CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
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REVISED
CITY COUNCIL
May 27, 2025
Council Chambers • 411 SW 9th Street

COUNCIL MEMBERS

Ed Fitch
Mayor

Shannon Wedding
Council President

Clifford Evelyn
Councilor

John Nielsen
Councilor

Kathryn Osborne
Councilor

Jay Patrick
Councilor

Cat Zwicker
Councilor

MAY 27, 2025	EXECUTIVE SESSION AGENDA	5:30 PM

I. EXECUTIVE SESSION

Oregon Law permits public bodies to meet in executive session to discuss specific matters which are not open to the public. Final actions or decisions on these matters will be made during regular session.

A. Litigation – ORS 192.660(2)(h) authorizes executive sessions “to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.”

B. Real Property – ORS 192.660(2)(e) authorizes executive session “to conduct deliberations with persons designated by the governing body to negotiate real property transactions.”

Under the provisions of the Oregon Public Meetings Law, the proceedings of this executive session are for background information only for media attending and not for publication or broadcast.

MAY 27, 2025	REGULAR MEETING AGENDA	6:00 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. BLESSING - Pastor Jim Matteson, Capital Ministries

III. PLEDGE OF ALLEGIANCE

IV. CITY ANNOUNCEMENTS

A. Written Comments from Ridgeview High School Government Class

V. CONSENT AGENDA

A. Minutes of April 14, 2025, Council Workshop

B. Amendment #01 to Contract #2023-07 to Increase the Maximum Allowable Compensation for Ricondo & Associates, Inc. to $114,355 and Extend Contractual Term for Services for New Scope for the New Airline Operating Agreement.

C. Authorization to Purchase Replacement Equipment for the Sewer CCTV Van from CUES, Inc.: $197,576.80

VI. PRESENTATIONS

A. Jericho Road Annual Report

VII. BID AWARDS / BID REJECTIONS

A. Redmond Wetlands Complex Project (WW2001) Construction Award to Taylor Northwest, LLC in the amount of $76,964,000

B. Contract Award to Abbas Pump Service for Well & Pump Maintenance Repair Services Contract: $500,000

C. Award On-Call Construction Inspection Services Contracts to AKS Engineering & Forestry, LLC, DOWL, and Anderson Perry and Associates, Inc. in the amount not-to-exceed $250,000 for each contract

VIII. ACTION ITEMS

A. Contract Renewal, through December 31, 2030, with CourseCo for the Management of Juniper Golf Course

B. Two-Year Enterprise Zone Extension for i3D.

C. Airport Terminal Expansion

i. Procurements for Guaranteed Maximum Price Amendment #03 for the Airport Terminal Building Expansion Project in the Amount of $98,059,847

ii. Amendment to Contract #2022-33 for Architectural and Engineering Services with RS&H in an not-to-exceed amount of $19,500,000.

iii. Approval to Award Contract 2025-33 for Airport Terminal Expansion Construction Special Inspection Services to The Wallace Group, Inc. in an amount, not to exceed, $225,000.

IX. ORDINANCES

In accordance with the City of Redmond Charter, an ordinance takes effect 30 days after its enactment except when a later effective date is specified in the ordinance; when the ordinance contains an emergency clause, it takes effective immediately.

A. Ordinance #2025-10: An ordinance amending the Redmond City Code Chapter 2 updating the Airport Customer Facility Charge.

X. COMMENTS FROM CITIZENS AT THE MEETING

Citizen comments are limited to three (3) minutes per person and will be accepted for a period of 30 minutes. Comments should be focused on City of Redmond business. Attendees are asked to refrain from interrupting, calling-out, or cheering during citizen comments.

XI. CITY MANAGER COMMENTS

XII. COUNCIL COMMENTS

XIII. MAYOR'S COMMENTS

XIV. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.
The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@redmondoregon.gov. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.
The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities

RIDGEVIEW HIGH SCHOOL
4555 SW ELKHORN AVENUE, REDMOND, OR. 97756
p. 541.504.3600 | f. 541.504.3601 | rvhs.redmondschools.org

Ridgeview High School
Senior Government Class
4555 SW Elkhorn Ave
Redmond, OR 97756

May 9, 2025

Redmond City Council
411 SW 9th Street
Redmond, OR 97756

Dear Members of the Redmond City Council,

We are writing on behalf of the senior government class at Ridgeview High School. As part of our Community Action Project, we have chosen to focus on a pressing issue that affects our community: traffic congestion and safety concerns at two specific intersections in Redmond—SW 35th Street & Highland Avenue and SW Helmholtz Way & Highway 126.

Many local drivers and community members have expressed concern about these intersections, reporting frequent accidents, near misses, and significant delays. These problem areas have become daily challenges for residents, particularly students who commute to Ridgeview High School. We believe that improvements at these intersections could enhance both the efficiency and safety of traffic flow in Redmond. Our project aims to analyze the causes of the issues at these intersections and explore potential solutions. We are currently compiling data and considering various policy proposals, including the installation of roundabouts or revised traffic signal patterns. We hope our research and recommendations will contribute to the city's ongoing efforts to improve public safety and infrastructure.

To better understand the impact of these intersections on our peers, we created and distributed a survey to Ridgeview students. The survey asked eight questions about student experiences related to delays, stress, and safety at these intersections. Since many students cross either SW Helmholtz or SW 35th Street daily—whether traveling to school, work, or friends' homes—this survey gave them an opportunity to voice their concerns and share ideas for improvement. One of the questions invited students to consider the effectiveness of roundabouts and whether they believe roundabouts could provide a safer and more efficient traffic solution at these locations.

In addition to our survey research, we have also spoken with local residents and business owners. One community member, Jeff and Julie Larkin, who owns Larkin Valley Ranch on the corner of Helmholtz Way, shared his experience with traffic in the area. He described regular congestion stretching past his property and noted multiple incidents where vehicles struck his fence as a result of difficult turns and limited visibility. His comments reinforced what many of us have experienced firsthand—long waits, traffic buildup, and dangerous turning conditions. Many of our classmates cross these intersections daily, and it is not uncommon to wait three to five minutes just to make a turn. These delays, combined with safety hazards, illustrate the need for meaningful changes at these sites.

Sincerely,
The Senior Government Class
Ridgeview High School

"It's a Great day to be a Raven!"

DRAFT

Redmond City Council **April 14, 2025**
Workshop Minutes
Executive Conference Room & Remote Video Conferencing
https://www.redmondoregon.gov/city-council

CALL TO ORDER
Mayor Fitch called the meeting to order at 3:00 pm.

Present:	Clifford Evelyn, Ed Fitch, John Nielsen, Kathryn Osborne (left at 3:34 pm), Jay Patrick (left at 4:43 pm), Shannon Wedding, Cat Zwicker
Excused:	None
Staff Present:	City Manager Keith Witcosky, Deputy City Manager Steve Ashworth, City Attorney Keith Leitz, City Recorder Kelly Morse, Public Works Director/City Engineer Jessica MacClanahan, Planning Director Kyle Roberts, Police Chief Devin Lewis, Housing Programs Analyst Linda Cline
Media Present:	None

PRESENTATIONS
A. Wildfire Protection Strategies from Redmond Fire

Redmond Fire and Rescue Fire Marshal Tom Mooney, Oregon Department of Forestry Julia Johnson, and Oregon State Fire Marshal's Regional Fire Risk Reduction Specialist Heather Miller provided an in-depth presentation on wildfire preparedness in Redmond and strategies for becoming a fire-adapted community. Key highlights included the fire history and ecology of Central Oregon, fire science, how to prepare and protect structures from fire, and potential policies the City could enact to protect the community.

Questions and comments from the Council centered around City regulation of building materials, the cost and difficulty of home hardening, community education, compliance with homeowner associations (HOAs) on fence materials, developers building more ember-resistant structures, Code Enforcement's involvement in vegetation management, and City coordination with utilities as part of an emergency management plan.

The Council discussed maintaining wider streets for fire safety and access, public perception of government control over private property, potential confusion with certain addresses in the city that could impact emergency response, and the Council's communication with constituents during serious disasters. The Council was supportive of Mr. Mooney and Ms. Miller developing preparedness resources the Council could share and recommended the presenters create a video version of the presentation.

B. Northpoint Check-in

Deputy City Manager Steve Ashworth reported working with the City Attorney to draft a resolution for the Council's consideration in early May regarding the selection of Pahlisch Homes as the recommended single-family residential developer partner for Northpoint. The resolution would allow staff to initiate collaboration on planning, negotiation, and a future development agreement or property sale. No price has been set nor any formal commitment made.

Mr. Ashworth announced the master developer will have a pro forma discussion with the Council on May 19, 2025, at which point an update on RootedHomes' LIFT Grant funding would hopefully be available.

C. Collection System Master Plan and Transportation System Plan Amendment Next Steps

Public Works Director/City Engineer Jessica MacClanahan reviewed anticipated system development charge (SDC) fee increases associated with master plans to ensure available resources and revenue match the projects. The Collection System Master Plan and Transportation System Plan Amendments are expected to be adopted this summer. Total SDCs for a single-family dwelling are estimated to increase from approximately $26,000 to $30,000 over the next several months.

The Council expressed concern about the economy's potential impact on projects and noted freezing SDCs during the last major economic crisis created long-term issues. Discussion regarded the potential need for a Plan B if the City shifts from a pro-growth to a no-growth footing and the effects of potential cuts to federal funding on City projects and services. It was noted that Redmond is entering the period of economic uncertainty in a better position than peer cities.

City Manager Keith Witcosky confirmed the Council's direction to be cautious and noted Staff is trying to stagger the master plans according to importance.

Mayor Fitch announced the Water Resources Director will attend the April 22, 2025, Water Conservation Summit.

ADJOURNMENT
The meeting adjourned at 4:47 pm.

Prepared by ABC Transcription Services
Reviewed by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 27th day of May 2025.

____
Ed Fitch, Mayor

ATTEST:

____
Kelly Morse, City Recorder

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STAFF REPORT

DATE: May 27, 2025
TO: City Council
THROUGH: Keith Leitz, City Attorney
Jason Neff, Deputy City Manager/Chief Financial Officer
Keith Witcosky, City Manager
FROM: Zachary Bass, Airport Director
SUBJECT: Amendment #01 to Contract #2023-07 to Increase the Maximum Allowable Compensation for Ricondo & Associates, Inc. to $114,355 and Extend Contractual Term for Services for New Scope for the New Airline Operating Agreement.

Report in Brief:
The item requests City Council authorize an increase to the Redmond Municipal Airport's (RDM) contract with Ricondo & Associates, Inc. from $95,994 to $114,355 and to extend the term from June 30, 2025, to December 31, 2028, for work related to the Airline Operating Agreement negotiations, which will be finalized in alignment with the completion of the terminal expansion project.

Background:
Since February 21, 2023, RDM has contracted with Ricondo to assist the Airport in the development, negotiation, and implementation of the new Airline Operating Agreements. To date, Ricondo has assisted in engaging the air carriers, developing new rates and charge methodology, and drafting amendments to its existing Airline Operating Agreements to support of the terminal expansion project.

Discussion:
During the term of the contract, Ricondo and the Airport have added necessary tasks to the original scope which requires an increase of up to $18,361. This scope is contained in Amendment #01. It includes assistance in extending the Airport's existing Airline Operating Agreements to account for anticipated completion of the Airport's terminal expansion project; while continuing to respond to the Airport's continuing airline business and financial consulting needs and including the possible assignment of additional scope.

Fiscal Impact:
The total impact of the contract is up to $114,355, funded entirely through general Airport revenues (i.e. parking), with the increased scope and extension as part of Amendment #01. This increase of $18,361 is included as part of the City's Fiscal Year 2025/26 approved budget.

