



# CITY OF OREGON CITY URBAN RENEWAL COMMISSION AGENDA

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Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City  
Wednesday, September 21, 2022 at 5:45 PM

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*Ways to participate in this public meeting:*

- *Attend in person, location listed above*
- *Register to provide electronic testimony (email [recorderteam@orc.org](mailto:recorderteam@orc.org) or call 503-496-1509 by 3:00 PM on the day of the meeting to register)*
- *Email [recorderteam@orc.org](mailto:recorderteam@orc.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*

## **5:45 PM - EXECUTIVE SESSION OF THE URBAN RENEWAL COMMISSION**

*The Executive Session will begin at 5:45 PM prior to the Urban Renewal Commission meeting.*

1. *- Pursuant to ORS 192.660(2)(h): To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.*

## **6:00 PM - URBAN RENEWAL COMMISSION MEETING**

**CALL TO ORDER**

**ROLL CALL**

**CITIZEN COMMENTS**

**DISCUSSION ITEM**

1. RestorCap Update on the Potential of Mitigation Banking or a Restoration Project at Clackamette Cove
2. Minutes of the December 1, 2021 Urban Renewal Commission Meeting

**COMMUNICATIONS**

**ADJOURNMENT**

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**PUBLIC COMMENT GUIDELINES**

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*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.*

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**ADA NOTICE**

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*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.*

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***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](http://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 **Agenda Date:** 9/14/2022  
**From:** Urban Renewal Executive Director Tony Konkol

#### **SUBJECT:**

RestorCap Update on the Potential of Mitigation Banking or a Restoration Project at Clackamette Cove

#### **STAFF RECOMMENDATION:**

Informational presentation. Please provide staff direction on how to proceed.

#### **EXECUTIVE SUMMARY:**

RestorCap will provide the Urban Renewal Commission an update on the work that has occurred related to the hydraulic modeling results, project assumptions, results, expectations for performance, results of financial modeling and revenue recommendations. The existing LOI between the Urban Renewal Commission and RestorCap will expire on October 20, 2022. RestorCap would like to extend the existing LOI with a goal of entering into a new contract for the implementation of the project.

#### **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 stand-alone mitigation project is being explored as part of this proposal.

The approved LOI allows RestorCap to enter the property and prohibits 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. This term may be extended an additional 6-months by mutual agreement of both parties. The 6-

month extension was approved by the Urban Renewal Commission on April 6, 2022. There is 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.

The Urban Renewal Commission approved a similar LOI in conjunction with the Cove DDA on December 19, 2018 which initiated RestorCap's due diligence work in the area.

**OPTIONS:**

1. Provide direction to staff on how to proceed.

**BUDGET IMPACT:**

Amount:

FY(s):

Funding Source(s):



