CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE December 2, 2014	AGENDA ITEM NUMBER

TO: Mayor Shoji and City Councilors

FROM: Rodger Craddock, City Manager

ISSUE: Draft Waterfront Development Partnership Intergovernmental Agreement

BACKGROUND:

The City has been working in partnership with the City of North Bend, Coos County, and the International Port of Coos Bay as the four legally designed sponsors of the Bay Area Enterprise Zone to develop a Community Enhancement Plan (CEP) that would be the basis for creating a mechanism to support educational, environmental, economic, and municipal programs and projects throughout the region.

The CEP rests on the legal authority of the Enterprise Zone to grant a long-term rural enterprise property tax exemption to Jordan Cove Energy Partnership (JCEP), and included within the tax exemption is a condition requiring JCEP to pay a Community Service Fee (CSF) that would be distributed according to the terms of the CEP.

One of the three components of the CEP involves the creation of an organization to manage a share of the CSF funds as an endowment for the benefit of economic development (waterfront rehabilitation and development) within the combined boundaries of the Coos Bay Estuary Management Plan and the Bay Area Enterprise Zone.

A subcommittee was formed by the Enterprise Zone members. The subcommittee held a number of meetings resulting in organization recommendations including the proposed name of the organization (Waterfront Development Partnership (WDP)) type of organization, governance, structure, program priorities, service area boundaries, revenue allocations, etc. All of which are imbedded in a draft intergovernmental agreement (IGA).

The draft IGA and an overview of the subcommittee's recommendations are attached. These documents have been presented to the Community Enhancement Plan (CEP) work group and are now being presented to the Enterprise Zone members for their review and comments.

ACTION REQUESTED:

If it pleases the Council, please provide City's WDP subcommittee member (Mayor Shoji) and the City's members of the CEP work group (Councilors Groth and Daily) feedback on the draft IGA.

Waterfront Development Partnership
Sub-Committee Report

BACKGROUND:

A sub-committee was formed by the Bay Area Enterprise Zone work group in the spring of 2014 to develop a plan for the proposed 25% of the Community Service Fees (CSF) originally allocated for waterfront rehabilitation and development within the overarching Community Enhancement Plan idea put forth. Four members of the sub-committee were chosen, one from each of the zone sponsors for the enterprise zone.

- Mayor Crystal Shoji; City of Coos Bay
- Commissioner Robert "Bob" Main; Coos County
- Councilor Howard Graham; City of North Bend
- Commissioner Robert Garcia; Oregon International Port of Coos Bay

Also attending the sub-committee meetings with their elected/appointed representatives were;

- City Administrator, Roger Craddock; City of Coos Bay
- County Counsel, Josh Soper; Coos County
- City Administrator, Terrence O'Connor; City of North Bend
- Chief Executive Officer, David Koch; Oregon International Port of Coos Bay

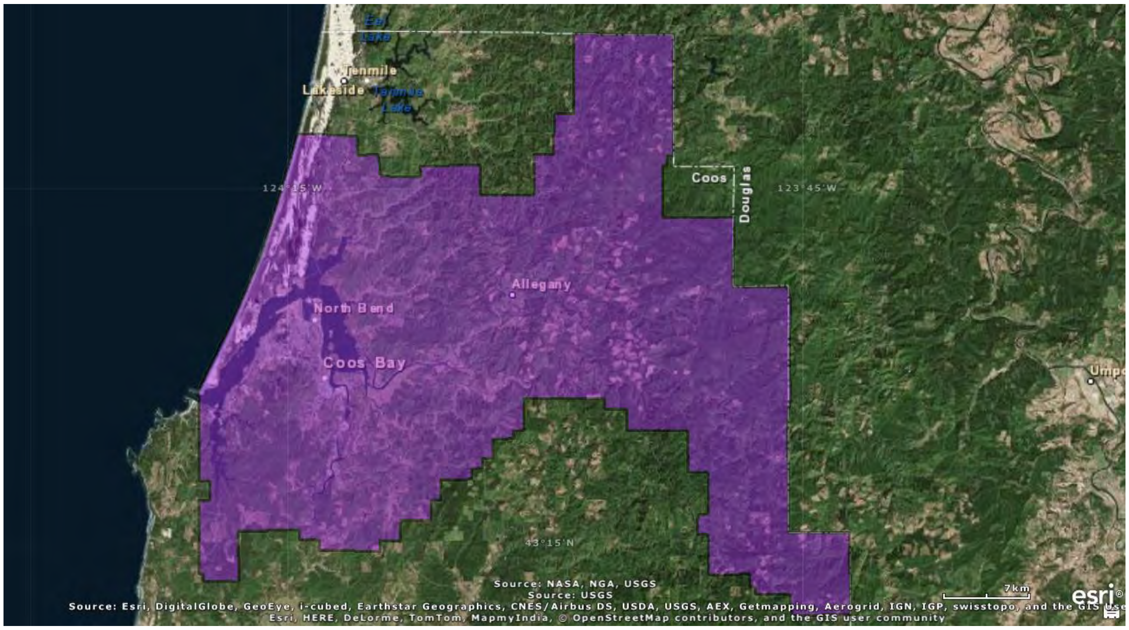
RECOMMENDATIONS:

Intergovernmental Agreement (IGA) – It was decided by this sub-committee that the formation of the Waterfront Development Partnership (Partnership) will be through an IGA. There was one main reason for this decision and that was the cost involved with forming a non-profit organization and the capital it would take to hire staff to keep the organization running. Due to the upfront costs involved, the sub-committee decided that forming the entity as an IGA was the best at this time with the Oregon International Port of Coos Bay administering the Partnership (the proposed IGA for the Partnership is attached).

Formation of the Board - It was decided that this Partnership will have a seven person board. Four of those directors will be representatives from the four enterprise zone sponsors and the three remaining positions will be filled by at-large directors.

- Criteria set forth for the sponsor agency positions include; the representatives must be elected/appointed officials or employees of the sponsor agencies. Each sponsor will dictate the term limits (if any) for their representative.

- Criteria set forth for the at-large director positions include; applicant must live and be employed by a business within the boundaries of the Port District. If an applicant does not live within the Port District boundaries but <u>owns</u> a business within the District, then the applicant must reside within Coos County in order to satisfy the criteria for an at-large director position. The at-large director positions will have staggered two year terms (the map below shows the boundaries of the Port District, which are more specific in the Assessors tax accounts).



- The four sponsor directors will evaluate the applicants for the at-large director positions. The three applicants chosen will be ratified by the Partnership's sponsor directors. The chosen at-large director applicants <u>will not</u> go to each sponsor agency board to be ratified. With the criteria of the sponsor agency directors being elected / appointed or an employee of the organization, the sub-committee felt that it was not necessary for the at-large applicants to be ratified by their own boards and/or commissions since the sponsor directors are serving on the Partnership board in their capacity.

- There will be four officer positions on the Partnership board. Chair (must be a sponsor agency director), Vice-Chair (must be a sponsor agency director), Secretary, and Treasurer. The Secretary and Treasurer positions can be filled by a sponsor agency OR at-large director.

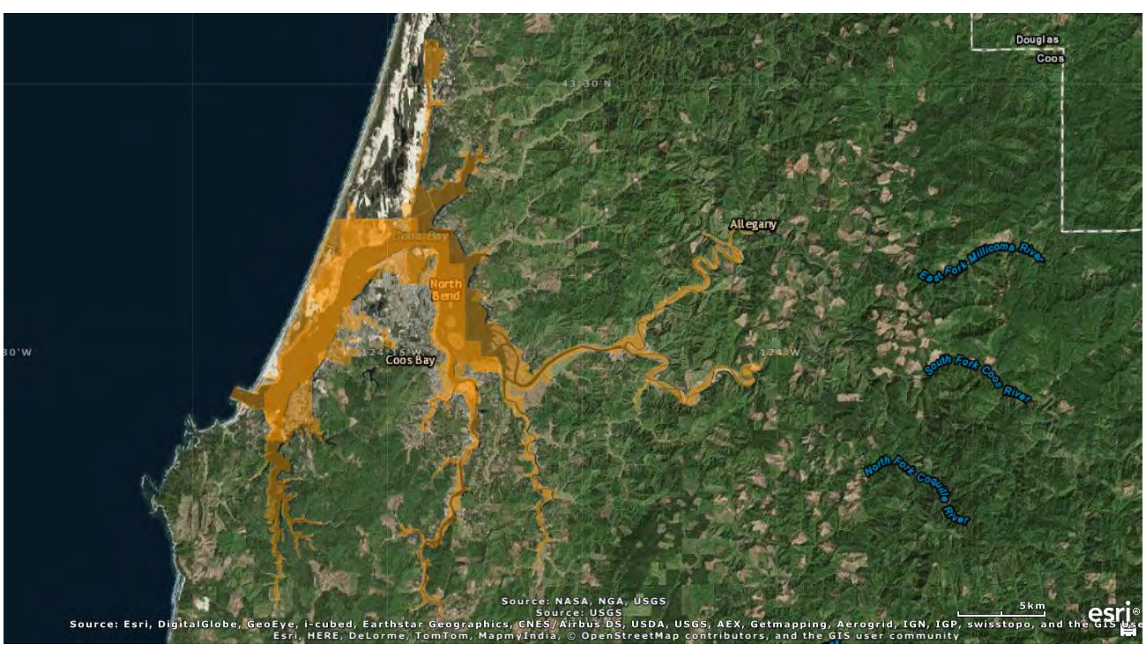
<u>Revenue Allocations –</u> The sub-committee members developed three different scenarios for how much of the CSF received by the Partnership would be invested in an endowment, and how much (if any) should be made available for distribution. All three scenarios have two allocations associated with them. The first allocation simulating the fees received during the first four years of construction. The second allocation simulating the fees received from the first year of operation in perpetuity. A short endowment vs. distribution scenario for each option that was developed is below (see attached graph for a detailed comparison).