Alternative Courses of Action:
1. Approve Amendment #01 to Contract #2023-07
2. Do not approve Amendment #01 to Contract #2023-07.
3.Take no action and request more information.

Recommendation / Suggested Motion:
I move to approve Amendment #01 to Contract #2023-07 with Rcondo & Associates, Inc.

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STAFF REPORT

DATE:	May 27, 2025
TO:	City Council
THROUGH:	Jessica MacClanahan, Public Works Director/City Engineer Jason Neff, Deputy City Manager/Chief Financial Officer Keith Witcosky, City Manager
FROM:	Ryan Kirchner, Public Works Operations Manager - Wastewater/Transportation/Fleet
SUBJECT:	Authorization to Purchase Replacement Equipment for the Sewer CCTV Van from CUES, Inc.: $197,576.80

Report in Brief:
This item seeks City Council authorization to purchase replacement equipment from CUES, Inc. for the City's 2017 Ford F-450 Wastewater Closed-Circuit Television (CCTV) Inspection Van, at a cost of $197,576.80.

Background:
The Public Works Department relies on a dedicated CCTV inspection van to evaluate the condition of the City's sanitary sewer and stormwater systems. The current equipment, installed in 2017, has reached the end of its useful life. CCTV systems typically have a service life of 5 to 10 years. The existing inspection van is eight years old and experiences frequent failures, including issues with the crawler, camera, reel, control console, and software compatibility.

These failures have led to increased maintenance costs, reduced reliability, and disruptions to the City's preventative maintenance and inspection schedule. Preventative maintenance is critical to verify new infrastructure that is under warranty and for capital improvement planning. To optimize our investment, staff have opted to replace only the CCTV equipment rather than the entire van. The 2017 van itself is functioning well and not in need of replacement for the foreseeable future.

Discussion:
Staff conducted a thorough review of replacement options and recommend purchasing a fully integrated system from CUES, Inc. While the City has historically used CUES software in conjunction with Envirosight hardware, aligning both hardware and software through CUES will simplify compatibility and improve system performance.

The proposed system includes:

- A high-resolution pan-and-tilt camera with laser profiling and inclinometer functionality
- A rugged crawler unit and motorized cable reel compatible with various pipe sizes and terrains
- A modernized control console with ergonomic design, high-definition (HD) display, and dual monitors
- Full installation, system wiring, calibration, and on-site training

The purchase will be made through a cooperative procurement agreement with the Houston-Galveston Area Council (HGAC), contract #Q-02195, resulting in a cost savings of $16,281 off list price (see attached price quote).

Fiscal Impact:
The Fiscal Year 2025/2026 approved budget includes $210,000 for this purchase, funded as follows:

- Wastewater Capital Vehicle & Equipment Sub-Fund (53263-010-000-07-00-03): $147,000
- Stormwater Capital Vehicle & Equipment Sub-Fund (53063-01-000-07-00-03): $63,000

Procurement will be conducted in accordance with Redmond City Code Section 2.406 and ORS 279A.205.

Alternative Courses of Action:

1. Approve the purchase.
2. Reject the purchase.
3. Take no action and request additional information.

Recommendation / Suggested Motion:

“I move to authorize the purchase of replacement Sewer CCTV Van Equipment from CUES, Inc. in the amount of $197,576.80 and authorize the City Manager to sign the agreement.”

Prepared for:
REDMOND, CITY OF (MAIN)

Attention:
Nam Ly

CUES Document Number: Q-02195

Quote Date: 1/9/2025

Quote Expiration Date: 12/31/25

Prepared by:

Gillian Wilson
Northwest Regional Sales and Service Manager

Dear Nam,

Thank you for your interest in CUES products and for allowing us the opportunity to provide this proposal. We understand the task of choosing a vendor can be daunting, and we respect how difficult it is to weigh the differences between manufacturers and system designs.

Since 1964, CUES has been the pipe inspection industry leader, offering the most reliable and durable equipment in the world, while bringing the best available technologies to the market.

We offer world-class technical support to your team, with the most collective industry knowledge of any manufacturer. CUES is the only industry company to offer a 100% full-circle solution for all your pipeline inspection needs.

We take pride in providing long-term pipeline and manhole inspection solutions. Thank you again for the opportunity to provide this proposed solution.

Sincerely,

Gillian Wilson
CUES, INC.
Northwest Regional Sales and Service Manager
Cell:(503) 784-8352
gillianw@cuesinc.com

CUES Equipment Quote

DESCRIPTION	QTY
POWER BOOM CRANE WITH LED LIGHTING, FLOOR MOUNT & WIRELESS CONTROLLER	1
1 DRAWER STORAGE UNDER REEL	1
22" MONITOR (QTY: 2) WITH SHORTENED MOUNT FOR DESK TOP (QTY:2)	1
24" REAR MONITOR MOUNTED ON A SIDE WALL IN THE EQUIPMENT ROOM	1
1/2" 5 OUTLET BOX	1
RECEPTACLE COVER	1
FLUSH MOUNT DUPLEX RECPTACLE	1
1500' TV CABLE ASSEMBLY, M/C 12 PIN	1
TV REEL ASSEMBLY WITH CENTER SLIPRING	1
LEGACY TO SUMMIT COMPONET RETRO FIT	1
OZ3s P&T ZOOM M/C LED CAMERA WITH BUILT-IN SONDE	1
BRASS STEERABLE COMPACT PIPE RANGER, WHEELED	1
8" RUBBER WHEEL KIT	1
10-15" RUBBER WHEEL KIT	1
6"-15"PIPE SPACER KIT - BRASS	1
12"-15" PNEUMATIC TIRE KIT	1
6" STEEL SPIKE WHEEL	6
8" STEEL SPIKE WHEEL	6
ELECTRIC CAMERA LIFT FOR COMPACT PIPE RANGER	1
QUICK CABLE LOCK KIT FOR 12 PIN	1
REAR VIEW CAMERA ASSEMBLY	1
LAPTOP COMPUTER NO CUES SOFTWARE	1
USB 3.0 FLASH DRIVE	1
USB TO SERIAL ADAPTER	1
USB HUB DOCK	1
HAUPPAGE VIDEO CAPTURE CARD	1
PRINTER AND INTERCONNECT CABLING FOR COMPUTER USING WIRED MOUSE/KEYBOARD	1
UPS BELOW DESKTOP MOUNT	1

DESCRIPTION	QTY
TV DOWNHOLE KIT	1
MULTI CONDUCTOR TV ONLY TOOL KIT	1
LABOR PER HOUR	1
SUMMIT RETRO HARDWARE KIT	1
2 DAYS FIELD TRAINING FOR ID SYSTEM	1
CUSTOMER PICKUP	1
SHIP COMPONENTS TO CUES WEST	1
RETRO LABOR	80
Total:	$197,576.80

Payment and Purchase Terms & Conditions

Delivery: 60 – 90 days ARC. Delivery is an ESTIMATE ONLY based on the current production schedule as of the date of quotation and is subject to change. For accurate delivery, please contact your CUES Regional Sales Manager at the time of order.

Payment: Net 30

FOB: Destination

Taxes & Pricing: Unless otherwise noted, pricing above does not include any applicable sales tax. The final invoice will reflect all taxes unless there is a tax-exempt certificate on file with CUES, Inc. accounting.

This Quote and the goods and services quoted thereunder are subject to Cues, Inc. Terms and Conditions of Sale found at: CUES Terms and Conditions of Sale. By accepting this Quote, Buyer agrees to be bound by these terms.

Confidentiality Statement: This proposal contains confidential and proprietary information that is the property of Cues, Inc. This proposal is only to be viewed by individuals employed by the entity to which it is directed with a need to know and shall not be duplicated, used, or disclosed, in whole or in part, for purposes other than to evaluate the proposal with Cues, Inc.

Detailed Specifications & Contract Purchases

Detailed technical specifications are available upon request to help your team define language for any upcoming competitive bid requirement. Additionally, CUES equipment is available through competitively bid cooperative contracts, such as HGACBuy.

References

Extensive lists of product specific references or general company references are available upon request.

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STAFF REPORT

DATE: May 27, 2025
TO: City Council
THROUGH: Jessica MacClanahan, Public Works Director/City Engineer
Jason Neff, Deputy City Manager/Chief Financial Officer
Keith Witcosky, City Manager
FROM: Jake Sherman, Principal Engineer
SUBJECT: Redmond Wetlands Complex Project (WW2001) Construction Award to Taylor Northwest, LLC in the amount of $76,964,000

Report in Brief:
This item requests the City Council award a $76,964,000 construction contract to Taylor Northwest, LLC to construct the Redmond Wetlands Complex (RWC) project.

Background:
The City's Water Pollution Control Facility (WPCF) was constructed in 1978. Since then, several expansion and upgrades have occurred to meet the community's growing needs. The population of Redmond and surrounding areas is continually increasing, together with commerce and industry as the region develops. As such, the need for future facility planning and expansions is vital to provide facilities to serve growth. In 2019, a Wastewater Facility Plan (WWFP) was developed to assess the existing capacity and consider current projected future 20-year service needs with respect to system capacity. The 2019 WWFP, however, did not consider the building limitations of the current constrained site of the existing mechanical treatment plant.

The City amended the 2019 WWFP in 2020, for the purpose of updating the design criteria to the year 2045, and add an alternative for a lagoon treatment system with a constructed wetland treatment and disposal system to meet the City's needs.

In March 2021, City Council approved a contract with Anderson Perry and Associates, Inc. to commence with the preliminary design of the Redmond Wetlands Complex (RWC). The scope of work (SOW) for preliminary design included exploring alternatives within the lagoon and wetland treatment process to find the best solutions to meet environmental requirements, current and future capacity demands, cost-effective construction, and cost-effective long-term operation and maintenance.

Anderson Perry and Associates finalized the RWC Preliminary Design Report (PDR) in January 2022. The purpose of this PDR was to present the decisions made by internal and external stakeholders throughout the alternatives analysis phase of the preliminary design, finalize the design criteria, and update preliminary cost estimates.

In April 2022, Council approved a contract amendment with Anderson Perry and Associates to complete final design and provide construction management and inspection services for the Project.

On October 24, 2023, City Council approved an exemption from competitive bidding allowing the use of the Best Value procurement method for construction. The Best Value procurement method is a competitive process in which the low-bid concept is modified by adding qualifications to the evaluation process. This method was the most appropriate method given the scale and complexity of the proposed project.

The result of this procurement process was the recommendation to award the construction contract to Taylor NW.

Discussion:
A Request for Proposals for construction of the project was publicly posted on February 2, 2025, and proposals were received on April 15, 2025. Bids were publicly opened on May 13, 2025. The City received four (4) construction services

proposals for the project that were evaluated through a competitive scoring process. Proposals were evaluated based on experience and performance, project personnel, project approach including innovative ideas for cost savings, as well as a construction sequencing schedule.

Contractor	**Bid Amount**
Taylor Northwest, LLC	$76,964,000
Emery & Sons Construction Group, LLC	$94,395,796
K&E Excavating, Inc.	$97,004,936
Sundt Construction, Inc.	$126,826,473

Contractor	**Qualitative Scores (2000pts total)**	**Price Scores (3000pts total)**	**Total Scores (5000pts total)**	**Rank**
Taylor Northwest, LLC	1795	3000	4795	1
K&E Excavating, Inc.	1547	2380	3927	2
Emery & Sons Construction Group, LLC	1477	2446	3923	3
Sundt Construction, Inc.	1580	1821	3400	4

Taylor Northwest LLC scored the highest on qualifications and had the lowest bid. The bids were reviewed. The lowest bid submitted by Taylor Northwest LLC in the amount of $76,964,000 was deemed responsible.