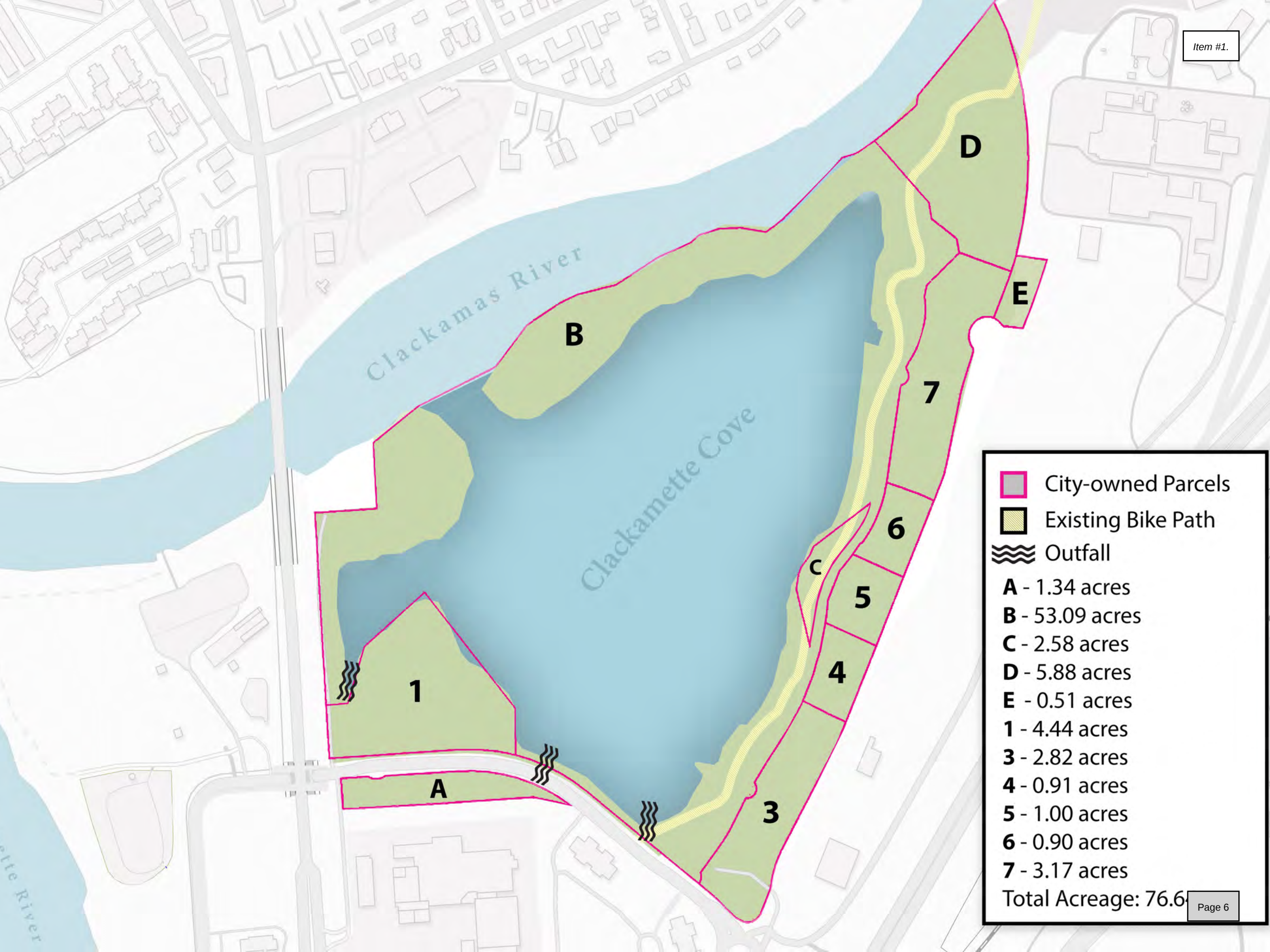
# The Cove, Oregon City, OR

Recommendations for Restoration

Urban Renewal Commission Meeting: September 21, 2022



**RESTORCAP**  
*Connecting Capital with Nature*



City-owned Parcels

Existing Bike Path

Outfall

**A** - 1.34 acres

**B** - 53.09 acres

**C** - 2.58 acres

**D** - 5.88 acres

**E** - 0.51 acres

**1** - 4.44 acres

**3** - 2.82 acres

**4** - 0.91 acres

**5** - 1.00 acres

**6** - 0.90 acres

**7** - 3.17 acres

Total Acreage: 76.6