	Years 1-4	Year 5+
• Option 1:	50% / 50%	70% / 30%
• Option 2:	50% / 50%	50% / 50%
• Option 3:	100% / 0%	70% / 30%

The majority of the sub-committee favored one model and decided to go with option 2. They took a “no more than” approach, meaning no more than 50% of the fees received could be used for distribution, but less than 50% is an alternative as well. Without knowing the project(s) that would be qualified to receive disbursements or how much the project(s) would need, the sub-committee concluded that the final allocation decision should be left to the Partnership board of directors, once it is formed. The IGA proposed has language setting a minimum percentage of funds to be reserved for the endowment. The sub-committee strongly recommends that this language is included in the final version of the IGA for the Partnership.

Proposal for Community Service Fees (CSF) received – The original proposal of the Community Enhancement Plan (CEP) committed 25% of the CSF received to the waterfront rehabilitation and development concept (now known as the Waterfront Development Partnership). With the growing concern over Coos County’s budget and the possibility of further cuts to County services, the sub-committee proposes that, for the four years of receiving CSFs, 3% will go to Coos County with the funds specifically dedicated to public safety. The Partnership will receive 22% of the CSFs from year 1-4 and in year 5, will receive all 25% of the fees.

Service Area – The service area has been defined by the sub-committee as the boundaries that include both the Coos Bay Estuary Management Plan AND the Bay Area Enterprise Zone. Only projects within this service area would qualify for possible funding (The map below shows the service area boundary).



Program Areas - In order to clarify the purpose of this Partnership, the sub-committee developed five program areas including examples of projects that may fit into the parameters of each program. The sub-committee was conscious not to prioritize these programs. They wanted that final decision to be left to the Partnership board of directors.

- Establish a Wetland Mitigation Bank; examples of projects that could buy these credits would be –
  - Airport runway improvements
  - Transpacific parkway realignment
  - Roadway projects
  - Marine terminal development

- Establish Brownfield / Vacant Derelict Sites; examples of sites within the service area would be –
  - Mill sites
  - Shipyards
  - Abandoned industrial sites
  - Petroleum / hydrocarbon sites
  - Power plant sites

- Provide Grants to Support Public Agency Projects; examples of such projects would include –
  - Storm water infrastructure
  - Tide gate replacement
  - Waterfront walkway project
  - Marina expansion
  - Bridge replacement
  - Dike maintenance
  - Shipyard facility repairs

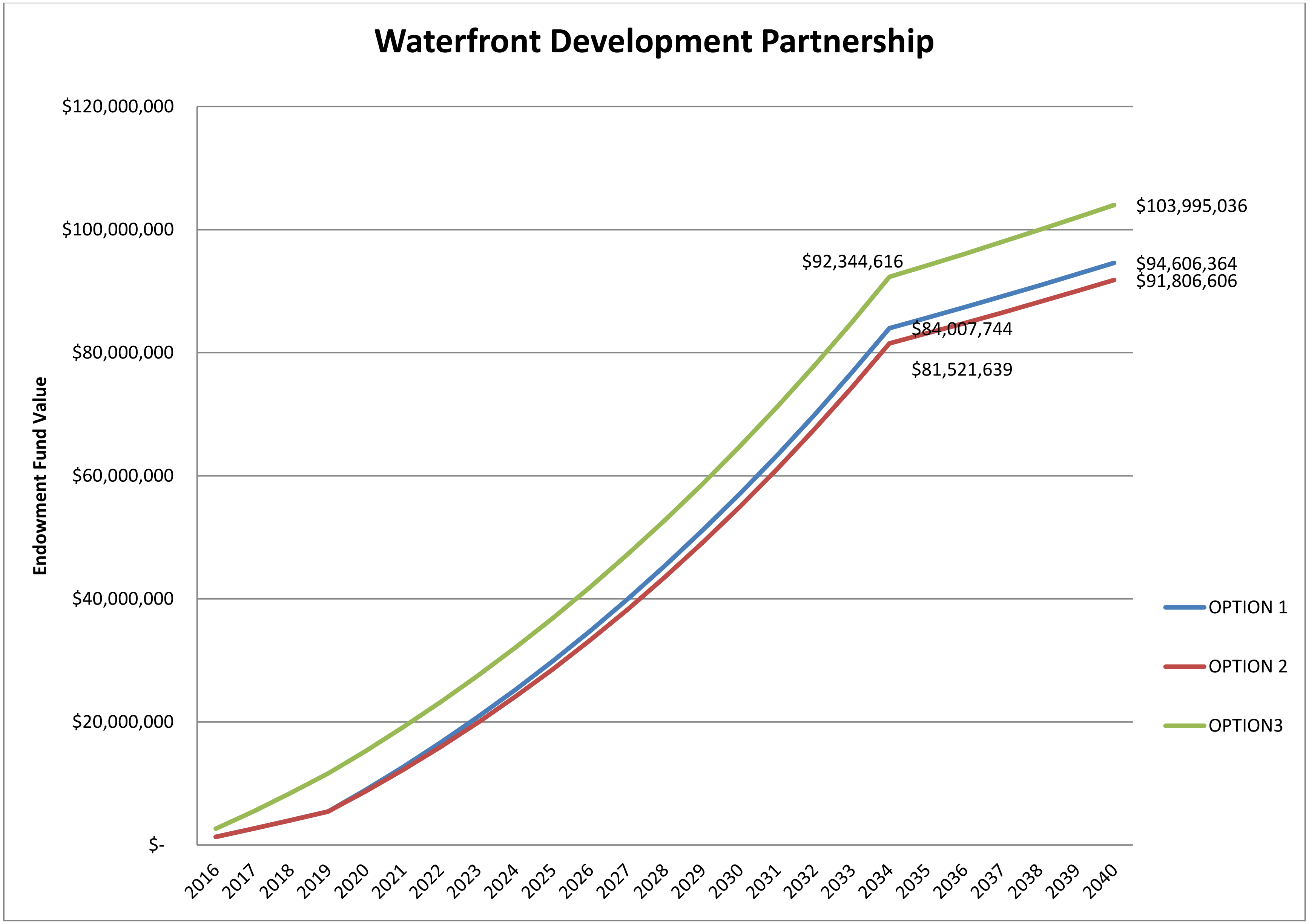
- Establish a Program to Support Private and/or Non-Profit Investment; these projects would be tied to increased jobs, investment, redevelopment, livability and connectivity along the waterfront. Examples of these projects would be –
  - Boat building center
  - Maritime museum
  - Coos Bay Ironworks building
  - Cargo handling
  - Marshfield Sun printing museum
  - Airport development
  - Vessel repair / construction
  - Commercial development

