

AGENDA
City of Oregon City, Oregon
WEDNESDAY, FEBRUARY 15, 2012

REGULAR MEETING OF THE URBAN RENEWAL COMMISSION
6:15 p.m.

Urban Renewal Commission:

Brian Shaw, Chair
Doug Neeley
Paul Edgar, Vice Ch.
Rocky Smith, Jr.

Betty Mumm
Kathy Roth
Graham Peterson
Philip Yates

Meeting Held at:

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

6:00 p.m. EXECUTIVE SESSION OF THE URBAN RENEWAL COMMISSION

a. Pursuant to ORS 192.660(2)(e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

1. Convene Regular Meeting of February 15, 2012, and Roll Call
2. Citizen Comments

This section of the agenda allows citizens up to 3 minutes to present information relevant to the City, not related to items on the agenda. As a general practice, the Urban Renewal Commission does not engage in discussion with those making comments. Prior to speaking, citizens should fill out a form (available in the back of the Chambers) and hand it to the City Recorder. Begin speaking by stating your name and residing city.

3. Adoption of the Agenda
4. General Business
 - a. Adaptive Reuse/Rehab Program Criteria Discussion
Staff: Eric Underwood, Economic Development Manager
 - b. Minutes of the January 18, 2012 Regular Meeting
Staff: Nancy Ide, City Recorder
5. City Manager's Report
6. Future Agenda Items
7. Adjournment

Agenda Posted February 10, 2012 at City Hall, Pioneer Community Center, Library, [City Web site](#).

Video Streaming & Broadcasts: The meeting is streamed live on the Internet on Oregon City's Web site at www.orcity.org and available on demand following the meeting.

City Hall is wheelchair accessible with entry ramps and handicapped parking located on the east side of the building. Hearing devices may be requested from the City Recorder prior to the Commission meeting. Disabled 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.

**City of Oregon City
Urban Renewal Commission Minutes
January 18, 2012**

**City Hall – Commission Chambers
625 Center Street
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Walters called the meeting to order at 4:35 p.m.

Commissioners Present:

Doug Neeley
Nancy Walters
Rocky Smith, Jr.
Philip Yates
Paul Edgar
Graham Peterson
Brian Shaw
Kathy Roth
Betty Mumm

Staff Present:

City Manager David Frasher
Community Development Director Tony Konkol
Economic Development Manager Eric Underwood
City Engineer & Public Works Director Nancy Kraushaar
Assistant City Recorder Kelly Burgoyne
City Recorder Nancy Ide
Community Services Director Scott Archer

2. Citizen Comments

None.

3. Adoption of the Agenda

The agenda was adopted as presented with item 5a was pulled from the Consent Agenda for discussion.

4. General Business

a. Election of Chair and Vice for 2012

Nancy Ide, City Recorder, said according to the bylaws the Urban Renewal Commission needed to elect a chair and vice chair for 2012 on its first meeting of the year.

Motion by Betty Mumm, second by Rocky Smith, to nominate Brian Shaw for chair.

The motion passed with the following vote: Commissioners Neeley, Smith, Mumm, Roth, Shaw, Yates, Edgar, Peterson, and Walters voting "aye." [9:0]

Betty Mumm nominated Graham Peterson for vice chair and Doug Neeley seconded the nomination.

Rocky Smith nominated Paul Edgar for vice chair and Kathy Roth seconded the nomination.

A roll call was taken and Paul Edgar was elected to vice chair with the following vote [5:4]:

Commissioners Smith, Roth, Yates, Edgar, and Walters voting for Paul Edgar.

Commissioners Neeley, Mumm, Shaw, and Peterson voting for Graham Peterson.

b. Oregon City Metro Enhancement Grant – 922 Main Street

Eric Underwood, Economic Development Manager, discussed the proposal for a landscaping enhancement project at 10th and Main. Since the grant was reviewed by the Metro Enhancement Grant Committee there had been changes. One of the Commission's focuses was to aggressively market this site as well as the 12th and Main site and this project would not

be conducive to that marketing effort. He recommended not moving forward with the grant and listed the obstacles he saw to marketing the site if this was approved.

Lloyd Purdy, Main Street Manager, stated Main Street was a partner with the applicant for this grant.

