



CITY OF OREGON CITY URBAN RENEWAL COMMISSION AGENDA

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Monday, October 17, 2022 at 6:00 PM

Ways to participate in this public meeting:

- *Attend in person, location listed above*
- *Register to provide electronic testimony (email recorderteam@orcity.org or call 503-496-1509 by 3:00 PM on the day of the meeting to register)*
- *Email recorderteam@orcity.org (deadline to submit written testimony via email is 3:00 PM on the day of the meeting)*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045*

CALL TO ORDER

ROLL CALL

CITIZEN COMMENTS

DISCUSSION ITEM

1. Amendment to RestorCap's Existing Letter of Interest
2. Minutes of the April 6, 2022 Urban Renewal Commission Meeting
3. Minutes of the April 20, 2022 Urban Renewal Commission Meeting
4. Minutes of the May 4, 2022 Urban Renewal Commission Work Session and Regular Meeting
5. Minutes of the May 16, 2022 Urban Renewal Commission Retreat

COMMUNICATIONS

ADJOURNMENT

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the City Recorder. When the Mayor/Chair calls your name, proceed to the speaker table, and state your name and city of residence into the microphone. Each speaker is given three (3) minutes to speak. To assist in tracking your speaking time, refer to the timer on the table.

As a general practice, the City Commission does not engage in discussion with those making comments.

Electronic presentations are permitted but shall be delivered to the City Recorder 48 hours in advance of the meeting.

ADA NOTICE

The location is ADA accessible. Hearing devices may be requested from the City Recorder prior to the meeting. Individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.

Agenda Posted at City Hall, Pioneer Community Center, Library, City Website.

Video Streaming & Broadcasts: The meeting is streamed live on the Oregon City's website at www.orcity.org and available on demand following the meeting. The meeting can be viewed on Willamette Falls Television channel 28 for Oregon City area residents as a rebroadcast. Please contact WFMC at 503-650-0275 for a programming schedule.



CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: Urban Renewal Commission
From: Executive Director Tony Konkol

Agenda Date: 10.17.2021

SUBJECT:

Amendment to RestorCap's Existing Letter of Interest

STAFF RECOMMENDATION:

Staff recommends that the Urban Renewal Commission ("URC") agreed to amend RestorCap's existing Letter of Interest.

EXECUTIVE SUMMARY:

During its April 6, 2022 meeting the Urban Renewal Commission approved an additional 6-month extension to the existing LOI, expiring on October 20, 2022. On September 21, 2022, RestorCap made a presentation providing insight and recommendations on mitigation and development strategies.

BACKGROUND:

On October 20, 2021, the Urban Renewal Commission approved an agreement with RestorCap to develop restoration projects for the Cove that will improve water quality and habitat through improved water circulation, reduced stagnation, mobilizing sand deposits at the mouth of the Cove and assessing the nutrient load that may be contributing to algae blooms.

RestorCap is also assessing the possibility of creating mitigation credits or a specific restoration project that is incorporated into future development of the property or as a stand-alone mitigation project. Providing public access and recreational opportunities within and around the Cove raises challenges to the viability of creating a project that will qualify as mitigation credits, therefore a standalone mitigation project is being explored as part of this proposal. The approved LOI, on October 20th, allowed RestorCap to enter the property and prohibited the URC from selling or leasing the properties lots 1-11 to any other party or to accept any offers related to the properties without prior consent of RestorCap for 6-months.

On April 6, 2022, the Urban Renewal Commission approved an additional 6-month extension to the existing LOI, expiring on October 20, 2022.

On September 21, 2022, RestorCap made a presentation providing insight and recommendations on mitigation and development strategies for the Cove. The recommendations and insights include the following:

- Self-funded project—no use of public funding
- Maximum restoration (e.g. greatest functional uplift) with reduced development footprint and targeted public access
- Early engagement with the regulatory agencies and stakeholders
- Upfront capital investment of \$4M to develop design, engineering, conservation easement/endowment, and long-term management to get stakeholder engagement and agency approval (2-3 years)
- Total restoration investment estimated to be \$14-16M with additional endowment
- Development of 212 waterfront units and associated infrastructure and public amenities estimated investment of \$30-60M

To date, there has been no monetary investment required for the URA other than the staff time from multiple departments necessary to support, inform and review the work of RestorCap.

During the September 21st meeting, the Urban Renewal Commission approved extending the existing Letter of Interest. Attached to this staff report is a draft document that amends the existing Letter of Interest.

OPTIONS:

1. Staff recommends that the Urban Renewal Commission permit the Executive Director to sign the document amending RestorCap's existing LOI.
2. The Urban Renewal Commission may decide not to proceed with amending the agreement.

6 October 2022
City of Oregon City
625 Center Street
Oregon City, OR 97045

Urban Renewal Commission, Mayor Denyse McGriff
Tony Konkol, City Manager
James Graham, Economic Development Manager

Letter of Interest (LOI) Extension (Addendum 1)

The following statement amends and supersedes the existing Letter of Interest ("Existing LOI") executed on October 20, 2021 (Exhibit A), between the Urban Renewal Commission and RestorCap ("the Parties") and is considered an integral part of the Existing LOI.

On September 21, 2022, the Urban Renewal Commission agreed to continue working with RestorCap through its existing LOI, permitting RestorCap the opportunity to identify grants and/or other funding strategies to implement a project at the Cove. While negotiating a definitive agreement with the Urban Renewal Commission, RestorCap will conduct its due diligence, relative to the property identified in Exhibit B, which shall include, but not be limited to:

- Meet with the USACE and other permitting/oversight agencies
- Review zoning and entitlement policies
- Confer with the Urban Renewal Commission on real estate developers
- Develop financial pro formas to support restoration alternatives
- Continued review of physical, engineering, environmental, geological, financial and other audits, studies, reports, permits, physical inspections, and investigations of the property.

The terms and conditions of the Existing LOI, including but not limited to the provisions granting Exclusivity to RestorCap, shall continue through October 20, 2023 (one year from expiration of the Existing LOI).

This agreement does not commit the Urban Renewal Commission or the City of Oregon City to pay any costs incurred by RestorCap associated with its work under this LOI or the process of securing a definitive agreement. If a definitive agreement is not successfully negotiated by October 20, 2023 between the Parties, the existing LOI will be deemed null and void with no legal or financial obligations demanded or required of either party. The existing LOI may be extended for a period of up to 12 months (through October 20, 2024) provided both parties agree in writing to do so.

RestorCap LLC

By: _____

Name: Robert Marinai

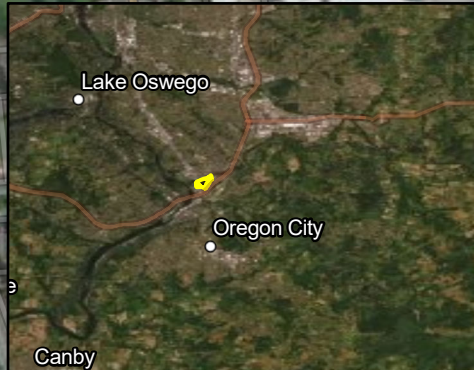
Title: President and CEO

Oregon City Urban Renewal Commission:

By: _____

Name: Anthony J. Konkol III

Title: Executive Director



Clackamette Cove
Oregon City, OR
Clackamas County

Exhibit B. The "Cove" Parcels



0 0 0.1 0.1 Miles

Map prepared by: KD
Earthstar Geographics, Esri
Community Maps Contributors,
Oregon Metro, State of Oregon
GEO, © OpenStreetMap, Microsoft,
Esri Canada, Esri, HERE, Garmin,
SafeGraph, INCREMENT P, METI/
NASA, USGS, Bureau of Land
Management, EPA, NPS, US Census

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Page 6



RestorCap LLC/Clackamette Cove Proposal

Background

RestorCap, LLC (“RestorCap”) is pleased to present this Letter of Interest (LOI) to secure through lease or purchase Oregon City (City) owned land adjacent to Clackamette Cove (Cove) for the purposes of creating a federal, state, and/or locally approved mitigation bank or turnkey restoration project. RestorCap intends to consider the restoration of parcels 1-10 (Attachment A) comprehensively.