Construction will begin in summer 2025, with completion anticipated in Winter 2027.

Fiscal Impact:

The FY 2025/26 approved budget includes $35 million for the project. The total estimated project cost is $88.8 million and is funded through the following:

Department of Environmental Quality (DEQ) Loan*	$74.5 million
DEQ Forgivable Loan**	$0.5 million
Wastewater Operations	$6.5 million
Wastewater System Development Charges (SDCs)	$5.0 million
Grants	$1.3 million
Deschutes County (in support of Terrebonne Sewer District)	$1.0 million

* 30-year loan at 2.32% interest rate. Anticipated to be brought for Council approval on June 10, 2025. Total annual debt service is estimated at $3.5 million, which will be repaid from a combination of Wastewater ratepayers and SDCs.
** Forgiven with project completion.

Alternative Courses of Action:

1. Award a construction contract with Taylor Northwest, LLC.
2. Do not award the contract.
3. Request additional information.

Recommendation / Suggested Motion:

“I move to award the construction contract for the Redmond Wetlands Complex project to Taylor Northwest, LLC in the amount of $76,964,000 and authorize the City Manager to sign the contract."

CITY OF REDMOND
RESOLUTION NO. 2023-21

A RESOLUTION ADOPTING FINDINGS IN SUPPORT OF AN ALTERNATIVE CONTRACTING METHOD FOR THE REDMOND WETLANDS COMPLEX PROJECT.

WHEREAS, the City of Redmond has planned for the expansion of the Water Pollution Control Facility (WPCF); and

WHEREAS, the proposed project known, as the Redmond Wetlands Complex, is planned to provide adequate wastewater treatment capacity for the City, including operations and support facilities and underground conveyance to the site; and

WHEREAS, the budget estimate for this project is $83 million; and

WHEREAS, an alternative contracting method, known as Best Value allows public entities to select a contractor based not only on price, but also qualifications to determine the best value that reflects quality, cost, and the contractor's prior experience and performance on projects of similar complexity and scale; and

WHEREAS, pursuant to Oregon Administrative Rule (OAR) 137-049-0600 to 137-049-690, the City shall use this contracting method only with the assistance of legal counsel with substantial experience and necessary expertise in using the Best Value method, as well as knowledgeable staff, consultants or both staff and consultants who have a demonstrated capability of managing the Best Value process in the necessary disciplines of engineering, construction scheduling and cost control, accounting, legal, Public Contracting and project management; and

WHEREAS, as discussed in the attached findings, the Best Value process would result in adding qualifications-based selection of a contractor, which benefits the City and does not diminish competition or encourage favoritism in awarding public improvement contracts.

NOW, THEREFORE, THE REDMOND CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION ONE: The City Council adopts the findings attached hereto as Exhibit A, explaining why it is appropriate for the City to use the Best Value method for the construction of the Redmond Wetlands Complex Project.

SECTION TWO: Based on the findings adopted in Section One of this resolution, the City of Redmond City Council hereby exempts from the requirements for competitive bidding the project to construct the new Redmond Wetlands Complex Project.

ADOPTED by the Redmond City Council and **SIGNED** by the Mayor this 24th day of October 2023.

/s/ Ed Fitch
Ed Fitch, Mayor

ATTEST:

/s/ Kayla Duddy
Kayla Duddy, Deputy City Recorder

Exhibit A to Resolution 2023-21

FINDINGS IN SUPPORT OF AN ALTERNATIVE CONTRACTING METHOD FOR THE CONSTRUCTION OF THE REDMOND WETLANDS COMPLEX PROJECT

Introduction

Use of Alternative Contracting methods, such as Best Value, is made possible under ORS Chapter 279C and OAR 137-049-0600 to 137-049-690, which permits certain contracts or classes of contracts to be exempt from competitive public bidding under strict procedural safeguards. Like other alternative contracting methods, Best Value has significantly different legal requirements than a typical design-bid-build project delivery method.

Pursuant to ORS 279C.335(1) and (2), a local contract review board may exempt specific contracts from traditional, competitive bidding if the jurisdiction finds that an alternative contracting process is unlikely to encourage favoritism or diminish competition and will result in cost savings to the public agency. The Oregon Attorney General's Model Public Contract Rules provide for public notice and opportunity for the public to comment on draft findings in favor of an exemption before their final adoption.

For the reasons set forth more fully in the “Findings” subsection of this document, it is recommended that a Best Value selection method be implemented by utilizing the competitive proposal process in accordance with ORS 279C.400 for a specific contract to construct the Redmond Wetlands Complex (the “Project”). A Best Value Process involves a competitive process in which both price and qualifications may be evaluated. The Best Value proposal process is advantageous for this project as it provides the opportunity to select an experienced contractor that is able to safely and efficiently coordinate the challenges associated with the Redmond Wetlands Complex Project, ultimately providing a greater benefit to the community and cost savings to the City.

In accordance with ORS 279C.330 and 279C.335, the Redmond City Council in its capacity as the Local Contract Review Board shall consider the type, cost, and amount of the contract and, to the extent applicable to the particular public improvement contract or class of public improvement contracts, as outlined in ORS 279C.335(2)(b)(A-N).

Background

The City of Redmond Water Pollution Control Facility (WPCF) was constructed in 1978. Since then, several expansion and upgrades have occurred to meet the community’s growing needs. The population of Redmond and surrounding areas is continually increasing, together with commerce and industry as the region develops. As such, the need for future facility planning and expansions is vital to provide facilities to serve growth.

The current WPCF is located within the Dry Canyon, about 1.5 miles northwest of the Redmond City Center. The facility is surrounded by residential homes situated along the canyon walls, and more rural residential and farmland generally to the north. The City of Redmond (City) owns a six hundred and seven (607) acre Irrigation Complex which produces orchard grass (hay) using effluent from the WPCF for irrigation and biosolids from the WPCF as fertilizer. The WPCF also leases land from BLM where disinfected effluent is infiltrated into the ground.

In 2019 the City completed a Wastewater Facility Plan (WWFP). The WWFP assessed the ability of the existing WPCF to address current and projected future 20-year service needs with respect to system capacity, ability to meet current and potential future regulatory requirements, and reliability of unit process performance. The WWFP estimated future population in Redmond may increase to approximately 54,000 by 2045.

The WWFP planning document recommended improvements totaling $45 million (2018 Fiscal Dollars) but did not consider improvement alternatives other than mechanical treatment. The WWFP did not consider the buildout limitations of the current constrained site of the existing mechanical treatment plant and evaluate other locations for the proposed expansion.

The City believed it was prudent to consider other improvement alternatives that could reduce the total life cycle costs to City residents and relocate the existing facilities out of the Dry Canyon. The City completed a 2020 Feasibility Analysis to evaluate moving the entire treatment plant to the Irrigation Complex. In addition, the potential of using a lower capital and life cycle cost lagoon treatment system with a constructed wetland treatment and disposal system as an alternative to meet the City's wastewater treatment and disposal needs.

This alternative would provide a wetland environment that could be made accessible to the public for water resource education, bird watching, hiking, and possible passive recreational uses. It could also be tied into a City-wide trails system as an extension to Dry Canyon. The reuse of the reclaimed water in this manner provides an ancillary benefit to the City that was otherwise not realized.

The completed Feasibility Analysis found the total cost to move the WPCF to the Irrigation Complex would be $41.6 million (low confidence), a reduction of $6.1 million in initial capital costs and a $10 million operating cost reduction over a 20-year lifecycle when compared to the mechanical expansion project at the current site. The City amended the 2019 WWFP in 2020. The purpose of this amendment was to update the design criteria to the year 2045, correct an error in the hydraulic loading projections, and add an alternative for a lagoon treatment system with a constructed wetland treatment and disposal system to meet the City's needs.

The need for WPCF expanded treatment capacity was identified during budget discussions and funding for design included in the Fiscal Year 2020/21 budget. The expansion options identified by the feasibility study and facility plan amendment were discussed during a Council work session in January 2021, with direction given to proceed with evaluating the feasibility of a lagoon and wetland treatment system at the irrigation site.

In March 2021, City Council approved a contract with Anderson Perry and Associates, Inc. to commence with the preliminary design of the Redmond Wetlands Complex. The scope of work (SOW) for preliminary design included exploring alternatives within the lagoon and wetland treatment process to find the best solutions to meet environmental requirements, current and future capacity demands, cost-effective construction, and cost-effective long-term operation and maintenance.

Anderson Perry and Associates finalized the Redmond Wetlands Complex Preliminary Design Report in January 2022. The purpose of this Preliminary Design Report (PDR) was to present the decisions made by internal and external stakeholders throughout the alternatives analysis phase of the preliminary design, finalize the design criteria, and update preliminary cost estimates.

In April 2022, Council approved a contract amendment with Anderson Perry and Associates to complete final design and provide construction management of the Project. The design is currently at a 90% design level, with construction tentatively scheduled to begin in summer of 2024.

Findings

Pursuant to ORS 279C.335(2), the following Findings justify an exemption from ORS 279C.335(1) and OAR 137-049-0630 for the Project.

(a) **The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts. (ORS 279.335(2)(a)) -** A Contractor will be selected through a competitive proposal process. No reduction of competition is expected since the proposed process is open to the same contractors that would have participated in the traditional low-bid process, and there are multiple contractors both locally and across the state with the ability to compete for this contract. Uniform evaluation criteria will be used in the selection of contractors.

Favoritism will not play a role in the selection of the contractor. Selection will be conducted through an open and advertised RFP process. All qualified firms will be invited to submit proposals. The City will publish a legal notice(s) in order to provide Project information to all interested entities. Proposers will be evaluated based on clearly stated criteria. A team will perform the evaluation in an effort to minimize the effects of any individual bias. All qualified firms will be able to participate in an open, competitive selection process.

(b) **Substantial cost savings and other benefits (ORS 279C.335(2)(b)) -** Using a Best Value contracting method is expected to result is substantial cost savings and other benefits as described below.

(A) **How many persons are available to bid -** A publicly-advertised competitive proposal process will be utilized to select the Contractor. The use of this contracting method does not prevent any contractor from proposing on the project that otherwise would have had the City procured the project using the traditional low-bid method.

(B) **The construction budget and projected operating costs for the completed public improvement -** Neither the construction budget nor the operating costs are anticipated to be significantly reduced or significantly increased when comparing the Best Value contracting method to the traditional low-bid method. Because cost remains an important part of determining the best proposal, it is unlikely that costs would be significantly higher than would be achieved with a low-bid process. The Best Value contracting method results in less-tangible savings such as: reduced City staff resources dedicated to the project, a project team that works more cohesively, and shorter construction timelines due to the contractor’s experience with projects of similar size and complexity.

(C) **Public benefits that may result from granting the exemption -** One of the main advantages to the public from the Best Value contracting method is the City’s ability to select a contractor based on both qualifications and cost. The method allows the selection of an experienced, cooperative, and solution-oriented contractor who can execute construction of the projects in a safe, proficient, and expedient manner that will greatly benefit the public.

(D) **Whether value engineering techniques may decrease the cost of the public improvement -** The Best Value contracting method gives the contractor an increased opportunity to engage in value engineering, which increases the likelihood of cost savings to the City. Through their proposals, contractors have an opportunity to discuss phasing, public outreach, and approach to project construction. By engaging in this way, they have an opportunity to discuss areas where they see the possibility for cost savings.

