Boundary Revisions

Dear Mr. Chair and Commissioners:

I appreciate the Commission providing Gorge counties and the public additional time to submit written comments related to the Urban Area (UA) Boundary Revisions' section of the Management Plan discussed during your May 12, 2020 work session. Taking additional time to consider comments related to this important issue can only lead to a better final product.

Early in the process, Hood River County provided written comments recommending revisions to Chapter 1 of the Management Plan related to revising UA boundaries. The County requested that the criteria be revised to not only provide clear and objective policy, but also include flexibility realizing that all thirteen UAs in the Gorge are unique and have specific community needs. For the reasons stated below, Hood River County staff finds that some of the proposed policy language will not achieve the level of clarity and flexibility that Hood River County was recommending. In fact, in several instances the new language appears to create even more uncertainty and less flexibility than what already exists in the Management Plan.

Proposed Policy 1:

This Policy eliminates any reasonable obligation for the Gorge Commission to consider requests to revise UA boundaries. The purpose of Policy 1 is unclear, especially when considering Policies 4 and 5, which require adequate Gorge Commission funding prior to an UA revision being sought. If funding is insufficient, the Gorge Commission, under Policy 5, is able to “communicate” its inability to consider the county’s request. Setting a policy that gives the Gorge Commission unilateral authority to refuse an UA boundary revision for any reason and without just cause eliminates due process and the perception of fairness.

Proposed Policies 4 and 5:

Hood River County staff generally supports the written comments submitted by Wasco County Chair, Scott Hege, as part of his May 12, 2020 letter related to Policies 4 and 5. Tying UA boundary revisions to the Gorge Commission’s budget creates an arbitrary standard that will likely result in inaction given historic budget constraints. The Gorge Commission should consider other alternatives, such as charging a reasonable fee or limiting the number of revision requests it accepts per year. Indefinite delays due to insufficient funding could result in a de facto moratorium on such requests.

Proposed Policy 8:

As stated, Hood River County supports language that is clear, but also provides opportunities for flexibility. County staff supports providing a “safe harbor” for conducting minor tweaks of its boundaries as suggested under Policy 8(A), but also feel that additional language is needed under Policy 8(B) to support UA revisions that fall outside the confines of the safe harbor criteria. Additional options to consider the unique characteristics and needs of the community involved are important to include under Policy 8(B). For instance, there is a 50-acre tract located in the Hood River County that is surrounded by the Hood River UA on two sides that was specifically zoned Rural Residential – 10-acre minimum (G-RR-10) in order to preserve it as a potential “urban reserve” area. The area is situated within one of the few “developed” landscape settings found in the NSA. Instead of zoning the tract as G-RR-2, like other surrounding NSA properties, the

County and Gorge Commission agreed to designate the tract with a larger minimum lot size in order to preserve its potential to be developed at an urban density sometime in the future when the city of Hood River outgrows its current boundary. Such unique situations necessitate a certain level of flexibility that the proposed language does not seem to provide.

If the Commission chooses to move forward with the proposed language, it is suggested that Policy 8(A)(i) be modified to allow Gorge communities to transfer acreage between UA boundaries, as suggested by Commissioner Nichols during your May 12, 2020 work session. If a no net change in total UA acreage is desired, then allowing one Gorge community to acquire acreage from another to address its needs, should be allowed for consideration. Hood River County staff sees this option as a viable way of addressing the concern of losing NSA acreage through the minor boundary revision process, while providing the flexibility needed to ensure reasonable accommodations for strategic growth.

Proposed Policy 10(B):

Hood River County staff opposes Policy 10(B) as it makes UA boundary revisions for those communities located near one of the Columbia River bridge crossings contingent upon the availability of land on the other side of the river. As I am sure the Gorge Commission is keenly aware, UA boundaries on the Oregon side of the NSA were initially set to match their urban growth boundaries, which were previously established based on Oregon's rigorous statewide planning system. Since Washington communities were not bound by similar state requirements, they had more flexibility in determining their boundaries. Most Washington communities wisely chose to create large boundaries to ensure adequate area for future growth. To now mandate that Oregon communities must consider the availability of ample UA land in Washington before being allowed to revise their own boundaries is excessive, impracticable, and an easy way to arbitrarily preclude boundary revisions from occurring on the Oregon side.