# 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](mailto: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.

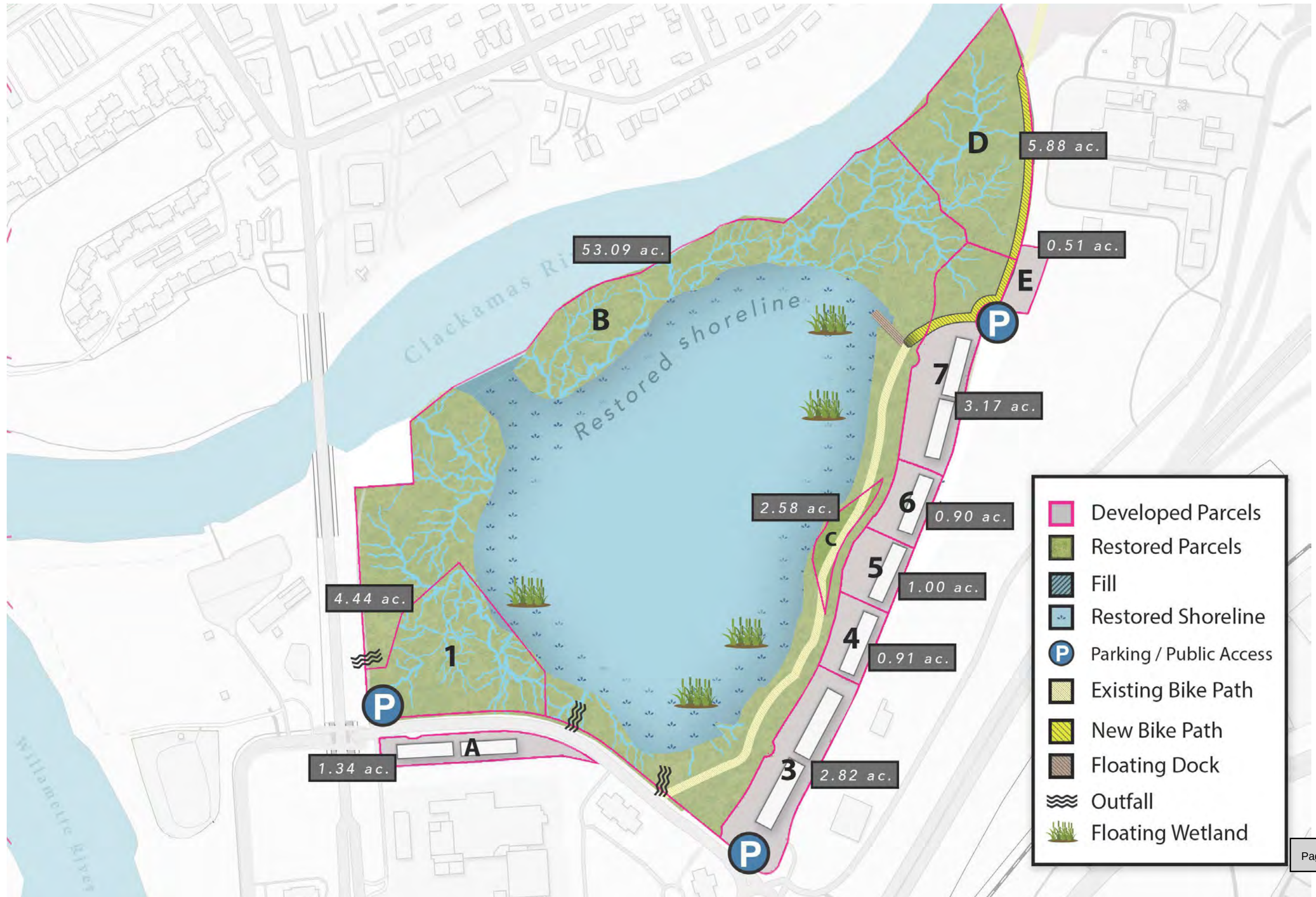
Restoration activities at the Cove should prioritize maintaining cool temperatures, reducing negative impacts from existing stormwater outfalls, and create heterogeneous floodplain habitat.

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:

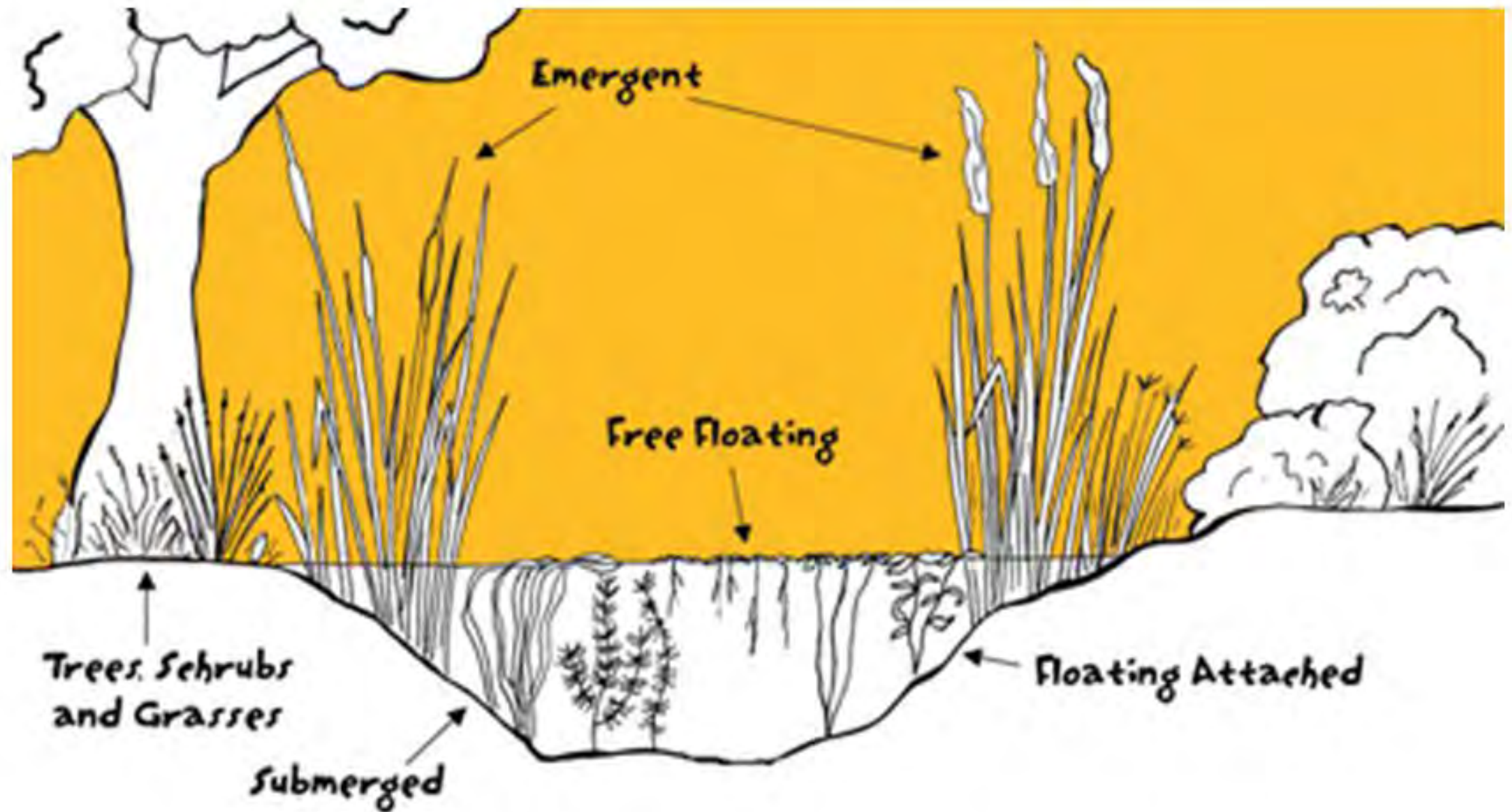
1. The creation of shallow floodplain habitat to the greatest extent feasible within the Cove and the creation of shallow slopes along the margins of the Cove through the excavation of material at higher elevations within the floodplain and deposition at the margins of the Cove
2. The removal and disposal/reuse 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

# Conceptual Restoration Plan

Item #1.