In contrast, during the construction bidding phase in the traditional design-bid-build contracting method, there is no opportunity for the contractor to provide a reasoning for the low-bid and no motivation for the contractor to present a construction schedule that minimizes impacts. Additionally, the highly competitive aspect of the traditional method typically eliminates the possibility that the contractor will reveal any omissions in the design that could result in change orders during construction. The cooperative aspect of a Best Value procurement provides the forum for the contractor to provide such input before construction, potentially saving the City the time, trouble, and additional cost to the project associated with the change order process.

(E) **The cost and availability of specialized expertise that is necessary for the public improvement -** Construction availability and cost are not anticipated to be impacted because competitive bids are required to be solicited from all subcontractors. This results in costs and availability comparable to those found in the traditional design-bid-build contracting method. This project is anticipated to garner significant interest from multiple firms throughout the region, resulting in a competitive environment like the traditional contracting method.

(F) **Any likely increases in public safety -** No adverse effects to public safety are anticipated as a result of pursuing the Best Value contracting method. The contractor will be following the same construction standards and City standards and will be using the same best practices as with the traditional contracting method. However, the selection process will consider experience in these types of projects, which increases the possibility that public safety standards will be rigorously adhered to.

(G) **Whether granting the exemption may reduce risks to the contracting agency, the state agency or the public that are related to the public improvement -** In the traditional design-bid-build method, the owner supplies the design to the contractor, and the contractor expects to rely on it without modification. If the design proves to be defective, in terms of constructability or otherwise, the owner cannot hold the contractor responsible, and will likely find it difficult to pass responsibility back to the designer.

Utilizing the Best Value contracting method, the selected contractor will provide their understanding and preliminary approach to the project. This selection process allows the City to select a contractor based on a number of criteria that take into account the contractor's past experience on similar projects in addition to the low-bid, minimizing the risks to the City as there is more information available to help the City select a highly qualified, reasonably priced contractor.

(H) **Whether granting the exemption will affect the sources of funding for the public improvement –** The proposed Best Value contracting method will not impose restrictions or limitations on the funding sources for this project.

(I) **Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement -** No negative schedule impact is anticipated on the project as a result of market conditions with regard to the chosen contracting method.

(J) **Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement -** This contracting method allows the City to consider the proposer's experience and expertise in this type of work, sensitivity to safety, legal, and operational issues, as well as the qualifications of its project manager, and support team, appropriate to the size and complexity of this Project.

(K) **Whether the public improvement involves new construction or renovates or remodels an existing structure –** The vast majority of this project consists of new construction, with the potential to remove and replace or reuse the existing inceptor line. For this project, whether the improvement is new construction or otherwise, it is not impacted by the contracting method. The means and methods of construction will not differ between contracting methods; however, the phasing to limit impacts to the community and end users may differ.

(L) **Whether public improvement will be occupied or unoccupied during construction –** A majority of the Project within the existing roadway will need to remain under live traffic throughout construction; therefore, selection of experienced, cooperative, and solution-oriented contractors who can coordinate and execute construction of these projects in a safe, proficient, and expedient manner will greatly benefit the public.

(M) **Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions -** This project may have several phases, including but not limited to construction of the interceptor line, proposed site work for the lagoon and wetland system, as well as the construction of the headworks and support facility building.

(N) **Whether the contracting agency or state agency has, or has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency or state agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract –** City staff has experience with alternate contracting methods, including Construction Manager/General Contractor (CM/GC), Best Value, and Progressive Design-Build (PDB), with in-house engineering project management, procurement, and legal counsel staff.

Additional Findings
OAR 137-049-0630(3)(b) permits other findings, in addition to those listed above, to be considered with regard to the expected benefits and drawbacks of particular Alternative Contracting Methods. The following discussion of benefits and drawbacks of this contracting method may be a duplication of those found above, but they are the main elements to consider for a Best Value contracting method, so additional dialogue is warranted.

Advantages: More cohesive project team - The best value contracting method allows for the selection of a contractor with qualifications necessary for successful project completion, thus cohesively integrating into the owner-designer-contractor team. Having a more cohesive project team results in fewer design-related change orders and reduces the number of potential claims created by the project. Having a project team that is incentivized to work collaboratively will be an immense advantage.

Drawbacks: Possible selection of a higher bid - The Best Value contracting method weighs contractor qualifications alongside their bid for the project. Depending on the strength of overall proposals, a contractor that did not present the lowest bid may be selected. The City will need to develop a selection criteria that adequately balances qualifications and bids. The Best Value method will allow the City to select a highly qualified, reasonably priced contractor that, as the Project progresses, will result in cost-savings due to reduced change-orders and the contractor’s experience in executing projects of similar complexity and with similar challenges.

Summary
Using a competitive Best Value contracting method to select a contractor who has experience with these types of projects provides many benefits. The use of this process will not diminish competition or result in favoritism and is expected to result in overall cost savings to the City. Most important, completion of the project in a timely manner reduces impacts to businesses, residents, agencies, traveling public and ensures quality, safety, and reliability both during and after construction.

REDMOND WETLANDS COMPLEX

CONTRACT AWARD TO TAYLOR NW: $76,964,000

REDMOND CITY COUNCIL

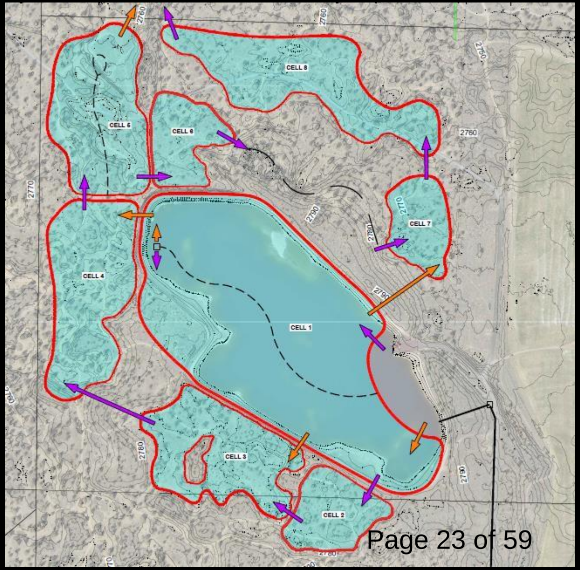
MAY 27, 2025

THE PROJECT

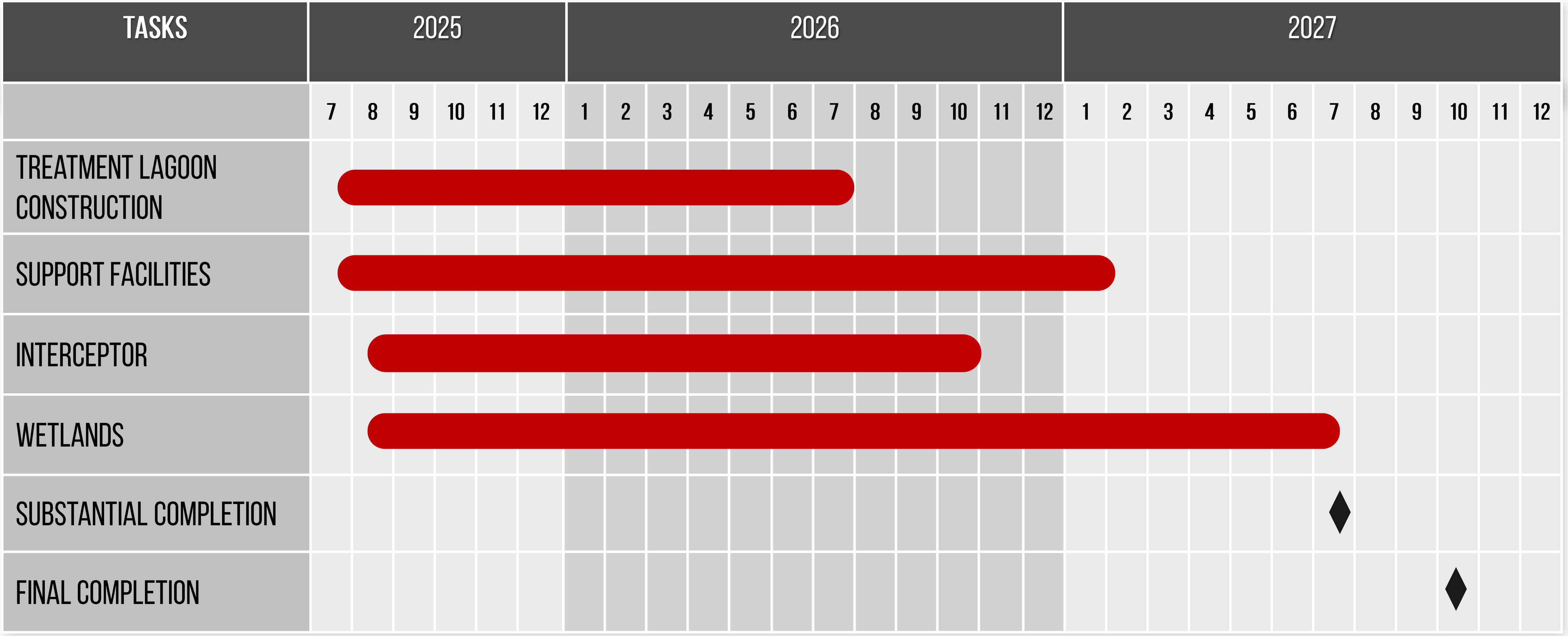
PROJECT TYPE	EST. COST	STATE SUPPORT	COMPLETION
INFRASTRUCTURE	$88.8M	DEQ LOAN PARKS GRANT	2027

PROJECT SCOPE

- ❖ UPSIZE 3 MILES OF EXISTING 24” PIPE TO 48”
- ❖ EXPANSION OF TREATMENT FACILITIES
  - HEADWORKS AND DISINFECTION STRUCTURES
  - 36 ACRES OF LAGOONS
  - 90 ACRES OF WETLANDS
  - ADMINISTRATIVE AND MAINTENANCE SUPPORT FACILITIES
  - PUBLIC ACCESS AMENITIES



CONSTRUCTION SCHEDULE



BID RESULTS

Contractor	Total Price
Taylor NW LLC	$ 76,964,000.00
Emery & Sons	$ 94,395,796.00
K&E Excavating	$ 97,004,936.00
Sundt	$ 126,826,473.00

Final Ranks

Contractor	Qualitative Scores (2000pts)	Price Scores (3000pts)	Total Scores (5000pts)	Rank
Taylor NW LLC	1795	3000	**4795**	**1**
K&E Excavating	1547	2380	**3927**	**2**
Emery & Sons	1477	2446	**3923**	**3**
Sundt	1580	1821	**3400**	**4**

BUDGET

PROJECT BUDGET BY RESOURCE	AMOUNT ($ IN MILLIONS)
DEQ LOAN (CWSRF)	$ 74.5
RATE PAYER	$ 6.5
SDC IMPROVEMENT	$ 2.5
SDC REIMBURSEMENT	$ 2.5
DESCHUTES COUNTY	$ 1.0
CDS SEWER INTERCEPTOR	$ 1.3
DEQ FORGIVABLE	$ 0.5
TOTAL	**$ 88.8**

PROPOSED CONTRACT	AMOUNT ($ IN MILLIONS)
TAYLOR NORTHWEST, LLC – CONSTRUCTION	$ 77.0
CONTINGENCY (5%)	$ 4.2
CURRENT CONTRACTS	**AMOUNT ($ IN MILLIONS)**
ANDERSON PERRY – DESIGN	$ 5.6
ANDERSON PERRY – CONSTRUCTION MANAGEMENT AND INSPECTION	$ 2.0
TOTAL ESTIMATED	**$ 88.8**

QUESTIONS?

