

Agenda
City of Shady Cove City Council Meeting
Thursday, July 24, 2025 at 6 PM

[Join the meeting now](#) Meeting ID: 972 292 3260

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Announcements/Proclamations by Presiding Officer
 - A. This meeting is being digitally recorded.
 - B. Next City Council: August 7, 2025 6 PM in Council Chambers and Zoom.
 - C. Next Planning Commission: Thursday, August 14, 2025 6:30 pm in Council Chambers+Zoom.
 - D. Next Recreation & Tourism Commission: Wednesday, August 13, 2025 5:00 PM at the Library.
 - E. These meeting dates and times are subject to change.
 - F. Individuals who wish to address the City Council on matters of interest may do so by completing a Public Comment Card and submitting it to the City Administrator prior to the start of the meeting. Comments must be directed to the entire Council and are limited to three (3) minutes per speaker. The Council reserves the right to postpone any action on a matter until sufficient information has been received and considered. For those attending via Zoom, microphones will remain muted, and the chat feature will remain unavailable. Public comment will only be accepted if submitted in advance by email.
5. Public Comment on Agenda Items.

Each person wishing to speak before the City Council on only matters listed on this agenda shall approach the City Council, give their name, and limit comments to three (3) minutes. Public comments may also be submitted via email to the City Administrator at mparry@shadycove.org no later than 4:00 PM on the day of the meeting.
6. Consent Agenda
 - A. No bills were paid during this period as the City is in the process of establishing new authorized signers.
7. Staff Reports
 - A. Jackson County Sheriff's Department
 - B. Commissions/Committees
 - C. City Administrator

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In compliance with the Americans with Disabilities Act the meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling 541-878-2225.

8. New Business
 - A. RH2 Professional Services Agreement for Engineering Services.
 - B. Assign Liaisons
 - C. Department of Land Conservation and Development 2025-2027 HOUSING PLANNING ASSISTANCE GRANT APPLICATION submission August 4, 2025.
9. Old Business
 - A. Welcome Sign
10. Public Comments on non-agenda items.
11. Council Comments and Liaison reports.
12. Adjournment

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meetings. This notice does not limit the ability of the City Council to consider or discuss additional subjects. These meetings are subject to cancellation without notice. These meetings are open to the public and interested citizens are invited to attend. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Stacey Bandfield at (541) 878-2225.

PROFESSIONAL SERVICES AGREEMENT – ENGINEERING SERVICES

This Professional Services Agreement – Engineering Services (this “Agreement”) is dated June 25, 2025, but made effective for all purposes as of February 14, 2024 (the “Effective Date”), and is entered into between City of Shady Cove (“City”), an Oregon municipal corporation, whose address is 22451 Highway 62, Shady Cove, Oregon 97539, and RH2 Engineering, Inc. (“Contractor”), a Washington corporation, whose address is 22722 29th Drive SE, Suite 210, Bothell, Washington 98021.

RECITAL:

City desires to retain Contractor to serve as City’s engineer of record concerning City related matters and/or projects assigned by City from time-to-time. Subject to the terms and conditions contained in this Agreement, Contractor will perform the Services (as defined below) for and on behalf of City.

AGREEMENT:

NOW, THEREFORE, in consideration of the parties’ mutual obligations contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Engineering Services.

1.1 Services; Standards. Subject to the terms and conditions contained in this Agreement, Contractor will perform the following engineering and related services for and on behalf of City (collectively, the “Services”) if and when requested by the city administrator from time to time: (a) those engineering and related services described on the scope of services attached hereto as Schedule 1.1; (b) all other necessary or appropriate services customarily provided by Contractor in connection with its performance of those services described on the attached Schedule 1.1; and (c) any other engineering and related services that City may request from time to time under Section 1.2. Contractor will (w) consult with and advise City on all matters concerning the Services reasonably requested by City, (x) communicate all matters and information concerning the Services to the city administrator and perform the Services under the general direction of the city administrator, (y) devote such time and attention to the performance of the Services as City deems necessary or appropriate, and (z) perform the Services in accordance with the applicable standard of care described in Section 4.2. Contractor acknowledges and agrees that City may cause or direct other persons or contractors to provide services for and on behalf of City that are the same or similar to the Services provided by Contractor under this Agreement. For purposes of this Agreement, the term “city administrator” means City’s then-appointed city administrator or his or her designee.

1.2 On-Call – Task Order. Subject to the terms and conditions contained in this Agreement, in addition to the Services identified under Section 1.1, City may request that Contractor perform certain additional Services from time to time (i.e., Services not identified under Section 1.1(a) or 1.1(b)). City and Contractor will discuss the applicable Services, including, without limitation, the anticipated fees and schedule for completing the Services (the “Consultation”). After the Consultation, City will issue Contractor a written task order substantially in the form attached hereto as Exhibit A (each a “Task Order”) containing a description of the requested Services, Contractor’s performance obligations (if and to the extent not already contained in this Agreement), the payment methodology for the requested Services, and schedule for completion of the Services. Within ten (10) days after City’s issuance of the Task Order, Contractor will provide City written notice confirming whether Contractor will provide the Services requested under the Task Order. If Contractor is willing to provide the requested Services (and signs the applicable Task Order), Contractor will provide the requested Services subject to and in accordance with this Agreement and the applicable Task Order. If Contractor is unable to provide the requested Services, Contractor will not provide the Services requested under the applicable Task Order. Each fully executed Task Order will become an attachment to this Agreement.