Proposed Policies 11 and 13:

Hood River County staff opposes any conditions that would require land annexed into an UA to continue to be subject to NSA guidelines. It appears that such a requirement would conflict with Oregon Revised Statute (ORS) 196.109.

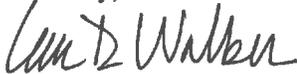
Proposed Policy 14:

It is reasonable to set policy that would direct development to areas unused, generally unsuitable, and/or not designated for farm, forest, or open space. However, the Commission should adopt language that seeks to "minimize the reduction" of such lands instead of allowing "no reduction," unless the Commission first completes an inventory of viable farm, forest, and open space lands adjacent to existing UAs to ensure that an appropriate amount of usable lands exists for such boundary revisions. The Gorge Commission could use the process to establish "urban reserve areas" for each UA to ensure viable growth opportunities.

Given the significant and long-term ramifications of the proposed UA revision policies on the future growth and economic viability of Gorge communities, further modifications are needed to ensure additional clarity in process and more flexibility in how these important rules are applied. In their current form, the proposed policies seem to provide an unattainable path for Gorge communities to successfully navigate. Without significantly reworking current proposed policies, Gorge communities may be better served by leaving existing policies unchanged.

Thank you again for your time and consideration.

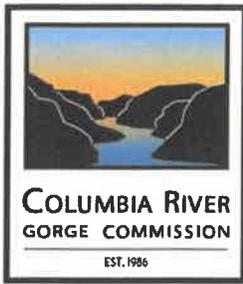
Sincerely,



Eric Walker, Director

Hood River County Community Development

cc: Bridget Bailey, Hood River County Appointee, Gorge Commission (*via email*)
Krystyna Wolniakowski, Executive Director, Gorge Commission (*via email*)
Mike Oates, Chairman, Hood River County Board of Commissioners (*via email*)
Jeff Hecksel, Administrator, Hood River County (*via email*)



TO: Columbia River Gorge Commission
FROM: Jeff Litwak, Counsel
Aiden Forsi, Land Use Planner
DATE: May 12, 2020
SUBJECT: **Work Session*** - Gorge 2020 Urban Area Boundary Chapter Edits

Action Requested

Staff is requesting that the Commission endorse proposed revisions for public review or modify the revisions to reflect its preference. Endorsed revisions will be included in the public comment draft and may be revised before they are presented to the Commission for adoption in August.

Staff recommends the Commission first complete its discussion about a policy point described below and then, after resolving that, discuss the overall proposed policy language.

Background

In 2018 and 2019, at the direction of the Commission, staff held a series of staff-led discussions with the goal of developing as much of a consensus on urban area boundary revision policy as possible. For summaries of the meeting materials, including meeting summaries, see <http://www.gorgecommission.org/management-plan/gorge2020/>. In November 2019, the Gorge Commission changed its approach and began Commission conversations on urban area boundary revision policy. The Commission discussed this topic at its November 2019, January 2020 and February 2020 meetings, providing high-level guidance for staff to use when drafting new policy as part of Gorge 2020.

Proposed Revisions and Request for Commission Endorsement

Attached to this report are the proposed revisions to the "Revision of Urban Area Boundaries" section of Part IV, Chapter 1 of the Management Plan. These revisions completely replace the existing language in that section of the Management Plan. The replacement text addresses the guidance from the Commission's discussions incorporating the points of consensus. The Commission touched on elements of each of the four criteria in section 4(f) of the National Scenic Area Act. Staff intends to use this framework to develop administrative rules with additional procedure and possibly substantive standards after the conclusion of Plan Review.