CITY OF REDMOND

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STAFF REPORT

DATE: May 27, 2025
TO: City Council
THROUGH: Joshua Wedding, Public Works Operations Manager - Water/Parks/Facilities
Jessica MacClanahan, Public Works Director/City Engineer
Jason Neff, Deputy City Manager/Chief Financial Officer
Keith Witcosky, City Manager
FROM: Travis Robbins, Water Division Manager
SUBJECT: Contract Award to Abbas Pump Service for Well & Pump Maintenance Repair Services Contract: $500,000

Report in Brief:
This item requests the City Council award a contract of up to five years to WEBEDONE, Inc. dba Abbas Pump Service, for maintenance and repair of City-owned wells and pumps in the amount not-to-exceed $500,000. The contract is structured to have an initial term of three years with an (City) option for two (2) one-year term extensions at a cost of $100,000 per year.

Background:
The City's water system serves a population of approximately 37,000 people and includes:

- 191 miles of distribution pipe up to 24 inches in size
- 8 groundwater wells currently with a ninth coming online by winter of 2026
- 3 pressure zones
- 6 storage reservoirs totaling 15.5 million gallons
- 6 booster pump stations
- 4 pressure-regulating stations
- Approximately 13,300 service connections

The wells range in capacity from 750 gallons per minute (gpm) to 3,300 gpm. Typical well depths are up to 900 feet below ground level with pumps ranging in size from 150 to 750 horsepower (hp). In addition to wells, the system includes water booster stations with pumps ranging in size from 25 hp to 150 hp.

The pumping facilities require regular preventative maintenance to ensure water supply reliability. Services to be performed under this contract include pump and motor rehabilitation, well and booster pump maintenance and rehabilitation, annual vibration testing and evaluation, on-call emergency response services, and may include obtaining technical assistance for design and evaluation of well and booster pump performance levels.

Discussion:
The City publicly advertised a request for qualifications (RFQ) per Oregon Revised Statutes Section 279B. Additionally, three companies known to provide such services were contacted. One proposal was received by the February 13, 2025, deadline from WEBEDONE, Inc. dba Abbas Pump Services.

Abbas Pump Services has provided reliable service to the City for more than 40 years. The company is familiar with the City's water system, having worked on all City wells over the last five years. The labor, equipment, and material markup rates provided in the proposal are competitive, based on similar work received by the City.

The Notice of Intent to Award was issued on March 12, 2025.

Fiscal Impact:
Funding for well and pump maintenance is included in the Fiscal Year 2025/2026 approved budget within the Water

Division Operations Sub-Fund. Services performed will be reimbursed based on the labor, equipment, and material markup rates provided in response to the solicitation and will not exceed $100,000 per year.

Alternative Courses of Action:

1. Award well and pump maintenance repair services contract to WEBEDONE, Inc. dba Abbas Pump Service.
2. Reject the proposal.
3. Request additional information.

Recommendation / Suggested Motion:

“I move to award a contract of up to five years to WEBEDONE, Inc. dba Abbas Pump Service, for the maintenance and repair of City wells and pumps in the amount not-to-exceed $500,000 and authorize the City Manager to sign the contract."

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STAFF REPORT

DATE: May 27, 2025
TO: City Council
THROUGH: Jessica MacClanahan, Public Works Director/City Engineer
Jason Neff, Deputy City Manager/Chief Financial Officer
Keith Witcosky, City Manager
FROM: Lindsey Cromsigt, Assistant City Engineer
SUBJECT: Award On-Call Construction Inspection Services Contracts to AKS Engineering & Forestry, LLC, DOWL, and Anderson Perry and Associates, Inc. in the amount not-to-exceed $250,000 for each contract

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Report in Brief:
This item requests City Council approve one on-call construction inspection service contract, in the amount of $250,000, with each of the following three firms: AKS Engineering & Forestry, LLC, DOWL, and Anderson Perry and Associates, Inc. Each contract will be for a duration of three years, with the City option of two (2), one-year extensions, for a total of five (5) years. Task orders will be executed prior to work occurring. Total cost of these three contracts is $750,000.

Background:
The Engineering Division of the Public Works Department is responsible for inspecting private and public construction projects throughout the city and ensuring that public improvements are built per City of Redmond Standards and Specifications.

Engineering anticipates construction demands will exceed resource availability. Therefore, the department advertised a Request for Qualifications (RFQ) for on-call construction inspection services support. The qualified consultants will provide on-call Construction Inspection Services for select Capital Improvement Projects (CIPs), portions of CIPs, and/or private development construction projects that begin construction from June 2025 to May 2028 with the possibility of two (2), one-year renewals after May 2028.

Discussion:
A request for qualifications was issued on March 23, 2025, for on-call construction inspection services. Seven firms responded as follows:

- AKS Engineering & Forestry, LLC (AKS)
- Keller Associates
- HDR, Inc.
- Anderson Perry & Associates, Inc. (Anderson Perry)
- DOWL
- Century West Engineering
- Intertek-PSI

A selection committee evaluated each proposal and selected three firms for award, including AKS, DOWL, and Anderson Perry. The notice of intent to award was posted on April 30, 2025.

AKS, DOWL, and Anderson Perry are located within Central Oregon and have extensive experience designing and inspecting roadway, sewer, water, stormwater utility work, and/or ADA improvements. Staff recommends contract award to each firm.

Fiscal Impact:
Task orders will be executed for each project. The amount of each Task Order will be based on the scope of services provided and are generally anticipated to be in the range of $10,000 to $250,000 each. Cumulative task orders shall not

exceed $250,000 for each firm.

Task orders will either be charged to Inspection Services within the Engineering Fund or to individual CIP budgets. An amount of $100,000 is included in the Fiscal Year 2025/26 approved budget within the Engineering Fund for work specific to private development construction projects. Inspection Services for CIP projects are included within the budget of each project.

Alternative Courses of Action:

1. Authorize the City Manager to sign some or all of the on-call contracts with the selected firms.
2. Do not authorize the City Manager to enter into these contracts.
3. Take no action and request more information.

Recommendation / Suggested Motion:

"I move to award three separate on-call contracts with AKS, DOWL, and Anderson Perry in the amount of $250,000 per contract for the duration of up to five years, and authorize the City Manager to sign the contracts."

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STAFF REPORT

DATE: May 27, 2025
TO: City Council
THROUGH: Jessica MacClanahan, Public Works Director/City Engineer
Jason Neff, Deputy City Manager/Chief Financial Officer
Keith Witcosky, City Manager
FROM: Maria Ramirez, Special Projects and Natural Resource Program Manager
SUBJECT: Contract Renewal, through December 31, 2030, with CourseCo for the Management of Juniper Golf Course

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Report in Brief:
This item requests City Council authorize a renewal of the Juniper Golf Course management contract with CourseCo for a term that runs through December 31, 2030.

Background:
The existing five-and-a-half-year contract with CourseCo expires June 30, 2025. In preparation, the Golf Committee began an evaluation of the operating agreement terms and CourseCo's performance to understand if the contract should be extended. Following a Joint Golf Committee and City Council meeting to discuss a potential extension, City Council appointed a Negotiating Team comprised of three City Council members, one Golf Committee member, and three staff members. The Negotiating Team was aided by Gene Krekorian, a golf economist with ProForma Advisors LLC; and David Sams, a Municipal Golf Consultant.

A summary of the Negotiating Team, Golf Committee, and City Council discussions are detailed below:

- August 5, 2024 - Joint Council Discussion and appointment of the negotiating team
- September 16, 2024 - City Council Informal Contract terms and performance review with the City's Golf Consultants
- November 28, 2024 - Negotiating Team and CourseCo Management Kickoff Discussion
- December 9, 2024 - Negotiating Team and CourseCo TopTracer Investment
- January 14, 2025 - Negotiating Team, Consultant Evaluation, and CourseCo Compliance Discussion
- February 24, 2024 - Council Walkthrough - Contract Terms and Criteria
- March 25, 2025 - Council Meeting - CourseCo Presentation on Juniper's Future Vision and TopTracer Investment
- April 29, 2025 - Golf Committee Recommendation
- May 19, 2025 - Council Informal Review of 2020 vs 2025 Contract Comparison

Key contract terms include:

- Extend the CourseCo management contract through December 31, 2030
- Enhance the incentive fee threshold on golf revenue above $1,710,219, with annual 2% increase
- Leverage the $150,000 investment from CourseCo toward revenue-enhancing programs
- Provide a more consistent and measured customer experience
- Establish routine contract compliance requirements

Discussion:
Staff worked with the City's Golf Consultant Advisors to explore new contract terms, including capital investment, financial performance metrics, junior golf programs, and measurable customer service. In addition, the Advisor's provided an evaluation of the 2020 contract terms compared to the industry standards.

Through negotiations with CourseCo, the following primary terms were agreed to and incorporated into the management contract:

Contract Length:
5 years, 6 months, commencing December 31, 2030.

Management Fee Structure:

- Fixed Fee: $88,326 in Fiscal Year 25/26, with a 2% annual increase.
- Accounting Services Fee: $25,860/year ($2,155/month), with Consumer Price Index (CPI) adjustment each January

Incentive Fee:

- 20% of gross golf revenue above $1,710,219, with an annual 2% increase in threshold.
- Incentive Fee Cap: $49,684 in FY25/26 with an annual increase of 2.0%.

Capital Investment:

- $150,000 with a six-month timeframe and renegotiation option.
- The City (and members of the Golf Committee) will have an opportunity to comment on the scope of work.

Performance Measures:

- Customer Service Scores of 3.5 or better
- Financial Measures including Food and Beverage Service, Green Fees, Annual Dues, Card Programs, Merchandise, Carts, Range, and Instruction - 90% of revenue targets established during the annual budget
- Community Events - five (5) or more each year

Additional Exhibits:

- Exhibit A - Golf Programs
- Exhibit B - TopTracer Investment
- Exhibit C - Procurement Policy

Fiscal Impact:
The current management contract consists of an annual fixed management of $86,595 and an accounting fee of approximately $21,600. The proposed contract includes an annual fixed management fee of $88,326, a possible incentive fee of $49,684, and an accounting fee of $25,860 per year. Each financial metric is adjusted annually with a 2% increase with the exception of the accounting fee which is adjusted by the CPI each January. After CourseCo fees are paid the City retains any profits from golf operations.

Alternative Courses of Action:
1. Authorize the City Manager to enter into a contract with CourseCo for the management of Juniper Golf Course.
2. Request more information.
3. Do not enter into a contract with CourseCo.

Recommendation / Suggested Motion:
“I move to authorize the City Manager to enter into a contract with CourseCo for the management of Juniper Golf Course for a term ending December 31, 2030."

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STAFF REPORT

DATE: May 27, 2025
TO: Redmond City Council
THROUGH:
FROM: Keith Witcosky, City Manager
SUBJECT: Two-Year Enterprise Zone Extension for i3D.

Report in Brief:
This item requests City Council approve a two-year extension for the i3D Enterprise Zone (EZone) Extended Abatement Agreement.

Background:
All employment lands in the city of Redmond are part of the State EZone program. This program allows qualifying businesses and investments to receive a 100% abatement of property taxes associated with the assessed value of new qualifying capital improvements. Companies continue to pay taxes on the value of the land and any capital investments that are not eligible for the abatement.

Depending upon the nature of the State program being used, EZone abatements can range from three (3) years; to five (5) years (known as the Extended program). The duration of the abatement is connected to the number of jobs created and wage level. The three-year abatement can be approved administratively (without City Council action). However, in this case, i3D seeks five-years of abated taxes.

The three-year abatement does not have an average wage requirement; however, the Extended abatement requires wages that are certified at 150% of Deschutes County average annual compensation ($93,654).