- Establish a Program to Support Land Use Planning and Permit Assistance; examples of such projects would include –
  - Plan reviews and updates
  - Technical assistance

- Waterfront master plan and amendments that are multi-jurisdictional
- Update land inventories and mapping
- Permitting assistance and coordination
- Biological habitat identification
- Facilitating connectivity in the service area

CONCLUSION:

The Waterfront Development Partnership sub-committee held seven meetings to work through the details of how the Partnership would be formed, governed, and what the overall mission of the entity would be. The intergovernmental agreement that is being proposed is the result of the comprehensive discussions and collaboration that took place among the Enterprise Zone sponsors.


Waterfront Development Partnership
Endowment Fund Value
$120,000,000
$100,000,000
$80,000,000
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$40,000,000
$20,000,000
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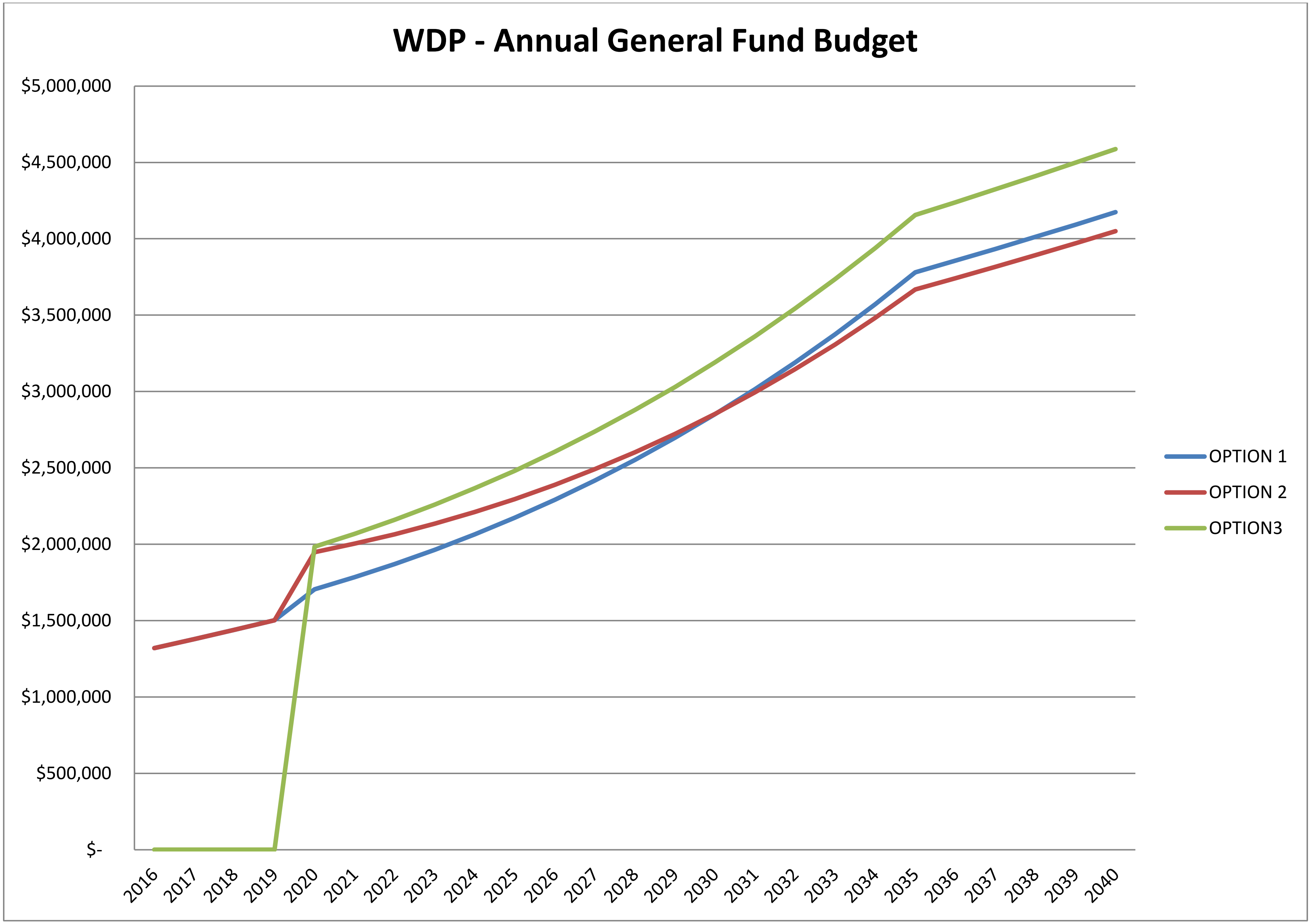
OPTION 1
OPTION 2
OPTION3