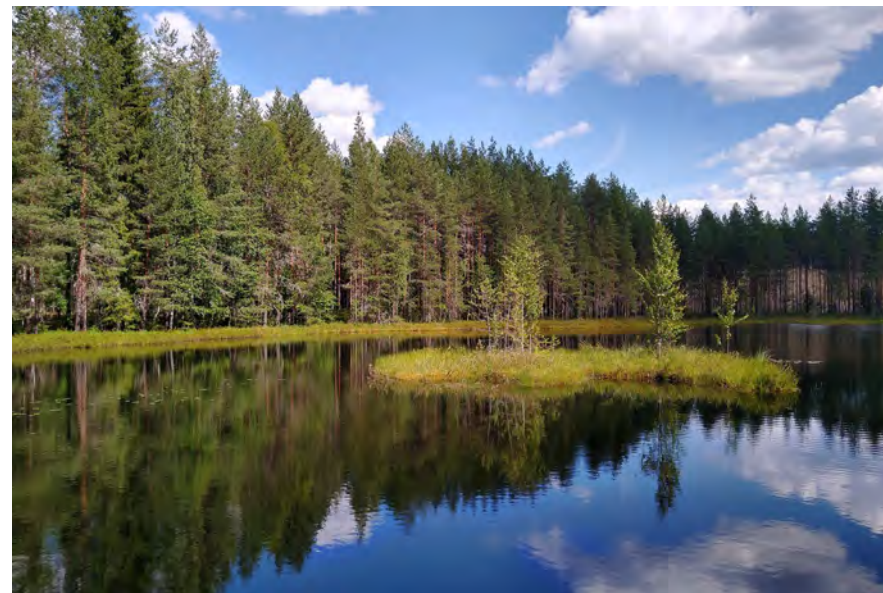
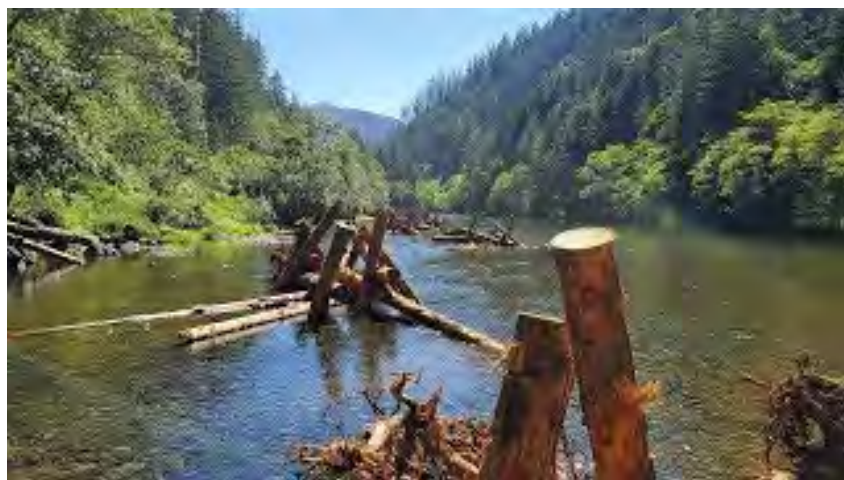