Compensation under the criteria includes salary, overtime, bonuses, medical and retirement benefits. Not all jobs created need to exceed the 150% average annual compensation criteria, but rather an average of the overall compensation for all net new jobs needs to exceed the 150% average annual compensation criteria. If less than half of the jobs meet the compensation criteria, then that qualifies for a one-year extension. If more than half of the jobs meet the compensation criteria, then that qualifies for a two-year extension.

Extended abatements need to be approved by the sponsor(s) of the EZone. It is the prerogative of the sponsor agency whether the approval is made by the governing body or administratively. The Greater Redmond Area EZone has three co-sponsors: the City of Redmond; Deschutes County; and the City of Sisters. The City of Redmond's policy is that the Redmond City Council approves all extended EZone agreements.

Additionally, the City of Redmond waives or reduces, depending upon specific set criteria, land-use, building and permitting fees.

i3D has used the Enterprise Zone program two previous times beginning in 2020. At that time, they were a move project coming from the Columbia Gorge area and projected to add 15 jobs to the region with a projected $6.5 million investment. The current project is projected to be $26 million, including a partial remodel and new equipment. The requirement is to add 20 jobs to the current total of 26 full-time positions. I3D is growing rapidly and is committed to being a strong community partner.

Discussion:
i3D is managed by Erin Stone. At 26 full-time employees, it has been among Redmond's faster growing firms and is located at 1263 SW Lake Rd. i3D Manufacturing manufactures a wide range of 3-D metal printed products that serve in the aviation/aerospace sector.

In July 2024, i3D submitted an application requesting an extended abatement.

The project being undertaken is modification of two buildings totaling 32,500 square feet across the street from the current facility, plus equipment. Total project cost is $26,000,000 ($9,000,000 capital construction and remodeling and $17,000,000 in equipment).

The firm has committed to create 20 new full-time jobs in Redmond by the first year of exemption (estimated to be 2025). Over half of the new jobs' compensation exceed 150% of Deschutes County average wage. The application and wage documentation have been validated by City staff and REDI staff.

This EZone Extended Abatement Agreement is for two additional years.

Fiscal Impact:
This action will extend the property tax abatement for the qualified project by two years. The property tax impact for the City's share of foregone revenues is estimated to be $48,000/year.

Alternative Courses of Action:
1. Approve the Agreement for Oregon Enterprise Zone Extended Abatement for i3D.
2. Do not approve the Agreement for Oregon Enterprise Zone Extended Abatement for i3D in which the firm would still be eligible for the "Standard" abatement of three (3) years.

Recommendation / Suggested Motion:
"I move to approve the Agreement for an Oregon Enterprise Zone Extended Abatement for i3D."

AIRPORT TERMINAL EXPANSION

1: GMP #3 Construction Amendment
2: Design/CA Services Contract Amendment
3: Special Inspections Contract

REDMOND CITY COUNCIL
MAY 27, 2025

ITEM #1:
SKANSKA GMP #3 CONSTRUCTION AMENDMENT
$98,059,847

KEY PROJECT ELEMENTS

- 80K SQ FT TO BUILDING
- 71% INCREASE IN WAITING ROOM SPACE
- 6K SQ FT IN RETAIL/CONCESSION
- 7 NEW JET BRIDGES
- 25-BATHROOM STALLS & COMPANION CARE RESTROOM
- TARGETING LEED SILVER CERTIFICATION SUSTAINABLE LIGHTING/HVAC/BLDG CONTROLS

CONSTRUCTION CONTRACTS (SKANSKA)

Preconstruction Agreement $648K

May 2024
GMP #1
$11M

Early procurement package: Electrical, boarding bridges, elevators.

Feb 2025
GMP #2
$17.5M

Enabling package: MEP procurements, logistics, temp facilities.

May 27, 2025
GMP #3
$98M

Construction package: Structural, electrical, mechanical

Oct 2025
GMP #4
$13M

FUTURE:
FFE Package: Furnishings, fixtures, equipment.

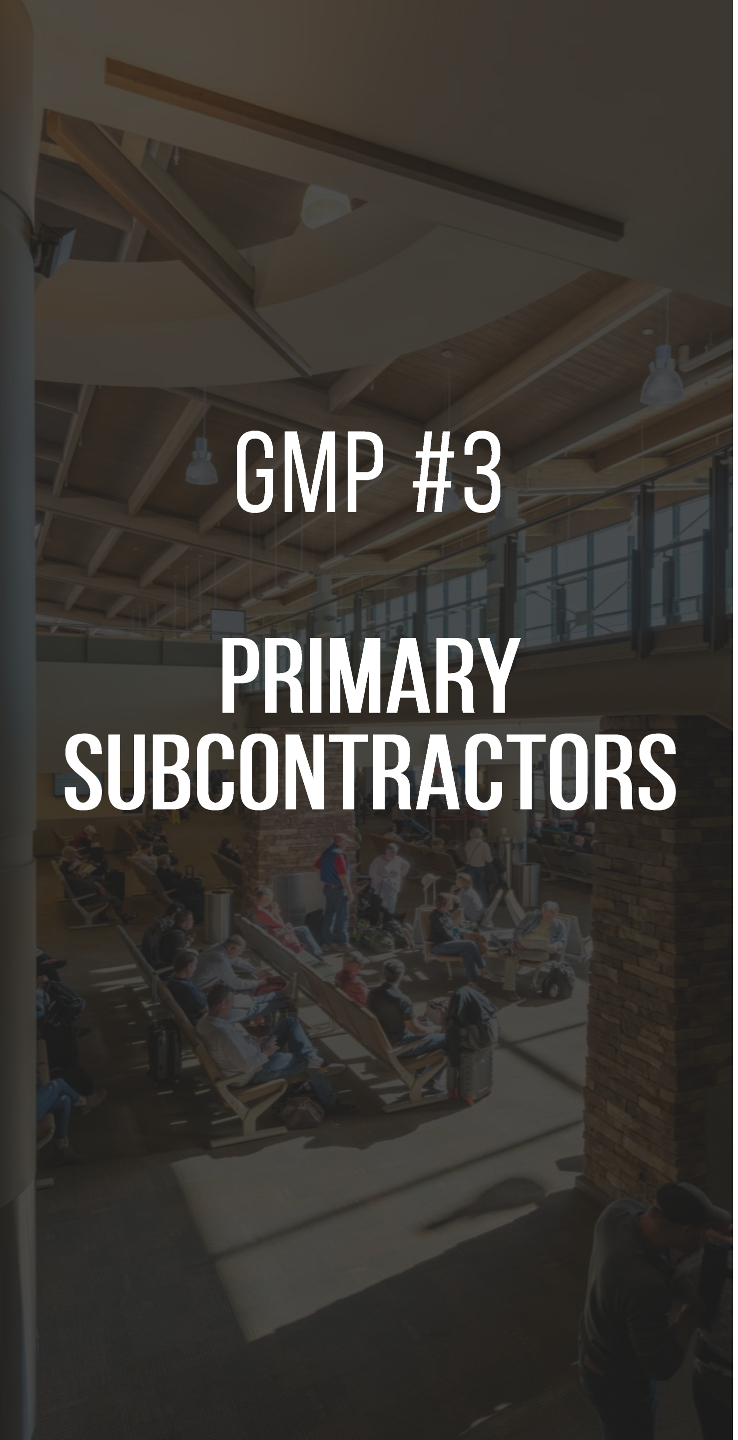
Current Approved Construction costs **$127.2M**

Total Est. Construction Costs **$141M**

Bid Package #3 Cost Summary

Redmond Municipal Airport
Terminal Expansion Project: Bid Package #03

COST SUMMARY			
WORK CATEGORY ITEM	DD BID ESTIMATE	BID TOTAL	BUDGET VARIANCE
DIRECT COSTS	$ 76,286,521	$ 76,107,226	$ 179,295
CONTINGENCY	$ 14,721,275	$ 8,292,319	$ 6,428,956
INDIRECT COST	$ 14,512,325	$ 13,660,303	$ 852,022
TOTAL BID PACKAGE COST	$ 105,520,121	$ 98,059,847	$ 7,460,274



GMP #3

PRIMARY SUBCONTRACTORS

WORK CATEGORY ITEM	PROPOSED SUBCONTRACTOR
Logistics & Enabling	Skanska
Elevators & Escalators	TKE
Passenger Boarding Bridges	Oshkosh
Outbound Baggage Carousel	G&S
Baggage Handling System	G&S
Site Electrical Utility	K3
Site Concrete	Cascade Civil Corp
Misc. & Structural Metals	Derr & Gruenewald
Foundation Damproofing & Waterproofing	Flynn
TPO Roofing	Eagle Roofing
Metal Framing, Drywall, & Ceilings	PCI
HVAC & Plumbing - Early Trade Partner	Southland
Electrical - Early Trade Partner	EC Company
Earthwork	K3
Asphalt Paving	K3 / SPM
Building Demolition	IES

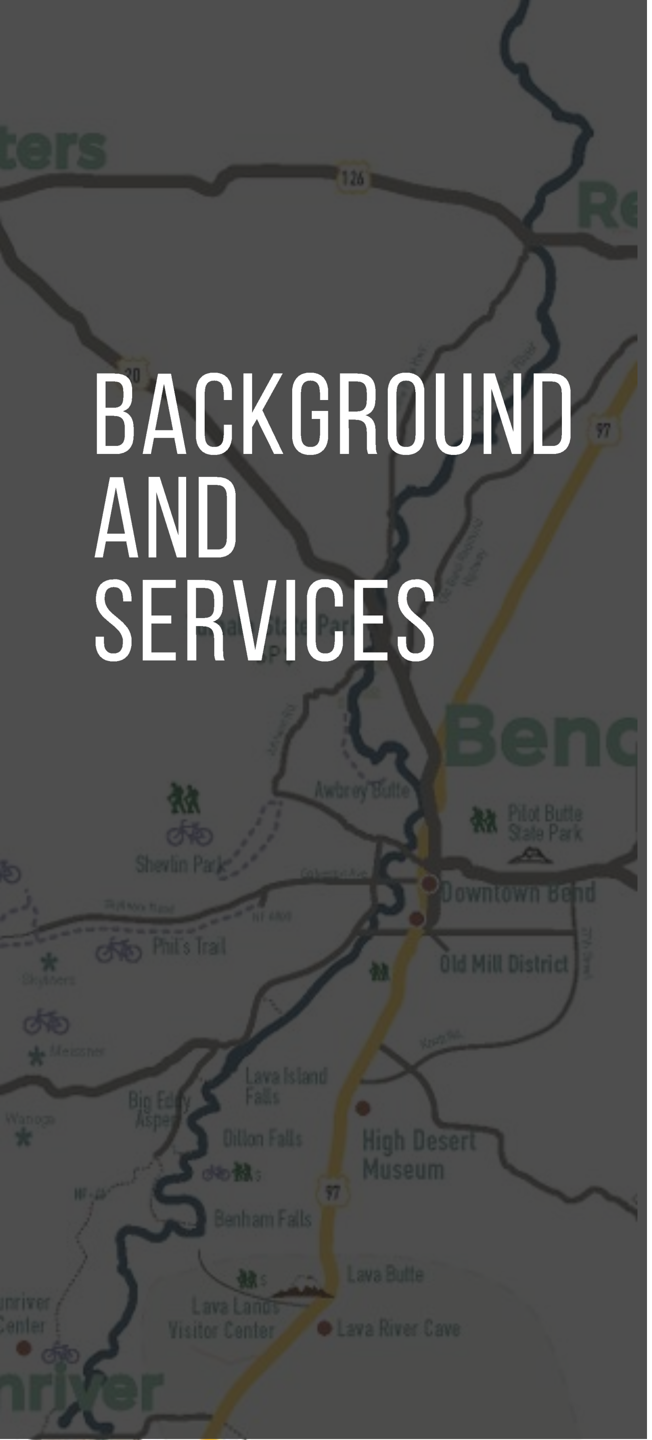
RECEIVED MORE THAN 75+ BIDS

67% OR $66.2M SUBCONTRACTED LOCALLY

ITEM #2:
RS&H DESIGN/CONSTRUCTION ADMINISTRATION SVCS. CONTRACT AMENDMENT $19,500,000

($6.5M INCREASE FROM ORIGINAL CONTRACT)