WDP - Annual General Fund Budget
$5,000,000
$4,500,000
$4,000,000
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OPTION 2
OPTION3

INTERGOVERNMENTAL AGREEMENT
RELATED TO FORMATION AND OPERATION OF
THE WATERFRONT DEVELOPMENT PARTNERSHIP

RECITALS

1. This is an agreement for intergovernmental cooperation by units of local government for the performance of functions and activities that one or more parties to the agreement, its officers, or agencies, have authority to perform, pursuant to ORS 190.010.

2. The parties to this agreement are the Oregon International Port of Coos Bay, Coos County, the City of North Bend and the City of Coos Bay, each of which is a unit of local government.

3. One or more party to this agreement has authority to perform functions and activities related to economic development, land use planning, environmental sustainability and community enhancement, and the parties desire to work cooperatively to enhance the performance of such functions and activities within the incorporated and unincorporated areas surrounding the Coos Bay Estuary.

4. The Jordan Cove Energy Project (JCEP) has proposed the development of a liquefied natural gas (LNG) export terminal and power plant ("JCEP Project"), within the boundaries of the Coos County Urban Renewal Agency (CCURA) and the Bay Area Enterprise Zone. When developed, the estimated taxable assessed value of the improvements associated with the JCEP Project will be approximately $4 billion.

5. In their capacity as the zone sponsors for the Bay Area Enterprise Zone, the parties have agreed to grant a long-term property tax exemption to JCEP for not more than 19 years, contingent upon certain terms and conditions that include a requirement that JCEP pay Community Service Fees (CSF) during that period, which will be distributed to various entities within Coos County starting as early as 2016. The parties agree that, in lieu of distributing CSF payments to the CCURA for use within that limited area, such payments should be used for economic development, land use planning, environmental sustainability and community enhancement projects throughout the urban and rural areas surrounding the larger Coos Bay Estuary (Exhibit A).

TERMS AND CONDITIONS

1. Waterfront Development Partnership

a. There is hereby established a intergovernmental partnership between the Oregon International Port of Coos Bay, Coos County, the City of North Bend and the City of Coos Bay ("Partners") known as the Waterfront Development Partnership (Partnership).

b. The general purpose of the Partnership is to support sustainable economic development and public infrastructure investment activities described in Section 3 of this Agreement, within the boundaries of the Coos Bay Estuary Management Plan and/or the Bay Area Enterprise Zone ("Service Area"), as described and depicted in **Exhibit A.**

c. Pursuant to ORS 190.010(4), the Partnership's functions and activities, as described in this Agreement, shall be performed by the Port of Coos Bay until June 30, 2016. Thereafter, the Partnership's functions and activities shall continue to be performed by the Port of Coos Bay until such time as a majority of the partners agree to transfer some or all of the Partnership's functions and activities as described in ORS 190.010.

2. Governance and Officers

a. The Partnership shall be governed by a Board of Directors consisting of four (4) Partner Directors and three (3) At-Large Directors (total of seven (7) directors) who shall be appointed and may be removed as provided in this subsection.