Jerry Herrmann, resident of Oregon City, said he was happy to serve the city in any way he could. He had made every effort to design the site to be low maintenance and drought resistant. It would be done in a natural looking way but would be able to be removed. He did not want to impede any efforts to market the site and was willing to forgo the project. If there was a way he could help in another capacity, he was willing to do that. He explained the design and cost proposed for the project.

Commissioner Yates questioned if the property would be more marketable if it was improved.

David Frasher, City Manager, stated this was a grant for a project that would not be a permanent feature that would benefit the community for many years.

Commissioner Smith thought if the money was not used for this project, it should be used for another eye sore in the City.

Mr. Underwood stated in the agreement the project would only be officially approved if it was approved by the Urban Renewal Commission. If the Commission took no action, staff would have direction.

The Commission consensus was to take no action on this item.

c. Parking at 922 Main Street (10th & Main)

Mr. Underwood explained the parking report and the environmental concerns on the property. In order to market the property, he thought it needed to be vacant and suggested no parking on the site. Parking Enforcement proposed alternative parking areas and the option for the 16 people who currently used the lot to receive two months free permitted parking in another area.

Commissioner Yates did not think it would impact the sales value to keep using it as a parking lot and there would be a loss of revenue.

Commissioner Edgar did not think the parking lot needed to be shut down at this time. He thought the revenue coming in for the parking lot should be going to Urban Renewal not the Parking Fund.

Commissioner Peterson stated if the goal was to clean the site now he could understand removing the parking. He thought it could still be marketed effectively being used as parking.

Mr. Frasher said it had recently been brought to staff's attention that this was a non-conforming use.

Tony Konkol, Community Development Director, said it was started as a temporary lot, but never went through the land use process to be a parking lot downtown.

Mr. Underwood explained his marketing plan for the property.

Commissioner Smith wanted on a future agenda to look at every property Urban Renewal owned to make sure it was getting the rent and every property the City owned to make sure it was getting the rent. Everything on City and Urban Renewal property should be following the Code.

Tom O'Brien, resident of Oregon City, was not aware these lots were owned by the City. There was more value in the land than the revenue generated by the parking lot. He thought they should listen to the Economic Development Manager to sell the property as quickly as possible.

Dan Holladay, resident of Oregon City, stated the City went through the process of finding an Economic Development Manager and the first couple things he brought to the Commission were being picked apart. He suggested listening to what Mr. Underwood had to say for the next several months and see if his ideas worked.

Motion by Doug Neeley, second by Rocky Smith, to not permit the property to be used for parking.

The motion passed with the following vote: Commissioners Neeley, Smith, Mumm, Roth, Edgar, Peterson, and Walters voting "aye" and Commissioners Yates and Shaw voting "no." [7:2]

d. Clackamas Landscape Supply, Inc. Lease Renewal

Mr. Underwood explained this was a three year lease that expired December 31, 2011 and went over the terms of the lease. If renewed, the new lease would expire in 2014.

Commissioner Edgar thought the lease per month was too low compared to the true market value of the property. He explained the value of the land and what the lease should be. He also thought it should be a one year lease and the property should be put in the marketing plan.

Commissioner Neeley said this was the site of a lumber mill and was not a shovel ready lot. He thought the driver of economic development would be what was put on the old landfill, not the development of this property.

Commissioner Roth said they did not have control of the landfill site, but they did have control over this site.

Mr. Underwood said a one year lease would be difficult for Clackamas Landscape Supply to make plans.

Ms. Kraushaar explained how the rent had been calculated. It was a difficult site and this was the kind of business that could be in the flood plain.

Steve Pearson, owner of Clackamas Landscape Supply, stated the business moved to the Oregon City location in 1998 and he had to clean up the site and secure the property. The rent was paid to the Urban Renewal Commission and they paid the property taxes on the property being leased. It was difficult to make financial decisions as a business owner when there was a short term lease. In the flood of 1996, the water was deep on the property and he was taking a risk being on the property. He thought the risk factored into the use of the property and the amount he was paying. He would like to continue doing business in Oregon City for as long as possible.

Mr. Underwood explained the termination clause in the lease.

Motion by Philip Yates, second by Paul Edgar, to stop the conversation and finish it in Executive Session.

The motion failed with the following vote: Commissioners Yates, Edgar, Peterson, and Shaw voting "aye;" Commissioners Mumm, Smith, Neeley, and Walters, voting "no;" and Commissioner Roth abstaining. [4:4:1]

Commissioner Neeley suggested staff talk with the owner and discuss the best option for the lease and bring it back to the next meeting. The Commission agreed.