RDM



BACKGROUND AND SERVICES

APRIL 2022: COUNCIL APPROVED $13M NOT TO EXCEED CONTRACT FOR TERMINAL ARCHITECTURAL AND DESIGN SERVICES TO RS&H

SCOPE

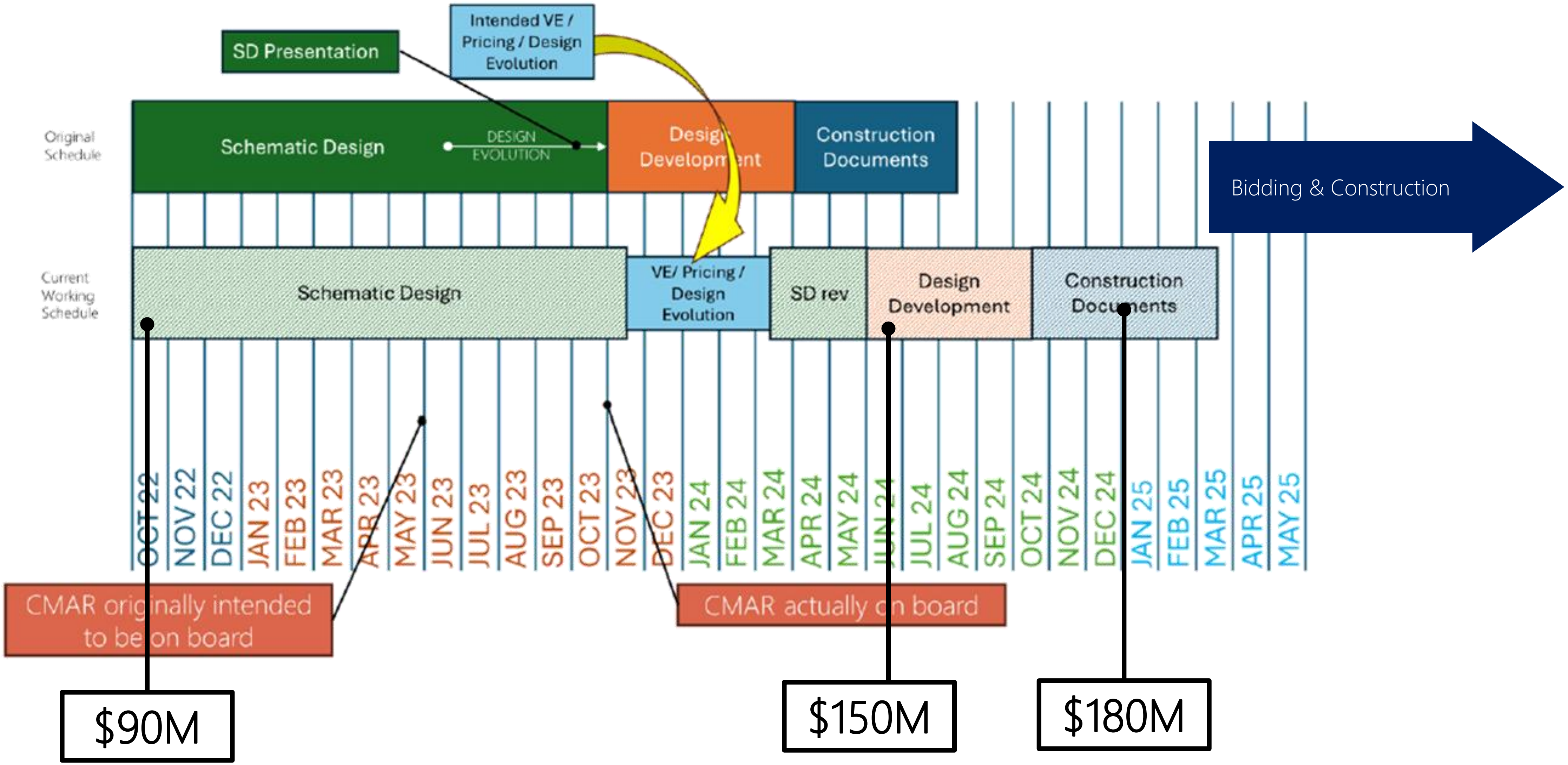
01 FINANCIAL PLANNING & PROJECT SCHEDULING

02 DESIGN AND CONSTRUCTION CONTRACT NEGOTIATION

03 CONSTRUCTION MANAGEMENT

04 PROJECT CLOSEOUT AND OTHER SPECIAL SERVICES

PROJECT SCOPE INCREASE



RS&H Morrison Maierle engineers · surveyors · planners · scientists Hennebery Eddy Architects

CONTRACT INCREASE

	At Concept/SD 2022	At DD 2024	At CD 2025
Program Cost	$90M	$150M	$180M
Design/CA Cost	$13M	--	$19.5M ($6.5M+)*
Percentage of Project	14%		11%

*INCLUDES 5% CONTINGENCY

COMPARABLES

City Projects			
City Hall	$ 941,007	$ 12,001,187	8%
Snow Removal Equipment Building	$ 1,101,394	$ 14,030,676	8%
Public Safety Facility	$ 4,402,258	$ 49,000,000	9%
Redmond Wetlands Complex	$ 7,600,000	$ 84,600,000	9%
		Average	9%

Industry Standard	Services	Percentage of Project
Standard Design	Architecture/MEP/FP Etc.	10%
Special Design	Baggage/LEED/Signage/PA/Financial Planning etc.	2-4%
	Total	10-14%

ITEM #3:
SPECIAL INSPECTIONS CONTRACT
WALLACE GROUP, INC. NOT TO EXCEED $225,000

FLY REDMOND

CONTRACT 2025-13

ENSURES INDEPENDENT 3RD PARTY TESTING OF MATERIALS INCLUDING CODE AND NON-CODE REQUIRED SYSTEMS. REQUIRED BY THE FAA.

3 BIDDERS (INITIAL SCOPE):

THE WALLACE GROUP	: $122,334
CARLSON TESTING	: $176,300
CERTERRA	: $383,775

NOT TO EXCEED $225K JUSTIFICATION (100K+ OVER BIDS):

PROJECT IS FLUID AND SPECIFIC TESTINGS ARE UNKNOWN CURRENTLY. THIS CONTRACT WAS BUDGETED FOR $700K.

WILL USE NEGOTIATED LABOR RATES AND TESTING COSTS IN BID

TERMINAL EXPANSION FINANCIAL UPDATE

PROJECT FINANCIAL OVERVIEW

ORIGINAL PROJECT BUDGET (100% DD ESTIMATE)

- CONSTRUCTION BUDGET : $150M
- DESIGN/CA : $13M
- OWNER COSTS : $ 19M

TOTAL : $ 182M

CURRENT PROJECTED COSTS

- CONSTRUCTION COSTS : $141M ($9M UNDER)
- DESIGN/CA : $ 19M ($6.5M OVER)
- OWNER COSTS : $ 19M

TOTAL : $ 179M

CURRENT PROJECT CONTINGENCIES : $24M (15%)

QUESTIONS?

CITY OF REDMOND

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STAFF REPORT

DATE:	May 27, 2025
TO:	City Council
THROUGH:	Jason Neff, Deputy City Manager/Chief Financial Officer Keith Witcosky, City Manager
FROM:	Zachary Bass, Airport Director
SUBJECT:	Procurements for Guaranteed Maximum Price Amendment #03 for the Airport Terminal Building Expansion Project in the Amount of $98,059,847

Report in Brief:
This item requests City Council approve a Guaranteed Maximum Price (GMP) Amendment #03 for the Airport Terminal Building Expansion Project, in the amount of $98,059,847.

Background:
As Central Oregon rapidly increases in population, so too has the passenger counts at Redmond Municipal Airport (RDM). Over the past ten years, passenger traffic has increased from 500,000 to 1.2 million, with the forecast for it to reach 1.7 million by 2036.

The current commercial airline terminal building does not adequately accommodate this increased activity. For the past several years, the Airport has planned a $180 million expansion project that will nearly double the size of the terminal. This will lead to increased capacity for passenger flow, improved safety, and create new, local business opportunities within the terminal concourse.

In May 2024, Council approved Guaranteed Maximum Price (GMP) Amendment #01, also known as Bid Package #01, for the early procurement of equipment necessary to support the project. GMP Amendment #01 was made up of site electrical conduit installation, passenger boarding bridges, elevators and escalators, and outbound baggage makeup units. Executed in June 2024, GMP Amendment #01 had a released value of $10,960,965.

In February 2025, Council approved GMP Amendment #02, for the Mechanical, Electrical, and Plumbing (MEP) trade partner procurement, construction enabling work, project logistics, temporary facilities, and cleaning, and alternates for the passenger boarding bridges. Executed in March 2025, GMP Amendment #02 had a released value of $17,545,212.

Discussion:
Through the Construction Manager/General Contractor (CMGC) alternative delivery process of design and construction of the Terminal Building Expansion, construction normally begins once there is a final, agreed upon GMP.

The third amendment, known as GMP Amendment #03 is composed of site, demolition, foundations, structure, exterior enclosure, and MEP work done for the Terminal Expansion Project.

The Airport requests the amount of $98,059,847 for GMP Amendment #03. This amendment aligns with the Airport's $180 million project cost estimate from available funding.

This third GMP will bring the cumulative total package of amendments to $127,213,627.

Fiscal Impact:
The $180 million Terminal Expansion Project is expected to be funded through the following:

Federal Grants	$45 million
Connect Oregon Grant	$10 million
Airport Operating Cash	$35 million

Airport Paid Bond	$90 million

The latest cost estimate for the project is $179 million which can be broken into the following components:

Construction Cost (CMGC)	$141 million
Design / Construction Management	$19 million
Owner Costs	$19 million

Included in the cost estimate is a $24 million (15%) contingency.

The action before the Council pertains to continued amendments to the CMGC GMP. These amendments can be broken into the following:

Terminal Expansion Project Amendments for CMGC:		
Preconstruction Agreement	$ 647,603	May 2024 Council Approval
GMP Amendment #01	$ 10,960,965	May 2024 Council Approval
GMP Amendment #02	$ 17,545,212	Feb. 2025 Council Approval
GMP Amendment #03	$ 98,059,847	May 2025 Council Approval
Total Terminal Expansion Project Amendments to Date	***$ 127,213,627***	

Alternative Courses of Action:

1. Approve recommended GMP Amendment #03, in the amount of $98,059,847
2. Do not approve recommended GMP Amendment #03, in the amount of $98,059,847
3. Take no action and request more information.

Recommendation / Suggested Motion:
I move to approve Guaranteed Maximum Price Amendment #03 for the Airport Terminal Building Expansion Project, in the amount of $98,059,847.

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STAFF REPORT

DATE: May 27, 2025
TO: City Council
THROUGH: Jason Neff, Deputy City Manager/Chief Financial Officer
Keith Witcosky, City Manager
FROM: Zachary Bass, Airport Director
SUBJECT: Amendment to Contract #2022-33 for Architectural and Engineering Services with RS&H in an not-to-exceed amount of $19,500,000.