# Wetland Plant Types



# Example Emergent/Forested Wetlands

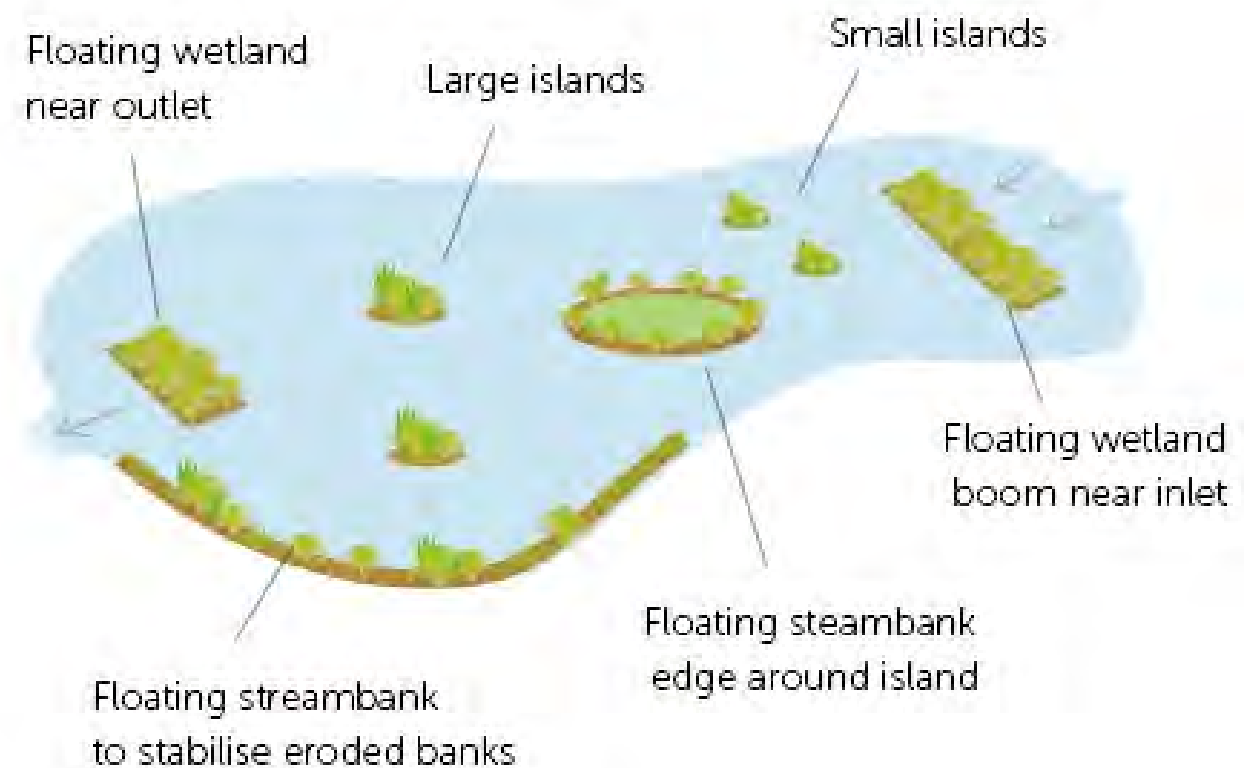
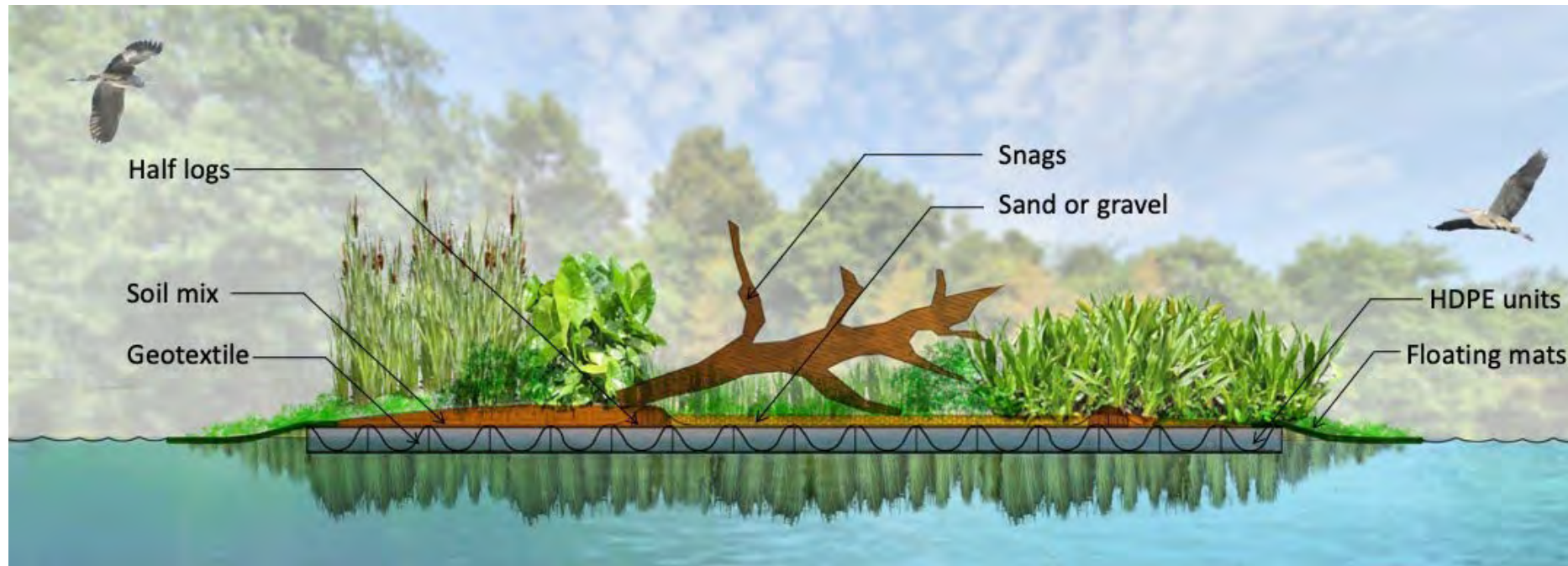
Item #1.