RestorCap is in the business of developing properties to create, enhance, and/or preserve habitat, and to incorporate resulting ecological enhancements into urban infill development projects. RestorCap obtains approvals from appropriate governing bodies to develop these habitat and species mitigation projects, which may generate mitigation credits that can be sold to third parties. RestorCap also finances these and the related projects and works directly with developers on “turnkey” projects.

RestorCap has been in ongoing discussions with the City to develop restoration projects for the Cove. Our understanding is that the Redevelopment Agency considers a mixed-use development that incorporates a revived Cove and other recreational amenities to be the highest and best use of this property. However, an ongoing challenge to enhancing this public benefit are the periodic algae blooms caused by the Cove’s poor water circulation, the persistence of a sand bar at the mouth of the Cove, and possible introduction of excess water nutrients into the Cove’s waters through runoff and stormwater outfalls. These ongoing water quality issues negatively affect the value of the Cove as a natural resource and recreational amenity.

RestorCap has been exploring alternatives to improve Cove water circulation, reduce stagnation, mobilize sand deposits at the mouth of the Cove, and assess and the nutrient load that may also be contributing to the algae blooms. RestorCap is also assessing the possibility of creating mitigation credits, either as a stand-alone mitigation bank, or a turn-key project customized to accommodate a mixed-use development.

Due Diligence

RestorCap’s ongoing due diligence efforts include

October 12, 2021

- Review of existing environmental reports
- 3 site visits
- Review of proposed development plans
- Review of existing geotechnical reports
- Review of exiting US Army Corps of Engineers (“USACE”) permits
- Preliminary hydraulic modeling to assess Cove surface flow patterns, and management of sand bar
- Soil suitability review
- Review of mitigation market

Before moving forward to definitive documentation for the transaction, RestorCap needs additional time to complete due diligence on the Property which will include, but not be limited to:

- Meet with the City to report comprehensive restoration plan options
- Meet with the USACE and other permitting/oversight agencies
- Meet with commercial real estate developers to assure highest and best use standards are met
- Review zoning and entitlement policies
- Develop financial pro formas to support mitigation banking and turnkey alternatives
- Continued review physical, engineering, environmental, geological, financial and other audits, studies, reports, permits, physical inspections and investigations of the Property

Exclusivity

From and after acceptance of this letter, and until six (6) months following the date of this letter, City will not offer to sell or lease the Property, which consists of lots 1-11 as shown on Exhibit A, to any other party or accept any offers related to the Property without the prior written consent of RestorCap. This term may be extended for six (6) additional months by mutual agreement between the parties.

Non-Binding Proposal; Preparation of Transaction Documents

This proposal is contingent upon, among other things, an opportunity to perform significant due diligence of the proposed project and the negotiation and execution of satisfactory definitive documentation.

October 12, 2021

Except for the Exclusivity and Access paragraphs herein, these terms do not constitute any form of binding contract but rather are solely for the purpose of developing terms pursuant to which a definitive agreement may ultimately be entered into. Notwithstanding the foregoing, the parties agree to negotiate the definitive transaction documents in good faith and use their commercially reasonable efforts to enter into agreements as soon as reasonably possible. The definitive transaction documents will incorporate all terms set forth in this proposal and such additional terms as RestorCap or the City may reasonably require.

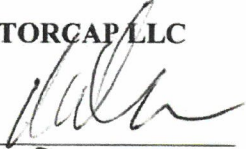
Access

The City hereby provides permission to RestorCap to: (a) enter the Property to conduct due diligence, subject to 24-hour prior notice provided by RestorCap; (b) discuss the potential use of the Property as a turn-key project with governmental agencies.

ACKNOWLEDGED AND AGREED:

Dated: 10/13/21

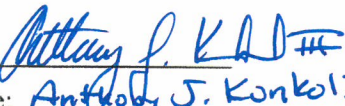
RESTORCAP LLC

By: 

Name: ROBERT MARINA

Title: PRESIDENT

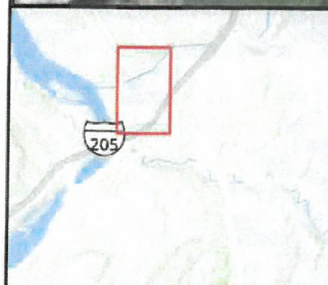
City of Oregon City Urban Renewal Agency

By: 

Name: Anthony J. Konkol III

Title: 10/20/21

October 12, 2021



Clackamette Cove Oregon City, OR

Esri, NASA, NGA, USGS, Esri, NASA, NGA, USGS, FEMA, Esri Community Maps Contributors, Oregon Metro, State of Oregon GEO, Esri Canada, Esri, HERE, Garmin, SafeGraph, INCREMENT P, MITI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, Maxar, Oregon Metro, State of Oregon GEO, Esri Canada, Esri, HERE, Garmin, SafeGraph, MITI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

2021





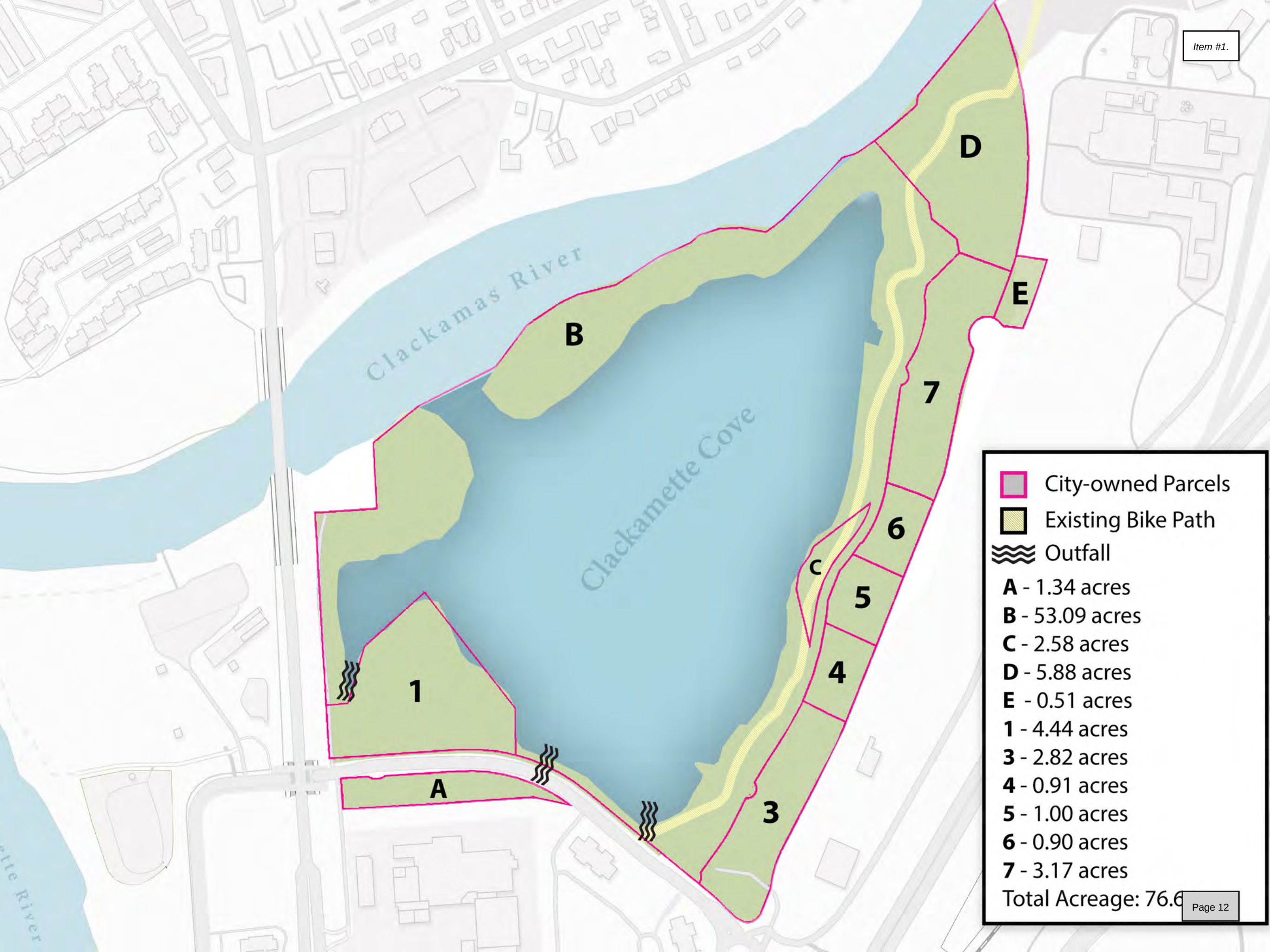
The Cove, Oregon City, OR

Recommendations for Restoration

Urban Renewal Commission Meeting: September 21, 2022



RESTORCAP
Connecting Capital with Nature



Restoration and Property Goals

Item #1.



