CITY OF OREGON CITY
URBAN RENEWAL COMMISSION
AGENDA

Hanlon Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, November 19, 2025 at 6:00 PM

Ways to participate in this public meeting:

- *Attend in person, location listed above. Please see the public comment guidelines below.*
- *Attend the livestream of the meeting on the City's YouTube Channel: https://www.youtube.com/user/CityofOregonCity*
- *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*

1. **CALL TO ORDER AND ROLL CALL**
2. **PUBLIC COMMENTS**
3. **DISCUSSION ITEMS**
   a. Clackamette Cove Water Quality Analysis – Phase 2 Update
   b. Minutes of the January 15, 2025 Urban Renewal Commission Meeting
   c. Minutes of the October 02, 2024 Urban Renewal Commission Meeting
   d. Minutes of the July 17, 2024 Urban Renewal Commission Meeting
4. **COMMUNICATIONS**
5. **ADJOURNMENT**

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the clerk. When the Chair calls your name, proceed to the speaker table, and state your name and city of residence. Each speaker is given 3 minutes to speak. As a general practice, the committee does not engage in discussion with those making comments. Complaints shall be addressed at the department level prior to addressing the committee.

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 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.

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

CITY OF OREGON CITY

Staff Report

To:	Urban Renewal Commission	**Agenda Date:**	November 19, 2025
From:	Dayna Webb, Public Works Director		

SUBJECT:
Item 3.a. - Clackamette Cove Water Quality Analysis – Phase 2 Update

STAFF RECOMMENDATION:
Review Clackamette Cove Water Quality Analysis and provide feedback and direction for the final report.

EXECUTIVE SUMMARY:
The Clackamette Cove (Cove) has experienced cyanobacteria algal blooms in the past, but little water quality data was available. Potential sources of chemical constituents to the Cove include stormwater runoff, historical contamination (e.g., bottom sediments), and the Clackamas River. The goal of this program is to evaluate the current conditions in the Cove, develop alternatives for harmful algal blooms (HAB) and provide recommendations for improving water quality conditions to support recreational use, aesthetic qualities and future development of the Cove property.

Aquatic Insight, LLC has collected data for two years, evaluating conditions and using the gathered data to address concerns in relation to seasonal blue-green algae blooms that could impact recreational habitat uses of the Cove. The data is now being fed into a numerical Model (CE-QUAL-W2 model) to calibrate alternative analysis. In this presentation, Aquatic Insights, LLC will discuss similarities and differences between the two years of data to support the City's understanding of the project and the direction it is going for the model.

In conclusion, the Cove vicinity to the Clackamas River can either be treated as a lake or an extension of the river. The Model is projected to be complete by January 2026, and it will measure the effectiveness of six alternatives to determine the best options moving forward. Some of the questions considered will include "how much flushing would be necessary to lower the risk of HAB in the Cove if it was treated as a lake?", and "does removal of invasive aquatic plants minimize the risk of HAB if it was a river?". The final outcome will be shared with the Urban Renewal Commission and the public in the Spring of 2026 and will include a presentation on the next steps.

BACKGROUND:
On July 28, 2023, Commissioner Frank O'Donnell met with the Urban Renewal Commission to engage in a discussion on what should be considered to mitigate water quality concerns in the Clackamette Cove (Cove) and how to address concerns in relation to seasonal blue-green algae blooms that could impact recreational and habitat uses of the Cove.

At a work session on September 12, 2023, as directed by the Urban Renewal Commission, Commissioner O'Donnell led a discussion which included the Oswego Lake site tour and the Lake Oswego Corporation's efforts to improve water quality and manage and address the lake's water quality issues including how they address blue-green algae blooms. Staff also provided updates on meetings with representatives from the Portland Permits Section of the US Army Corps of Engineers.

At the conclusion of the September meeting, staff pursued an initial scope of work to study and better understand existing conditions which was used to evaluate opportunities for water quality improvement and identify a plan to understand what may be impacting late-season water quality in the Cove.

On January 17, 2024, the drafted scope of work was submitted to the Urban Renewal Commission for consideration. On January 30, 2024, a small stakeholder group met to provide final feedback that was needed for a Request for Proposals.

A public advertisement requesting proposals was published in the Daily Journal of Commerce on March 8 and 11, 2024. Two proposals were received on March 26, 2024. A five-person evaluation team met on April 3, 2024, and reached unanimous consensus to recommend Aquatic Insight, LLC for the project.

From April 23, 2024, to March 12, 2025 (Phase 1), and July 2025, to October 2025 (Phase 2), data was collected on the Cove and Clackamas River. The following data was collected:

- Multi-parameter sonde data was collected from the cove and from the river.
- Water samples were collected from the cove at depths of two meters and five meters, and analyzed for total phosphorus, soluble reactive phosphorus, total nitrogen, nitrate and nitrite, ammonia, total Mn, total Fe, and alkalinity.
- Phytoplankton samples were collected from the Cove and the Clackamas River.
- Sediment cores were collected from three locations in the Cove and analyzed for phosphorus content.
- Water surface elevation data was collected from the Cove and Clackamas River for model calibration.

Aquatic Insight, LLC has developed the baseline CE-QUAL-W2 model (Model), which collects data for water quality and is a hydrodynamic model in 2D (longitudinal-vertical), for rivers, estuaries, lakes, reservoirs and river basin systems. W2 models basic eutrophication processes such as temperature-nutrient-algae-dissolved oxygen-organic matter and sediment relationships.

The two years of monitoring data, combined with CE-QUAL-WA modeling, will support final development of the alternative's evaluation to improve water quality and reduce the risk of harmful cyanobacteria blooms that could impact recreation. Aquatic Insight will refine and finalize the list of seven already identified management alternatives and conduct comparative analysis.

This report represents a status update of the monitoring results and how they have informed the Model thus far. No actions need to be taken by the commission at this time, and there will be no changes to the budget for the remainder of the contract.

OPTIONS:

1. Approve Clackamette Cove Water Quality Analysis – Phase 2 Update.
2. Approve Clackamette Cove Water Quality Analysis – Phase 2 Update with Amendments.
3. Deny Clackamette Cove Water Quality Analysis – Phase 2 Update and provide further direction.

BUDGET IMPACT:

Amount	$0.00
Fiscal Year(s):	2025-26, 2026-27
Funding Source(s):	Urban Renewal

Clackamette Cove Water Quality & Alternatives Evaluation Phase 2

Draft and Preliminary

Welcome and Workshop Purpose

- The Phase 2 scope of work includes three meetings to discuss Alternatives leading to the final Technical Report
- The objectives of today's meeting are to:
  - **Share progress** on development of Alternatives
  - **Receive feedback** on the approach and Alternatives
- **Desired Outcomes:**
  - A shared understanding of current progress, approach, and next steps
  - Input from today's discussion to inform the modeling and evaluation work ahead
- *At the **January** workshop, results from Alternatives modeling will start to be presented, with subsequent workshops leading to the final Technical Report*

Agenda

- Progress Since Kickoff Meeting
- What have we learned about the Cove?
- Management Implications and Pathways
- Discussion 1 – Confirming Management Priorities
- CE-QUAL-W2 Model Scenarios
- Discussion 2 – Confirming Model Scenarios
- Model Update
- Next Steps and Timeline

Phase 2 Focus and Scope

- **Phase 2 Focus**
  - Advance understanding of Cove hydrology, water quality, and management options
  - Develop and evaluate Alternatives using the CE-QUAL-W2 model
  - Support the City's decision-making through workshops and technical documentation
- **Phase 2 Scope**
  - Task A: Project Management
  - Task B: Stakeholder Engagement
  - Task C: Data Synthesis
  - Task D: Monitoring Plan Refinement
  - Task E: 2025–2026 Monitoring
  - Task F: Data Interpretation
  - Task G: Alternatives Evaluation
  - *Tasks and workshops lead towards development of a Technical Report evaluating alternatives*

Progress Since Kickoff Meeting

- Draft reports submitted for comments
  - Draft Phase I Water Quality Report (August 8)
  - Draft Water Quality Monitoring Plan (August 8)
  - Potential for Pollutant Migration Through Groundwater Pathways Draft Technical Memo (August 12)
- Began monitoring on July 7 – Biweekly through October and monthly starting in November
- Completed vegetation survey on August 7
- Completed bathymetry survey of Cove and inlet on August 12
- Site visit by Lichen geomorphologist on August 25

2024–2025 Monitoring Overview

- Water Levels (★) – Cove and Clackamas River at Hwy 99 Bridge
  - To understand Cove hydrodynamics and inform modeling
- Water Quality (◓) – Cove (Sites A, B*) and River (C)
  - Sonde profiles – dissolved oxygen, temperature, pH, conductivity, chlorophyll a
  - Nutrients – Phosphorus and Nitrogen species
  - Phytoplankton – algae species, cell counts and biovolume
- Sediment cores (▲) from the Cove (Sites A, B, D)
  - To understand potential for phosphorous release from sediments

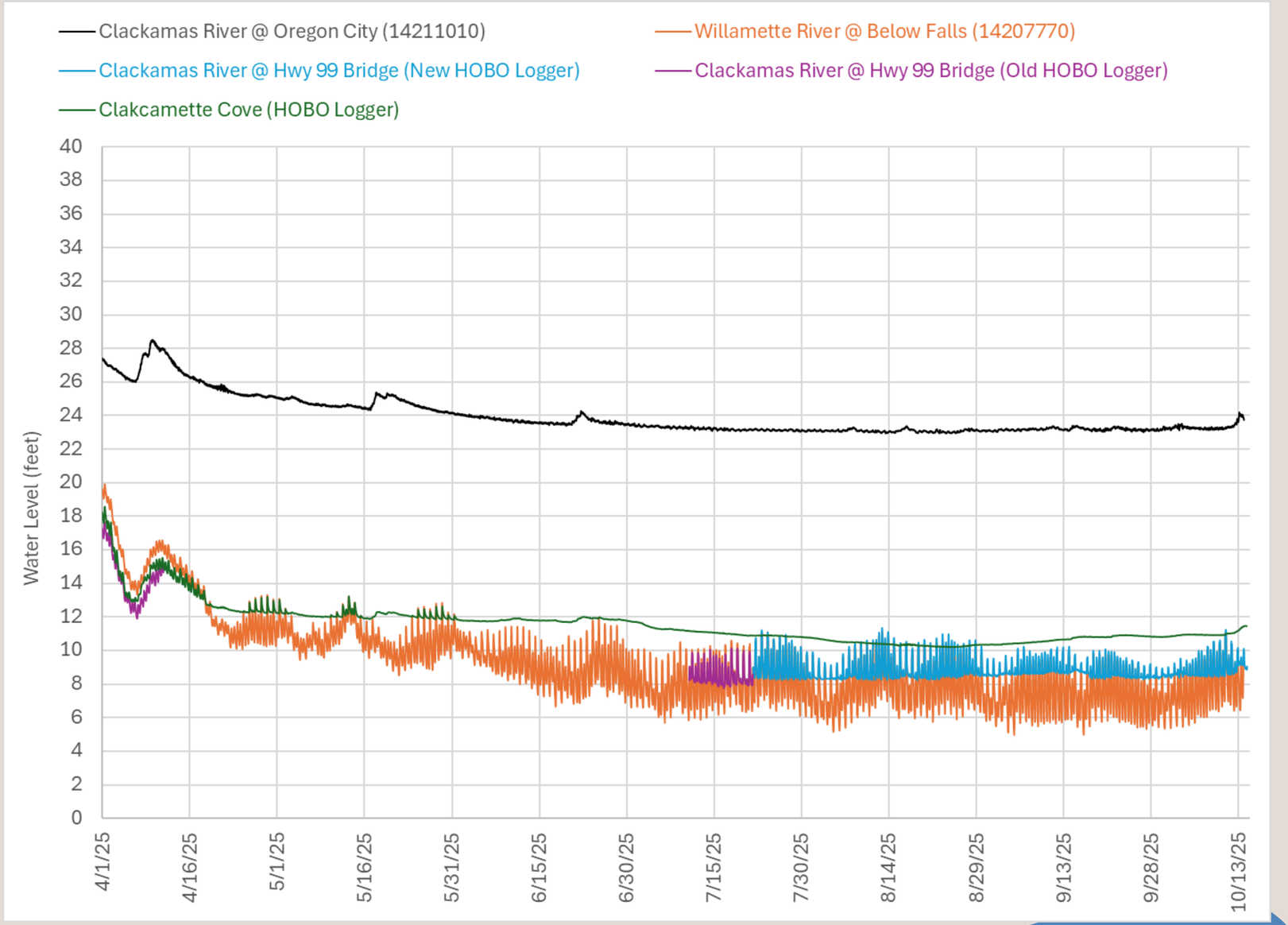
*Site B eliminated in 2025 since data was similar to site A