(1) Each Partner shall have authority to appoint one (1) director ("Partner Director") for a term established by that Partner, which director may be removed by that Partner at its discretion. To be eligible, the Partner Director shall be a member of the Partner's governing board or an employee of the Partner agency.

(2) A quorum of the Partner Directors shall have authority to appoint, by majority vote, the At-Large Directors for staggered two (2) year terms. To be eligible, an At-Large Director shall be either an elector of the Port of Coos Bay District or an elector of Coos County that owns a business located within the boundaries of the Port of Coos Bay District (Exhibit B). An At-Large director may be removed by a vote of two-thirds of the other directors, upon finding that the At-Large director is no longer eligible for the position (as described in this subparagraph).

b. A vacancy shall occur upon the death, resignation, removal, inability to serve, or failure of a director without cause to attend three (3) successive regular meetings. Resignation when made shall be addressed to and accepted by the appointing Partner (in the case of Partner Directors) or the Chair of the Partnership Board (in the case of At-Large Directors). Successors shall be appointed as above for the unexpired term of any such vacancy.

c. Board members shall serve without salary or compensation of any nature.

d. The Board shall make provision for regular meetings at fixed times and may adopt policies, rules and regulations to govern its own procedures. The meetings of the Board shall be held in compliance with Oregon Public Meetings Law. The Board may delegate to one or more of its members as a special board or boards, such duties and responsibilities as it may deem proper, subject to the administrative provisions contained in this Agreement.

e. The Officers of the Board shall be Chair, Vice-Chair, Secretary and Treasurer, with the duties described in this section. The Officers shall be elected annually by the Board from among their members at the first regular meeting of the Board after January 1^{st} of each year, and shall hold office until their successors are elected and qualified; provided however that the officers initially elected shall hold office until the first regular meeting of the Board held after January 1, 2017, or until their successors are elected and qualified. Should any Officer position become vacant, the Board shall elect a successor from its membership at the next regular meeting and such election shall be for the unexpired term of such office.

(1) The Chair of the Board shall preside at meetings of the Board, and must be a Partner Director. The Chair will consult with staff regarding the preparation of the agenda of each board meeting and shall submit recommendations and information as they may consider proper concerning the business, affairs and policies of the Board. The Chair may call Special Meetings of the Board as described by Oregon Public Meetings Law and this Agreement. The Chair shall sign official Partnership documents on behalf of the Board when authorized to do so by a majority of the Board.

(2) In the Chair's absence, or during any disability of the Chair, the Vice-Chair shall have the powers and duties of the Chair of the Board as prescribed in this Agreement. The Vice-Chair must be a Partner Director and shall have such other powers and duties as a majority of the Board may from time to time determine.

(3) The Secretary of the Board shall require accurate minutes of each Board meeting to be taken, transcribed and distributed to each Board member in a timely manner for review prior to approval. The Secretary shall maintain properly authenticated official minutes in chronological order. Any of the foregoing responsibilities may be delegated to staff members under the supervision of the Secretary.

(4) The Treasurer shall ensure that accurate accounting and financial records are maintained by the Partnership. Any of the foregoing responsibilities may be delegated to staff members under the supervision of the Treasurer.

3. General Powers and Duties

a. The Partnership is authorized to establish a program for providing direct grants to Partner and other public agencies to support economic development, environmental sustainability, and community enhancement projects within the Service Area. In connection therewith, the Partnership will have authority to: establish lists of potentially eligible projects from existing public agency plans; develop ranking criteria, guidelines and priorities for investment; distribute grants to qualified public agencies to support the established priorities; and, perform any other related actions that are reasonably necessary to carry out the objectives of the Partnership in this program area.

b. The Partnership is authorized to establish one or more Mitigation Bank programs to support economic development activity and environmental enhancement projects within the Service Area. In connection therewith, the Partnership will have authority to: create plans and enter into agreements with local, State and Federal agencies; identify and prioritize wetland, habitat and other environmental mitigation sites in the Coos Watershed; acquire interests in real property; develop, construct and maintain mitigation projects; sell mitigation credits to Partner agencies or third parties (public or private); and, perform any other related actions that are reasonably necessary to carry out the objectives of the Partnership in this program area. The Partnership shall reinvest the proceeds from the sale of mitigation credits back into this program area.

c. The Partnership is authorized to establish a real property remediation and redevelopment program to support economic development activity and environmental enhancement projects within the Service Area. In connection therewith, the Partnership will have authority to: create plans and enter into agreements with local, State and Federal agencies; identify and prioritize remediation and redevelopment sites along the Coos estuary; acquire interests in real property; perform site remediation activities; sell or lease real property to Partner agencies or third parties (public or private) for redevelopment; and, perform any other related actions that are reasonably necessary to carry out the objectives of the Partnership in this program area. The Partnership shall reinvest the proceeds from the sale of remediated properties back into this program area.

