



Clackamette Cove, LLC

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October 28, 2015

RE: Revision of the Disposition and Development Agreement – Change of use for Lot 5.

Dear Commissioners,

Clackamette Cove, LLC has diligently pursued the development of The Cove over the last several years and has made a substantial investment as has the URC. In the first quarter of 2016 it is anticipated that Phase 1 - 244 Garden Apartments will break ground. Following directly thereafter will be the start of Phase 2 - Waterfront Residence. This is a request to add Lot 5 to the production of Phase 2 and to change its proposed use from office to a mixed use building including: Office, (2) Restaurants, Leasing Office and public plaza.

REASON:

1. Changed Conditions: While the down town Portland Metro Area is doing well in the absorption and pricing of office space the Suburban Office market has not seen support for new office space. Two substantial Office Complexes have been completed within three miles of the Cove and they have not been successful (see attached projects and location).
2. It is not expected that the office market will return for the foreseeable future.
3. The parking requirement for an office complex as depicted on the Master Plan is not readily available or feasible.
4. Lot 5 is in the center of the Waterfront Residence (195 units) and is in a position to serve as a major attraction for dining and public venues.
5. During the construction of the Waterfront area it would make economic and construction sense to incorporate the proposed new building on lot 5 into the Phase 2 production. In essence this will complete the entire look and feel of the Cove project.

ALTERNATE USE: See attached plans.

1. Commercial use: Office, Leasing, Exercise, Restaurants. Residential – 25 additional units.

Two restaurants – at 3,500 sf each

Exercise area for residents

Leasing Office

25 additional residential units and the recovery of four units previously defined for office and restaurants resulting in 29 additional residential units. To accommodate these new units a parking structure would be build that will also serve as the podium for the outside dining and plaza with direct access to the esplanade below.

2. The Plaza space and exterior restaurant seating becomes a special public area: access to view The Cove, access to the Esplanade, Trail system and future marina.

BENEFITS:

1. Lot 5 does not sit vacant for the foreseeable future
2. Lot 5 becomes a public amenity.
3. Lot 5 conversion to the proposed new uses immediately adds to the tax base.
4. Lot 5 becomes a community attraction supporting the Oregon City economic development goals.
5. Twenty-five additional residential units would be built above the restaurants and by centralizing the restaurants, access and parking is much more synergistic.
6. Relocation of the Trailhead parking – directly in front of Lot 5 with handicapped access by path and elevator to the Esplanade, Trail System and amphitheater just down the Esplanade are an added benefit.

We respectfully request that the Urban Renewal Agency thoughtfully review this request and give its support to this alternate use of Lot 5. “Coming together is a beginning; keeping together is progress; working together is success”.

Clackamette Cove, LLC

Edward Darrow, Manager