1.3 City Information; City Representative. If and to the extent available, City will provide Contractor all Contractor requested information concerning applicable project requirements, including information concerning existing facilities, subject easements, rights-of-way, agreements with utilities, as-built drawings, legal descriptions, and/or any other information in City's possession which City and Contractor mutually and reasonably determine necessary or useful in connection with the applicable project. Contractor may rely on the accuracy of information and documentation furnished by City under this Section 1.3 provided such reliance is reasonable, consistent with the standard of care described in Section 4.2, and after Contractor's reasonable examination of the subject information and/or documentation.

1.4 Schedule; Condition Precedent. The Services will be completed in a timely manner and in accordance with the schedule identified in the Scope of Work or applicable Task Order. Contractor and City will routinely consult with each other to ensure effective and efficient provision of Services and minimize expense. Notwithstanding anything contained in this Agreement to the contrary, City's performance of its obligations under this Agreement is conditioned on Contractor's performance of its obligations under this Agreement, including, without limitation, those Contractor obligations identified under Section 4.4.

2. Compensation.

2.1 Compensation. Subject to the terms and conditions contained in this Agreement, in consideration of Contractor's timely performance of the Services in accordance with this Agreement, City will pay Contractor in accordance with the fee schedule attached as Schedule 2.1. Contractor will submit monthly invoices to City concerning the Services performed by Contractor during the immediately preceding month (each an "Invoice"). Each Invoice will contain the following information: (a) a summary of the Services performed by Contractor (and by whom); (b) the number of hours (or fraction thereof) each person spent to perform the Services; (c) the applicable fee(s) for performing the Services; and (d) all other information reasonably requested by City. City will pay the amount due under each Invoice within thirty (30) days after City has reviewed and approved the Invoice. No compensation will be paid by City for any portion of the Services not performed. City's payment will be accepted by Contractor as full compensation for performing the Services for which the applicable Invoice relates. Notwithstanding anything contained in this Agreement to the contrary, total compensation payable by City under this Agreement for performance of the Services will not exceed \$100,000.00 without first obtaining City's prior written consent.

2.2 No Benefits; No Reimbursement. City will not provide any benefits to Contractor, and Contractor will be solely responsible for obtaining Contractor's own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans. Contractor will provide, at Contractor's cost and expense, all materials, equipment, and supplies necessary or appropriate to perform the Services. City will not reimburse Contractor for any costs and/or expenses Contractor incurs to perform the Services unless otherwise provided in the applicable Task Order. Notwithstanding anything contained in this Agreement to the contrary, total reimbursable expenses payable by City will not exceed the amount identified in the applicable Task Order.

3. Relationship.

3.1 Independent Contractor. Contractor is an independent contractor of City. Contractor is not an employee of City. Contractor will be free from direction and control over the means and manner of performing the Services, subject only to the right of City to specify the desired results. This Agreement does not create an agency relationship between City and Contractor and does not establish a joint venture or partnership between City and Contractor. Contractor does not have the authority to bind City or represent to any person that Contractor is an agent of City. Contractor has the authority to hire other persons to assist Contractor in performing the Services (and has the authority to fire such persons).

3.2 Taxes; Licenses. City will not withhold any taxes from any payments made to Contractor, and Contractor will be solely responsible for paying all taxes arising out of or resulting from Contractor's performance

of the Services, including, without limitation, income, social security, workers' compensation, and employment insurance taxes. Contractor will be solely responsible for obtaining all licenses, approvals, and certificates necessary or appropriate to perform the Services.

4. Representations; Warranties; Covenants.

In addition to any other Contractor representation, warranty, and/or covenant made in this Agreement, Contractor represents, warrants, and covenants to City as follows:

4.1 Authority; Binding Obligation; Conflicts. Contractor is duly operating under Oregon law and validly existing and in good standing under applicable Oregon law. Contractor has full power and authority to sign and deliver this Agreement and to perform all Contractor's obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms. The signing and delivery of this Agreement by Contractor and the performance by Contractor of all Contractor's obligations under this Agreement will not (a) breach any agreement to which Contractor is a party, or give any person the right to accelerate any obligation of Contractor, (b) violate any law, judgment, and/or order to which Contractor is subject, and/or (c) require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body.

4.2 Quality of Services. Contractor will perform the Services diligently, in good faith, in a professional manner, with the care and skill ordinarily exercised by other engineering professionals practicing in Oregon under the same or similar circumstances at the time the Services are performed, and consistent with the terms and conditions contained in this Agreement. The Services will be performed in accordance with the Laws (as defined below). Contractor will be solely responsible for the Services. Contractor will make all decisions called for promptly and without unreasonable delay. All materials and documents prepared by Contractor will be prepared in accordance with this Agreement and in compliance with the Laws.

4.3 Insurance. During the term of this Agreement, Contractor will obtain and maintain, in addition to any other insurance required under this Agreement, the types and minimum levels of insurance specified on the attached Schedule 4.3. Each liability insurance policy required under this Agreement will be in form and content satisfactory to City, will list City (and City's Representatives (as defined below)) as an additional insured(s) (except the workers' compensation and professional liability insurance policies), and will contain a severability of interest clause; the workers' compensation insurance will contain a waiver of subrogation in favor of City. The insurance Contractor is required to obtain under this Agreement may not be cancelled without ten (10) days' prior written notice to City. Contractor's insurance will be primary and any insurance carried by City will be excess and noncontributing. Contractor will furnish City with appropriate documentation evidencing the insurance coverage (and provisions) and endorsements Contractor is required to obtain under this Agreement upon Contractor's execution of this Agreement and at any other time requested by City. If Contractor fails to maintain insurance as required under this Agreement, City will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Contractor immediately upon City's demand.