There is one item in proposed policy 8 (highlighted in blue text in the draft) that the Commission began discussion about, but did not complete its discussion—whether a revision that involves transferring Urban Area acreage between two Urban Areas, provided that the transfer results in no net loss of the total National Scenic Area-wide acreage in the General Management Area, should generally be considered “minor” pursuant to section 4(f) in the National Scenic Area Act.

One additional note. This draft only includes proposed revisions to the Urban Area Boundary policies. Staff is working on proposed clarifications and updates to other sections in the overall Gorge Commission Role chapter where the Urban Area Boundary policies are located. Those changes are not shown in this draft.

CHAPTER
1

Gorge Commission Role

Congress assigned to the Gorge Commission a number of duties to implement the Scenic Area Act. These include ensuring compliance with the Management Plan, revising the

Management Plan when needed, changing Urban Area boundaries, and hearing appeals of county decisions. The policies in this chapter define the manner in which these duties will be discharged.

AMENDMENT OF THE MANAGEMENT PLAN

Congress gave the Gorge Commission the authority to amend the Management Plan, after adoption, if it determines that conditions within the Scenic Area have changed significantly.

Policies

1. The Gorge Commission may amend the Management Plan, upon application by any person or upon its own motion, if it determines that conditions within the Scenic Area have changed significantly since adoption of the Management Plan. Plan amendments must be consistent with the Scenic Area Act and other provisions of the plan.
 2. The Gorge Commission shall consider a proposal to amend the Management Plan at a hearing held for that purpose only after consultation with the Forest Service, the Indian tribes, and the appropriate county or counties.
 3. The Gorge Commission shall consider a plan amendment upon a final judicial determination that a taking of private property has occurred as a result of application of the Management Plan. The judicial determination shall be deemed a significant change in conditions under Section 6(h) of the Scenic Area Act.
 4. The Gorge Commission shall submit amendments of the Management Plan to the Secretary of Agriculture in accordance with Section 6(h) of the Scenic Area Act.
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REVISION OF THE MANAGEMENT PLAN

Congress directed the Gorge Commission to review the Management Plan at least every 10 years to determine whether it should be revised.

Policies

1. The Gorge Commission shall review the Management Plan in accordance with the Scenic Area Act.
2. As part of its review, the Gorge Commission shall consult the Indian tribes, the states of Oregon and Washington, and the counties during the review to solicit their views on whether the Management Plan should be revised and how it should be revised.
3. As part of its review, the Gorge Commission shall hold one or more public hearings to solicit the views of the public as to whether and how the Management Plan should be revised.
4. The Gorge Commission shall collaborate with the USDA Forest Service to determine whether revisions should be made to the Management Plan.
5. If the Gorge Commission revises the Management Plan during its review, it shall submit the revised Management Plan to the Secretary of Agriculture in accordance with Section 6(g) of the Scenic Area Act.

MONITORING IMPLEMENTATION OF THE MANAGEMENT PLAN

Once the Gorge Commission has adopted the Management Plan and the counties have put ordinances in place to give it effect, Congress and the people of the Gorge and the nation are entitled to know whether the Management Plan is working. The Gorge Commission shares responsibility with the Forest Service to monitor and evaluate the implementation of the Management Plan.

Congress expressly directed the Gorge Commission to monitor implementation of the Management Plan by the counties:

The Commission shall monitor activities of counties pursuant to this Act and shall take such actions as it determines are necessary to ensure compliance [Section 15(a)(1)].

It is not just the counties, however, that have implementation duties under the Scenic Area Act and the Management Plan. The Forest Service, other federal agencies, state

agencies, local governments, and the Gorge Commission itself all have responsibilities after the Management Plan is adopted. Activities by counties and these agencies will, to a large extent, determine the success or failure of the Scenic Area Act.

The Gorge Commission, in cooperation with the Forest Service, the counties, the Indian tribes, local governments, and state and federal agencies, must establish and carry out a program of monitoring and evaluating the implementation of the Management Plan.