Draft and Preliminary

Water Levels

The Cove is influenced by both the Clackamas River (CR) and Willamette River (WR) tidal fluctuations

- Both Hwy 99 bridge and Cove water levels have diurnal increases that match WR tidal fluctuations
- When CR elevations are less than 12 feet, the Cove does not have diurnal fluctuations
- When CR flows decline and elevations at upstream gauge are less than 23 feet, CR water does not flow into the Cove
- During the summer CR water levels are lower and the Cove is isolated and has no tidal fluctuations



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Gravel Bar

- Relative water levels create gradients (head) that drive flows into and out of the cove

Draft and Preliminary

Gravel Bar Dynamics

Majority of flow is confined to the channel north of the gravel bar

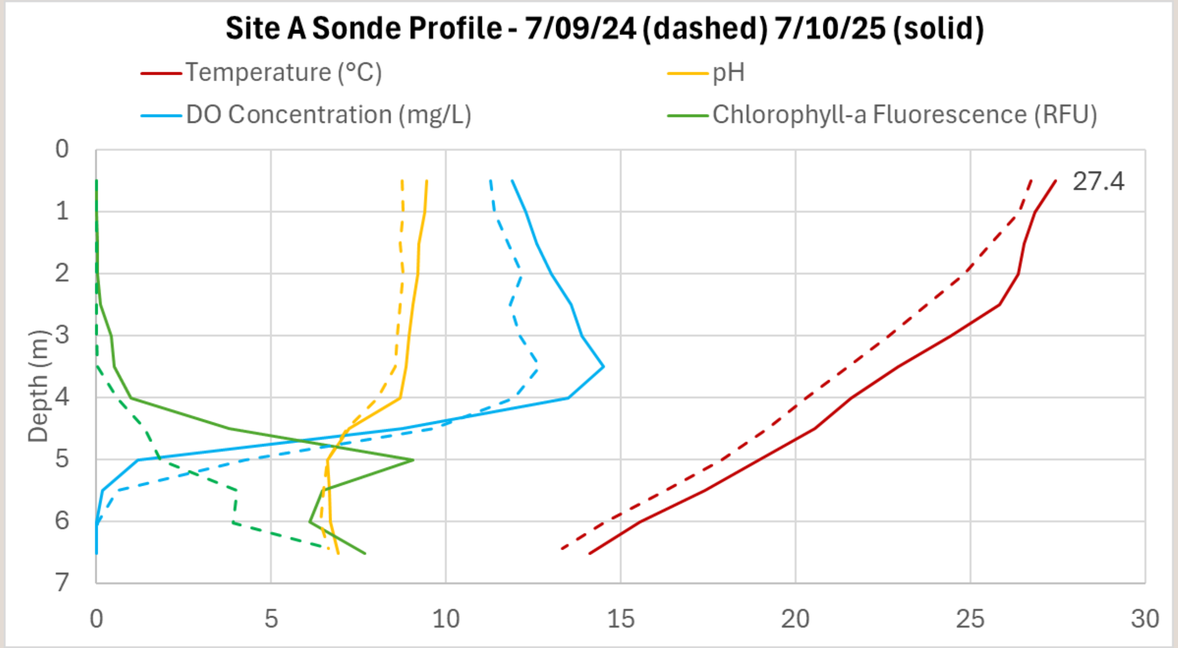
As river levels decline, the gravel bar becomes exposed, reducing and eventually cutting off inflow to the Cove

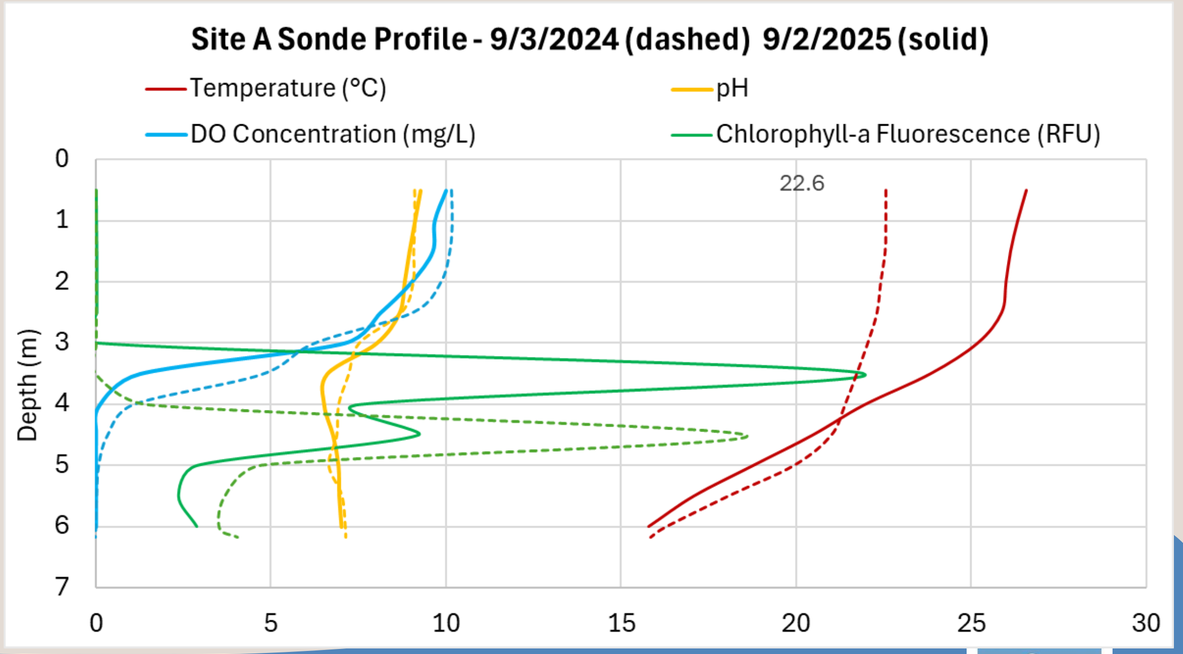
In summer, the gravel bar acts like a hydraulic control on Cove water levels and dampens tidal influence, while evaporation and seepage further lower levels

Cove functions as a losing system in summer – water levels decline from about 12 ft to 10.2 ft (-1.8 ft)

Dissolved Oxygen & Thermal Stratification

- Vertical profiles from early and late summer (July and September shown) illustrate development and persistence of thermal stratification, isolating bottom waters
- As stratification strengthens, oxygen is depleted at depth, promoting internal phosphorus release
- Year-to-year differences in the strength and timing of stratification reflect variable heating, mixing, and inflow, but seasonal stratification is a consistent pattern





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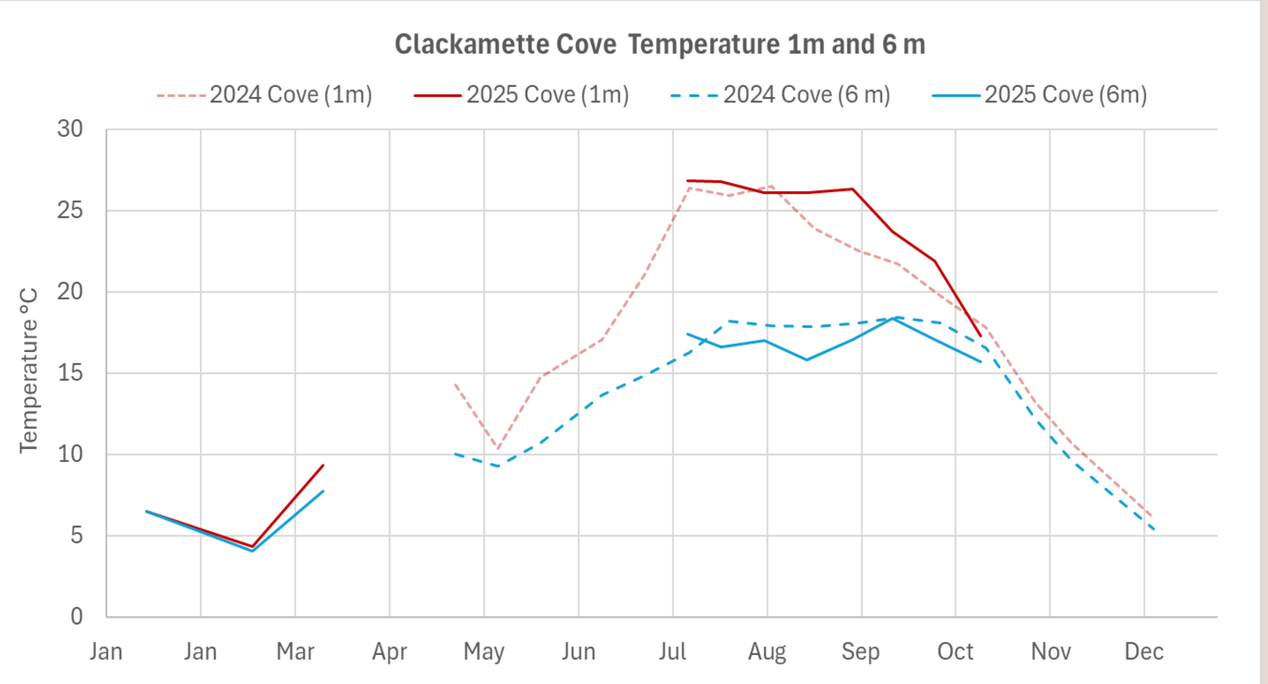
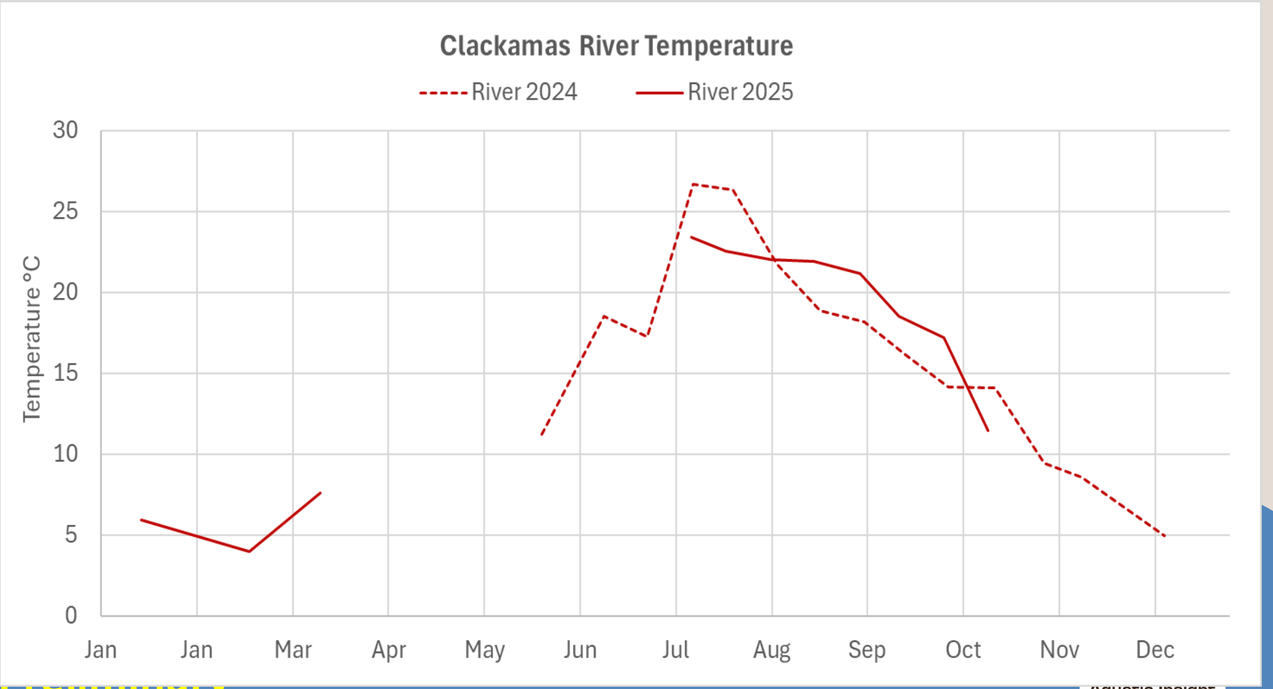
River and Cove Water Temperature

