



Legislation Text

File #: 19-058, Version: 1

The Cove Project (Goal 1)

RECOMMENDED ACTION (Motion):

Staff recommends that the Commission continue to support the development efforts at The Cove, including working with the Cove development team to implement the approved Disposition and Development Agreement and to complete the habitat restoration and mitigation assessment.

BACKGROUND:

Goal 1: Cultivate and Environment for Successful Economic Development Cove Project

** Work with the Cove development team to implement the approved Disposition and Development Agreement and to complete the habitat restoration and mitigation assessment.*

On November 26, 2018 the Oregon City Urban Renewal Commission (URC) entered into a Development and Disposition Agreement (DDA) with The Cove, LLC to construct a multi-use development consisting of residential apartments and commercial space on URC property adjacent to Clackamette Cove. As part of the DDA there are several preconditions that must be satisfied or waived within 270 days of the execution of the DDA. The developer has already met several of the preconditions and staff will continue to work with the Developer and the Urban Renewal Commission to meet the requirements of the agreement within the time agreed upon.

The DDA includes Section 8.2, which state in part: *Habitat Restoration & Water Quality. The parties acknowledge that habitat restoration is desired for improved water quality and the general health of plant and animal species within Clackamette Cove. The Commission and Developer shall use their respective reasonable efforts to agree on a method to mitigate habitat and water quality deficiencies within Clackamette Cove and carry out that method prior to the issuance of the certificate of occupancy for the last building in Phase 2B. Developer and the Commission agree to jointly pursue the use of a private or non-profit habitat restoration consultant to assess the feasibility of a habitat restoration program along the banks of the Clackamette Cove, except for the Development site, and to enter into a mutually agreeable agreement with a restoration consultant.*

The URC and Developer have entered into a non-binding letter of interest with RestorCap, LLC to determine if there are areas within Clackamette Cove that would be both environmentally and economically suitable for the creation of a federally approved mitigation bank. In the lower Willamette there are three primary mitigation markets in place or in development; including: 1) Wetlands and water of the US; 2) Natural Resources Damages Assessment; and 3) endangered species conservation. Each of these markets could be available to a mitigation bank in the Cove because of its location. Developing a mitigation bank in the Cove could provide both restored habitat and revenue over time. Developing a mitigation bank in the Cove would entail upfront costs to

engage state and federal agencies to design, permit and construct. RestorCap will, at its expense, commission an appraisal of the property which will be approved by the URC prior to such commissioning. The appraised value may be used as a basis as a lease or purchase price, subject to the approval of both parties and by the suitability of the property to produce a viable mitigation bank. RestorCap may develop a proposal whereby profit sharing among RestorCap, the City, and the Cove, LLC is possible. As part of the letter of interest, RestorCap has twelve months to perform the necessary due diligence to determine the market feasibility of a mitigation bank within the Cove. Staff will continue to work with RestorCap and The Cove, LLC in determining if a mitigation bank project is feasible at the site.