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# Example Floating Wetlands

Item #1.



# 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

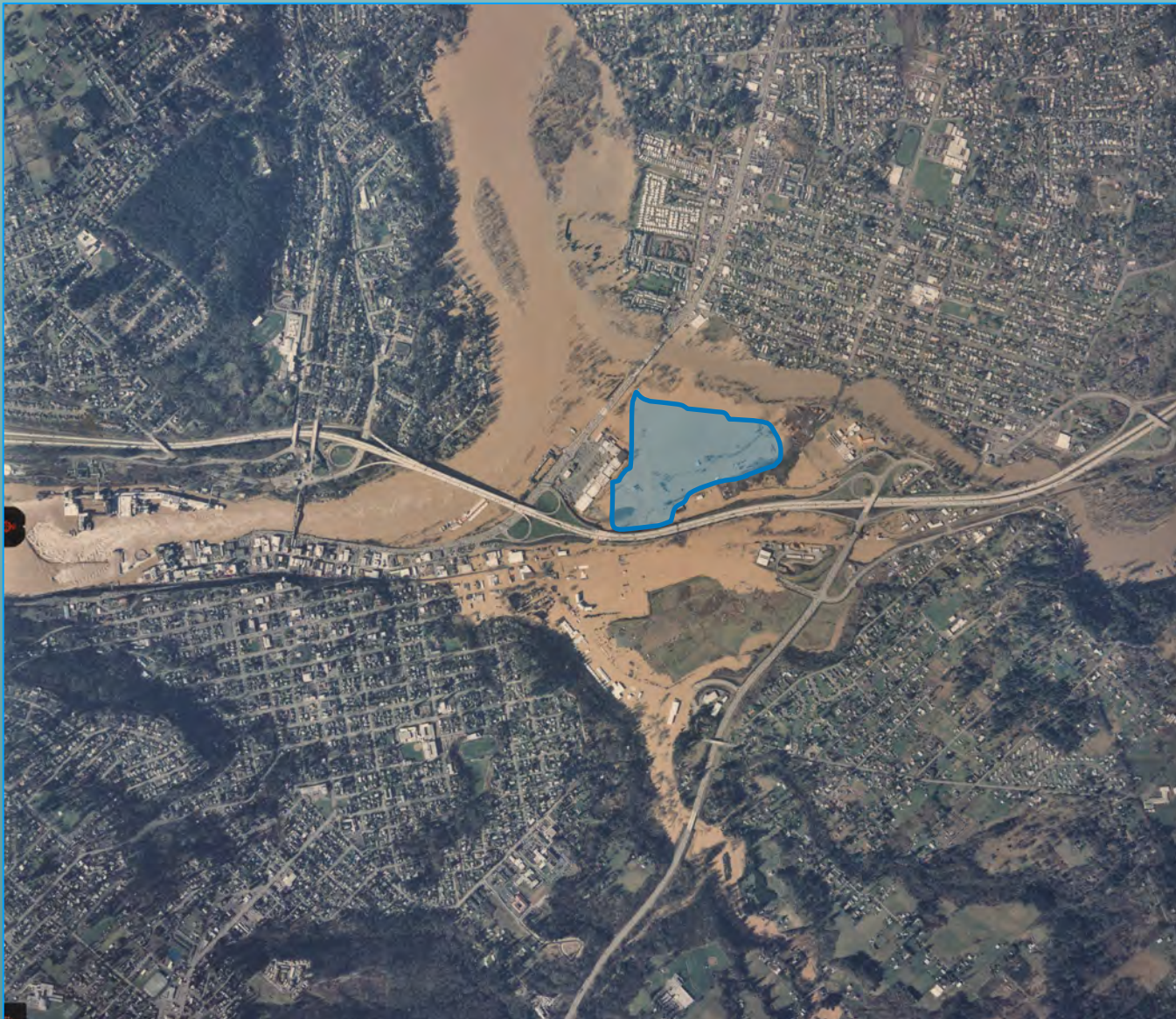
Item #1.