Policies

1. The Gorge Commission shall work with the Forest Service, the counties, the Indian tribes, local governments, and state and federal agencies to establish a program for monitoring and evaluating the implementation of the Management Plan and the Scenic Area Act.
2. The Gorge Commission shall design its monitoring and evaluation program to accomplish the following purposes:
 - A. Determine whether the Management Plan is protecting the scenic, cultural, natural, and recreation resources of the Scenic Area.
 - B. Determine whether the Management Plan supports and protects the economy of the Columbia River Gorge area.
 - C. Determine whether the counties are properly implementing the Management Plan.
 - D. Evaluate the Management Plan for possible revisions at the time of periodic review of the Management Plan as required by the Scenic Area Act.
 - E. Determine whether the enhancement measures and programs called for in the Management Plan have in fact enhanced the scenic, cultural, natural, and recreation resources of the Scenic Area.
 - F. Ensure compliance with orders issued by the Gorge Commission in development reviews and enforcement proceedings.
3. As part of its monitoring and evaluation program, the Gorge Commission shall evaluate county development review decisions. In consultation with the counties, the Gorge Commission shall develop a method to record and evaluate the decisions. The Gorge Commission shall first discuss the results of its evaluation with each county.
4. The Gorge Commission shall monitor land use appeals taken to county elected officials in which the appellant asserts a taking claim based upon a requirement in the Management Plan. Upon request by a county, the Gorge Commission shall extend appropriate assistance to the county.

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5. The Executive Director of the Gorge Commission or her designee may appeal a county land use decision or participate in an appeal of a county land use decision filed by another party. In such an appeal, the Executive Director does not represent the position or stated direction of the Columbia River Gorge Commission. The appeal shall be pursuant to the county's appeal process and the county's final decision may be appealed to the Gorge Commission at the conclusion of the county's appeal process.
6. In cooperation with the Forest Service, the Gorge Commission shall keep current and work to improve the database in the inventories that form the basis of the Management Plan.
7. The Gorge Commission shall work with Gorge counties and the States of Washington and Oregon to identify and reconcile differences in direction to county governments from the Scenic Area Act, the Bi-State Compact, the Management Plan, and other state statutes.

CIVIL PENALTIES

Congress authorized the Gorge Commission to assess a civil penalty in order to prevent violations of the Management Plan, a county ordinance, or any Gorge Commission order or implementation measure.

Policies

1. The Gorge Commission shall adopt rules to implement the requirements of the Scenic Area Act related to enforcement after consultation with the Secretary, the counties, and the Indian tribes and only after publichearings.

APPEALS TO THE GORGE COMMISSION

Congress authorized persons and entities to appeal decisions relating to the implementation of the Scenic Area Act.

Policies

1. The Gorge Commission shall adopt rules to implement the appeals provisions in the Scenic Area Act after consultation with the Secretary, the counties, and the Indian tribes and only after publichearings.
2. The Gorge Commission shall hear appeals of final enforcement actions relating to implementation of the Management Plan.

REVISION OF URBAN AREA BOUNDARIES

~~Congress designated 13 cities and towns as "Urban Areas": Cascade Locks, Hood River, Mosier, and The Dalles, Oregon; and Bingen, Carson, Dallesport, Home Valley, Lyle, North Bonneville, Stevenson, White Salmon, and Wishram, Washington. Urban Areas are exempt from regulation under the Management Plan. Congress established the boundaries of the Urban Areas when it enacted the Scenic Area Act. However, it authorized the Gorge Commission to make minor revisions to the Urban Area boundaries. Congress also set forth in the Scenic Area Act a process and criteria for use by the Gorge Commission in carrying out the revision process. The following policies govern the revision of Urban Area boundaries. The National Scenic Area Act authorizes the Gorge Commission to make minor revisions to the boundaries of any Urban Area, subject to the criteria and procedural requirements in section 4(f) of the Act. In doing so, the Act enables the Gorge Commission to protect and enhance for the scenic, natural, cultural, and recreation resources; agricultural land, forest land, and open space of the Columbia River Gorge, while supporting and serving the needs of the thirteen Urban Areas. The following policies describe principles for how the Commission interprets and will apply the criteria in section 4(f) of the Act.~~

Policies

1. The National Scenic Area Act does not require the Gorge Commission to consider requests to revise Urban Area boundaries. The Act does not entitle a county or any person or entity to have the Gorge Commission consider a request to revise an Urban Area boundary.