- A strong temperature difference develops between surface and bottom waters in the summer, creating a stable density gradient that restricts mixing
- River water is typically cooler than the Cove surface but warmer than bottom waters, so any inflow may likely enter as a mid-depth interflow rather than reach the deepest layers
- Breaking stratification would require sufficient inflows to erode the thermocline and promote mixing in the Cove





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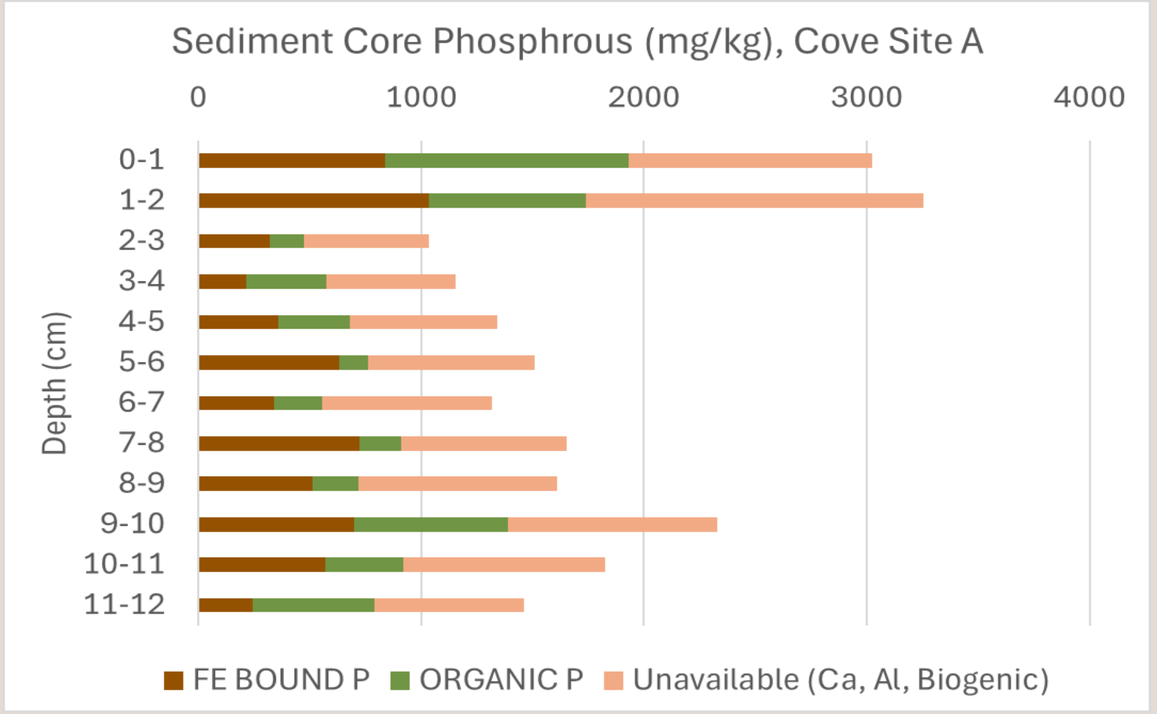
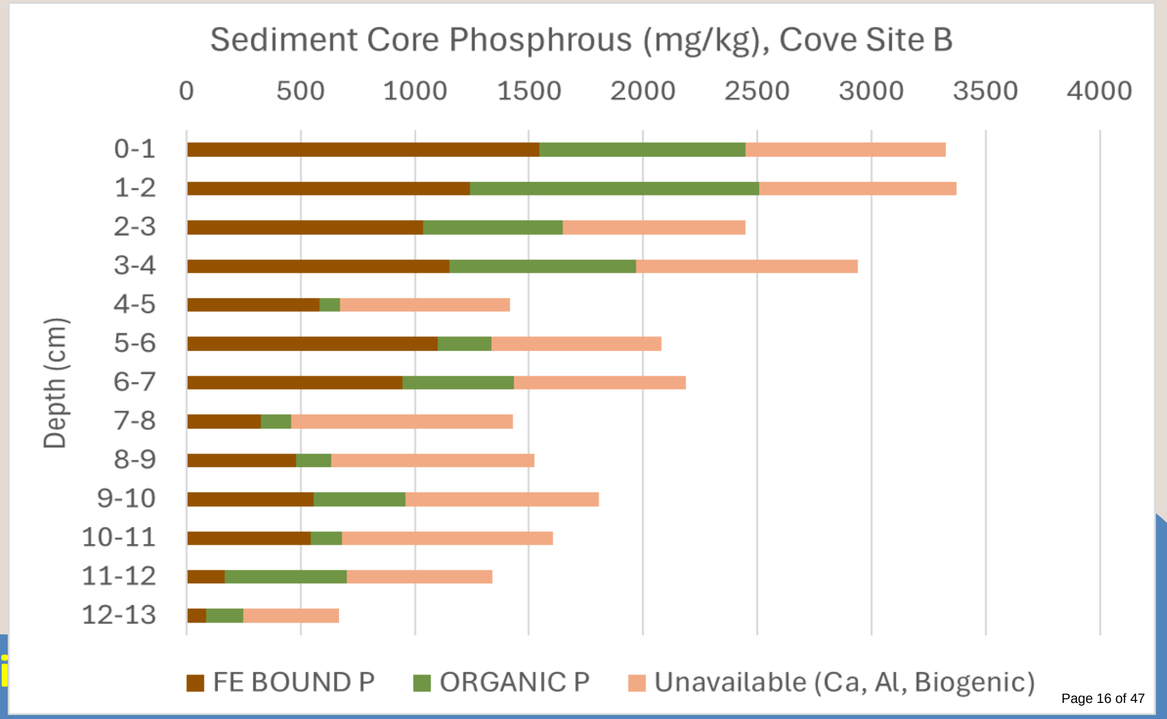
Sediment Core Phosphorus

- Sediment cores were collected at three locations in the Cove (Sites A and B shown here) and sectioned by depth
- Sediments contain reactive phosphorus that can be released under low-oxygen conditions
- Phosphorus released from sediments can act as a nutrient source for cyanobacteria and aquatic plants during summer

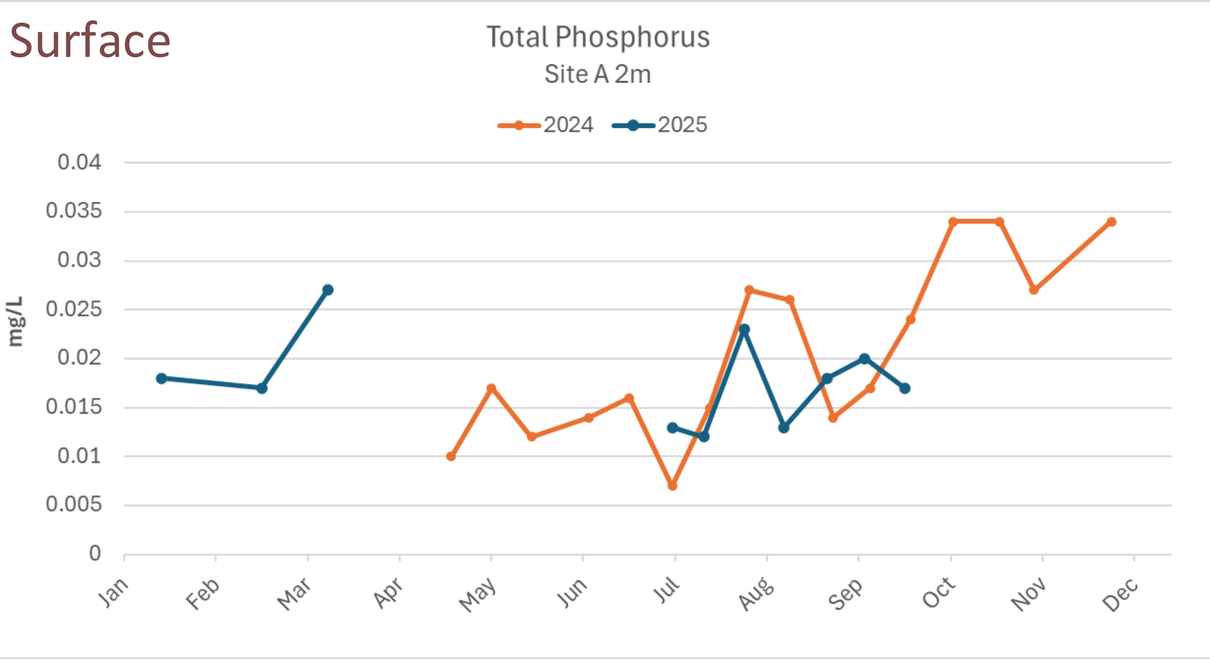




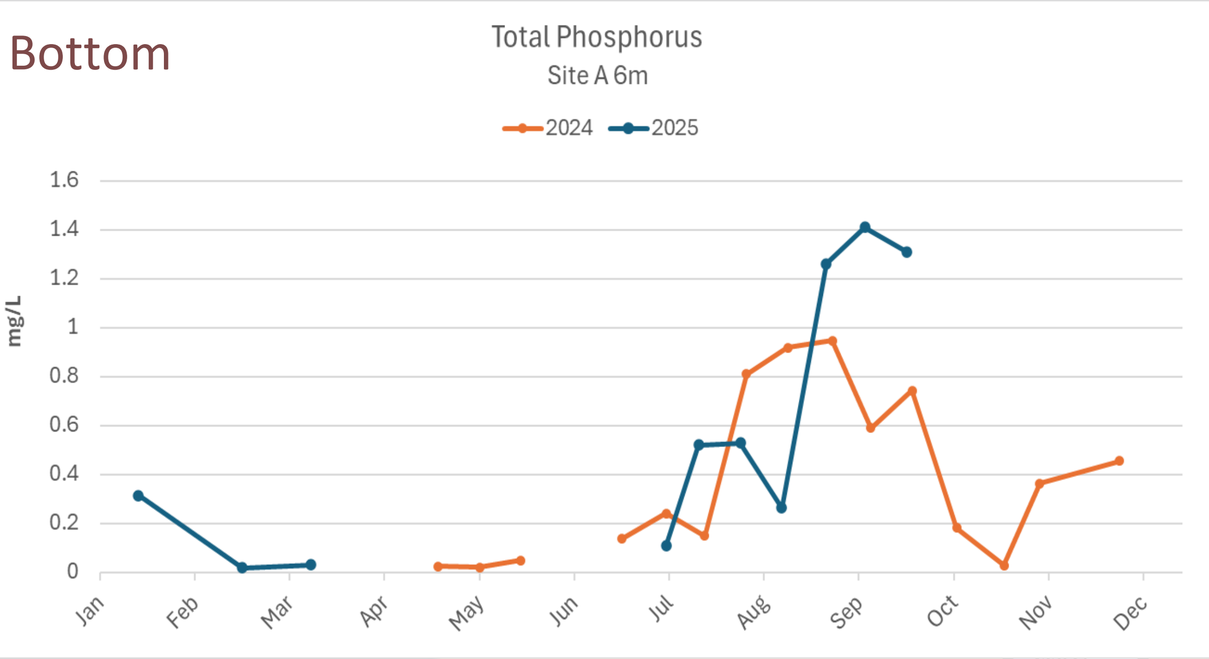
Phosphorus Dynamics

- Phosphorus accumulates at depth during summer.
  - consistent with internal release under low-oxygen conditions
- Surface concentrations remain low
  - Indicates limited external inputs during Cove isolation
- Phosphorus dynamics vary year to year
  - 2025 shows higher concentrations and earlier buildup than in 2024
- Temporal patterns at depth support internal nutrient cycling as an important process making phosphorus available for cyanobacteria in the summer

