



Legislation Text

File #: 19-335, **Version:** 1

The Cove Disposition and Development Agreement Update and Discussion

RECOMMENDED ACTION (Motion):

No action requested - discussion item.

BACKGROUND:

The Urban Renewal Commission has requested a presentation and discussion of The Cove project and the Disposition and Development Agreement.

The Clackamette Cove project area consists of approximately 89.6 acres, which includes an approximate 53-acre man-made lake that is connected to the Clackamas River. The Cove, LLC (developer) proposed a multi-phased mixed-use project on the property owned by the Urban Renewal Commission. The site is substantially undeveloped, produces no employment and produces no taxes. The site has very limited public access and is of poor habitat quality with excessive slopes bordering the lake and is overgrown with non-native plants. The site is subject to flooding, as evidenced by the 1996 flood event that covered most of the property. The site cannot be developed without substantial engineered fill, infrastructure and other site improvements.

The project will consist of eight buildings that will include multi-family and mixed-use buildings, as well as site improvements, public amenities and habitat improvements. The developer will be constructing a new Agnes Avenue and all necessary public and private utilities, an esplanade along the waterfront, trail head parking and significant shoreline habitat improvements. The project will stimulate the local economy by adding a number of immediate construction jobs, enhancing the mix of uses in the area and adding new residential units to Oregon City. The DDA identifies the scope of the project, pre-conditions that must be met prior to construction, developer loan commitment requirements, property acquisition timelines and necessary reversionary clauses to the benefit of the URC. Public investments to mitigate the substantial costs of correcting the site defects will include a financial investment of \$695,000 for work products that consists of reimbursement for the phase II environmental assessment, design and engineering costs for the infrastructure and city land use application and engineering fees. Such contributions will not occur unless reimbursable items are completed within 350 days of the effective date of the agreement.

The Cove Disposition and Development Agreement (DDA) has approved by the Urban Renewal Commission on November 26, 2018 (attached). The agreement outlines the project, preconditions, project construction, land use approval, public investment, environmental and dredging, public areas, property acquisition, default and general provisions. Section 3.2 of the DDA (page 4) outlines the pre-conditions that must be met. The URC approved pre-conditions 3.2.1 - development plans, 3.2.2 - land use application and 3.2.6 - earthwork plan at the November 26, 2018 Urban Renewal Agency meeting. The Urban Renewal Commission approved the restoration easement and terms of the restoration agreement as identified in section 8.2 of the DDA at the December 19, 2018 Urban

Renewal agency meeting. The purchase and sale agreement for Lot 1 and Tract A, which were sold to the Cove, LLC, was approved by the Urban Renewal Commission, consistent with Section 10 of the DDA, at the February 6, 2019 Urban Renewal Agency meeting. Staff continues to work with The Cove, LLC to fulfill the remaining preconditions as identified in the DDA.