4.4 Compliance with Laws. Contractor will comply and perform the Services in accordance with the Laws. Without otherwise limiting the generality of the immediately preceding sentence, Contractor will comply with each obligation applicable to Contractor and/or this Agreement under ORS 279B.220, 279B.225, 279B.230, and 279B.235, which statutes are incorporated herein by reference. Prior to the Effective Date, Contractor obtained all licenses, approvals, and/or certificates necessary or appropriate to perform the Services, including, without limitation, a business license from City. For purposes of this Agreement, the term "Law(s)" means all applicable federal, state, and local laws, regulations, restrictions, orders, codes, rules, and/or ordinances related to or concerning, whether directly or indirectly, Contractor, this Agreement, and/or the Services, including, without limitation, Oregon's prevailing wage rate laws (ORS 279C.800 through 279C.870) if applicable, the Davis-Bacon Act requirements if applicable, the Tax Laws (as defined below), and all applicable City ordinances, resolutions, policies, regulations, orders, restrictions, and guidelines, all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

4.5 Compliance with Tax Laws. Contractor represents and warrants that it has complied with the tax laws of the State of Oregon (and all applicable political subdivisions of the State of Oregon), including, without limitation, ORS 305.620 and ORS chapters 316, 317 and 318 (individually and collectively, the "Tax Law(s)"). Contractor will comply with the Tax Laws. By signing this Agreement, Contractor certifies, under penalty of perjury, that Contractor is, to the best of Contractor's knowledge, not in violation of any Tax Law.

4.6 Indemnification.

4.6.1 To the fullest extent permitted by the Laws, Contractor will indemnify and hold City, and each present and future City officer, official, employee, agent, and representative (individually and collectively, "City's Representative(s)"), harmless for, from, and against all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) damage, injury, and/or death to person or property caused directly or indirectly by Contractor (and/or Contractor's directors, officers, shareholders, partners, employees, agents, representatives, consultants, and/or contractors); (b) Contractor's failure to pay any tax arising out of or resulting from performance of the Services; and/or (c) Contractor's breach and/or failure to perform any Contractor representation, warranty, covenant, and/or obligation contained in this Agreement. Contractor's indemnification obligations provided in this Section 4.6 will survive the termination of this Agreement.

4.6.2 Notwithstanding Contractor's indemnification obligations under Section 4.6.1, Contractor's indemnification obligation for claims of professional negligence will be subject to and limited in accordance with ORS 30.140, namely such indemnification obligation will (a) be limited to only such extent as Contractor's liability or fault is determined by adjudication, alternative dispute resolution, settlement agreement, or as otherwise agreed by the parties, and (b) not exceed the proportionate fault of Contractor, as determined in accordance with Section 4.6.2(a). Contractor will promptly pay the amount equal to the percentage of its fault determined in accordance with Section 4.6.2(a).

4.7 Assignment of Studies and Reports. Contractor will assign all studies, reports, data, documents, and/or materials of any kind produced under this Agreement (collectively, the "Deliverables") to City upon the earlier of City's request or the termination of this Agreement. All copies of the materials provided to City will become the property of City who may use them without Contractor's permission for any proper purpose relating to the Services, including, without limitation, additions to or completion of the Services. City acknowledges that City's modification and/or use of the Deliverables for any purpose other than the Services will be at City's sole risk (and City will defend and indemnify Contractor for any liability and/or damages that may arise due to City's modification and/or use of the Deliverables for any purpose other than the Services). Contractor will defend all suits or claims for infringement of patent, trademark, and/or copyright for which Contractor is responsible (including, without limitation, any claims which may be brought against City), and Contractor will be liable to City for all losses arising therefrom, including costs, expenses, and attorney fees.

4.8 Records. Contractor will maintain complete and accurate records concerning all Services performed, the number of hours each person spent to perform the Services, and all documents produced under this Agreement for a period of three years after termination of this Agreement. Contractor's records will be maintained in accordance with sound accounting practices. Contractor will provide City access to any Contractor books, documents, papers, and/or records which are pertinent to this Agreement and/or the Services upon seventy-two (72) hours' prior written notice. Contractor will maintain all books, documents, papers, and records generated under this Agreement for a period no less than three years commencing on the date of City's final payment to Contractor under this Agreement.

4.9 Confidential Information. During the term of this Agreement, and at all times thereafter, Contractor will maintain all Confidential Information (as defined below) in the strictest confidence and will not directly or indirectly use, communicate, or disclose any Confidential Information to any person, or remove or make reproductions of any Confidential Information, except that Contractor may (a) use Confidential Information to perform the Services to the extent necessary, and (b) communicate or disclose Confidential Information in

accordance with a judicial or other governmental order or as required by applicable law, but only if Contractor promptly notifies the city administrator of the order and complies with any applicable protective or similar order. Contractor will promptly notify the city administrator of any unauthorized use, communication, or disclosure of any Confidential Information and will assist City in every way to retrieve any Confidential Information that was used, communicated, or disclosed by Contractor and will exert Contractor's best efforts to mitigate the harm caused by the unauthorized use, communication, or disclosure of any Confidential Information. Upon the earlier of City's request or termination of this Agreement, Contractor will immediately return to City all documents, instruments, and/or materials containing any Confidential Information accessed or received by Contractor, together with all copies and summaries of such Confidential Information. If requested by City, Contractor will execute a written certification satisfactory to City pursuant to which Contractor will represent and warrant that Contractor has returned all Confidential Information to City in accordance with the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the terms of this Agreement do not operate to transfer any ownership or other rights in or to the Confidential Information to Contractor or any other person. For purposes of this Agreement, the term "Confidential Information" means all documentation, information, and/or materials identified by City as confidential and/or any documentation, information, and/or materials relating to or concerning City's future plans, business affairs, employment, legal, and litigation matters that need to be protected from improper disclosure, in whatever form (e.g., hard and electronic copies, etc.), that is received or accessed by Contractor; provided, however, the term "Confidential Information" does not include City's public records which are non-exempt public records under applicable federal, state, and/or local laws.