Restoration Goals for the Cove must balance two things:

1. Improved water quality/clarity to reduce impacts from blue-green algal blooms prevalent in July, August, September annually
2. Improved public access to the Cove and the Clackamas River
 - Using fish habitat performance standards functionally addresses blue-green algae concerns
 - Using models of current recreational use allows us to focus and target public access amenities

Other Land Use Goals

Item #1.



- Improved public access compatible with restoration goals:
 1. Boating restricted to non-motorized access (paddle sports)
 2. Seasonal restrictions in floodplain and wetland habitat
 3. Relocation of the existing northern portion of the public trail
- Other City land use goals
 1. Multi-family, affordable housing targets TBD
 2. Concessionaire revenue
 3. Integration with the proposed North Development plan

Design Development Constraints

Item #1.



- Existing PPA restrictions
- Existing and persistent blue-green algae source from upstream reservoirs
- Climate change predictions for worsening conditions that support blue-green algal blooms (above 66 degrees F), especially with stratification
- Floodplain restrictions
- Listed species' protections (temperatures of 64.4 degrees F to 68 degrees F)
- Waters and wetlands protections
- TMDL thresholds
- Significant deposition of large sediment/cobble
- Limited funding sources for restoration
- Significant regulatory permitting challenges

Blue-green Algae (HAB) Constraints

Item #1.

WARNING

CLACKAMETTE COVE

A CYANOBACTERIA BLOOM HAS BEEN IDENTIFIED AND TOXIN TESTING IS UNDERWAY OR ONGOING



Some species of cyanobacteria (known as harmful or blue-green algae) can produce toxins that can make people, pets and other animals sick

- **Be aware of water conditions. When in doubt, stay out**
Don't go in water that is foamy, scummy, thick like paint, bright pea-green, blue-green or brownish red
- **Avoid water activities that cause water to be ingested**
Major route of exposure is through ingestion (incidental swallowing)
- **Children and pets are at greatest risk**

For health information or to report human or pet illnesses due to blooms, contact the Oregon Health Authority at 1-877-290-6767 or hab.health@state.or.us

Oregon
Health
Authority



Cyanobacterial blooms caused by several factors:

- Water temperature
- Water flow and vertical mixing (need at least 0.05 mps flow to disrupt algal matting)
- pH/nutrients, trace metals
- Light availability

Any solution to reduce the potential for unwanted blooms must change temperature and/or mixing:

- shading to reduce water temperatures
- Changes to water flow and mixing (aeration)

Management of the Cove must also improve the quality of inputs through water treatment (e.g., fringe wetlands, emergent wetlands, floating wetlands) AND reduction of new HAB species

No chemical or biological controls are recommended at the Cove. Mechanical control would also not be feasible

Evolution of Restoration Conceptual Design

Item #1.



Restoration activities at the Cove have historically focused on improving water circulation and reducing residence time of water (e.g., the time that water stays in the Cove). Solutions have been proposed to:

1. Dredge the mouth of the Cove (but all models have shown this to be an on-going management solution because as water enters the Cove from the Clackamas, it slows, depositing cobble)
2. Various cuts to introduce additional connections from the Cove to the Clackamas River (but these solutions may also require significant maintenance to ensure they do not block with sediment)

Our model results show that when HABs are expected to be the most problematic (July-September), during the warmest periods with the least freshwater inputs, neither dredging nor the addition of connections to the Clackamas River improve circulation/mixing. However, these solutions do improve residence time (from infinity to 1 day turnover expected)

Restoration Recommendations

Item #1.

Restoration activities at the Cove should prioritize maintaining cool temperatures, reducing negative impacts from existing stormwater outfalls, and create heterogeneous floodplain habitat.

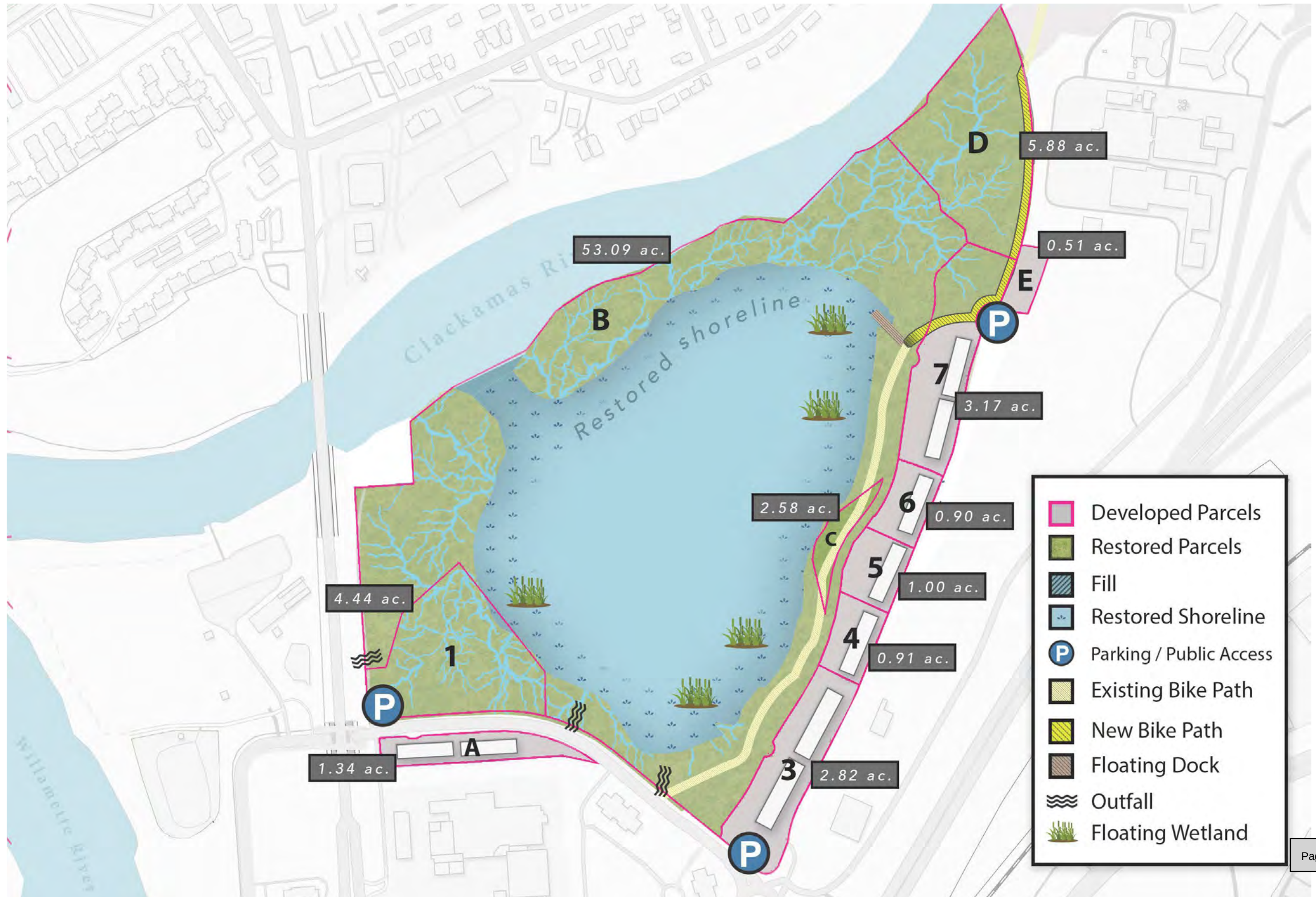
The Clackamas River in the vicinity of the Cove is listed as critical habitat for listed salmonids, prioritizing the restoration of shallow water habitat in this area. We recommend:

1. The creation of shallow floodplain habitat to the greatest extent feasible within the Cove and the creation of shallow slopes along the margins of the Cove through the excavation of material at higher elevations within the floodplain and deposition at the margins of the Cove
2. The removal and disposal/reuse of all anthropomorphic debris
3. Planting a diverse assemblage of riparian species to create a heterogeneous stratification of vegetation adjacent to the Cove and removal/control of non-native, invasive species
4. The addition of floating wetland islands to create additional habitat for juvenile salmonids as well as to shade shallow aquatic habitat
5. The addition of below-water structures through the strategic placement of woody debris or artificial structures intended to support wildlife movement, foraging, and breeding
6. Diverting stormwater to treatment wetlands on-site to reduce the introduction of contaminants
7. Prohibiting gas-powered motorcraft, refueling, or dumping of ballast to reduce impacts to water quality and potential introduction of other HAB species
8. Restricting public access seasonally for some amenities (e.g., no swimming) to reduce chemical inputs to the Cove and isolating entrance to the Cove via floating dock and/or concessionaire
9. Create interpretative panels and public amenities focused on passive recreation, habitat stewardship, education, and the history of the site

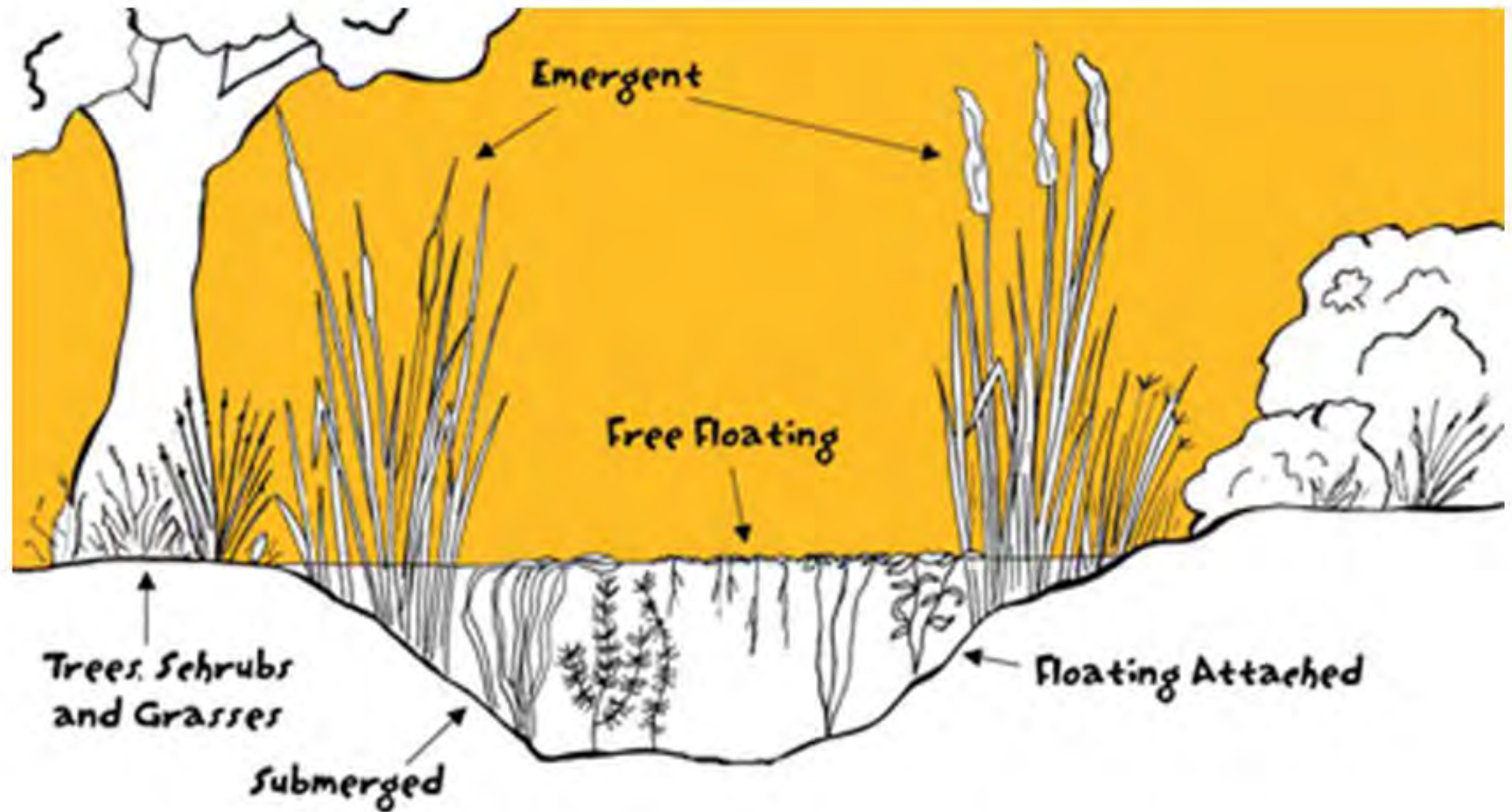
Page 18

Conceptual Restoration Plan

Item #1.

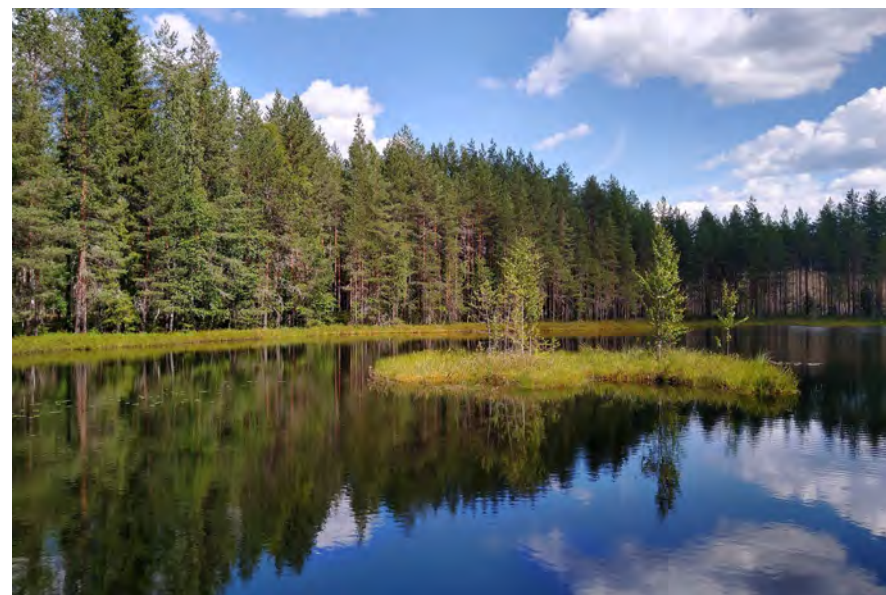
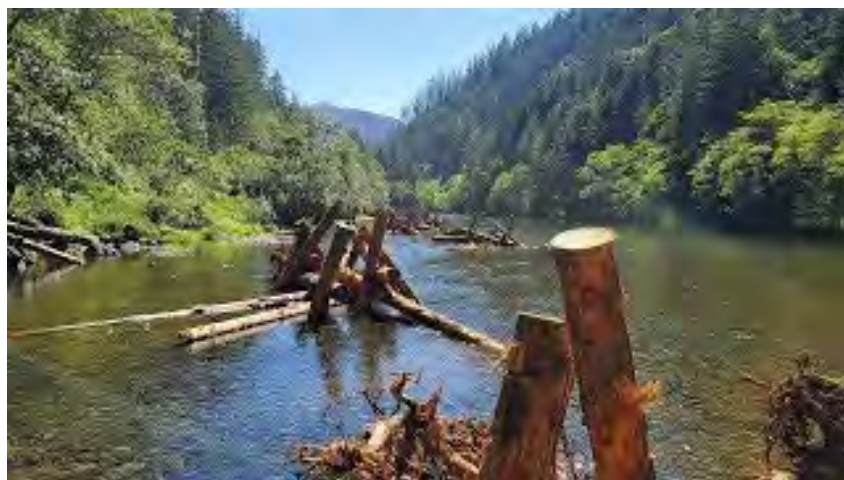