5. Consent Agenda

a. Resolution No. UR 12-01 - Declaring the Necessity and Intent to Appropriate Real Property and Authorizing Institution of Condemnation Proceedings if Necessary for the McLoughlin Blvd Enhancement Project

Ms. Kraushaar said this was a standard operating procedure for a public project using federal dollars and the public agency needed to acquire easements or right of way. There was a need to get a temporary construction easement on the Oregon City Shopping Center side of the property to rebuild the sidewalk. She gave a background on the McLoughlin Boulevard Enhancement Project and funding. Staff had been working with the Oregon City Shopping Center for this easement.

Kristin Jones represented the Oregon City Shopping Center owners. The owners were excited about the enhancement project and thought it would compliment what was being done at the Center. She asked that this be postponed to have a better understanding on the possible intent to acquire and condemn property.

Ms. Kraushaar said it would be better for the schedule of the project to move forward with the resolution. This was the way it had to be written and no acquisition was planned, it was for a temporary construction easement only.

Commissioner Roth thought putting this item on the consent agenda was not being transparent. She had a hard time seeing this area as blight.

Commissioner Smith said this was the gateway to the City and the Cove project.

Commissioner Peterson said if there was a problem, there was a transparent process to protect the property owner.

Commissioner Edgar thought this type of item should not appear on a consent agenda. He disagreed with using Urban Renewal as a slush fund with no increment financing coming back in to the District. He thought this should be funded by the City.

Mr. Frasher said staff put this on the consent agenda as it was a housekeeping step that had to be taken before conversations could start with the property owners. He explained the reason the federal government wanted the condemnation language included.

Ms. Jones requested that the Oregon City Shopping Center be kept in the loop on this project as much as possible. She understood the clarification on the wording of the resolution.

Motion by Doug Neeley, second by Rocky Smith, to approve Resolution No. UR 12-01.

The motion passed with the following vote: Commissioners Neeley, Smith, Mumm, Roth, Shaw, Yates, Edgar, Peterson, and Walters voting "aye." [9:0]

b. Minutes of the December 7, 2011 Regular Meeting

Motion by Betty Mumm, second by Rocky Smith, to approve the minutes of the December 7, 2011 regular meeting.

The motion passed with the following vote: Commissioners Neeley, Smith, Mumm, Roth, Shaw, Edgar, Peterson, and Walters voting "aye" and Commissioner Yates abstaining. [8:0:1]

6. City Manager's Report

None.

7. Future Agenda Items

No future agenda items were suggested.

8. Adjournment

Chair Shaw adjourned the meeting at 6:17 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

DRAFT

**COMMISSION REPORT: CITY OF OREGON CITY**

TO:	Urban Renewal Commission
FROM:	Eric Underwood, Economic Development Manager
PRESENTER:	Eric Underwood, Economic Development Manager
SUBJECT:	Adaptive Reuse/Rehab Program Criteria
Agenda Type: General Business	
Approved by: David Frasher, City Manager	

RECOMMENDED ACTION (Motion):

Staff recommends that the Urban Renewal Commission (URC) discuss and approve the Adaptive Reuse/Rehab Program Criteria.

BACKGROUND:

The Adaptive Reuse/Rehab Program was established in Fiscal Year 2011/12 to incentivize interior construction projects within the Urban Renewal District. The overall intent of the program is to encourage value added construction and usability to existing buildings while incorporating a mixed-use component within the district. The program was approved and budgeted. However, the application criteria were never completed.

The program is a matching grant intended to fund a limited number (one or two) medium to large-scale internal rehabilitation (non façade) projects. There is a maximum grant for any one project of \$150,000. Particular emphasis and priority is placed on rehabilitation projects that consist of quality construction and add value to the urban renewal area.

The following expenses are eligible for reimbursement with Oregon City Urban Renewal building reuse/rehab grant funds:

Design services, engineering and architectural fees, permits and other fees, historic register listing expenses as well as expenses relating to structural improvements, seismic upgrades, code improvements, facilities improvements (HVAC, Sprinkler Systems, Elevator, etc.), internal demolition (if square feet of usable space is not reduced), addition of residential units, and/or limited expansion of building as long as the expenses listed previously are consistent with the rehabilitation and adaptive reuse of a building that increases the value of the building.