2. The legal descriptions in Commission Rule 350-10 are the Urban Area boundaries and acreage calculations that counties must use in applications to revise Urban Area boundaries.

3. The Gorge Commission can only approve applications to revise a boundary of an Urban Area adjacent to the General Management Area. Revisions to a boundary between an Urban Area and a Special Management Area, require Forest Service coordination, consultation and approval under section 4(c) of the Act in addition to Gorge Commission approval under section 4(f)(2)(A)-(D).

4. Counties shall inform the Gorge Commission of their intent to seek an Urban Area boundary revision in time for the Gorge Commission to seek sufficient funding in its biennial budget for reviewing the boundary revision application.

5. At the beginning of each biennial budget, the Gorge Commission will determine whether its funding is sufficient to allow it to analyze one or more Urban Area boundary adjustment applications during that biennium and communicate its determination to the counties.

6. The Gorge Commission will only consider applications to revise Urban Area boundaries in conjunction with state-required periodic plan updates or other times expressly specified in state law for revising urban growth or urban area

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boundaries.

7. The Gorge Commission will consult with Oregon's Department of Land Conservation and Development and Washington's Department of Commerce Growth Management Services to determine an appropriate process to meet the Gorge Commission's standards as well as state standards.

 8. The Gorge Commission will determine whether a proposed Urban Area boundary revision is minor pursuant to section 4(f) of the National Scenic Area Act on a case-by-case basis.
 - A. Generally, a revision to an Urban Area boundary may be considered minor if:
 - i. the revision involves no net change in the total area of the Urban Area, or
 - ii. if the revision is cumulatively 20 acres or 1% of the total area of the Urban Area, whichever is less, or
 - iii. [if the revision involves transferring Urban Area acreage between two Urban Areas, provided that the transfer results in no net loss of the total National Scenic Area-wide acreage in the General Management Area.] THE COMMISSION DID NOT COMPLETE ITS DISCUSSION WHETHER TO INCLUDE THIS CONCEPT OF "MINOR."

 - B. The Gorge Commission will consider revisions that differ from this general guidance on a case-by-case basis.

 9. Land formerly in an Urban Area that is transferred into the General Management Area should not contain development or urban facilities that is inconsistent with the purposes and standards in sections 3 and 6 of the Act.

 10. Compliance with section 4(f)(2)(A), demonstrating need for long-range population growth requirements or economic needs consistent with the management plan within an Urban Area, will be determined case-by-case.
 - A. Oregon's and Washington's processes for determining need require similar analyses of residential and economic land need based on population growth and employment forecasts, identification of development opportunities and constraints, and provisions to evaluate need for public lands to support residential and economic uses. For all Urban Areas, in both Oregon and Washington, the
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Gorge Commission will generally follow the processes and ranges specified in Oregon Administrative Rule 660-038. By rule, the Gorge Commission may revise specific Oregon factors and add specific National Scenic Area factors.