Wetland Plant Types



Example Emergent/Forested Wetlands

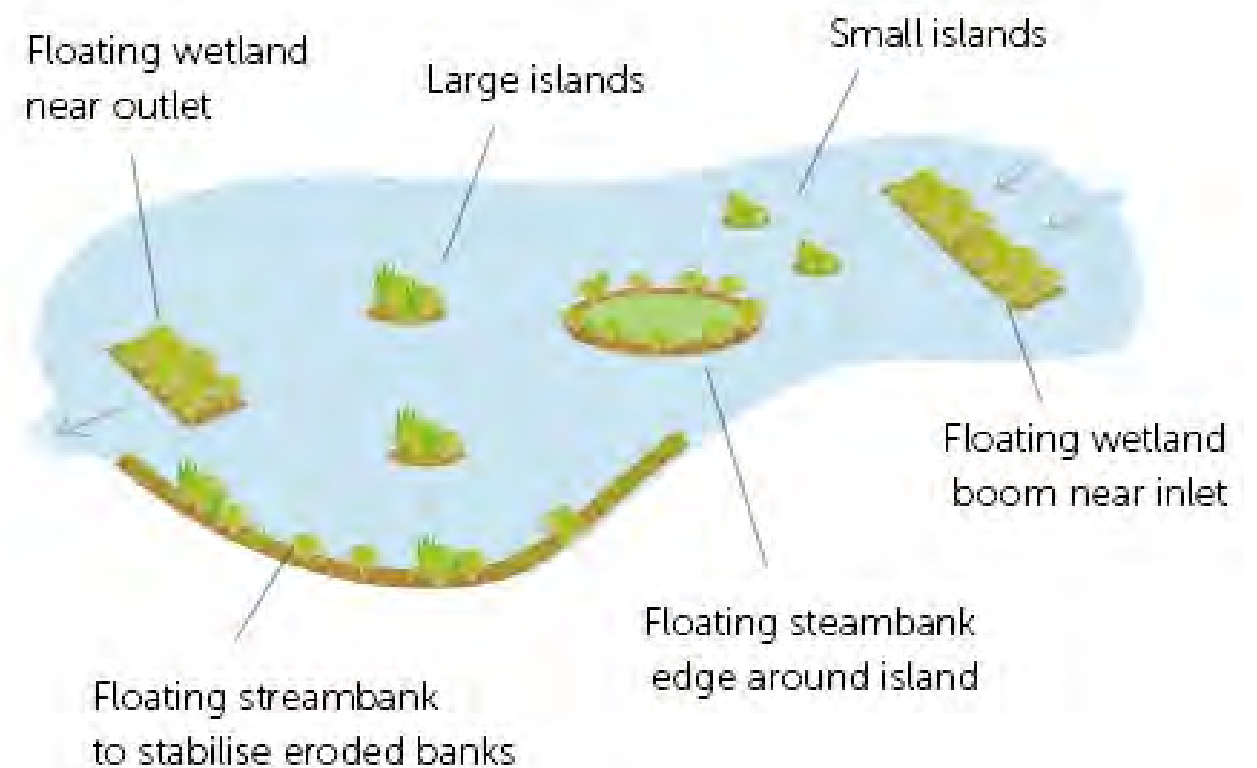
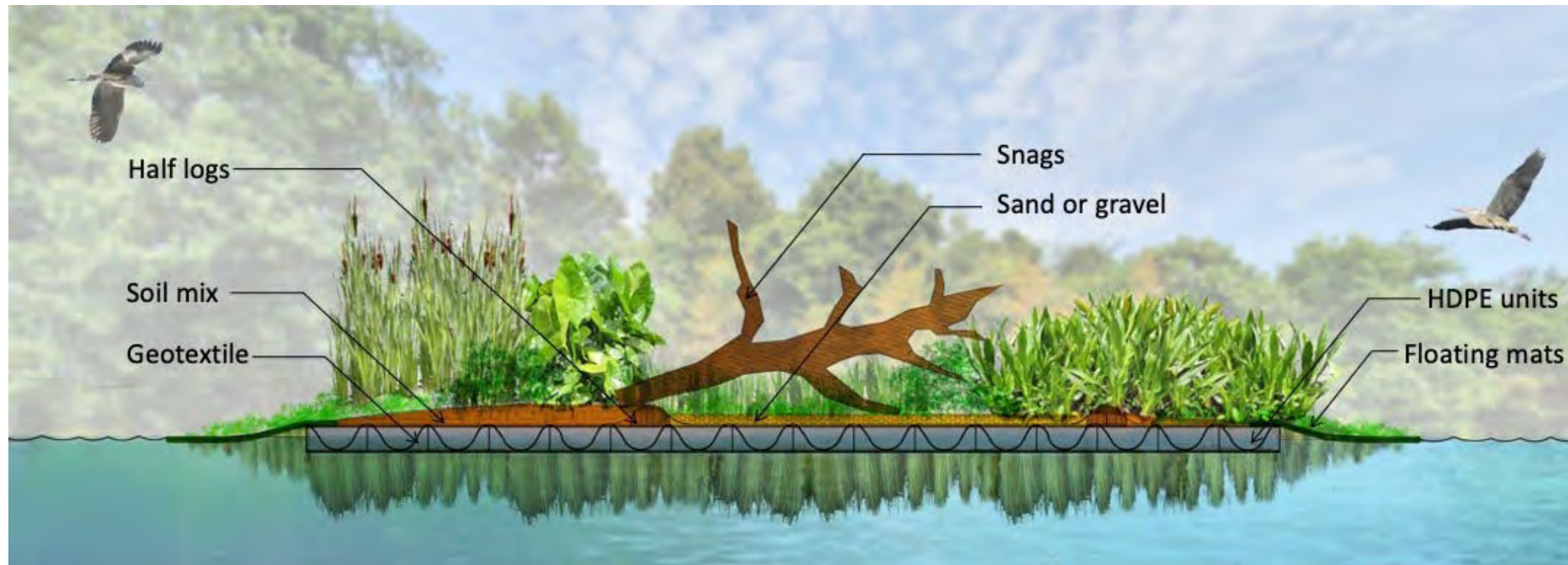
Item #1.



Page 21

Example Floating Wetlands

Item #1.



Page 22

Example Integrated Restoration Development

Item #1.



Overview of Restoration Investment

Item #1.

Restoration projects can be funded by:

1. development (directly or via mitigation bank or ILF program) 5–7-years
2. grant/public funding (through RFP or application and selection process) 10+ years depending on sources (piecemeal)
3. private funding (philanthropic investment) highly variable timeline dependent on beneficiary goals

Although mitigation funding can allow for large-scale restoration to provide significant returns on investment, the current regulatory climate and market have not attracted investors due to the prolonged timeline for approval and implementation.

Public funding takes significant time while private funding requires a mission fit or specific return on investment.