Staff has worked to develop a draft of the program criteria (attached) for review and discussion by the URC. Once approved, applications can then be accepted.

BUDGET IMPACT:

FY(s): 2011/12

ATTACHMENTS

Adaptive Reuse/Rehab Program Criteria Draft.



**URBAN RENEWAL COMMISSION
Adaptive Reuse/Building
Rehab Program**

City of Oregon City
625 Center Street
P.O. Box 3040
Oregon City, Oregon 97045
Phone 503.657.0891
Fax 503.657.7892
www.orcity.org

APPLICANT INFORMATION

APPLICANT NAME:	APPLICANT E-MAIL:
APPLICANT ADDRESS:	APPLICANT PHONE:
NAME of PROPERTY OWNER (if different):	
PROPERTY OWNER'S MAILING ADDRESS:	PROPERTY OWNER'S PHONE:
PROPERTY OWNER'S CITY, STATE, ZIP:	PROPERTY OWNER'S FAX:

SITE INFORMATION

SITE ADDRESS:	BUILDING TAX LOT & MAP NUMBER (if known):
CITY, STATE, ZIP:	OWNER OCCUPIED OR LEASED?
EXISTING SQUARE FEET	GRANT REQUEST AMOUNT: \$
CURRENT USE OF BUILDING AND TENANT NAMES:	
Is the building on the local historic register or within historic overlay district? ☐ YES ☐ NO	
If yes, has the building plan been reviewed and approved by the Historic Review Committee? ☐ YES ☐ NO	

PROJECT NARRATIVE

BRIEF DESCRIPTION OF PROPOSED PROJECT (250 – 300 words. Use separate paper if needed.)
BRIEF DESCRIPTION OF PROPOSED PROJECT (250 – 300 words. Use separate paper if needed.)
A MORE DETAILED DESCRIPTION WILL HELP URBAN RENEWAL COMMISSIONERS BETTER UNDERSTAND THE PROPOSED PROJECT:

Information to include in narrative and supporting documents include: project cost/budget, photos of existing use, stamped architectural renderings/drawings, documentation of ownership and project funding, property appraisal, financial pro-forma documenting loan to value ratio, competitive bids from three service providers.

DRAFT

PROJECT FINANCIALS AND SCHEDULE

AMOUNT AND SOURCE OF MATCHING FUNDS (i.e., savings account, line of credit, etc.):	
PRIVATE TO PUBLIC MATCH AS RATIO: ____ / ____	AUTHORIZATION FOR CREDIT CHECK
ANTICIPATED START DATE OF CONSTRUCTION:	ANTICIPATED FINISH DATE OF CONSTRUCTION:
DESIGN CREDENTIALS	
APPLICANT'S ARCHITECT:	E-MAIL:
MAILING ADDRESS:	PHONE:
CITY, STATE, ZIP:	FAX:
ARCHITECT CERTIFICATION NUMBER (applicant's architect fees are eligible as a grant expense if architect is Oregon certified):	

The applicant understands that the proposed improvements must be evaluated and approved by the Oregon City Urban Renewal Commission or designee. Certain changes or modifications may be required by the Urban Renewal Commission prior to final approval.

The applicant understands that a match/grant information sign must be posted 30 days prior to, during, and 30 days after the improvement's construction phase.

CERTIFICATION OF APPLICANT

The applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining a matching grant and is true and complete to the best of the applicant's knowledge and belief.

If the applicant is not the owner of the property to be rehabilitated, or if the applicant is an organization rather than an individual, the applicant certifies that he/she has the authority to sign and enter into an agreement to perform the rehabilitation work on the property. Evidence of this authority is attached.

APPLICANT'S SIGNATURE:	CO-APPLICANT'S SIGNATURE (if applicable)
DATE:	DATE:

PROGRAM OBJECTIVE

Oregon City's Urban Renewal Commission has set aside \$150,000 into an **Adaptive Reuse/Building Rehab Program** to encourage investment and upgrades to private property by encouraging significant rehabilitation that improves the value of existing commercial property and supports the highest and best use of commercial property within the URC.

The program is a matching grant intended to fund a limited number (one or two) medium- to large-scale internal rehabilitation (non façade) projects. A typical project will be a combined minimum of \$100,000 with a maximum grant for any one project of \$150,000. Particular emphasis and priority is placed on rehabilitation projects that consist of quality construction and add value to the urban renewal area.