5. Term; Termination.

5.1 Term of Agreement. Subject to the terms and conditions contained in this Agreement, the term of this Agreement commenced on the Effective Date and will remain in full force and effect until 2030, unless sooner terminated or extended as provided in this Agreement. Notwithstanding anything contained in this Agreement to the contrary, (a) this Agreement may be terminated at any time by the parties' mutual written agreement, and/or (b) City may terminate this Agreement for convenience and without cause by giving thirty (30) days' prior written notice of such termination to Contractor. Upon receipt of the notice of termination, except as explicitly directed by City, Contractor must immediately discontinue performing any Services. The parties may extend the term of this Agreement for one additional period of two years by the parties' mutual written agreement.

5.2 City Termination. Notwithstanding anything contained in this Agreement to the contrary, City may terminate this Agreement immediately upon written notice to Contractor upon the occurrence of any of the following events: (a) Contractor fails to perform the Services within the time specified in this Agreement; (b) Contractor engages in any form of dishonesty or wrongful conduct that reflects adversely on City's reputation and/or operations; (c) Contractor fails to comply with any applicable law related to Contractor's independent contractor relationship with City; (d) repeated and/or consistent documented problems occur in connection with Contractor's performance of the Services; and/or (e) Contractor breaches and/or otherwise fails to perform any Contractor representation, warranty, covenant, and/or obligation contained in this Agreement. The determination as to whether any of the aforementioned events have occurred will be made by City in its sole discretion. Upon receipt of the notice of termination, Contractor must immediately discontinue all Services affected unless the notice directs otherwise.

5.3 Consequences of Termination. Upon termination of this Agreement, (a) City will not be obligated to reimburse or pay Contractor for any continuing contractual commitments to others and/or for penalties and/or damages arising from the cancellation of such contractual commitments, and (b) after receipt of Contractor's final Invoice, City will pay Contractor (in accordance with Section 2.1) for all Services properly and actually completed by Contractor in accordance with this Agreement through the date of termination; provided, however, City may withhold payment for an amount approximating the fees for the Services that may be in dispute if City furnishes written notice to Contractor containing a description of the basis for the dispute and amount withheld. Notwithstanding anything contained in this Agreement to the contrary, termination of this Agreement will not constitute a waiver or termination of any rights, claims, and/or causes of action the party may have against the

other party. Within a reasonable period of time after termination of this Agreement (but in no event later than five days after termination), and provided City has paid Contractor for all Services not then in dispute in accordance with this Section 5.3, Contractor will deliver to City all materials, records, and documentation concerning the Services.

5.4 Remedies. If Contractor breaches or otherwise fails to perform any Contractor representations, warranties, covenants, and/or obligations under this Agreement, City may, in addition to any other remedy provided to City under this Agreement, pursue all remedies available to City at law and/or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

6. Miscellaneous.

6.1 Severability; Assignment; Binding Effect. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Contractor will not assign this Agreement to any person without City's prior written consent. Subject to the immediately preceding sentence, this Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. This Agreement may be amended only by a written agreement signed by each party.

6.2 Attorney Fees; Dispute Resolution. If any arbitration or litigation is instituted to interpret, enforce, and/rescind this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney fees and other fees, costs, and expenses of every kind, including, without limitation, costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court. If any claim, dispute, or controversy arising out of or related to this Agreement occurs (a "Dispute"), City and Contractor will exert their best efforts to seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, either party may initiate a suit, action, arbitration, or other proceeding to interpret, enforce, and/or rescind this Agreement.

6.3 Governing Law; Venue. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action or proceeding arising out of this Agreement will be litigated in courts located in Jackson County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Jackson County, Oregon.

6.4 Attachments; Further Assurances; Notices. Any exhibits, schedules, instruments, documents, and other attachments referenced in this Agreement are part of this Agreement; provided, however, if any exhibit, schedule, instrument, document, and/or other attachment conflicts with this Agreement, the terms contained in this Agreement will control. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. Time is of the essence with respect to Contractor's performance of its obligations under this Agreement. All notices or other communications required or permitted by this Agreement must be in writing, must be delivered to the parties at the addresses set forth above, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax or email transmission (with electronic confirmation of delivery), or by a nationally recognized overnight delivery service, or at the end of the third business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

6.5 Waiver; Entire Agreement. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by City and Contractor. No waiver

of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and contains all the terms and conditions of the parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. Contractor has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Agreement.

6.6 Person; Interpretation; Execution. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. The parties may execute this Agreement in separate counterparts, each of which when executed and delivered will be an original, but all of which together will constitute one and the same instrument. Facsimile or email transmission of any signed original document will be the same as delivery of an original. At the request of either party, the parties will confirm facsimile or email transmitted signatures by signing and delivering an original document.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be effective for all purposes as of the Effective Date.