Integrated Investment Summary

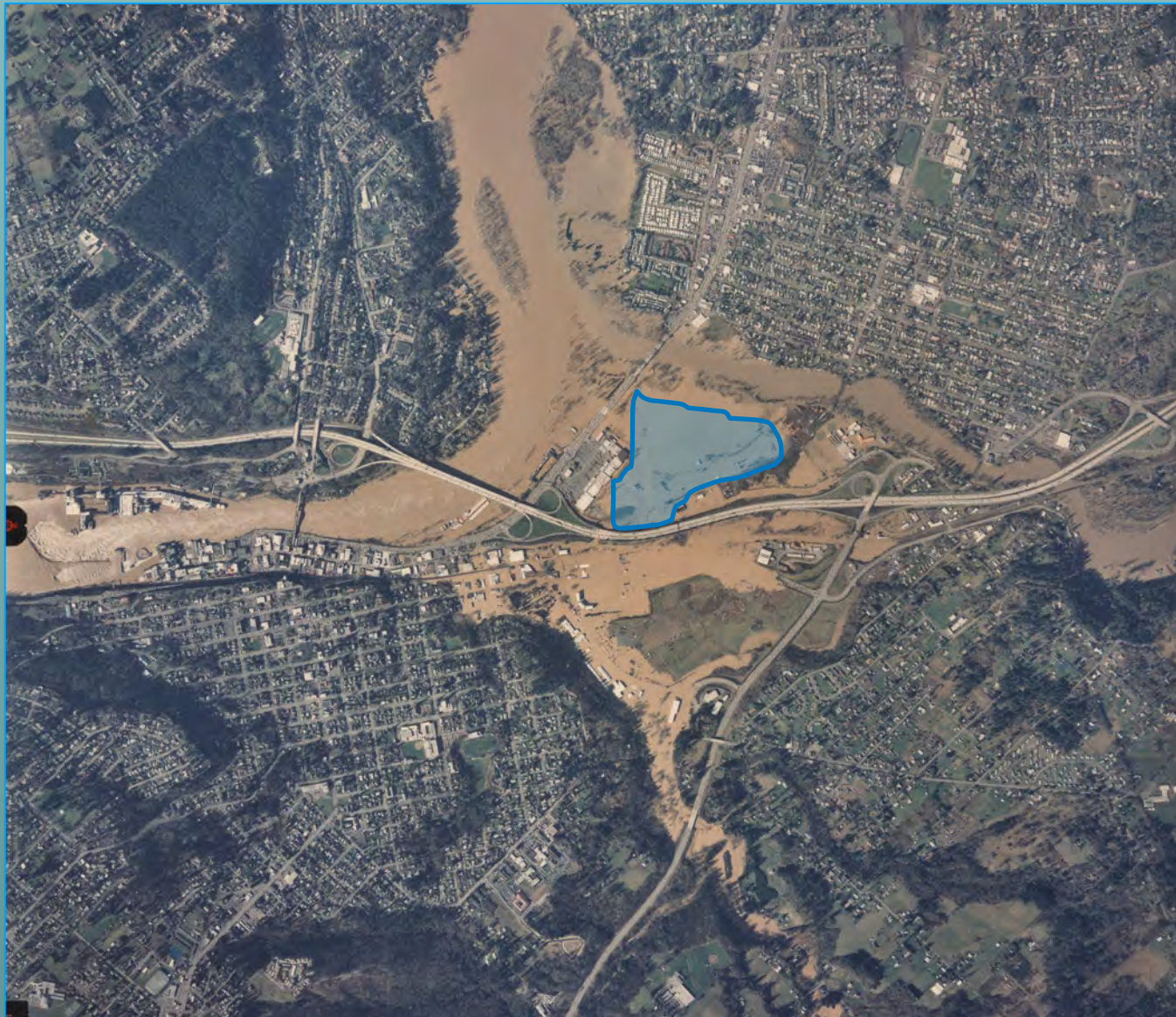
Item #1.

Because of these hurdles and the goals of the City, we believe that restoration of the Cove can occur the fastest and with the best outcomes if integrated with upland development. Mass grading with integrated restoration and development would be the most efficient.

- Restoration investment required estimated at \$14-16M
- Long-term management/maintenance of restoration estimated at \$2M (total endowment)
- Integrated development of 212 housing units and public access amenities estimated at \$30-60M
- Grading for cut-fill balanced within floodplain and completed concurrently for efficiencies
- Development returns would pay for all restoration work, interim management and maintenance until performance standards are met, and long-term endowment for management in perpetuity
- Model would not require any investment or commitment of funds by the City or others

Recommendations

Item #1.



- Self-funded project—no use of public funding
- Maximum restoration (*e.g.* greatest functional uplift) with reduced development footprint and targeted public access
- Early engagement with the regulatory agencies and stakeholders
- Upfront capital investment of \$4M to develop design, engineering, conservation easement/endowment, and long-term management to get stakeholder engagement and agency approval (2-3 years)
- Total restoration investment estimated to be \$14-16M with additional endowment
- Development of 212 waterfront units and associated infrastructure and public amenities estimated investment of \$30-60M



RESTORCAP

Rob Marinai

robm@restorcap.com

Amanda McCarthy

amandam@restorcap.com

Special thanks to:

John Runyun, Jerry Herrman, Doug Neely, John Barton, and Dan Fowler

Their input has been invaluable to us during conceptual design



CITY OF OREGON CITY

URBAN RENEWAL COMMISSION - REVISED

DRAFT MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, April 06, 2022 at 6:00 PM

CALL TO ORDER

Chair McGriff convened the meeting at 6:11 PM.

ROLL CALL

PRESENT: 7 - Commissioner Denyse McGriff, Commissioner Shawn Cross, Commissioner Rachel Lyles Smith, Commissioner Adam Marl, Commissioner Doug Neeley, Commissioner Frank O'Donnell, Commissioner Rocky Smith, Jr.

STAFFERS: 4 - City Manager Tony Konkol, City Recorder Jakob Wiley, Economic Development Manager James Graham, Finance Director Matt Zook

CITIZEN COMMENTS

There were no citizen comments.

DISCUSSION ITEM

1. Election of the Urban Renewal Commission Chair and Vice Chair for 2022

Motion made by Commissioner Cross, Seconded by Commissioner Neeley, to nominate Commissioner Doug Neely for the position of Urban Renewal Commission Vice Chair for 2022. Motion made by Commissioner Adam Marl, Seconded by Commissioner Rachel Lyles Smith, to nominate Commissioner Frank O'Donnell for the position of Urban Renewal Commission Chair for 2022. The motions passed by the following vote:

Yea: 7 – Commissioner McGriff, Commissioner Cross, Commissioner Lyles Smith, Commissioner Marl, Commissioner Neeley, Commissioner O'Donnell, Commissioner Smith, Jr.

2. RestorCap Update and Six-Month Extension of the Existing Agreement to Secure through Lease or Purchase Property for the Purposes of Mitigation Banking or a Restoration Project at Clackamette Cove

City Manager Tony Konkol introduced Rob Marini and Amanda McCarthy, representatives of RestorCap, who provided a presentation on the water quality at Clackamette Cove. There was discussion of balancing the kinds and quality of mitigation credits available with public access. Some options include closing sections or seasonal access for recreational uses. A sand bar is located at the mouth of Clackamette Cove, which models show will reform within 5 years if it were removed.

Commissioner Neeley noted that the sand bar is considered a critical lamprey spawning habitat. Commissioner O'Donnell asked about tidal influences on the sand bar, and Ms. McCarthy noted that it likely has no effect on the downstream side of the sand bar. The only surface connection of the

Clackamas River and the Clackamette Cove is on the downstream side of the sand bar and not the upstream side.

Motion made by Commissioner Neeley, Seconded by Commissioner O'Donnell, to approve a six-month extension of the existing agreement with RestorCap. The motion passed by the following vote:

Yea: 6 – Commissioner McGriff, Commissioner Cross, Commissioner Lyles Smith, Commissioner Marl, Commissioner Neeley, Commissioner O'Donnell
Abstaining: 1 – Commissioner Smith, Jr.

3. Minutes of the October 20, 2021 URC Meeting

Motion made by Commissioner Lyles Smith, Seconded by Commissioner Smith, Jr., to approve the minutes of the October 20, 2021, November 3, 2021, and November 16, 2021 Urban Renewal Commission meetings. The motion passed by the following vote:

Yea: 7 – Commissioner McGriff, Commissioner Cross, Commissioner Lyles Smith, Commissioner Marl, Commissioner Neeley, Commissioner O'Donnell, Commissioner Smith, Jr.

4. Minutes of the November 3, 2021 URC Meeting

5. Minutes of the November 16, 2021 Urban Renewal Commission Retreat

COMMUNICATIONS

6. Financial Report for the Fiscal Year Ended June 30, 2021

Matt Zook, Finance Director, briefly discussed the financial statement. The report showed that that the Urban Renewal District has no debt and that its assets are in an improved position compared to the last fiscal year.

ADJOURNMENT

Chair McGriff adjourned the meeting at 6:51 PM.