Report in Brief:
This item requests City Council authorize an amendment to the existing $13,000,000 Architectural and Engineering Services contract with RS&H Oregon (RS&H) in an amount not-to-exceed $19,500,000 for additional design and construction administration services for the Airport Terminal Expansion Project.

Background:
In April 2022, City Council authorized RS&H for Architectural and Engineering Services for the Airport Terminal Building Expansion in an amount not-to-exceed $13,000,000. The contract term was for five years for the design and construction administration services of the Terminal Expansion Project.

The Airport would like to increase this contract by $6,500,000 to a total of $19,500,000.

Discussion:
Since the implementation of the Architectural and Engineering Services agreement with RS&H, additional resources and alternative funding have allowed the Terminal Expansion Project to grow from an initial schematic design of $90 million for construction costs to $141 million in the development design estimate. This scope of work directly correlates with the construction administration services fees as defined in the Architectural and Engineering Services agreement with RS&H, with the new scope increasing the current agreement to $19,500,000. This $6,500,000 increase from contract #2022-33 aligns with industry standards for construction administration services. This amendment will also require an extension of the agreement to at least three (3) months beyond the construction completion date, currently scheduled for October 22, 2027.

Fiscal Impact:
For the amendment of the Architectural and Engineering Services Contract with RS&H, the fiscal impact will be in a not-to-exceed amount of $19.5 million, with funding available within the $180 million project budget.

Alternative Courses of Action:

1. Approve the amendment to the Architectural and Engineering Services Contract with RS&H in the amount, not to exceed, $19.5 million
2. Do not approve amendment to the Architectural and Engineering Services Contract with RS&H in the amount, not to exceed, $19.5 million
3. Take no action and request more information.

Recommendation / Suggested Motion:
“I move to approve an amendment to the Architectural and Engineering Services Contract #2022-33 with RS&H in the amount, not to exceed, $19.5 million.”

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STAFF REPORT

DATE: May 27, 2025
TO: City Council
THROUGH: Jason Neff, Deputy City Manager/Chief Financial Officer
Keith Witcosky, City Manager
FROM: Zachary Bass, Airport Director
SUBJECT: Approval to Award Contract 2025-33 for Airport Terminal Expansion Construction Special Inspection Services to The Wallace Group, Inc. in an amount, not to exceed, $225,000.

Report in Brief:
This item requests City Council award a $225,000 contract to The Wallace Group for inspection services during the Airport Terminal Expansion Construction project.

Background:
Inspections are conducted on construction projects to ensure that critical aspects of the work comply with all relevant approved plans, specifications, codes, and standards. These inspections are required by building codes and are carried out by qualified inspectors independent of the general contractor. Inspections of this nature are also required to comply with FAA Grant Assurances related to the same.

Discussion:
These inspections are required and necessary for the following reasons: Compliance with building codes and regulations, to ensure structural safety and integrity, verification of materials and installation, and third-party quality assurance. The Airport solicited initial quotes from qualified contractors to perform the required special inspection testing work, with the quotes as follows:

1. The Wallace Group, Inc.	$122,334
2. Carlson Testing, Inc	$176,300
3. Certerra	$383,775

The Wallace Group, Inc. submitted the lowest initial quote of $122,334 based on an estimated scope. A not-to-exceed amount of $225,000 was established for the proposed Contract 2025-33 to allow for additional inspections and inspection frequency, and variability in special inspection recommendations to the Airport in the project requirements and from the general contractor. The additional sum above the lowest initial quote was also established to assist the Airport and City in verifying proper workmanship and in the assessment of any other non-code-required systems. The proposed Contract will be based on a “Not-to-Exceed – Time & Materials” basis with negotiated labor rates and testing costs that can be billed as the Terminal Expansion Project progresses.

Fiscal Impact:
Contract is for a not-to-exceed $225,000 which is factored into the $180 million project budget. The procurement is to be made through Redmond City Code Section 2.406 & Oregon Revised Statutes 279C.335.

Alternative Courses of Action:
1. Award Terminal Expansion Construction Special Inspection Services contract to The Wallace Group, Inc.
2. Do not award Terminal Expansion Construction Special Inspection Services contract to The Wallace Group, Inc.
3. Take no action and request more information.

Recommendation / Suggested Motion:
“I move to approve Contract 2025-33 for Airport Terminal Expansion Construction Special Inspection Services with The Wallace Group, Inc., in an amount not-to-exceed $225,000, and authorize the City Manager to sign the agreement.”

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STAFF REPORT

DATE:	May 27, 2025
TO:	City Council
THROUGH:	Jason Neff, Deputy City Manager/Chief Financial Officer Keith Witcosky, City Manager
FROM:	Zachary Bass, Airport Director
SUBJECT:	Ordinance #2025-10: An ordinance amending the Redmond City Code Chapter 2 updating the Airport Customer Facility Charge.

Report in Brief:
The item requests City Council remove language regarding the seven-day cap on the $5.00 fee associated with renting cars at Redmind Municipal Airport (Redmond City Code Section 2.565 – Customer Facility Charge {CFC}).

Background:
On September 13, 2016, City Council approved an amendment (which took effect October 1, 2016) to City Code Section 2.565 to establish the CFC. The amendment set a daily car rental surcharge of $3.00, for up to seven consecutive days, which only applies to car rentals originating at the Airport. City Code 2.565 further dedicated the resources from the CFC for construction of new and ancillary rental car facilities, services, and associated infrastructure for the airport rental car companies.

On November 12, 2024, to move forward with the Airport's Quick Turnaround Facility (QTA) by allowing additional bonding capacity, Council approved Resolution #2024-30 to update the CFC rate to $5.00 per day and eliminating the seven-day cap on charges to begin January 1, 2025. However, the City Code was not updated with this change. The proposed action on May 27, 2025, will align the City Code to the Fee Schedule.

Discussion:
The Airport's QTA project had an initial cost estimate (in 2020) of $8.3M. This project was put on hold due to COVID-19 impacts that same year. Inflation has increased the estimated costs to $13.3M. There is currently $8.3M in available CFC funds for this project ($6.1M from the 2019 QTA bond and $2.2M in collected CFC), leaving a project funding gap of $5M.

Resolution #2024-30 was approved to update the City Fee Schedule to help support the additional bonding capacity to cover the gap; however, Redmond City Code Section 2.565 was not amended as part of the process. Language regarding the seven consecutive-day cap requires removal from Section 2.565.1 to align with the approved changes to the fee schedule. Generally, everything related to fees is in the Fee Schedule, so removing this language from the City Code will match city-wide practice.

Fiscal Impact:
Approximately 15% of rental car transactions exceed the seven-day threshold. Elimination of the threshold, as approved by Council in the fee schedule in November 2024, amounts to approximately $40,000 to $60,000 of annual revenue.

Alternative Courses of Action:

1. Adopt Ordinance #2025-10
2. Do not adopt Ordinance #2025-10
3. Request more information.

Recommendation / Suggested Motion:
"I move to have a first and second reading of Ordinance #2025-10, by title only." (Voice vote)

(The City Attorney will read the ordinance by title only, twice.)

“I move to adopt Ordinance #2025-10”

CITY OF REDMOND
ORDINANCE NO. 2025-10

AN ORDINANCE AMENDING THE REDMOND CITY CODE CHAPTER 2 UPDATING THE AIRPORT CUSTOMER FACILITY CHARGE.

WHEREAS, the City Council has previously authorized establishment of Airport Customer Facility Charge (CFC) for the City through amendment of City Code section 2.565 to establish a CFC; and

WHEREAS, City Code section 2.565, dedicates resources from the CFC for construction of new and ancillary rental car facilities, services, and associated infrastructure for the airport rental car companies (RAC); and

WHEREAS, in October 2016, the City Council set the CFC daily rental car surcharge of $3.00 for up to seven consecutive days; and

WHEREAS, on November 12, 2024, City Council passed Resolution No. 2024-30 increasing the CFC daily fee to $5.00 from $3.00, while also eliminating the seven-day rental cap. However, City Code 2.565 was not updated to reflect Resolution No. 2024-30.

NOW, THEREFORE, THE CITY OF REDMOND ORDAINS AS FOLLOWS:

<u>SECTION ONE:</u> The City of Redmond hereby amends the Redmond City Code Chapter 2, a copy of the code amendments is attached hereto as “Exhibit A.”

<u>SECTION TWO: SEVERABILITY.</u> The provisions of this Ordinance are severable. The invalidity of any section, clause, sentence, or provision of this Ordinance shall not affect the validity of any other part of this Ordinance which can be given without such invalid part or parts.

<u>SECTION THREE:</u> The City Council finds that it is in the best interest of the City of Redmond to have this Ordinance take effect immediately upon adoption and signature.

PASSED by the City Council and **APPROVED** by the Mayor this 27th day of May 2025.

____
Ed Fitch, Mayor

ATTEST:

____
Kelly Morse, City Recorder

Exhibit A

Redmond City Code Proposed Amendments

Proposed text amendments are shown in ~~strike-through~~ and **in Red or Red Underline**.

(***)

Chapter 2: Government and Administration

(***)

Sec. 2.565. - Customer Facility Charge.

1. The City of Redmond establishes a Customer Facility Charge ("CFC") for each day a vehicle is rented ~~but not to exceed seven consecutive days.~~ Each 24-hour period or fraction thereof within the rental period, ~~up to and including the seventh consecutive day~~, shall constitute a separate day for which the CFC must be levied and collected. This CFC is levied on the rental of any vehicles at the Redmond Airport or from any property owned or controlled by the Redmond Airport. Any business or individual renting vehicles at the Redmond Airport or from any property owned or controlled by the Redmond Airport is designated as an "Airport Rental Car Company." The CFC shall be set and may be adjusted by Resolution of the Redmond City Council.

2. Airport Rental Car Company Obligations:

A. Each Airport Rental Car Company shall collect the CFC and shall hold the CFC in trust for the benefit of the City. The CFC shall not be considered as income, revenue or any other asset of the Airport Rental Car Company; the Airport Rental Car Company has no ownership or property interest in such CFCs; and each Airport Rental Car Company shall waive any claim to a possessory or ownership interest in the CFCs. Each Airport Rental Car Company shall segregate, separately account for and disclose all CFCs as trust funds in its financial statements and shall maintain adequate records that account for all CFCs charged to its customers at the Airport and collected for the City.

B. Airport Rental Car Companies shall list the CFC separately on the customer's rental contract below the sales tax line describing it as a "Customer Facility Charge." CFCs will not be included in the gross revenue of Airport Rental Car Companies.

C. Each Airport Rental Car Company must collect the CFC at the time the first payment is made under a customer's rental car agreement, and must remit the full amount of the CFC to the City regardless of whether or not the full amount of such CFC is actually collected by the Airport Rental Car Company from the customer. The CFC amount must be reported on a separate line on the Monthly Statement of Activity Report.

D. Each Airport Rental Car Company shall remit directly to the City on a monthly basis all CFCs collected or that should have been collected from its airport customers. The CFCs shall be received by the City no later than the 20th day of the month following the month in which the CFCs were collected (due date). Payment will become delinquent if unpaid by the 10th day after the due date. Delinquent payments shall bear interest at the lesser of 18 percent per annum or maximum rate of interest allowed by law from due date plus penalties until remitted in full.

E. At the time the CFCs are remitted to the City each Airport Rental Car Company shall also submit a transaction report that includes transaction days for the previous month, a summary of daily business transactions in connection with the Airport, an accounting of all fees charges to airport customers in connection with such transactions, and such other information as may be required by the City in a form and substance satisfactory to the City.

(***)

//End//