d. The Partnership is authorized to establish a program to support business expansion and retention, workforce training, and innovation for entrepreneurs and small businesses within the Service Area. In connection therewith, the Partnership will have authority to: create plans and enter into agreements with other entities to establish categories of potentially eligible projects types; determine how resources will be allocated (i.e. equity investment, grant, loan); develop ranking criteria, guidelines and priorities for investment; distribute funds to support the established priorities; and, perform any other related actions that are reasonably necessary to carry out the objectives of the Partnership in this program area. The Partnership shall reinvest the proceeds from such programs back into this program area.

e. The Partnership is authorized to establish a program to support land use planning along the Coos Bay Estuary, within the Service Area. In connection therewith, the Partnership will have authority to: enter into agreements with local, State and Federal agencies; establish a list of resource needs to support Coos Bay Estuary Management Plan (CBEMP) planning and permitting activities for Coos County, Coos Bay and North Bend; prioritize resource needs for Partnership support; distribute grants to sponsor agencies to support the established priorities; and, perform any other related actions that are reasonably necessary to carry out the objectives of the Partnership in this program area.

4. Administrative Powers and Procedures

The Board shall have power for and on behalf of the Partnership to perform the following acts, and the following administrative procedures shall be followed:

a. The Board shall have authority to make orders, rules and regulations in the form of resolutions to carry out the authority granted the Board in this Agreement. All such resolutions shall require an affirmative vote of four (4) members of the Board and shall take effect thirty (30) days after adoption by the Board unless some other date is fixed in such resolution. If a date earlier than thirty (30) days from adoption is so fixed as the effective date, such resolution must receive the affirmative vote of at least five (5) members and all of the members present at the time of adoption. All actions undertaken by the Board must conform to the State Government Ethics Statutes as set forth in Oregon Revised Statutes as it may be amended.

b. The Board shall have authority to appoint, employ and discharge such officers, employees and agents as the Board finds necessary or convenient for the efficient and economical performance of its duties, and to fix and provide for their compensation. The Board shall administer a merit based personnel system that provides all persons with a fair and equal opportunity for public service; establishes conditions of service which will attract and retain officers and employees of good character, technical knowledge, skill and ability; and improves the efficiency and economy of the Board by the improvement of methods of personnel administration. In addition to, or in lieu of, the preceding authority, the Board may enter into agreements with any public agency or nonprofit corporation to perform any of the duties of the Partnership.

c. The Board may obtain the advice, services, recommendation and assistance of any officer, board or committee of any Partner agency.

d. The Board may establish offices anywhere within the Service Area, as space may be available or convenient.

e. The Board shall have authority to incur expenses for administration and such maintenance, construction, reconstruction, alteration, rehabilitation, replacement, repair or purchase or other mode of acquisition or rental of equipment, property or facilities as the Board may find necessary or convenient. All property acquired shall be acquired in the name of the Partnership. The Board may purchase materials and supplies and make such other disbursements and incur such other expenses as the Board finds necessary or appropriate to carry out the purposes set forth in this Agreement. The Board shall control and manage and may lease in the name of the Partnership, to the extent permitted by Oregon Revised Statutes, all properties placed under its administration by any Partner agency for development and redevelopment purposes, and may improve any property which it acquires or controls to make it available or suitable for such purposes.

f. The Board shall have power to borrow money (as provided in paragraph 7), negotiate federal advances of funds and execute notes as evidence of obligations, accept gifts, federal grants-in-aid, advances or other moneys, negotiate loans and advances, and pledge property acquired or any part thereof.

g. The Partnership's funds shall be deposited in one or more banks designated by the Board. The Board may maintain as many distinct funds as are necessary and convenient for administration of the Partnership's activities. The Board shall also have authority to establish reserve funds, special funds or sinking funds for the payment of indebtedness, obligations or interest thereon as may be permitted by law. The Board may transfer money from its General Fund to its special or reserve funds and may transfer surplus of money to its General Fund. Funds shall be withdrawn only when previously ordered by the Board, upon check drafts, receipts, or advises of debts given or signed in the Partnership's name by any two authorized signatories. A receipt or voucher clearly showing the nature and items covered by each check drawn shall be kept on file.

h. The Board shall be responsible for the design, installation and maintenance of an accounting system which will conform to the requirements of generally accepted accounting principles and state laws governing local governments regarding budgeting, expenditure, receipt and custody of public funds, as they may be amended, except as specifically modified in this Agreement.

i. Beginning in the first fiscal year in which CSF payments are received, the Board shall provide for an annual comprehensive independent audit of all funds and accounts of the Partnership by a qualified Certified Public Accountant or firm of such accountants selected by the Board. The Partnership and its operations may be subject to performance audits by any Partner agency, and such agency shall bear the cost of such performance audit. Copies of each audit report shall be furnished to each Partner agency for its review.