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

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*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

### DRAFT MINUTES

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**Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City**  
**Wednesday, December 01, 2021 at 6:00 PM**

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#### CALL TO ORDER

*Chair McGriff convened the meeting at 6:03 P.M.*

#### ROLL CALL

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

**STAFFERS: 7 -** City Manager Tony Konkol, City Recorder Jakob Wiley, Economic Development Manager James Graham, Assistant to the City Manager Lisa Oreskovich, Finance Director Matt Zook, Public Works Director John Lewis

#### CITIZEN COMMENTS

*Paul Edgar, citizen of Oregon City, suggested utilizing a parcel of Urban Renewal Commission (URC) land on Highway 99 East to provide shelters and services for the houseless community.*

#### DISCUSSION ITEM

##### 1. Disposition of Commercial Lease with Clackamas Landscape Supply, Inc.

*James Graham, Economic Development Manager, explained the terms of the current lease of 1795 Washington Street, tenanted by Clackamas Landscape Supply. Mr. Graham shared the staff recommendation to create a new two-year lease to begin January 1, 2023. Mr. Graham described terms of the newly proposed lease, with the tenant to be given one year's notice if asked by the city to vacate the property, and with rent rates to be increased corresponding to inflation at the time of the new lease.*

*Steve Pearson, owner of Clackamas Landscape Supply, expressed gratitude for 25 years' tenancy. He observed that the newly proposed lease agreement would, in effect, extend the lease from one year to three, but would retain the city's prerogative to request that the tenant vacate, if requested, within twelve months.*

*There was discussion on the benefits and drawbacks of the length of the twelve-month notice to vacate stipulated in the proposed lease agreement, and it was clarified that a hypothetical future buyer of Mr. Pearson's business would inherit the lease.*

**Motion made by Commissioner Smith, Jr., Seconded by Commissioner Neeley, to approve the commercial lease with Clackamas Landscape Supply as presented. The motion passed by the following vote:**

**Yea: 6 – Commissioner McGriff, Commissioner Cross, Commissioner Smith, Commissioner Marl, Commissioner Neeley, Commissioner Lyles Smith**  
**Nay: 1 – Commissioner O'Donnell**

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2. Minutes of the June 16, 2021 URC Meeting

**Motion made by Commissioner Neeley, Seconded by Commissioner Smith, Jr., to simultaneously approve the minutes of the June 16, 2021 URC Meeting and the minutes of the October 6, 2021 URC Meeting. 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.**

3. Minutes of the October 6, 2021 URC Meeting

## COMMUNICATIONS

*Tony Konkol, City Manager, informed the commission that a contract had been negotiated with Andy Parks to create a draft scope of work to update the financial aspects of the Urban Renewal Plan.*

*Commissioner Smith and Commissioner O'Donnell expressed opposition to further Urban Renewal spending in general until the Urban Renewal Plan could be offered to the people of Oregon City for a vote. There was discussion about whether the financial aspect of the plan, or the project list, ought to be updated first. Mr. Graham expressed that it would be difficult to update the project list without first updating the plan's financials.*

**Motion made by Commissioner Cross, seconded by Commissioner Neeley, to enter into a contract with Andy Parks to create a new financial model for the Urban Renewal Plan. The motion passed by the following vote:**

**Yea: 5 – Commissioner Cross, Commissioner Lyles Smith, Commissioner Marl, Commissioner Neeley, Commissioner McGriff**

**Nay: 2 – Commissioner Smith, Jr., Commissioner O'Donnell**

## ADJOURNMENT

*Chair McGriff adjourned the meeting at 6:42P.M.*

Respectfully submitted,

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Jakob S. Wiley, City Recorder