- B. Urban Areas that adjoin or are near to one of the three Columbia River bridges in the National Scenic Area must, at a minimum, consider land supply and need of the other Urban Areas that adjoin or are near to that bridge and other nearby Urban Areas.
 - C. For all applications, the analysis used and the Commission's review must incorporate the proposed service and labor market areas.
11. The Gorge Commission may require the local government to adopt enforceable conditions of approval to ensure land added to an Urban Area is used only to satisfy the demonstrated needs that were the basis for adjustment.
 12. Compliance with section 4(f)(2)(B), consistency with the standards in the Act used to develop the Management Plan and the purposes of the Act, will be determined on a case-by-case basis. The Commission recognizes that the application of the standards and purposes of the Act in the Management Plan may not be appropriate for determining compliance with section 4(f)(2)(B). The Commission may use the procedures and requirements in the Management Plan for guidance but is not bound to the procedures and requirements in the Management Plan for Urban Area boundary applications. By rule, the Commission may specify requirements to comply with section 4(f)(2)(B).
 13. Compliance with section 4(f)(2)(C), demonstrating that the proposed revisions would result in maximum efficiency of land uses within and on the fringe of existing Urban Areas, will be determined on a case-by-case basis. The Gorge Commission may require a local government to adopt enforceable conditions of approval to ensure land added to an Urban Area satisfies section 4(f)(2)(C). By rule, the Commission may establish factors to evaluate whether proposed revisions to the boundary of an Urban Area result in the maximum efficiency of land uses.
 14. To achieve compliance with section 4(f)(2)(D), applications to revise the boundaries of an Urban Area shall prioritize revisions in areas where there would be no reduction of land used, suitable, or designated for agriculture, forest, and open space. The Commission by rule may establish a priority of lands to be considered for revising into Urban Areas.
- ~~2. The Commission shall adopt rules that implement the requirements of the Scenic Area Act related to the revisions of Urban Area boundaries.~~
 - ~~3. The Gorge Commission may make minor revisions to the boundaries of Urban~~

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~~Areas upon a majority vote of two-thirds of the members of the Gorge Commission, including a majority of the members from each state.~~

~~— A county may apply to the Gorge Commission to make a minor revision in the boundary of an Urban Area within the county's jurisdiction.~~

- ~~3. Before revising an Urban Area boundary, the Gorge Commission shall consult with the Secretary of Agriculture prior to any hearing on the revision.~~
- ~~3. The Gorge Commission shall consider an application for a minor revision to an Urban Area boundary at a hearing held for that purpose. The Gorge Commission shall adopt procedures for urban boundary revision hearings.~~
- ~~3. The Gorge Commission shall review and consider proposed revisions to Urban Area boundaries that do not qualify for revision under Section 4(f) of the Scenic Area Act. After review, and after a public hearing on the matter, the Gorge Commission shall consider appropriate recommendations to Congress on the boundaries. The Gorge Commission shall attempt to complete these reviews within 5 months after adoption of the Management Plan.~~

Guidelines

- ~~0. The Commission may revise the boundaries of an Urban Area only if it finds that all of the following conditions exist and that the proposal is consistent with Commission rules related to revisions of Urban Area boundaries:~~
 - ~~— A demonstrable need exists to accommodate long-range urban population growth requirements or economic needs consistent with the Management Plan.~~
 - ~~— Revision of Urban Area boundaries would be consistent with the purposes of the Scenic Area Act and the standards established in Section 6 of the Act.~~
 - ~~— Revision of Urban Area boundaries would result in maximum efficiency of land uses within and on the fringe of existing Urban Areas.~~
 - ~~— Revision of Urban Area boundaries would not result in the significant reduction of agricultural lands, forest lands, or open spaces.~~

REVISION OF SCENIC AREA BOUNDARIES

The Scenic Area Act does not contain administrative procedures or substantive criteria for revising the exterior boundaries of the Scenic Area. Congressional action will be required before lands can be added to or removed from the Scenic Area.

The Gorge Commission recognizes that circumstances may exist or arise that necessitate a change in the boundaries of the Scenic Area. The Gorge Commission will

consider proposed boundary revisions on a case-by-case basis. Recommendations for revising the boundaries of the Scenic Area will be forwarded to Congress.

Policy

1. The Gorge Commission shall review and consider proposed revisions to the boundary of the Scenic Area for appropriate recommendations to Congress. The Gorge Commission shall consider first any proposed revision involving land within an urban service boundary established prior to enactment of the Scenic Area Act.