Surface



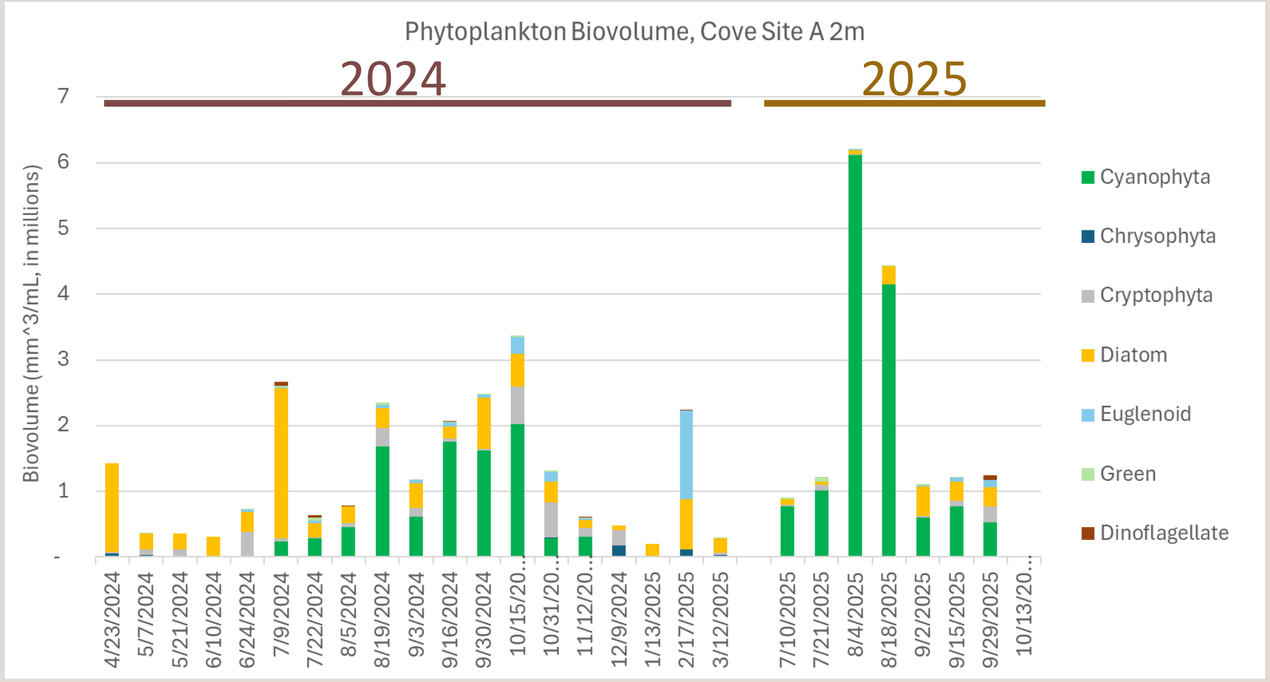
Bottom

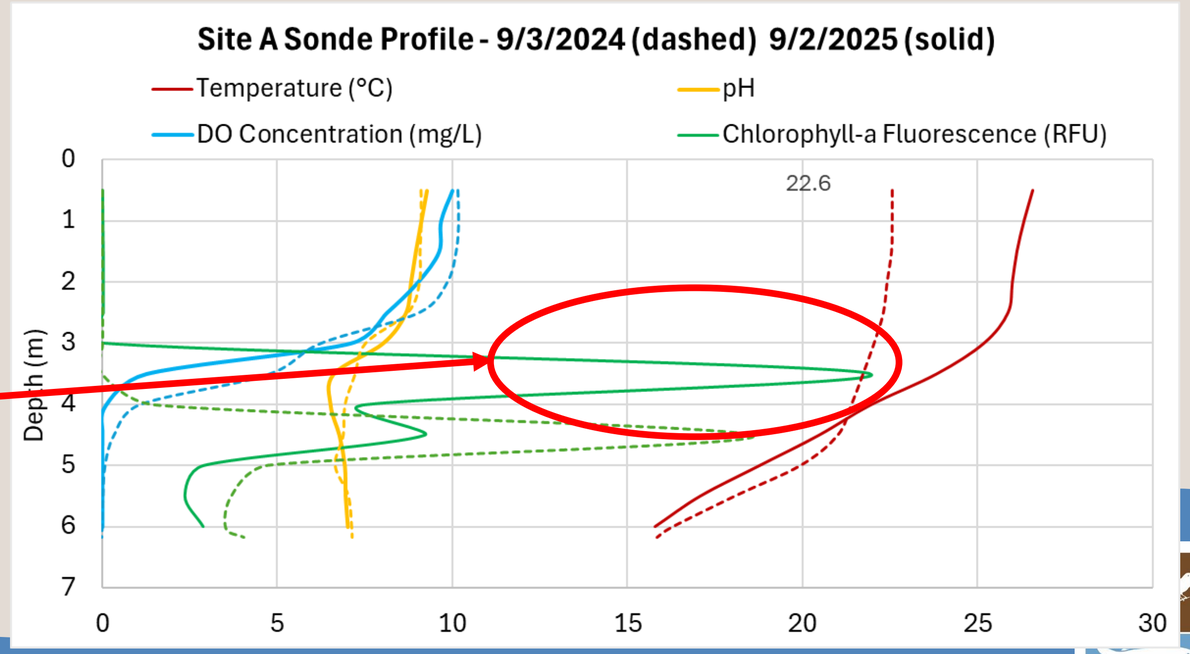


Draft and Preliminary

Algal Composition

- Biovolume
  - Cyanobacteria dominate algal volume in the summer of both years
  - Cyanobacteria dominance started earlier and reached 3x higher biovolume in 2025
- Cyanobacteria species
  - Dominated by *Anabaena planctonica* in both 2024 and 2025
  - This species can regulate buoyancy, moving vertically to access light and access nutrients from deeper water.
  - However, there were no surface films and most of the biomass was at mid-depth





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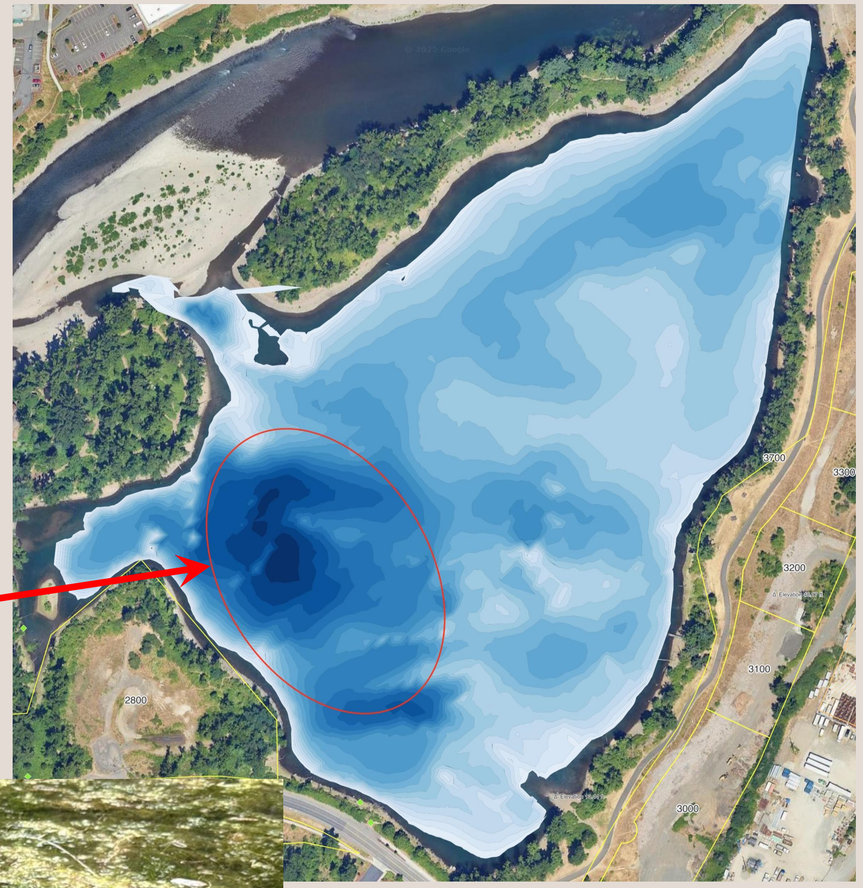
Aquatic Vegetation Survey

- Shallow areas dominated by Milfoil, coontail, and native elodea
- Deeper areas mostly coontail
- Milfoil topped out most of the summer, with entangled debris and algae
- Approximately 70% of the Cove was covered in dense vegetation, comprising all areas shallower than 8 feet (areas outside red circle)
- The vegetation has a significant impact Cove water circulation
- **Should consider role of vegetation management to improve**
  - Circulation and water quality
  - Aesthetics
  - Recreation opportunities



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Synthesis: Water Levels and Hydrodynamics