CITY:
City of Shady Cove,
an Oregon municipal corporation

CONTRACTOR:
RH2 Engineering, Inc.,
a Washington corporation

By: _____
Its: _____

By: _____
Its: _____

Federal Tax Id. No.: _____

Federal Tax Id. No.: _____

Schedule 1.4
Scope of Work

In addition to all other Services identified in this Agreement, Contractor will perform the following Services for and on behalf of City:

- a. Respond to call-in questions.
- b. Perform quality assurance and quality control plan reviews.
- c. Attend meetings.
- d. Perform planning, design, and construction contract administration for stormwater projects, including water quality components.
- e. Consult on City building projects.
- f. Consult on Urban Renewal and other methods for redeveloping blighted areas.
- g. Consult on grant and other funding opportunities related to infrastructure development.
- h. Provide on-call consulting for various City infrastructure systems and policies.
- i. Attend City meetings, public hearings, and conferences with funding and regulatory agencies, as requested.
- j. Provide development review and third-party review services.
- k. Coordinate meetings with City staff, other agencies, and developers and their consultants.
- l. Perform infrastructure systems analysis related to particular development proposals.
- m. Review plans for road, sewer, storm drainage, geotechnical, grading, and other improvements for conformance to City Standards and accepted engineering practices for subdivisions and building projects.
- n. Perform occasional construction observations of installation of road, sewer, storm drainage, water, and other improvements for conformance to City Standards and accepted engineering practices for subdivisions and building projects.
- o. Review systems and documents to provide consultation for compliance with Oregon Department of Environmental Quality requirements.
- p. Provide technical analysis for compliance with local, state, and federal requirements regarding stormwater treatment.

Contractor will also provide specific services requested by City from time-to-time in accordance with Section 1.2.

Schedule 2.1
Fee Schedule

RH2 Engineering, Inc. 2025 Schedule of Rates and Charges		
RATE LIST	RATE	UNIT
Professional I	\$175	\$/hr
Professional II	\$191	\$/hr
Professional III	\$213	\$/hr
Professional IV	\$234	\$/hr
Professional V	\$249	\$/hr
Professional VI	\$269	\$/hr
Professional VII	\$294	\$/hr
Professional VIII	\$317	\$/hr
Professional IX	\$326	\$/hr
Technician I	\$134	\$/hr
Technician II	\$148	\$/hr
Technician III	\$171	\$/hr
Technician IV	\$182	\$/hr
Technician V	\$198	\$/hr
Technician VI	\$217	\$/hr
Technician VII	\$236	\$/hr
Technician VIII	\$247	\$/hr
Administrative I	\$90	\$/hr
Administrative II	\$105	\$/hr
Administrative III	\$124	\$/hr
Administrative IV	\$148	\$/hr
Administrative V	\$173	\$/hr
CAD/GIS System	\$27.50	\$/hr
CAD Plots – Half Size	\$2.50	price per copy
CAD Plots – Full Size	\$10.00	price per copy
CAD Plots – Large	\$25.00	price per copy
Copies (bw) 8.5" X 11"	\$0.09	price per copy
Copies (bw) 8.5" X 14"	\$0.14	price per copy
Copies (bw) 11" X 17"	\$0.20	price per copy
Copies (color) 8.5" X 11"	\$0.90	price per copy
Copies (color) 8.5" X 14"	\$1.20	price per copy
Copies (color) 11" X 17"	\$2.00	price per copy
Technology Charge	2.50%	% of Direct Labor
Night Work	10.00%	% of Direct Labor
Mileage	\$0.7000	price per mile (or Current IRS Rate)
Subconsultants	15%	Cost +
Outside Services	at cost	

Schedule 4.3
Insurance Requirements

Contractor will obtain and maintain, in addition to any other insurance required under this Agreement, the following types and minimum levels of insurance:

1. Commercial General Liability. Commercial general liability insurance for all losses or claims arising out of or related to Contractor's performance of its obligations under this Agreement (including, without limitation, damages as a result of death or injury to any person or destruction or damage to any property) with limits of no less than \$1,000,000.00 per occurrence, \$2,000,000.00 in the aggregate.

2. Automobile Liability. Automobile liability insurance for all owned, non-owned, and hired vehicles that are or may be used by Contractor in connection with Contractor's performance of the Services with limits of no less than \$1,000,000.00 combined single limit.

3. Professional Liability (Errors and Omissions). Professional liability (errors and omissions) insurance with limits of no less than \$1,000,000.00 per occurrence, \$2,000,000.00 in the aggregate.

4. Workers' Compensation. In form and amount sufficient to satisfy the requirements of applicable Oregon law.

Exhibit A
Template Task Order

Task Order No.____
Professional Services Agreement – Engineering Services
City Project No. _____
City Contract No. _____

This Task Order No.____ dated _____, ____ (this “Order”) is made and issued pursuant to the terms and conditions of that certain Professional Services Agreement – Engineering Services dated _____, ____ (the “Agreement”) between City of Shady Cove (“City”), an Oregon municipal corporation, and RH2 Engineering, Inc. (“Contractor”), a Washington corporation.

