



City of Oregon City

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

Meeting Minutes - Draft

Urban Renewal Commission

Tuesday, December 13, 2016

5:30 PM

Commission Chambers

REVISED

1. Call To Order

Vice Chair Shaw called the meeting to order at 5:56 PM.

Present: 7 - Rocky Smith, Brian Shaw, Dan Holladay, Stephen VanHaverbeke, Renate Mengelberg, Mike Mitchell and Nancy Ide

Staffers: 6 - Eric Underwood, John Lewis, William Kabeiseman, Kattie Riggs, Laura Terway and Tony Konkol

2. Citizen Comments

There were no citizen comments.

3. General Business

3a. Presentation on Proposed Changes to The Cove Disposition and Development Agreement

Eric Underwood, Economic Development Manager, said on April 1, 2015 the Urban Renewal Agency executed a DDA for the Cove project. Since that time, Phase 1 had commenced construction. Some changes were being proposed for Phase 2. The changes were more than what would be covered by an amendment to the agreement. The developer would be presenting the changes for possible Commission approval.

Ed Darrow, Developer, explained the modifications that were being proposed. Lot 1 was originally going to be 57,000 square feet of office space and Lot 5 was originally 8,000 square feet of office space. The issue was there was not a market for that much office space in the community. There had also been issues with the water quality of the Cove and a feasibility study had been done. He discussed the plat map and 2015 master plan. He was proposing to increase the density and number of apartment units for Phase 2 to 287 units. This would create a higher tax base and handle the flood plain issues. Phase 2 would also include the Agnes Road extension. He was unsure when Phase 3 would begin as it was subject to the Cove feasibility study. There was a path going out onto the peninsula that was proposed in the current agreement, and several entities had discouraged it due to the habitat at the location. It was up to the Commission whether or not to modify that part of the DDA. He then discussed the current concept plan for the site which included restaurants, plaza area, leasing office, fitness center, rental place, swim docks, and water sports center.

John Runyon, Cascade Environmental Group, discussed the mitigation program. He

had been asked to look at the feasibility of improving habitats in the aquatic sections and riparian/upland areas. It was a feasible site for mitigation and there was a market for the kinds of habitats that would be created such as shallow water and flood plain habitats, primarily for fish. Prohibiting motorboats in the Cove would help enhance the habitat for fish. Lot 1, the inlet area, and the spit on the northwest side of the Cove would be the primary focus for habitat mitigation. It would be developed with three mitigation markets in mind, wetland mitigation banks, Portland Harbor Super Fund for shallow water fish habitat, and conservation mitigation banks. Mitigation credits would be determined by state and federal agencies. The next step was to hold a pre-prospectus meeting with the state and federal agencies and scope out the project further. The implementation had to do with how the project would be funded. The funds came from third parties who sold the credits and got a return on their capital. It would not put a burden on the City or the developer.

Mr. Darrow said the status of the current DDA was that it was in full force and effect. The amendments were to change Lot 5 from office use to restaurants, leasing office, fitness, and residential space and to change Lot 1 from office use to a mitigation area with a water quality plan. He discussed the phases that had been approved and phases yet to be approved, and submissions required pursuant to the DDA. The proposed amendments created a higher value and tax increment, reduced the amount of fill needed, helped balance the flood plain, and more mixed uses brought more people to the site.

Commissioner Smith was concerned about doubling the amount of residential units and how this was not the original intent of the project. He thought the Commission needed more time to look at what was being proposed.

Commissioner Holladay asked if this had been so changed that it needed to go back through the Planning Commission. Laura Terway, Community Development Director, said yes, it did.

Commissioner Holladay confirmed the developer would build a parking structure to satisfy the City's parking requirements. He thought no decision should be made that night.

Commissioner Mitchell said this had always been promoted as a mixed use development, and now it was a giant apartment complex. Traffic was also an issue. It was not the original intent of the development.

Mr. Underwood clarified this was a request to the Commission for whether or not they wanted to proceed with the project. The DDA would have to be re-written and re-negotiated, the master plan would have to be redone, there might be a new list of fundamental conditions, the feasibility study would have to be incorporated, and the financials would have to be reviewed. The new agreement would have to be drafted before going to the Planning Commission.

Commissioner Mengelberg was disappointed in the lack of job creation. She agreed the Cove should only allow non-motorized vehicles. There should be a walking path around the spit. She encouraged having a convenience or small grocery store on the site so the residents did not have to drive somewhere to get food. She liked some of the public amenities to make an active and inviting place.

Commissioner Ide asked how they had determined there was no market for the office space. She thought more effort should be put into marketing the area instead of making it all apartments. Mr. Darrow explained the changes in the market and economy. He would like approval to go through the process and come back to the

Commission for final approval.

Commissioner Holladay suggested discussing this further at a Work Session in January.

Commissioner Mengelberg thought the site was ideal for apartment development. There was an affordable housing and supply issue and this might help mitigate it.

Tony Konkol, City Manager, said staff was directed not to re-negotiate the DDA. He needed a better understanding of the changes proposed to the DDA and how the recent Urban Renewal ballot measure that passed would affect the decision.

Mr. Underwood said Urban Renewal was making a \$745,000 contribution to the project and \$50,000 had been allocated towards the habitat restoration feasibility study.

Vice Chair Shaw said the point of Urban Renewal was to create jobs and this proposal did not provide very many jobs.

A motion was made by Commissioner Holladay, seconded by Commissioner Mitchell, to continue the discussion regarding the proposed changes to the Cove Disposition and Development Agreement to a Work Session in January. The motion carried by the following vote:

Aye: 7 - Rocky Smith Jr., Brian Shaw, Dan Holladay, Stephen VanHaverbeke, Renate Mengelberg, Mike Mitchell and Nancy Ide

3b.

Minutes of the October 19, 2016 Regular Meeting

A motion was made by Commissioner Holladay, seconded by Commissioner Ide, to approve the minutes of the October 19, 2016 Regular Meeting. The motion carried by the following vote:

Aye: 7 - Rocky Smith Jr., Brian Shaw, Dan Holladay, Stephen VanHaverbeke, Renate Mengelberg, Mike Mitchell and Nancy Ide

4. Future Agenda Items

Commissioner Mengelberg suggested a discussion on the Urban Renewal ballot measure that recently passed.

Commissioner Holladay wanted a discussion on the lot kitty-corner to the Midway that had started and stopped construction over the years and nothing was happening again. He thought they should discuss whether Urban Renewal should purchase it or not and either develop it or lease it.

5. City Manager's Report

There was no City Manager report.

6. Adjournment

Vice Chair Shaw adjourned the meeting at 6:58 PM.

Respectfully submitted,

Kattie Riggs, City Recorder