COUNTY ORDINANCES

Policies

1. Counties may adopt ordinances with provisions that vary from the policies and guidelines in the Management Plan as long as the ordinances provide greater protection for the scenic, cultural, natural, and recreation resources of the Scenic Area. Notwithstanding the designation policies in Part II of the Management Plan, the Gorge Commission shall, upon request from a local government, apply a more restrictive designation.
2. A county and a city may enter into an agreement to allow the other to implement a land use ordinance that applies to the city and that has been approved or adopted by the Gorge Commission under Section 8 of the Scenic Area Act.
3. Counties may grant variances to provisions in their land use ordinances that are not required by a policy or guideline in the Management Plan.
4. The Gorge Commission shall encourage the States of Washington and Oregon to make funds available to the counties to assist in the implementation of the Scenic Area Act and the Management Plan.
5. The Gorge Commission shall seek funds and an interagency agreement with the Forest Service to provide the services of resource professionals, such as biologists and archaeologists, to assist local governments and landowners to carry out the policies and guidelines in the Management Plan.

PUBLIC INVOLVEMENT

The Gorge Commission believes that timely and appropriate public involvement is key to the long-range success of the Scenic Area Act.

The purpose of the goals and policies in this chapter is to ensure a formal ongoing public involvement program.

GMA Goals

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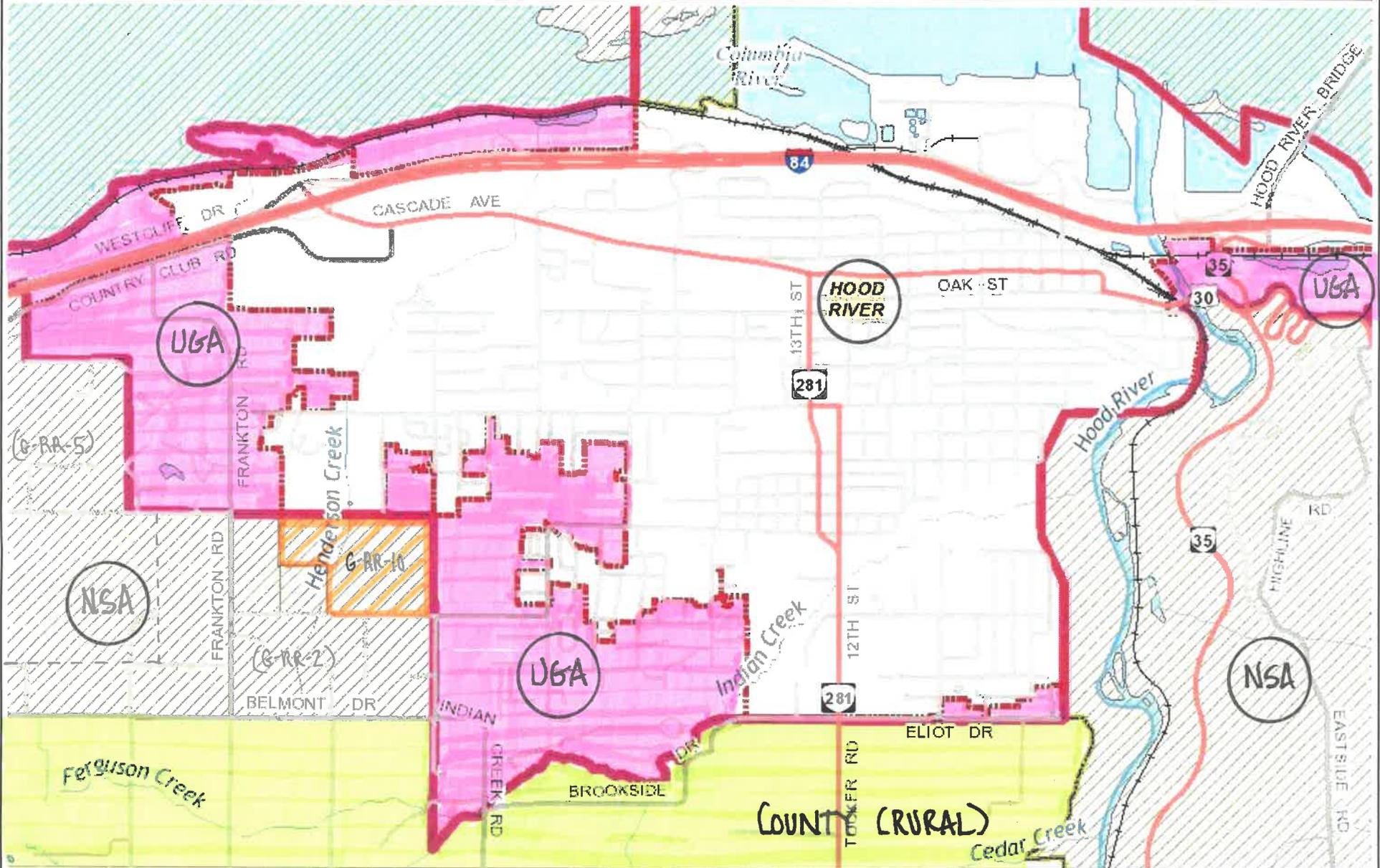
1. Provide for and consider a variety of viewpoints in decision making.
2. Encourage an informed public.
3. Consult and coordinate with other governmental jurisdictions, including the Forest Service, Indian tribal governments, county boards, city councils, and other state and federal agencies.