1. **Contractor Services.** Subject to the terms and conditions contained in the Agreement and this Order, Contractor will perform the following engineering services for and on behalf of City (the “Requested Services”):

[Insert Description of Requested Services]

2. **Schedule.** The Requested Services described in this Order will be completed no later than _____, ____ and in accordance with the following schedule:

[Insert Schedule of Requested Services]

3. **Compensation.** Contractor will complete the Requested Services at the following rates and fees:

[Insert Fee Schedule for Requested Services]

Notwithstanding anything contained in this Order to the contrary, total compensation payable by City under this Order for the performance of the Requested Services will not exceed \$_____.

4. **Miscellaneous.** Upon the parties’ mutual execution of this Order, this Order is made part of the Agreement. The terms of the Agreement remain unchanged and in full force and effect and are incorporated herein by this reference. All capitalized terms used in this Order not otherwise defined herein have the respective meaning assigned to them in the Agreement. This Order and the Agreement represent the complete, exclusive, and final understanding of the parties with respect to the subject matter of this Order. All prior and contemporaneous agreements, discussions, understandings, and negotiations, whether written or oral, express or implied, are merged herein, and to the extent inconsistent herewith, are of no further force and effect. This Order may be executed in counterparts.

5. **Authorization.** City hereby approves and authorizes, and Contractor agrees to complete and perform, the Requested Services described in this Order subject to and in accordance with this Order and the Agreement.

CITY:
City of Shady Cove,
an Oregon municipal corporation

CONTRACTOR:
RH2 Engineering, Inc.
a Washington corporation

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____



Department of Land Conservation and Development 2025-2027 HOUSING PLANNING ASSISTANCE APPLICATION

Please complete each section in the form below. Fill out the requested information in the spaces provided. **For applicants requesting multiple services, submit a separate form for each. Submit completed applications by midnight on August 4, 2025.**

Date of Application: July 18, 2025

Applicant (Jurisdictional Entity): City of Shady Cove

Contact Name and Title: Michele Parry, City Administrator

E-mail address: mparry@shadycove.org **phone number:** 541- 878-2225

Requested Service:

	Direct Grant (& budget estimate)	DLCD-Provided Consultant
Housing Planning Assistance Projects		
Development Code Amendment	<input checked="" type="checkbox"/> \$ 112,300	<input type="checkbox"/>
Housing Capacity Analysis (HCA) ¹	<input type="checkbox"/> \$	<input type="checkbox"/>
Housing Production Strategy (HPS)	<input type="checkbox"/> \$	<input type="checkbox"/>
Housing Implementation Plan (Housing planning activities other than an HCA or HPS)	<input type="checkbox"/> \$	<input type="checkbox"/>
Urbanization Planning Assistance Projects		
Urban Growth Boundary Land Exchange	<input type="checkbox"/> \$	<input type="checkbox"/>
Urban Growth Boundary Amendment ²	<input type="checkbox"/> \$	<input type="checkbox"/>
One-Time Urban Growth Boundary Amendment ³	<input type="checkbox"/> \$	<input type="checkbox"/>
Urban Reserves	<input type="checkbox"/> \$	<input type="checkbox"/>
Public Facilities Area Plan	<input type="checkbox"/> \$	<input type="checkbox"/>
<p><i>1. Housing Capacity Analyses initiated under this Housing Planning Assistance Program are expected to be conducted under the Oregon Administrative Rules implementing the Oregon Housing Needs Analysis that the Land Conservation and Development will adopt in December 2025.</i></p> <p><i>2. A UGB amendment requires a land deficiency identified in a Housing Capacity Analysis.</i></p> <p><i>3. As provided in SB 1537 (2024) Section 48-60.</i></p>		

Project Title: City of Shady Cove - Model Development Code Adoption, GIS, and Artificial Intelligence (AI) Integration.

Project Summary: Replace the existing development code in Shady Cove with a hearings-ready development code, using a recently created “model” code adopted by the City of Lakeview as a template, to comply with housing laws, address permitting and land use barriers to housing production, and facilitate housing production, affordability, and choice.

Project Description & Work Program

See attached work program.

Is the jurisdiction planning to utilize the applicable Sample Work Program as the project statement of work? Yes No

Work Program attached. The Policy Development Code Amendment Sample Work Program has been used and modified as needed to account for the complete replacement of the development code with a "model" code rather than amending individual sections of the code to comply with statutory obligations related to housing. The work program also includes the addition of GIS and AI components to improve equity and accessibility in the planning process.

A. Goals and Objectives.

Like many small cities in Oregon, Shady Cove (population 3,064) has struggled to maintain consistent staffing in its planning department. In the past, planning services have been contracted with the Rogue Valley Council of Governments (RVCOG). The RVCOG planners have been tasked with current application review along with some long-range planning work, but they were rarely empowered to take a long-term, holistic approach to their work in planning for future growth of the community. They also lacked the capacity needed to keep the local development code current and in compliance with housing-related statutory obligations.

The City of Shady Cove is the largest municipality in Oregon without a public water system. The lack of safe, reliable drinking water in Shady Cove has contributed to a recent decline in population along with the loss of several key businesses. With the support of funding through SB 1530, the City is in the process of establishing a water system that can eventually be expanded to serve all existing and future development in the community. These funds, as they are meant to improve infrastructure to aid housing development, have also allowed the City to contract for professional land use planning and engineering services, to not only assist in designing a water system, but also identify other barriers to housing production. One such obstacle is the inconsistent application of development standards in reviewing new residential subdivisions and other applications. This inconsistent approach to housing development has held the City back from accomplishing many of its goals related to creating a vibrant, walkable community. The City is also currently engaged in creating an updated Local Street Network Plan (LSNP) using funds provided through a Transportation Growth Management (TGM) grant.