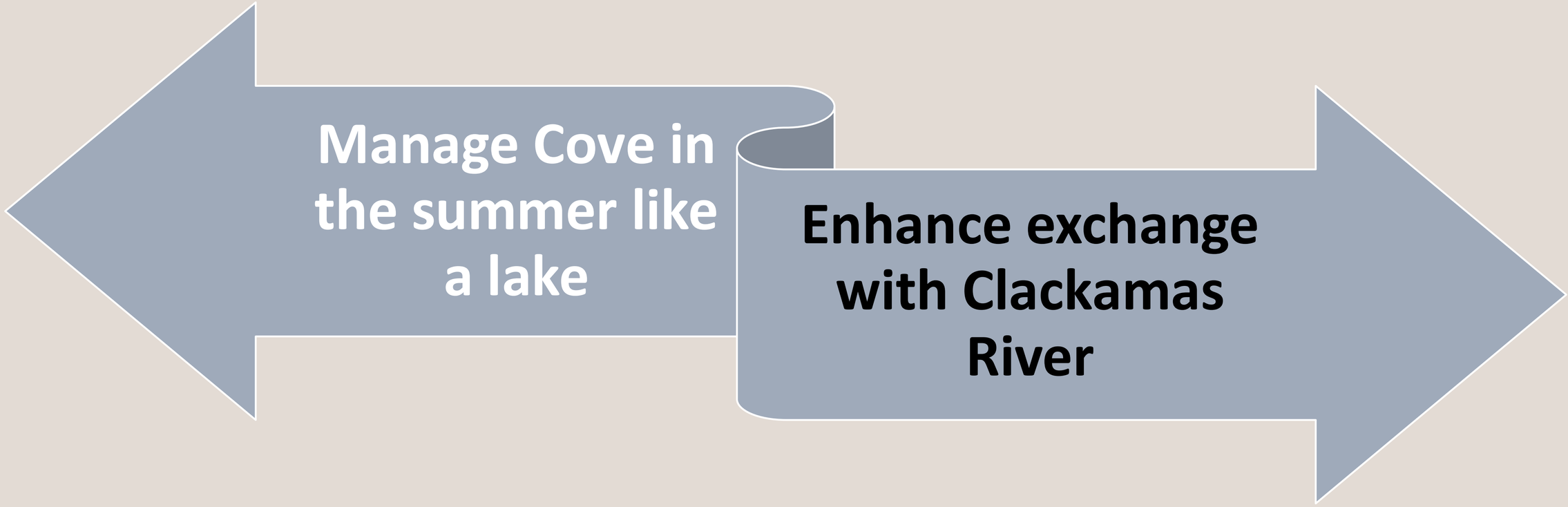
- Cove hydrodynamics are governed by river stage and tidal exchange, alternating between connected and isolated states throughout the year
- The downstream gravel bar section establishes a hydraulic control, setting the minimum summer water level and limiting tidal influence as river stages drop
- During isolation periods, water levels decline gradually through evaporation and seepage, leading to reduced mixing and increased residence time
- Overall, the Cove behaves as a semi-connected system – fluvially driven in winter and spring, but functionally isolated in summer
- Aquatic vegetation can significantly impact Cove water circulation
- While these seasonal patterns are now well characterized, the volume or rate of inflow needed to sustain mixing during summer is not yet known and will be important for evaluating management options

Synthesis: Water Quality

- Summer thermal stratification creates low-oxygen conditions near the bottom, triggering internal phosphorus release from sediments
- Reactive sediment phosphorus provides a recurring nutrient source, supporting cyanobacteria growth during warm, stagnant periods
- Phosphorus buildup and cyanobacteria response can vary year to year, indicating sensitivity to hydrologic and climatic conditions
- Cyanobacteria dominance by *Anabaena planctonica* reflects adaptation to low-mixing – this species can move vertically to access light and nutrients
- Aquatic vegetation trap heat and nutrients in the Cove
- Overall, summer conditions reinforce a feedback loop between stratification, internal loading, and algal response

Management Implications and Pathways

Two strategic approaches to reducing summer impairment



Approaches are not necessarily mutually exclusive – developing management goals that support the City's objectives will assist with Alternatives evaluation

Discussion 1 – Confirming Management Priorities

Purpose:
Document the relative importance of desired outcomes to guide final development and evaluation of management alternatives

Key Question:

What are the primary desired outcomes and how should we weigh them when assessing future management options?

Discussion Framing:

- This discussion is about Confirming alignment with the City's goals and priorities, not redefining them
- Clarified priorities helps ensure that the alternatives analysis reflects City values and desired outcomes
- We'll Summarize this input to inform how we compare and communicate potential alternatives

Desired Outcomes and Priorities

What are we missing and what are the City's priorities?

Desired outcomes:

- Improve water quality and habitat
- Protect public health
- Enhanced aesthetics
- Increased recreational opportunities
- Boat access from Clackamas River?
- Others?

Priorities:

- Feasibility – likelihood of successful design and implementation
- Ongoing maintenance – level of effort and resources required
- Regulatory ease – permitting complexity
- Public acceptance and support – alignment with community expectations and values
- Cost – capital and long-term operational costs
- Multi-benefits – potential to deliver secondary benefits
- Partnership potential – opportunities for cost-sharing or collaboration
- Others?

Approach 1: Manage the Cove Like a Lake

Focus:

- Address internal processes that drive summer water quality impairments

Rationale:

- During summer isolation, stratification and low-oxygen conditions promote internal phosphorus release and cyanobacteria growth
- Treating the Cove as a lake allows management to target these internal processes directly

Develop Management Targets (examples):

- Maintain DO > 5 mg/L in bottom waters through summer
- Keep phosphorus concentrations < 0.02 mg/L (target for algal control)
- Support safe and visually acceptable recreation conditions

Potential Management Tools: Cove Management Plan, aeration or artificial mixing, phosphorus inactivation(e.g., alum) to bind internal phosphorus, vegetation management, watershed nutrient controls (if applicable)

Approach 2: Enhance Exchange with Clackamas River

Focus:

- Reestablish and manage hydraulic connection to improve circulation and water quality

Rationale:

- When summer water levels drop, the Cove becomes hydrologically isolated, promoting stratification and internal phosphorus release
- Introducing flow from the Clackamas River can reduce residence time, disrupt stratification, and export nutrients and heat
- Enhanced exchange could improve oxygen conditions, increase mixing, and provide habitat connectivity

Key questions:

- How much inflow is needed to sustain mixing through summer
- What inlet configuration promotes mixing?
- What regulatory constraints exists?
- What on-going maintenance would be required?

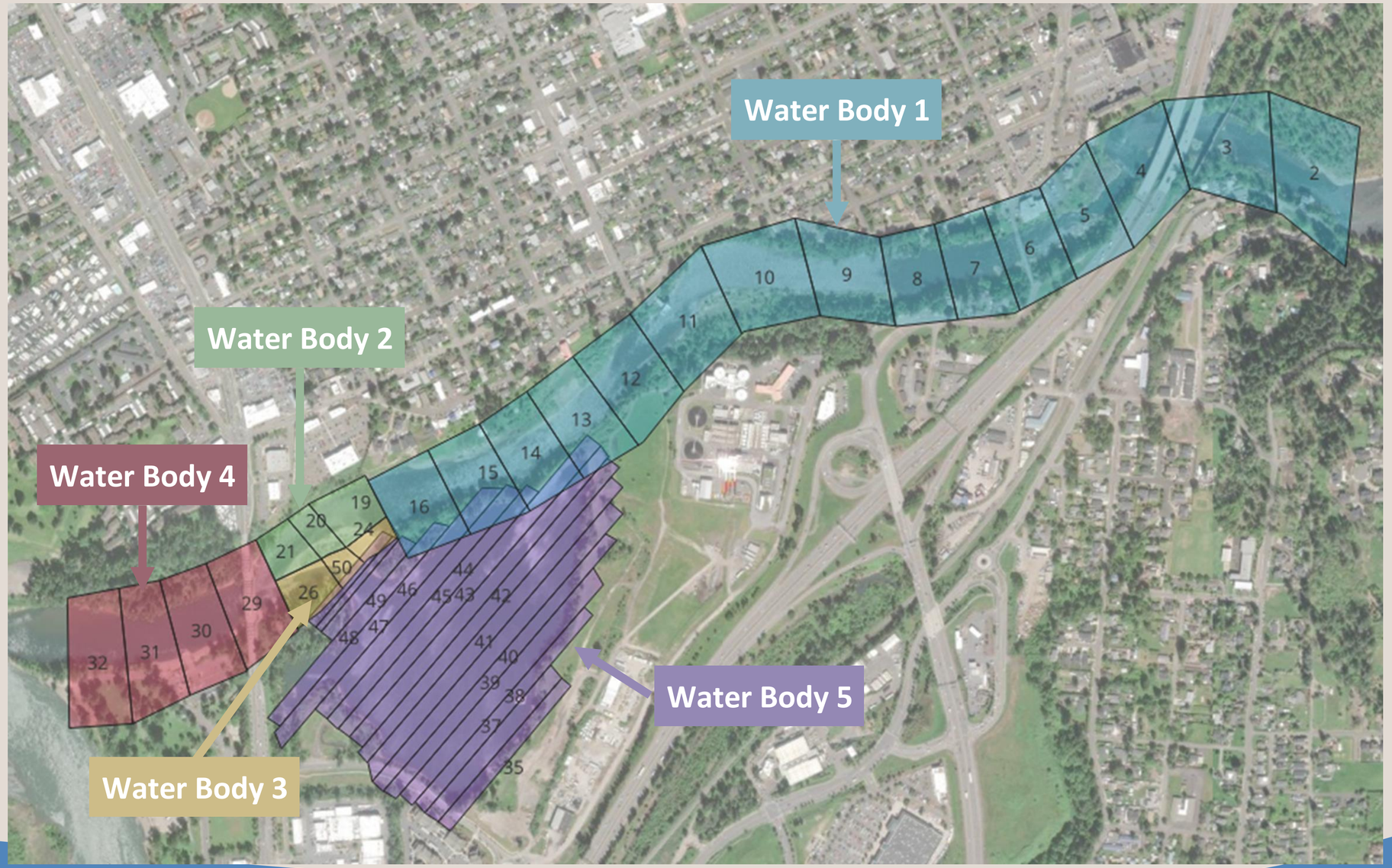
To explore these dynamics, the next step will be to model a range of scenarios, testing different volumes and inlet designs to identify thresholds for effective mixing and water quality improvement

CE-QUAL-W2 Model Scenarios

Model scenarios presented at the kick-off meeting have been refined based on new information

1. Deepen the South Channel of the River
   - Allows more water to flow into the South Channel and connect with the Cove
2. Deepen and widen the South Channel of the River
   - Allows even more water to flow into the South Channel and connect with the Cove
3. Deepen the entrance of the Cove and combine with Scenario 2
   - Combines the changes to the South Channel and Cove entrance deepening to increase water exchange
4. Add 10 cfs from the river to the Cove at the north end
   - Designed to increase flow into the Cove and encourage circulation.
5. Add 20 cfs from the river to the Cove at the north end
   - Designed to increase flow into the Cove even more and encourage circulation.
6. Combine Scenarios 4 and 6
   - Designed to combine increase in water exchange at the Cove entrance and increase flow through the Cove

Model Grid



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Scenario 1

Deepen the South channel of the River

- Allows more water to flow into the South Channel and connect with the Cove
- Deepen segments 24-26
- Change the slope

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Scenario 2

Deepen and widen the South Channel of the River

- Allows even more water to flow into the South Channel and connect with the Cove
- Keep the slope the same as Scenario 1
- Widen the south channel (bottom 10 of segments 24-26

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Scenario 3

Deepen the entrance of the Cove and combine with Scenario 2

- Increased channel cross-section between Cove and river to support water exchange
- Combines the changes to the South Channel and Cove entrance to increase water exchange
- Keep the slope the same as Scenario 1
- Deepen Cove inlet (Modify bottom 10 layers of segments 48-51)

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Scenario 4

Add 10 cfs from the river to the cove at the north end

- Designed to increase flow into the Cove and encourage some circulation
- Subtract 10 cfs from river as a withdrawal at segment 13 – added a withdrawal
- Add 10 cfs to the cove as a new tributary at segment 44 – added a tributary

Draft and Preliminary

Scenario 5

Add 20 cfs from the river to the cove at the north end

- Designed to increase flow into the Cove and encourage some circulation.
- Subtract 20 cfs from river as a withdrawal at segment 13 – added a withdrawal
- Add 20 cfs to the cove as a new tributary at segment 44 – added a tributary

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Scenario 6

Combine Scenarios 4 and 6

- Designed to combine increase in water exchange at the Cove entrance and increase flow through the Cove
- Keep the slope the same as Scenario 1
- Widen the bottom 10 layers in the three segments (24-26)
- Modify bottom 10 layers of these three segments (48-51)
- Subtract 20 cfs from river as a withdrawal at segment 13 – added a withdrawal
- Add 20 cfs to the cove as a new tributary at segment 44 – added a tributary

Draft and Preliminary

Introduction to Simulated Model Metrics

How will the effect of model scenarios be evaluated and presented?