Respectfully submitted,

Jakob S. Wiley, City Recorder



CITY OF OREGON CITY

URBAN RENEWAL COMMISSION

DRAFT MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, April 20, 2022 at 6:00 PM

CALL TO ORDER

Chair O'Donnell convened the meeting at 6:01 PM.

ROLL CALL

PRESENT: 7 - Commissioner Rachel Lyles Smith, Commissioner Adam Marl, Commissioner Denyse McGriff, Commissioner Rocky Smith, Jr., Commissioner Doug Neeley, Commissioner Shawn Cross, Commissioner Frank O'Donnell

STAFFERS: 5 - City Manager Tony Konkol, City Recorder Jakob Wiley, Economic Development Manager James Graham, Assistant to the City Manager Lisa Oreskovich

CITIZEN COMMENTS

Jerry Herrmann, resident of Oregon City, expressed concerns regarding the last meeting's presentation by RestorCap on their efforts to provide environment mitigation to Clackamette Cove. Mr. Herrmann suggested that the sand bar referenced in the report ought to be considered a gravel or rock bar, and that plans regarding it ought to be considered according to this classification.

DISCUSSION ITEM

1. Approval to Allow Urban Renewal Staff to Assist Summit Development Group to Pursue Alternative Sources of Public Funding

Bill Kabeiseman, City Attorney, addressed two concerns expressed in a letter to the Urban Renewal Commission (URC) from Mr. Jesse Buss, attorney, on behalf of Mr. John Williams. The letter expressed concerns that the URC ought not to address this discussion item at present because no urban renewal projects are in progress. Mr. Kabeiseman observed that the Rossman Landfill project, currently underway, is an urban renewal project. Secondly, the letter objected to the use of tax increment financing (TIF) tax funding for urban renewal projects, because TIF funding is intended for indebtedness. Mr. Kabeiseman explained that the relegation of funds toward indebtedness was not limited to bonded indebtedness, but also to simple indebtedness between a vendor and client, and therefore this funding is appropriate.

Tony Konkol, City Manager, introduced a presentation from the Summit Development Group regarding their work on the Rossman Landfill project. Mr. Konkol explained that the Summit Group was seeking approval and assistance from the URC to work with Clackamas County or other government agencies to pursue a Brownfield Grant, and that City Staff supported this collaboration.

William Gifford, resident of Oregon City, expressed his support for allowing the county to assist Summit Development Group to obtain funding, observing that the result would be improvement of the natural environment. Mr. Konkol clarified that any funds obtained would be likely invested specifically in improving the Rosman Landfill site at this time, not in general environmental efforts.

Dan Fowler, resident of Oregon City, read from a letter from the Hackett Hospitality Group in support of collaboration with Clackamas County and other organizations in pursuing additional public funding for urban renewal projects.

Jerry Herrmann, resident of Oregon City, expressed agreement with Mr. Konkol's statement. He suggested that collaborating with Clackamas County to pursue Brownfield funding was appropriate, arguing that the current environmental state of the Rossman Landfill was due to the county's past actions.

Liz Hannum, Executive Director of the Downtown Oregon City Association (DOCA), discussed the positive relationship between Summit Development Group and DOCA, and recommended Summit for willingness to communicate and collaborate with established Oregon City districts.

Seth Henderson, President of Summit Development Group, and Greg Mitchell, Associate Principal of LRS Architects, offered a presentation on the North End Development, to be developed on the Rossman Landfill site, including details of the project plan and methods pursued for acquiring funding. Mr. Henderson emphasized that Summit Development Group's current request was not for urban renewal funds, but rather assistance from the URC in order to pursue other government funds.

There was discussion regarding whether the commission ought to gain a more thorough understanding of the development project and give it final approval before pursuing any funding opportunities. There was also discussion regarding the possibility of bifurcating the development and a potential Brownfield-funded cleanup as separate issues.

Motion made by Commissioner Neeley to offer urban renewal funding to the Summit group in support of Brownfield grant writing. The motion was not seconded.

Motion made by Commissioner Smith, Jr., seconded by Commissioner Lyles Smith, to schedule an Urban Renewal work session to further discuss the Rossman Landfill development project with Summit Development Group.

**Yea: 6 – Commissioner Cross, Commissioner Smith, Commissioner Marl, Commissioner Neeley, Commissioner O'Donnell, Commissioner Smith, Jr.
Abstaining: 1 – Commissioner McGriff**

Mr. Konkol suggested that the proposed work session take place at 5:30 P.M. on Wednesday, May 4, 2022, prior to the commission meeting scheduled for 7:00 P.M. on that date.

COMMUNICATIONS

There were no additional communications.

ADJOURNMENT

Chair O'Donnell adjourned the meeting at 7:10 PM.

Respectfully submitted,

Jakob S. Wiley, City Recorder



CITY OF OREGON CITY

URBAN RENEWAL COMMISSION - REVISED

DRAFT MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, May 04, 2022 at 5:30 PM

5:30 PM - WORK SESSION

CALL TO ORDER

Chair O'Donnell convened the meeting at 5:32 PM.

ROLL CALL

PRESENT: 6 - Commissioner Denyse McGriff, Commissioner Shawn Cross, Commissioner Adam Marl, Commissioner Doug Neeley, Commissioner Frank O'Donnell, Commissioner Rocky Smith, Jr.

ABSENT: 1 - Commissioner Rachel Lyles Smith

STAFFERS: 4 - City Manager Tony Konkol, Economic Development Manager James Graham, Executive Assistant to the City Manager Lisa Oreskovich, Public Works Director John Lewis

DISCUSSION ITEM

1. North End Development Proposal by Summit Development Group

City Manager Tony Konkol introduced the topic, explaining that Summit Development Group has received land use approval from the Oregon City Planning Commission for a mixed-use development master plan on the Rossman Landfill site, and that the matter before the committee was to decide whether to assist Summit Development Group in their application for a Brownfield grant through Clackamas County or the City of Oregon City. Mr. Konkol summarized the report provided by Summit Development Group.

In response to questions generated at the last Urban Renewal Commission meeting, Mr. Konkol discussed the prospective purchaser agreement negotiated between Summit Development Group and the Department of Environmental Quality (DEQ). He explained that if the project goes forward, it would be Summit Development Group's responsibility to attend to environmental cleanup at the site. The agreement also provides liability parameters to Summit Development Group's cleanup responsibilities.

Commissioner Doug Neeley suggested that the report from Summit Development Group should include more details about seismic risk assessment.

Commissioner Denyse McGriff discussed the vast scope of cleanup necessitated by the Rossman Landfill site, and expressed concern about the city being burdened with the cost of cleanup in light of the fact that the landfill had been created by a private entity. Commissioner McGriff requested clear delineation of the cleanup responsibilities between the site owner and the city.

Chair Frank O'Donnell discussed the extent to which the consent order from the DEQ discusses cleanup liabilities and added that the committee's approval to pursue a Brownfield grant would not equate to approving all aspects of Summit Development Group's master plan.

Commissioner Neeley suggested that because the city and state allowed the formation of the landfill, they share a portion of responsibility for its environmental impact.

Mr. Konkol clarified the site closure permit, explaining that implementation of the permit conditions remained with the site's current owner. Commissioner O'Donnell added that the permit and its requirements would be passed on to any new owner along with the title.

Commissioner McGriff clarified that a motion cannot be made during a work session.

Commissioner O'Donnell suggested it would be beneficial to approve the Summit Development Group's request to work with Clackamas County on the Brownfield grant application because County staff have the time and experience to ably assist. He also observed that the county benefitted from the Rossman Landfill historically and that for this reason it was proper that they assist in applying for the grant that would fund cleanup of the site.

Commissioner McGriff re-emphasized the importance of environmental cleanup at the Rossman Landfill site and expressed concern about overburdening City staff with extra work if this request were to be approved. Commissioner McGriff expressed support in assigning the bulk of the work involved in the Brownfield grant application to the county.

Mr. Konkol clarified that Summit Development Group would be responsible for the bulk of work involved in the grant application process, and that Clackamas County would be the vessel through which they proceed. Mr. Konkol explained that City staff would be kept abreast of developments, but that approving this grant application process would not result in excessive additional work for City staff.