While the LSNP work helped to shed a light on some of the consequences of inconsistent application of development standards, it also made apparent that much of the City’s development code related to housing does not provide clear and objective standards. In addition, the City has yet to complete the

work of permitting duplex development in all residential zones required by HB 3395.

The City initially considered attempting to amend its existing development code to account for duplex development and to make clear and objective standards for needed housing development, but ultimately decided to instead repeal and replace its development code in its entirety for the following reasons. First, this approach will result in a superior end product at a reduced cost. Rather than continue to patch or modify a code that has been changed numerous times throughout the years, the City will instead start with a clean code that has been crafted from the start to meet all current statutory requirements. By using a model code, the City can start from a solid foundation and then change only the portions necessary to address Shady Cove specific needs. This will result in a more cohesive code that is easier to understand and it will be more cost effective as there will be fewer changes to the model/clean code than would otherwise be needed if changing the existing code. Second, this approach should help to limit some of the comparison about what was and what will be. It is not unreasonable for those who have worked on crafting the code over the years to have grown attached to the existing language. The code must fundamentally change as it relates to housing development - which has been done through increasingly subjective processes in Shady Cove over the years - to a code that provides clear and objective standards for all needed housing. Not only will a code constructed with objectivity as its foundation create a more understandable product, it will help in the process of creating something new rather than being “forced” to change parts of something that has been customized over the years.

B. Products and Outcomes.

Recognizing that Shady Cove might not always have access to the same level of planning support it currently has, this project seeks to improve not only the development code, but also the development review process. Currently, it is very difficult or impossible, for property owners and/or developers to access information regarding property development in Shady Cove without contacting the City, and in some cases coming into city hall. This lack of accessible information has likely played a role in creating the current situation where only a small number of developers are active in Shady Cove. This project seeks to improve accessibility and create more fair and equitable outcomes. This will be done through the application of a new “clear and objective” code and improved access to mapping and other information needed for project planning and due diligence. Finally, to create a sustainable development review process that is uniformly applied to all projects/applicants, this project will implement the use of artificial intelligence or AI in linking maps, code, and other resources to generate consistent outcomes based on the applicable inputs. This will provide equitable outcomes for development projects while also creating equitable access to superior planning review in the small City of Shady Cove, which has struggled to compete against other, larger cities in attracting planning staff.

1. Adoption of a new model code to replace the existing development code in Shady Cove. Regional Rural Revitalization Strategies Consortium (R3) was formed through an IGA with the cities of John Day, Burns, and Lakeview as a way to share resources between these three cities and maximize efficiency in developing needed housing. The City of Lakeview, through R3, contacted with CSA Planning in Medford, Oregon, to develop a development code that could be shared by the three cities. The code developed by CSA was built from the ground up as a model code, in compliance with all statutory obligations related to housing, process, and procedure, that can be adapted to work for any small city in Oregon. By using this code, and modifying it only as needed to align with Shady Coves existing zones, Shady Cove seeks to simplify the process of amending its code and adopting a more easily understood final project. This approach also seeks to further

standardize development code layout between Shady Cove and other small, rural cities, thereby making it easier for developers to move between cities with similar processes.

2. City GIS: The project will create a GIS with public interface. The GIS will compile existing development related maps and other development related data where property owners, developers, and other members of the public can easily access it. Additional layers and shapefiles will be created to provide a visual interface with property and development code standards for development.

3. AI integration. The project will establish an AI interface that will, at a minimum, provide the following functionality:
 - Link property data to development code standards through GIS interface;
 - When prompted, provide permitted uses, development standards, and process requirements for individual properties based on address, map and tax lot number, or location on a map;
 - Provide a complete list of all municipal code sections that may apply to a particular use on an individual property;
 - Provide a list of municipal code sections most likely to apply;
 - Improve outcomes (likely applicable sections) based on review of recent decisions and other outcomes; and
 - Complete “decision” forms for Type I applications by reviewing permit application information, property location (GIS) and the application of applicable standards.

C. Work Program, Timeline & Payment.

See attached Work Program

Tasks, Timelines, and Budget

Task	Title	Timeline (Month, Year)	Estimated Budget*	Local Contribution
1	<u>Project kick off and management</u>	<u>11/25 to 2/26</u>	\$ <u>11,230</u>	\$ <u>0</u>
2	<u>Code audit, Code adaptation, and GIS development</u>	<u>2/26 to 5/26</u>	\$ <u>22,460</u>	\$ <u>0</u>
3	<u>Draft code update and GIS refinement</u>	<u>5/26 to 8/26</u>	\$ <u>33,690</u>	\$ <u>0</u>
4	<u>Final code update</u>	<u>8/26 to 11/26</u>	\$ <u>16,845</u>	\$ <u>0</u>
5	<u>Adoption</u>	<u>11/26 to 1/27</u>	\$ <u>16,845</u>	\$ <u>0</u>
6	<u>Final artificial intelligence (AI) integration</u>	<u>1/27 to 5/27</u>	\$ <u>11,230</u>	\$ <u>0</u>
TOTAL		<u>11/25 to 5/27</u>	\$ <u>112,300</u>	\$ <u>0</u>

** Budget estimates are only required for Direct Grant requests. Applicants requesting DLCD-provided consultants can leave this field blank.*

Project Criteria and Additional Information

Evaluation Criteria.

The project fulfills a housing-related statutory obligation. The proposed project will produce an updated development code to comply with Middle housing requirements under ORS 197A.420, clear and objective requirements under ORS 197A.400, accessory dwellings under ORS 197A.425, manufactured/prefabricated housing under ORS 197.475, and other housing-related statutory requirements.