- Water Levels
  - Show how changes water surface elevations in the Cove
- Thermal Stratification
  - Evaluate how well increased flushing and circulation reduce temperature stratification
- Flow and Velocity at the Cove Inlet
  - Assess whether modifications increase water movement between the river and Cove.
- Water Age
  - Indicates how quickly water in the Cove is replaced, showing improvements in flushing and turnover.
- Model Dye Tracer
  - Visualize where river water flows and how it spreads through the Cove over time.

Discussion 2 – Confirming Model Scenarios

Purpose:
Confirm that the set of modeled scenarios captures the range of feasible management approaches

Key Question:

Do the proposed scenarios reflect the most useful range of options to evaluate, and are there refinements or different approaches that should be added?

Discussion Framing:

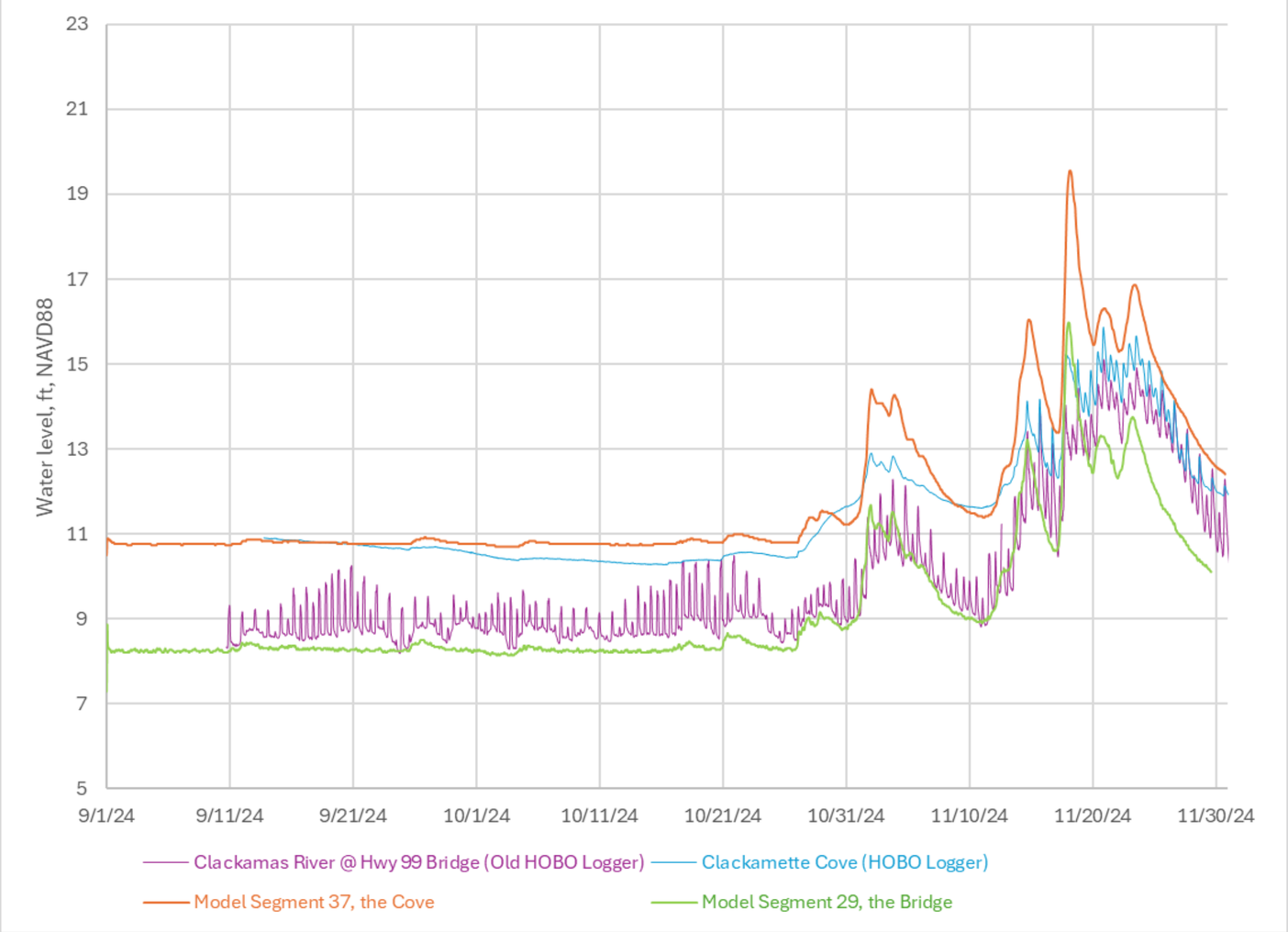
- This discussion is about confirming that the current scenarios capture the main pathways the City wants to explore.
- Input will help identify any missing, refined, or alternative ideas before modeling moves forward.
- We'll use this feedback to finalize the modeling and ensure results are relevant to management decisions.

Model Update – Overview

Continuing to calibrate WL, with a focus on matching dynamics.

- The bathymetry of the Clackamas River above and below the gravel bar have been updated using the 2024 and 2025 bathymetric surveys.
- The bathymetry of the Cove inlet has been updated using the 2025 bathymetric survey.
- The bathymetry of the Clackamas River below the HWY-99E Bridge has been updated using aerial photography.

Capturing the hydrodynamics adequately is important to have confidence in the results of model scenarios.



Draft and Preliminary

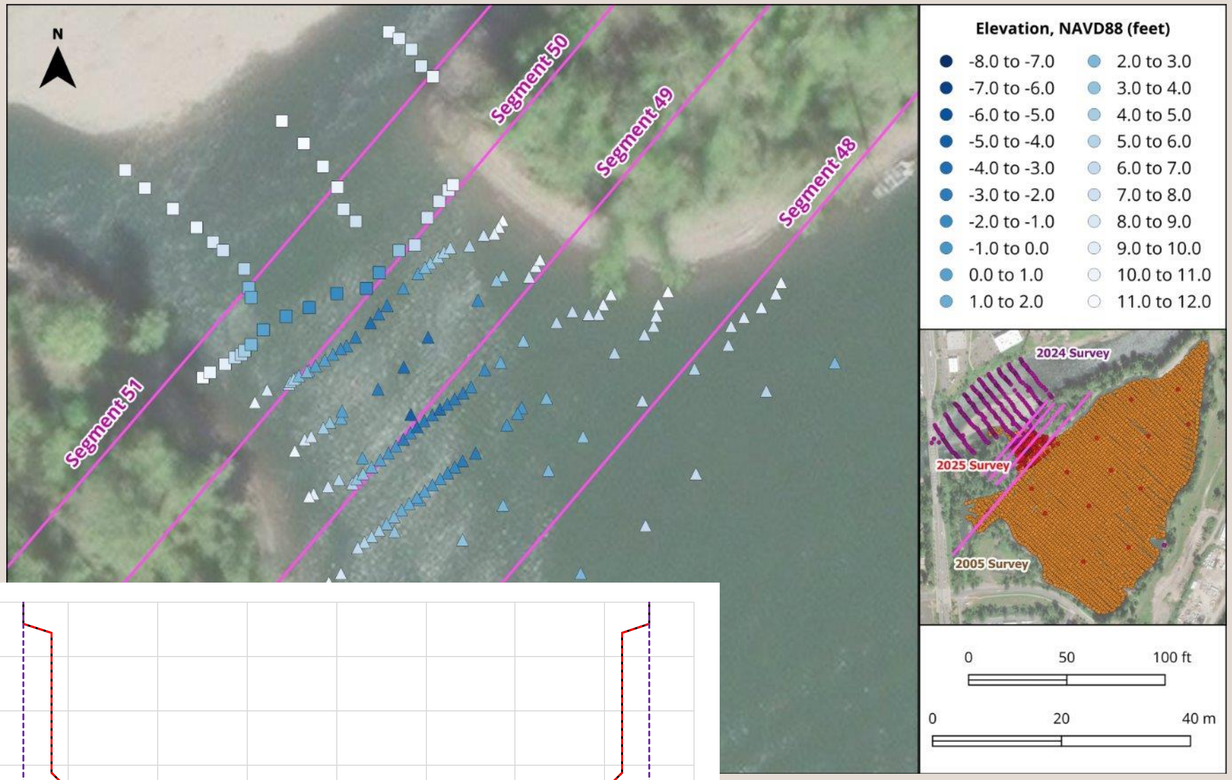
Model Update – Updated Bathymetry

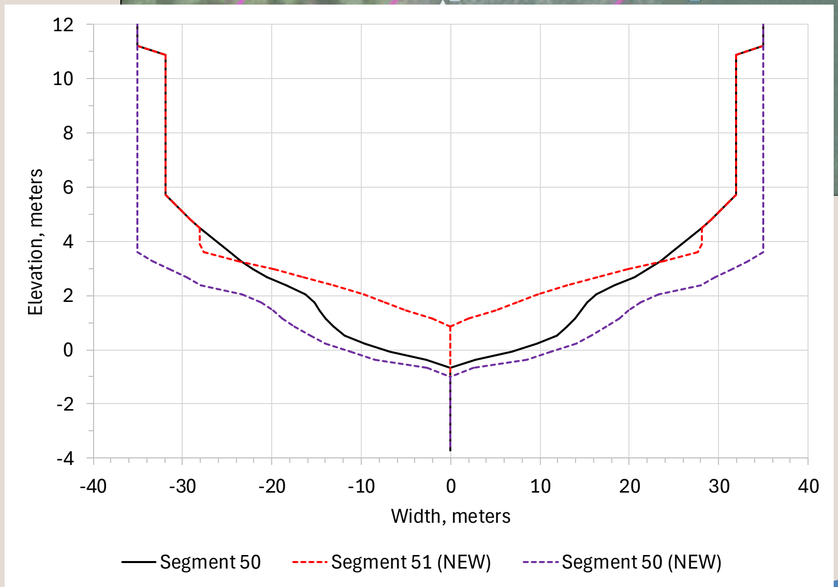
The bathymetry of the Clackamas River above and below the gravel bar have been updated using the 2024 and 2025 bathymetric surveys.

The bathymetry of the Cove inlet has been updated using the 2025 bathymetric survey.

The bathymetry of the Clackamas River below the HWY-99E Bridge has been updated using aerial photography.