Commissioner Shawn Cross expressed concern about moving forward with approving a funding method for this project before the building project itself was completely approved by the commission. There was discussion about the benefits and drawbacks of pursuing the Brownfield grant at this juncture.

2. North End Development Proposal by Summit Development Group – Additional Information

Seth Henderson, President of Summit Development Group, offered to answer additional questions about the project. No questions were offered at this time.

ADJOURNMENT

Chair O'Donnell adjourned the work session at 6:14 PM.

REGULAR MEETING - Immediately Following the Work Session

CALL TO ORDER

Chair O'Donnell convened the meeting at 6:14 PM.

ROLL CALL

PRESENT: 6 - Commissioner Denyse McGriff, Commissioner Shawn Cross, Commissioner Adam Marl, Commissioner Doug Neeley, Commissioner Frank O'Donnell, Commissioner Rocky Smith, Jr.

ABSENT: 1 - Commissioner Rachel Lyles Smith

STAFFERS: 4 -

City Manager Tony Konkol, Economic Development Manager James Graham, Executive Assistant to the City Manager Lisa Oreskovich, Public Works Director John Lewis

CITIZEN COMMENTS

There were no citizen comments.

DISCUSSION ITEM

3. Summit Development Group Request for Urban Renewal Commission Approval to Pursue Alternative Funding Sources for the Proposed North End Development

Motion made by Commissioner McGriff, seconded by Commissioner Neeley, to allow Oregon City staff to support Clackamas County in pursuit of Brownfield or other grants on behalf of Summit Development Group.

Yea: 5 – Commissioner McGriff, Commissioner Cross, Commissioner Marl, Commissioner Neeley, Commissioner O'Donnell

Abstaining: 1 – Commissioner Smith, Jr.

COMMUNICATIONS

Seth Henderson, President of Summit Development Group, expressed the group's willingness to offer the commission a presentation on the North End Development proposal as soon as they receive an invitation to do so.

ADJOURNMENT

Chair O'Donnell adjourned the work session at 6:27 PM.

Respectfully submitted,

Jakob S. Wiley, City Recorder



CITY OF OREGON CITY

URBAN RENEWAL COMMISSION RETREAT

DRAFT MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Monday, May 16, 2022 at 6:00 PM

CALL TO ORDER

Chair O'Donnell convened the meeting at 6:02 PM.

ROLL CALL

PRESENT: 6 - Commissioner Adam Marl, Commissioner Denyse McGriff, Commissioner Rocky Smith, Jr., Commissioner Doug Neeley, Commissioner Shawn Cross, Commissioner Frank O'Donnell

STAFFERS: 5 - City Manager Tony Konkol, City Recorder Jakob Wiley, Economic Development Manager James Graham, Assistant to the City Manager Lisa Oreskovich, Finance Director Matt Zook

CITIZEN COMMENTS

There were no citizen comments.

DISCUSSION ITEM

1. Retreat - Updating the Urban Renewal Plan

James Graham, Economic Development Manager, briefly described the goals of the retreat: to discuss the vision and focus of the Urban Renewal Commission (URC) Plan, to identify projects that fit that vision, and to authorize staff to research construction costs on identified Urban Renewal projects.

Commissioner O'Donnell made an opening statement encouraging the URC to take initiative in pursuing projects on URC-owned or City-owned properties.

Mr. Graham reviewed the Urban Renewal Vision Statement and the criteria identified in the statement.

Mr. Graham discussed the Rossman Landfill site and the project description. Mr. Graham also reviewed the Clackamette Cove Project and the environmental concerns associated with it. Commissioner McGriff suggested that affordable housing be included in any residential development on the site. There was discussion of updating the URC Plan with emphasis on environmental care of the area.

Mr. Graham discussed the Metro Transfer Station. Commissioner O'Donnell asked if there was still discussion of moving the operation. Commissioner McGriff noted that the item has been indefinitely tabled until a new location can be identified.

Mr. Graham discussed the Amtrak Station Project. Commissioner Neeley suggested parking should be included in the development of the site. Commissioner McGriff asked if a better awning could be used. Commissioner O'Donnell asked who controlled the terminal and requested that this information be added to the URC Plan documents.

Mr. Graham summarized the County Shops property. There was discussion that the property would be moving into private ownership.

Mr. Graham summarized the City-owned property on McLoughlin Blvd at 12th Street and Main Street. Commissioner Neeley asked what the issues were with development on the property. Tony Konkol, City Manager, mentioned that there is a deep sewer line crossing the property diagonally. Commissioner Neeley asked if moving the sewer line was a potential investment. Mr. Konkol discussed some previous attempts to construct on the property and provide access to the sewer line. Commissioner Smith observed that the property is listed as City-owned. Mr. Konkol discussed that the City and the URC can partner to develop on properties such as these. Commissioner McGriff noted the development ideas developed by students recently and their creativity.

Commissioner O'Donnell asked about conditions on the sale of property. Mr. Konkol discussed timelines that place conditions on the sale for things like applying for a building permit.

Mr. Graham discussed the Stimson property summary. Commissioner O'Donnell mentioned that the neighboring Rossman Landfill property could compliment this development. Commissioner Neeley suggested that Washington Street might need to be widened if the area is developed further. Commissioner O'Donnell suggested that URC funds might be used to relocate the current tenant, Clackamas Landscape Supply.

Commissioner Cross suggested waiting to see what the Rossman Landfill site becomes before moving forward on the Stimpson property. Commissioner McGriff was concerned about waiting, since that reasoning has delayed developments in the past. Commissioner McGriff suggested that perhaps development should be targeted at the Amtrak Station or make the Rossman Landfill compliment the Stimpson development, whatever that becomes. Mr. Konkol discussed that the property value of the Stimpson property could increase considerably if the Rossman Landfill property is developed, which would make it easier to develop.

Mr. Graham discussed the Oregon City Shopping Center. Mr. Konkol discussed that a road was planned through the shopping center to connect to the Main Street extension. Commissioner Smith noted that the Clackamette Cove apartments are somewhat isolated due to how they were developed. Mr. Graham discussed that shopping centers have been struggling economically, so that will guide discussions of development on the property. Commissioner O'Donnell mentioned that the URC might look at assisting the existing development to improve.

Mr. Graham discussed the Krueger Lumber building. Commissioner O'Donnell mentioned that the property is larger than expected.

Mr. Graham discussed the End of Oregon Trail property. Commissioner McGriff mentioned that it was a good source of tourism and requested recognition of that in the URC plan.

Mr. Graham summarized the various downtown Oregon City projects. Mr. Konkol noted that one of the projects identified in the URC plan as McLoughlin lots appears to discuss the two lots near McDonalds and Clackamette Park.

Commissioner Cross noted that the quiet zone should be prioritized since the money for it is already available. Mr. Konkol noted that the city has earmarked money for the project, but it would require \$600,000.00 in matching funds. There was discussion of sources of funding including American Rescue Plan Act (ARPA), or URC funds.

There was further discussion of the two lots along McLoughlin and near McDonalds. Mr. Graham mentioned that the lots have a deed restriction that restricts the use as park property.

There was discussion of the courthouse and seismic issues and foundation issues. There was a desire to acquire the Liberty Park property to preserve as an open space, which originated when the Liberty

Theater was demolished. The property is leased by the Downtown Oregon City Association (DOCA) but owned by Clackamas County.

Commissioner Neeley wanted to make funds available for commercial property in addition to residential property.

There was discussion of the falls access and viewing area. This project was added before the Willamette Falls Legacy Project development on the Blue Heron Paper Mill site, and there was discussion about updating this narrative in the URC plan to reflect to the current state of the Riverwalk Project.

Mr. Konkol discussed the costs for each project and the estimates included in the meeting materials. Mr. Konkol mentioned that Tax Increment Funding (TIF) generates about \$3 million each year.

Mr. Konkol suggested that the URC reconvene at a future meeting to discuss prioritization of the funding of each of the projects discussed at today's meeting. He also discussed the process City staff would take in estimating project costs.

COMMUNICATIONS

There were no further communications.

ADJOURNMENT

Chair O'Donnell adjourned the meeting at 8:20 PM.

Respectfully submitted,

Jakob S. Wiley, City Recorder