The project facilitated housing production, affordability, and choice. Shady Cove is a small, capacity-constrained jurisdiction that has struggled to keep its development code up to date with statutory obligations related to the production of needed housing. The new development code will help with housing production, affordability, and choice by creating clear and objective processes, providing for middle housing, and addressing other statutory requirements related to needed housing.

The project emphasizes fair and equitable outcomes. Currently, it is very difficult or impossible, for property owners and/or developers to access information regarding property development in Shady Cove without contacting the City, and in some cases coming into city hall. This lack of accessible information has likely played a role in creating the current situation where only a small number of developers are active in Shady Cove. This project seeks to improve accessibility and create more fair and equitable outcomes. This will be done through the application of a new “clear and objective” code and improved access to mapping and other information needed for project planning and due diligence. Also, to create a sustainable development review process that is uniformly applied to all projects/applicants, this project will implement the use of artificial intelligence or AI in linking maps, code, and other resources to generate consistent outcomes based on the applicable inputs. This will provide equitable outcomes for development projects.

Project Partners. The City of Shady Cove has been able to contract for additional planning and engineering support using funds provided through SB 1530 for the development of a city drinking water system. These funds were approved under Section 9 of the bill for “infrastructure projects to support the development of housing.” As the City works to plan and develop the city drinking water system, it is also doing the work necessary to ensure that housing development possesses and procedures, as directed by the development code, comply with statutory obligations. By combining these tasks, along with the work being done by Parametrix, Inc. on the City’s LSNP through a TGM grant, the City is combining project delivery to maximize efficiencies. With this approach, the City is well positioned to deliver the proposed project (development code update, GIS, AI integration into planning review) using City staff, and consultant capacity.

Advisory Committees. The City of Shady Cove will use its Planning Commission as the advisory committee for the code update, GIS, and AI integration project as described on the Work Program.

Cost-Sharing and Local Contribution. This project will leverage the work being done to update the City’s LSNP plan through a \$175,138.18 TGM grant (TGM File Code:3A-23). This project is being completed by Parametrix, Inc. with the City providing a match of \$20,045 or 10.27% of the total

project cost. The early results of the work being done on the LSNP indicate a need to update development code standards to ensure a uniform application of public facility improvement standards and connectivity standards. Rather than complete this work separate from the needed changes to middle-housing and clear and objective standards for needed housing, the City plans to wrap all changes together in an updated development code.

The proposed project will also leverage \$1,500,000 provided to the City of Shady Cove through Senate Bill 1530 “for the development of a city drinking water system.” The City of Shady Cove will use the new drinking water system to help in retaining its population and business, and also create greater opportunity for new residential development and economic development. It is imperative that the City have a uniform, equitable process, in place for future development prior to encouraging additional growth. By completing this needed code work now while the water system is being designed and developed, the City can provide for better housing outcomes.

Will a consultant be retained to assist in completing grant products? Yes No

Will you be utilizing this funding to dedicate your own staff resources in completing grant products? Yes No

Local Official Support

The application ***must include a resolution or letter from the governing body*** of the city or county demonstrating support for the project. If the applicant is a regional entity proposing a joint project including multiple local governments, a letter from the local government governing body or administrator with authorization to execute intergovernmental agreements supporting the application may be included in lieu of a resolution. The letter of support may be received by DLCD after the application submittal deadline, but it must be received before planning assistance is awarded.

Submit your application electronically with all required information to:

E-mail: housing.dlcd@dlcd.oregon.gov

Please note that we will not be accepting applications by mail. If your jurisdiction requires special accommodations, please reach out to a Grant Program Contact as soon as possible.

If you have questions about the Housing Planning program or projects funded by this round of planning assistance, please contact:

DLCD Housing Team: housing.dlcd@dlcd.oregon.gov

DLCD HAPO Team: dlcd.hapo@dlcd.oregon.gov

For all correspondence, please include the appropriate [Regional Representative](#).

Mid-Willamette Valley	Melissa Ahrens	melissa.ahrens@dlcd.oregon.gov
Central Oregon	Angie Brewer	angie.brewer@dlcd.oregon.gov
North Coast & Lower Columbia	Brett Estes	brett.estes@dlcd.oregon.gov
Eastern Oregon	Dawn Hert	dawn.hert@dlcd.oregon.gov
Portland Metro (West)	Laura Kelly	laura.kelly@dlcd.oregon.gov
Southern Oregon	Josh LeBombard	josh.lebombard@dlcd.oregon.gov
Portland Metro (East)	Kelly Reid	kelly.reid@dlcd.oregon.gov
South Coast	Hui Rodomsky	hui.rodomsky@dlcd.oregon.gov
South Willamette Valley	Patrick Wingard	patrick.wingard@dlcd.oregon.gov

Important Housing Planning Assistance Dates

Date	Housing Planning Assistance Milestone
June 2, 2025 1:30 – 3p	Open Forum for follow-up question & answer Zoom link Meeting ID: 821 4886 4505 Passcode: 598033
June 3, 2025	Application period opens; materials distributed
August 4, 2025	Application period closes; materials submittal deadline
Early September	Anticipated funding decision; award notices sent
October – November 2025	Direct grant agreements anticipated execution
November – December 2025	Consultant contract anticipated execution
June 15, 2027	Project completion deadline

APPLICATION DEADLINE: August 4, 2025