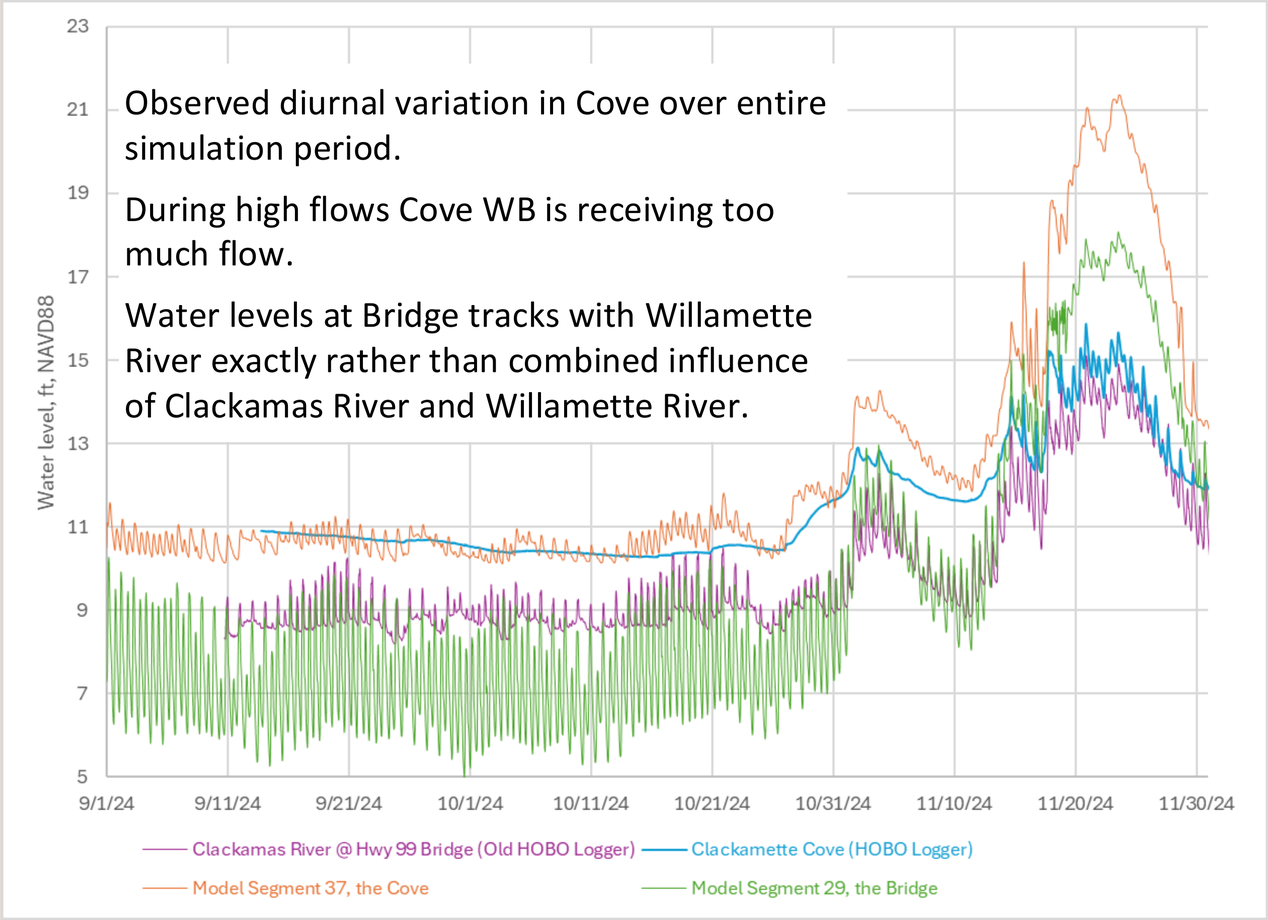
- AWR connected with USGS for updated bathymetric data over the model extent from in-progress USGS study. However, USGS will be unable to share this data until the study is completed (expected Spring 2026).

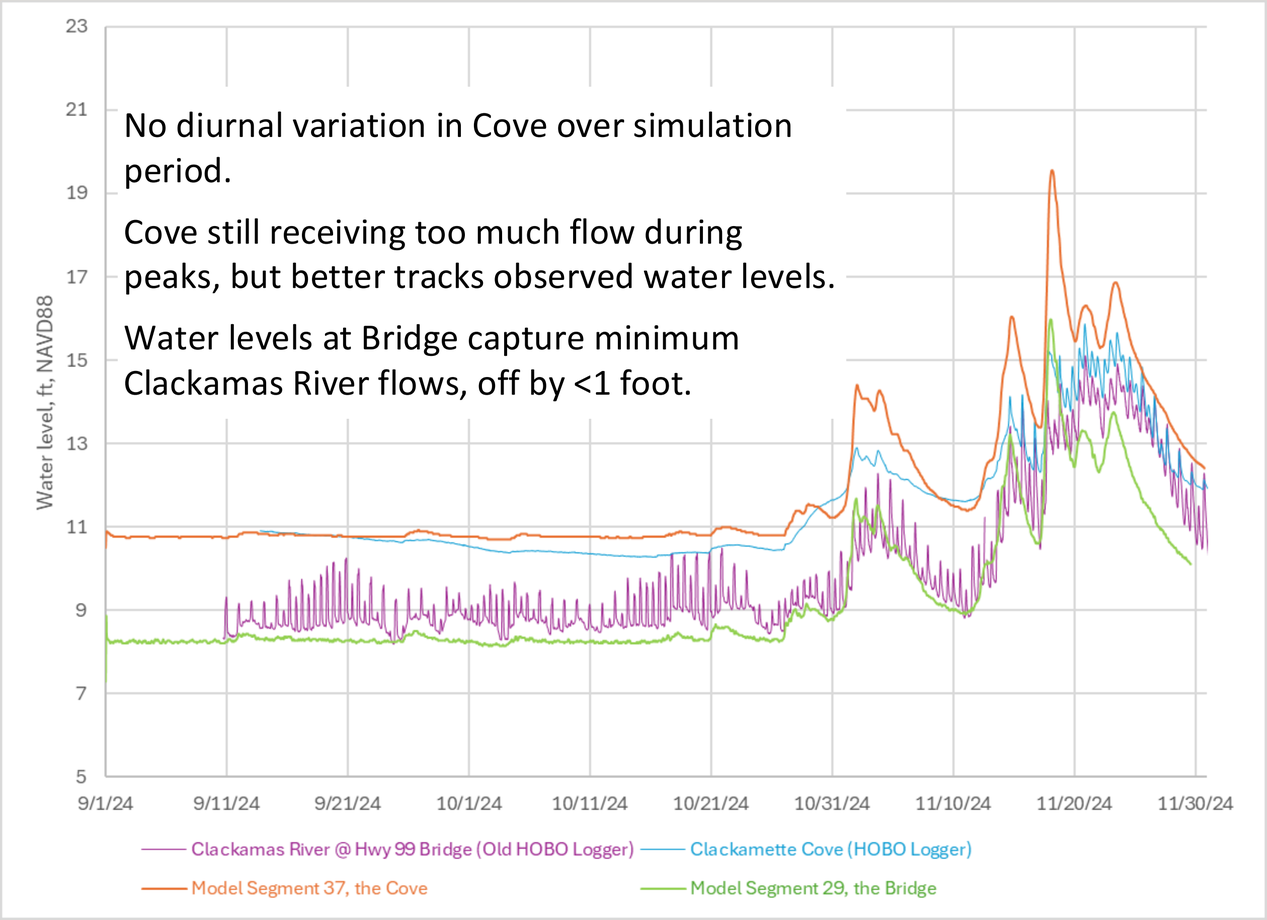




Draft and Preliminary

Model Update – Simulating Complex Hydrodynamics



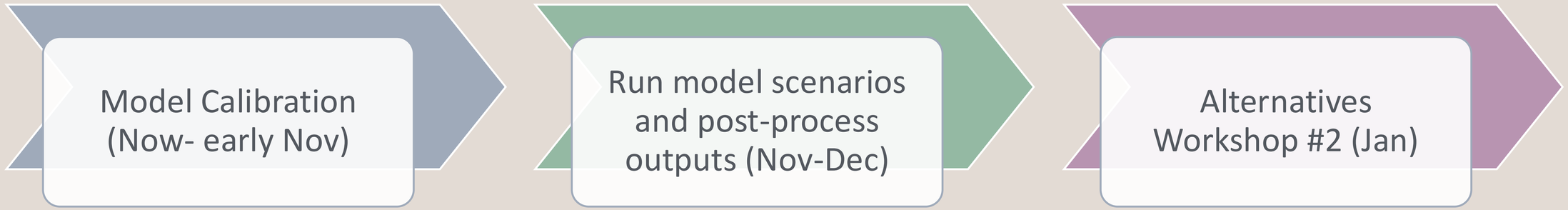


Next steps: Continue model updates. Decrease Clackamas River-Cove connection (lowering Cove water levels) and increasing volume of flow to WB 4. Tidal influence will be added once Clackamas River dynamics are well-captured.

Draft and Preliminary

Next Steps and Timeline

- **Next Steps**
  - Complete model calibration
  - Run model scenarios and post-process outputs
  - Prepare for January Alternatives Workshop #2 – schedule meeting
- **Timeline**



CITY OF OREGON CITY
URBAN RENEWAL COMMISSION - REVISED DRAFT MEETING MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, January 15, 2025 at 6:00 PM

1. CALL TO ORDER AND ROLL CALL

Chair Mike Mitchell convened the meeting at 6:01 P.M.

PRESENT: 4 -	Commissioner Adam Marl, Commissioner Doug Neeley, Commissioner Rocky Smith, Commissioner Scott Wilson, Commissioner Denyse McGriff, Chair Mike Mitchell
EXCUSED: 1 -	Commissioner Laurie Ariniello
STAFFERS: 5 -	City Manager Tony Konkol, Assistant City Manager Alex Rains, Assistant City Recorder Evan Lee, Police Chief Shaun Davis, Economic Development Manager James Graham

2. PUBLIC COMMENTS

3. DISCUSSION ITEMS

a. Election of Chair and Vice Chair

Motion by Commissioner McGriff, seconded by Commissioner Marl, to nominate Commissioner Mitchell for Chair. The motion carried by the following vote:

YES: Commissioner McGriff, Commissioner Marl, Commissioner Mitchell, Commissioner Smith, Neeley, City Commissioner Wilson
NO: None

Motion by Commissioner McGriff, seconded by Chair Mitchell, to nominate Commissioner Neeley for Vice Chair. The motion carried by the following vote:

YES: Commissioner McGriff, Commissioner Marl, Commissioner Mitchell, Commissioner Smith, Neeley, City Commissioner Wilson NO: None

There was consensus to swap the orders of Items 3.b. and 3.c.

b. Adaptive Re-use Building Rehabilitation Program 2.0

City Manager Tony Konkle explained that the City Commission had directed staff to bring the Adaptive Re-use Building Rehabilitation Program to the Urban Renewal Commission for discussion about the program and funding. He noted that a similar program had existed in urban renewal several years ago.

James Graham provided an overview of the program, explaining that it would provide forgivable loans to for-profit businesses, commercial development investors, and nonprofit organizations seeking to rehabilitate buildings that are 40+ years old. Most eligible buildings are located within the urban renewal district. The program would provide up to 15% of eligible rehabilitation costs, with a maximum of $150,000. Recipients could obtain partial funding of up to 50% after approval from a loan review committee. If applicants fulfill all requirements in the development agreement, the loan would become a grant.

Commissioner Marl expressed concern about including nonprofit organizations in the program because they are exempt from property taxes. He stated that while he understood nonprofits have worthy causes, it was difficult to reconcile with the purpose of urban renewal, which is to increase property values that generate tax revenue. There was consensus to remove nonprofits from the list of eligible applicants.

City Attorney Bill Kabeiseman discussed the limitations imposed by Section 59 of the City Charter regarding bonded indebtedness. This prohibits the Urban Renewal Agency from entering into agreements that extend more than one year without voter approval. Mr. Kabeiseman explained that Section 59E had been invalidated by a court because a city charter cannot control an urban renewal agency, suggesting the rest of Section 59 might be similarly invalid, but there was no definitive court ruling on this yet.

Mr. Konkol and Mr. Kabeiseman discussed options for addressing the Section 59 limitations. These options were the Urban Renewal Agency suing the City for a declaratory judgment ruling Section 59 invalid, filing a validation suit under ORS Chapter 33 to have a court determine if a specific action is valid, closing the current district and forming a new one (though this would reset the tax base), going back to voters for approval, and asking voters to amend or remove Section 59 from the charter.

The commission agreed to schedule a work session in February to further discuss these options.

The commission reached consensus to refer the program back to the City Commission for potential funding from the general fund

c. Financial Report for the Fiscal Year Ended June 30, 2024

Finance Director Matt Zook presented the Annual Financial Report for the fiscal year ended June 30, 2024. He reported that the auditors issued an unmodified or clean opinion. Mr. Zook noted it had been a quiet year for the urban renewal agency. The net financial position decreased by $600,000 from the previous year. This decrease was primarily because no tax revenue was brought in during the first year of the biennium when the agency did not levy a tax, while normal expenses such as depreciation on assets continued to occur.

Commissioner McGriff stated that the Urban Renewal Commission had elected to levy about 25% of the maximum amount in the second year of the biennium. Mr. Zook confirmed this was correct.