5. Revenue and Fees

a. Until such time as the Partnership begins receiving CSF payments from JCEP, the Partners agree to be jointly responsible for providing funds to pay for expenses incurred in the performance of the Partnership's functions and activities, and each Partner's share of expenses shall be 25%, provided that each Partner's total obligation shall not exceed $5,000 for each fiscal year: July 1, 2014 to June 30, 2015; July 1, 2015 to June 30, 2016; and, July 1, 2016 to June 30, 2017. Each Partner shall deposit its annual contribution of $5,000 to be held on deposit by the Partnership within 30 days of the date of this Agreement and by July 31st of each fiscal year thereafter. The Partnership shall refund each Partner's contributions within 60 days of receiving its first CSF payment from JCEP.

b. Except as otherwise provided for in this Agreement, the fees or other revenues derived from the functions and activities of the Partnership shall be retained for use by the Partnership for the purpose of conducting any of its functions and activities.

c. The Partnership expects to receive 19 annual CSF payments from JCEP. During each year that a CSF payment is received, the Partnership shall invest a portion of the CSF payment for the purpose of building a perpetual endowment fund that will generate revenues to support the Partnership's functions and activities. The Board will contract with a qualified entity for the professional administration of the endowment fund. The portion of the CSF payments that will be invested in the endowment each year shall be not less than the amount set forth in **Exhibit B**.

6. Budget and Reports

a. The Board shall annually prepare and adopt a budget that incorporates the Partnership's goals in accordance with state law. The Board shall appoint a budget committee to perform the duties and responsibilities of a budget committee as provided in state law.

b. As soon as possible after the close of each fiscal year, the Board shall prepare and present a comprehensive annual report to the Partner agencies that evaluates the activities of the Board with respect to the Partnership's adopted visions and goals.

7. Debts, Liabilities and Obligations

a. The Board may from time to time issue revenue bonds, certificates or debentures, to be repaid, to the extent permitted or to be permitted by law, solely out of the Partnership's revenues.

b. The Board shall not incur specific debts, liabilities or obligations in the name of any Partner, nor shall the resources of any Partner be pledged or encumbered to repay such debts, liabilities or obligations of the Partnership, unless such authority is expressly granted by the governing body of that Partner.

c. The debts, liabilities and obligations of the Partnership shall be solely those of the Partnership and shall not be, jointly and/or severally, the debts, liabilities or obligations of the Partners, except as may be expressly authorized from time to time by the governing bodies of each Partner.

8. Term, Termination and Amendment

a. This Agreement shall be effective immediately upon adoption of a resolution or ordinance by all four Partners agreeing to enter into this Agreement, and shall be perpetual in term unless terminated as provided in this Agreement. The resolution or ordinance of each Partner agreeing hereto shall be placed on file with the original of this Agreement.

b. This Agreement may be terminated only by the adoption of a resolution or ordinance by all four Partners agreeing to the termination of this Agreement, which resolution or ordinance shall provide for: the disposition, division and distribution of any assets acquired by the Partnership; and, the assumption of any outstanding indebtedness or other liabilities of the Partnership by the Partners.

c. Each Partner shall have the right to unconditionally terminate their participation in the Agreement at any time, by resolution or ordinance forwarded to the remaining Partners. A terminating Partner shall forfeit all rights afforded to Partners under the agreement. Upon termination of any Partner, the number of At-Large Directors shall be reduced to ensure that a majority of the Board of Directors shall be comprised of Partner Directors.

d. The terms of this Agreement may be amended only upon the adoption of a resolution or ordinance by all Partners agreeing to amend this Agreement.

COOS COUNTY	**PORT OF COOS BAY**
______________________________	______________________________
Melissa Cribbins, Chair	**Dave Kronsteiner, President**
CITY OF COOS BAY	**CITY OF NORTH BEND**
______________________________	______________________________
Crystal Shoji, Mayor	**Rick Wetherell, Mayor**

INTERGOVERNMENTAL AGREEMENT
RELATED TO FORMATION AND OPERATION OF
THE WATERFRONT DEVELOPMENT PARTNERSHIP

EXHIBIT B

Pursuant to Section 5(c) of the Agreement, the Partnership shall invest not less than the following amount of Community Services Fees it receives from the Jordan Cove Energy Project in the perpetual Endowment Fund that is established to generate revenues to support the Partnership's functions and activities:

Payment	Anticipated Year Received	Minimum Investment Amount
1	2016	50.00%
2	2017	50.00%
3	2018	50.00%
4	2019	50.00%
5	2020	65.00%
6	2021	67.33%
7	2022	69.67%
8	2023	72.00%
9	2024	74.33%
10	2025	76.67%
11	2026	79.00%
12	2027	81.33%
13	2028	83.67%
14	2029	86.00%
15	2030	88.33%
16	2031	90.67%
17	2032	93.00%
18	2033	95.33%
19	2034	97.67%

Exhibit A – Service Area proposed for the Waterfront Development Partnership is shaded orange.