GMA Policies

1. A time for public comment shall be provided at all regular Gorge Commission business meetings. Meetings shall be rotated among suitable meeting spaces to make it convenient for residents of different areas to attend.
 2. Notice of Gorge Commission meetings shall be distributed to all interested people and the media, without charge. Notices shall describe, in plain language, the topics the Gorge Commission will discuss and which topics are open for public comment. Notices shall also be provided to county planning offices and public libraries for posting for public review.
 3. Informational materials describing Gorge Commission activities and planning decisions shall be developed.
 4. A community outreach program shall be conducted. Activities may include maintaining a speakers' bureau, meeting with county advisory committees, and participating in school programs.
 5. Advice shall be provided to interested counties in designing and implementing their public involvement activities.
 6. Formal public involvement and consultation activities shall be provided at major planning milestones.
 - A. Formal public hearings shall be held before the Gorge Commission takes action on county land use ordinances, amends the Management Plan, or reviews and periodically revises the Management Plan. Any interested person shall be able to testify before the Gorge Commission.
 - B. Written public comment shall be encouraged, and a comment period shall precede all major planning decisions. Commission rules should define the required comment period.
 - C. Public comment shall be encouraged before the Gorge Commission takes action on county land use ordinances. The Gorge Commission shall approve land use ordinances at public hearings.
 - D. Public workshops shall be held to encourage review of and comment on other Gorge Commission decisions. Workshops shall be conveniently scheduled to encourage participation by Gorge residents and other interested people.
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- E. Revisions to Urban Area boundaries shall be considered after a formal public hearing by the Gorge Commission. Formal hearings shall be preceded by an informal hearing for general public comment. All interested people shall be able to make their comments known.
- 7. Periodic meetings of Gorge county planners and planning directors shall be scheduled to encourage ongoing discussion of issues and concerns.
- 8. Periodic consultation meetings shall be scheduled with Indian tribal governments to encourage ongoing discussion of issues and concerns.
- 9. Periodic consultation meetings shall be scheduled with county governing boards to encourage ongoing discussion of issues and concerns.
- 10. The two states shall be consulted about application of economic development grants and loans, restoration of the Historic Columbia River Highway, and activities of other state agencies.
- 11. The Commission should collaborate with the USDA Forest Service on all projects of mutual interest.
- 12. In designing implementation programs, public comment and assistance shall be solicited.





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