Commissioner Neeley asked what non-depreciable assets the agency owned. Mr. Zook explained that land was the only non-depreciable asset owned by the urban renewal agency. Chair Mitchell asked about two houses in the urban renewal district. Mr. Zook confirmed they were owned by the urban renewal agency. He added that while the land portion would not depreciate, the houses would.

4. COMMUNICATIONS

5. ADJOURNMENT

Chair Mitchell adjourned the meeting at .6:48 P.M.

Respectfully submitted,

_____

Jakob S. Wiley, City Recorder
Date Approved: _____

CITY OF OREGON CITY
URBAN RENEWAL COMMISSION
DRAFT MEETING MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, October 2, 2024 at 6:00 PM

1. CALL TO ORDER AND ROLL CALL

Chair Mike Mitchell called the meeting to order at 6:00 P.M.

PRESENT: 7 - Commissioner Laurie Ariniello, Commissioner Adam Marl, Commissioner Doug Neeley, Commissioner Frank O'Donnell, Commissioner Rocky Smith, Chair Mike Mitchell. Commissioner Denyse McGriff

STAFFERS: 5 - City Manager Tony Konkol, City Recorder Jakob Wiley, Police Chief Shaun Davis, Economic Development Manager James Graham, Public Works Dayna Webb

2. PUBLIC COMMENTS

3. DISCUSSION ITEMS

3.a. Personal Services Agreement with Centerline Concepts Land Surveying, Inc for the Stimson Property Survey (PS 24-011)

City Manager Tony Konkol presented the personal services agreement with Centerline Concepts land surveying for the Stimson property survey. He explained that the original scope involved examining where old Washington Avenue (82nd) went through on the north side of the property, which was believed to be public right-of-way. The initial plan was to vacate this right-of-way.

However, staff realized that the full build-out of Washington Street would require dedication of land from the Stimson property. Mr. Konkol explained that they wanted to complete the right-of-way dedication prior to any sale to avoid having to negotiate with future property owners. The original proposal in the packet was for a record of survey at $8,850, but after closer examination, staff determined a different approach was needed.

Public Works Director Dayna Webb displayed maps showing both the intended dedications and vacations. She explained that the goal was to dedicate necessary right-of-way for the future of Washington Street while also addressing the old 82nd Avenue right-of-way that became unnecessary after the construction of I-205. She identified multiple encumbrances on the property, including utility easements that didn't align with existing utilities.

Mrs. Webb recommended creating a partition plat rather than a record of survey. The revised proposal increased the cost to $14,050 to cover the additional research, surveys, map creation, legal descriptions, and preparation of the partition plat.

She outlined the subsequent steps that would be needed, including the dedication of right-of-way, which requires URC authorization and later City Commission acceptance, the vacation of old right-of-way, which requires a public hearing at City Commission, processing a lot line adjustment to clean up property lines, and recording various easements to protect existing utilities.

Director Webb estimated up to $10,000 in additional application fees and recording expenses beyond the $14,050 survey contract.

Commissioner Neely asked for clarification about the creation and vacation of easements. Mr. Konkol confirmed they would be vacating old easements and creating new ones to clean up the property. He explained that an example was a 5-10 foot public utility easement around the property that contained no utilities, while new easements would be needed where actual water and storm lines exist.

Commissioner Neely inquired if future development might require additional easement changes. Mr. Konkol replied that they were trying to clean up everything they currently know about, such as the Washington Street right-of-way width, but additional requirements might emerge through a future development's land use process.

Commissioner O'Donnell asked about the number of right-of-way vacations. Mr. Konkol responded that they have estimates based on GIS, but surprises could emerge during the title search. He noted that some easements might be leftovers from years ago or on different portions of what was once a larger property.

Commissioner O'Donnell also asked about fees being exchanged internally between Urban Renewal and the city. Mr. Konkol confirmed there would be various fees including a lot line adjustment (approximately $1,500), vacation of right-of-way ($1,300), vacation of easements ($782), and dedication ($266).

Motion by Commissioner McGriff, seconded by Commissioner Neeley, to approve the personal services contract with Centerline Concepts surveying for the Stimson property survey in the amount as specified on the amended proposal of $14,050 and also authorize the city manager to spend up to $10,000 for any additional fees. The motion carried by the following vote:

YES: Commissioner Ariniello, Commissioner O'Donnell, Commissioner Smith, Commissioner McGriff, Commissioner Marl, Commissioner Neeley, Chair Mitchell
NO: None

3.b. Minutes of the January 17, 2024 Urban Renewal Commission Meeting

3.c. Minutes of the February 21, 2024 Urban Renewal Commission Meeting

Motion by Commissioner Neeley, seconded by Commissioner McGriff, to approve the both sets of minutes. The motion carried by the following vote:

YES: Commissioner Ariniello, Commissioner O'Donnell, Commissioner Smith, Commissioner McGriff, Commissioner Marl, Commissioner Neeley, Chair Mitchell
NO: None

4. COMMUNICATIONS

Mr. Konkol said the next step for development of the Stimson property would be a Request for Proposal (RFP) or Request for Quote (RFQ). Staff would be able to prepare an RFP or RFQ after this survey work and the appraisal.

Commissioner McGriff discussed the formation of a committee with Clackamas County to address the issues with the Clackamas County Courthouse building downtown.

5. ADJOURNMENT

Mayor McGriff adjourned the meeting at 6:26 P.M..

Respectfully submitted,

_____

Jakob S. Wiley, City Recorder
Date Approved: _____

CITY OF OREGON CITY
URBAN RENEWAL COMMISSION - REVISED DRAFT MEETING MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, July 17, 2024 at 6:00 PM

1. CALL TO ORDER AND ROLL CALL

Chair Mike Mitchell convened the meeting at 6:02 P.M.

PRESENT: 7 - Commissioner Adam Marl, Commissioner Mike Mitchell, Commissioner Lauri Ariniello, Commissioner Doug Neeley, Commissioner Denyse McGriff, Commissioner Rocky Smith, Commissioner Frank O'Donnell,

STAFFERS: 5 - City Manager Tony Konkol, Assistant City Recorder Evan Lee, Police Chief Shaun Davis, Public Works Director John Lewis, Economic Development Manager James Graham

2. PUBLIC COMMENTS

3. DISCUSSION ITEMS

3.a. Stimson Property Geotechnical Report

Public Works Director John Lewis presented the geotechnical report for the Stimson property. He explained that Pali Consulting was hired to conduct the fieldwork and write the report. They performed five borings, four on the site and one slightly off-site due to the configuration of the right-of-way. The borings generally went to a depth of 50 feet.

The report confirmed the presence of 6 to 9 feet of bark dust, consistent with the site's history as a lumber processing facility. Mr. Lewis noted that while soil conditions make development challenging, it remains feasible. He mentioned that the report provides valuable information for potential future purchasers about site conditions and building requirements.

Commissioner McGriff remarked that the study was thorough and confirmed what was previously known about the site, with liquefaction being the only new information. She expressed concern that any future buyer would likely want a cost offset due to the extensive material removal needed.

Mr. Lewis explained that the woody material should be removed and replaced, but even then, the soil conditions would still present liquefaction concerns. He noted that a deep, pile-supported foundation would likely be necessary, similar to columns used at the Cove site. He estimated pile lengths could reach up to 80 feet from the ground surface.

Commissioner Ariniello inquired about the height restrictions on the site, with commissioners noting there is a 75-foot limitation on at least part of the property. She expressed concern about the site's limitations for parking garage construction given the flood plain considerations.

Mr. Lewis confirmed that parking could be constructed in the floodplain, as long as it's not considered fill.

Commissioner Neeley asked if the Urban Renewal Commission might consider investing in site improvements to make it more attractive to developers. Chair Mitchell suggested waiting until the appraisal is completed before deciding whether to correct issues or let a developer address them. There was consensus that it would be premature to mitigate issues without knowing the footprint of a future development.

3.b. Stimson Property – Appraiser Review and Recommendation

Mr. Graham presented the results of the Request for Qualifications (RFQ) process for obtaining an appraisal of the Stimson property. The RFQ received six responses.

He explained the three categories of licensed or certified appraisers in Oregon: state licensed appraiser, state certified residential appraiser, and state certified general appraiser, with the latter being the highest level. Membership in the Appraiser Institute is considered the gold standard in the profession.

The responses were evaluated based on local market experience, appraiser credentials, degree of direct involvement in the appraisal process, and cost. After evaluation, staff narrowed the choices to two firms: Portland Valuation Group and Moscato, Okoneski, and Associates. Both firms had extensive experience in the local sub-metro market including Oregon City, Sherwood, Wilsonville, Happy Valley, and Lake Oswego, and were competitively priced.

Staff ultimately recommended Portland Valuation Group due to their experience in Oregon City, competitive pricing, small company size (suggesting greater responsiveness), and because their professionals have the highest level of certification and affiliation with the Appraiser Institute. Mr. Graham confirmed they have experience evaluating properties owned by urban renewal agencies and are familiar with assessing the impact of geotechnical reports on property valuation.

Motion by Commissioner McGriff, seconded by Commissioner Marl, to approve Portland Valuation Group as the appraiser for the Stimson property as noted in the staff report. The motion carried by the following vote:

YES: Commissioner Smith, Commissioner Ariniello, Commissioner O'Donnell, Commissioner Marl, Commissioner McGriff, Commissioner Neeley, Chair Mitchell
NO: None

When asked about the timeline, Mr. Graham stated they expected to start in August with completion in approximately five months, though commissioners expressed hope it could be completed sooner, possibly by October or November.

3.c. Minutes of the June 05, 2024 Urban Renewal Commission Meeting

Motion by Commissioner McGriff, seconded by Commissioner Ariniello, to approve the minutes of the June 05, 2024 Urban Renewal Commission meeting. The motion carried by the following vote:

YES: Commissioner Smith, Commissioner Ariniello, Commissioner O'Donnell, Commissioner Marl, Commissioner McGriff, Commissioner Neeley, Chair Mitchell
NO: None

4. COMMUNICATIONS

Mr. Lewis provided an update on the Cove water quality study being conducted by Mark Rosenkranz from Aquatic Insight. He explained that sampling for the 12-month monitoring program began on April 23, and river water sampling started on May 21. He noted that cyanobacteria (blue-green algae) typically increases in late July, and the consultant is sampling regularly at different elevations to monitor for potential blooms.

Mr. Lewis identified two needs outside the current scope: survey work to establish benchmarks to tie water level measurements to the city's elevation datum system, and conducting topographic surveys to update the hydraulic model from 2015, as the bottom configuration of the river has changed significantly. The estimated cost for this additional work is $6,748.

Commissioner O'Donnell expressed concerns about water exchange between the river and the Cove, noting that the current gravel bar likely prevents most exchange during low water periods. He questioned whether the benchmarks and surveys would help address this issue.

Mr. Lewis clarified that the benchmarks would tie elevation readings to the existing hydraulic model, while the topographic survey would help perfect the model to understand water flow during higher flow conditions. This information would be valuable if channel restoration work is considered in the future.

Commissioner Neeley raised concerns about introducing cooler water from the Clackamas into the Cove, as agencies want to keep cold water in the Clackamas River for fish migration.

Motion by Commissioner McGriff, seconded by Commissioner Marl, to support the recommendation of the Public Works Director to get river benchmarks and do a topographic survey. The motion carried by the following vote:

YES: Commissioner Smith, Commissioner Ariniello, Commissioner O'Donnell, Commissioner Marl, Commissioner McGriff, Commissioner Neeley, Chair Mitchell
NO: None

5. ADJOURNMENT

Chari Mitchell adjourned the meeting at .6:54 P.M.

Respectfully submitted,

_____

Jakob S. Wiley, City Recorder
Date Approved: _____