Competitive proposals that have completed the application process will be reviewed every six months beginning in January 2012.

REIMBURSABLE EXPENSES

The following expenses are eligible for reimbursement with Oregon City Urban Renewal building reuse rehab grant funds:

Design Services, Engineering and Architectural Fees, Permits and Other Fees, Historic Register Listing Expenses as well as expenses relating to structural improvements, seismic upgrades, code improvements, facilities improvements (HVAC, Sprinkler Systems, Elevator, etc), internal demolition (if square feet of usable space is not reduced), addition of residential units, and/or limited expansion of building as long as the expenses listed previously are consistent with the rehabilitation and adaptive reuse of a building that increases the value of the building.

PROPOSED EVALUATION CRITERIA

Within the project description narrative and with supporting documents an applicant should show how their project meets the following criteria:

1. Amount of private match (required match is 1:1).
2. Project increases usable square feet of building for a higher and better use.
3. Adding to the mixed-use activity of the building (ex: first floor retail/restaurant, second floor commercial/professional/residential, higher floors residential).
4. Development experience of applicant or project partners.
5. Increase in value of property as documented by pro-forma, appraisal, economic analysis, etc.
6. Overall project benefit, impact and quality (based upon staff review).

APPLICATION CHECKLIST:

- Completed Application.
- Project Description (written, financial and graphic).
- Project cost/budget (including construction expenses, Fees, Permits, design costs).
- Photos of existing use and site.
- Stamped architectural and engineering renderings/drawings & documents.
- Documentation of ownership and project funding.
- Property appraisal.
- Financial pro-forma documenting loan to value ratio and other economic determinants, if a loan is obtained.
- Competitive bids from three licensed and bonded trades/professionals.
- Construction schedule.
- Credit-check authorization.
- Land Use Approval if needed.
- HRB Approval if needed.
- Certificate of Insurance (if selected) identifying the Urban Renewal Commission as additionally insured.

APPLICATION PROCESS

1. Proposal review meeting with Economic Development Manager
2. Pre-application meeting with city staff including but not limited to economic development and planning departments.
3. Complete application
4. Gather supporting material (as indicated above)
5. City staff review
6. City staff decision
7. City staff report to URC

STAFF REVIEW/REPORT WORKSHEET

1. Thoroughness and Completeness of Application

2. Quality of Proposed Project

3. Overall Project Impact:

<u>Project Impact</u>	<u>Yes/No</u>
a. Increases Usable Square Feet	___/___
b. Addition of Mixed Use Activity	___/___
c. Innovative Design Components	___/___
d. Creates Value	___/___

Points ___ (max of 4)

4. Other notes (include additional pages if necessary)

PROJECT EVALUATION MATRIX

The *Adaptive Reuse/Building Rehab Program* incentivizes investment and upgrades to private property by encouraging significant rehabilitation **that improves the value of existing commercial property and supports the highest and best use of commercial property within the URC.**

A project will have a maximum grant for any one project of \$150,000. Particular emphasis and priority is placed on rehabilitation projects that consist of quality construction and add value to the urban renewal area.

Bonus Points				
	1	2	4	8
Private Match (1:1 required)	1:2	1:3	1:4	>1:4
Addition of Residential Units	1-2	3-5	6-9	9+
LEED Certification, low impact design, building innovation	Certified	Silver	Gold	Platinum
Development Experience	Contractor Experience	Development Experience plus Contractor Experience	Infill Adaptive Reuse plus Development and Contractor Experience	All Experience Previously Stated Plus Historic Preservation Experience
Job Creation	1-3	3-6	6-9	9+
Adds value to property according to ROI, cap rate, or pro-forma.	0-5%	6-12%	13-25%	>25%

Bonus Score: _____ (0 – 48)

COMMENT FORM



PLEASE PRINT CLEARLY

- SPEAK INTO THE MICROPHONE AND STATE YOUR NAME AND ADDRESS
- Limit Comments to 3 MINUTES.
- Give to the City Recorder in Chambers prior to the meeting.

Date of Meeting 2-15-12

Item Number From Agenda 4a

NAME:

Dan # Fowler

ADDRESS:

Street: _____

City, State, Zip: Oregon City OR

PHONE NUMBER: _____

SIGNATURE: _____

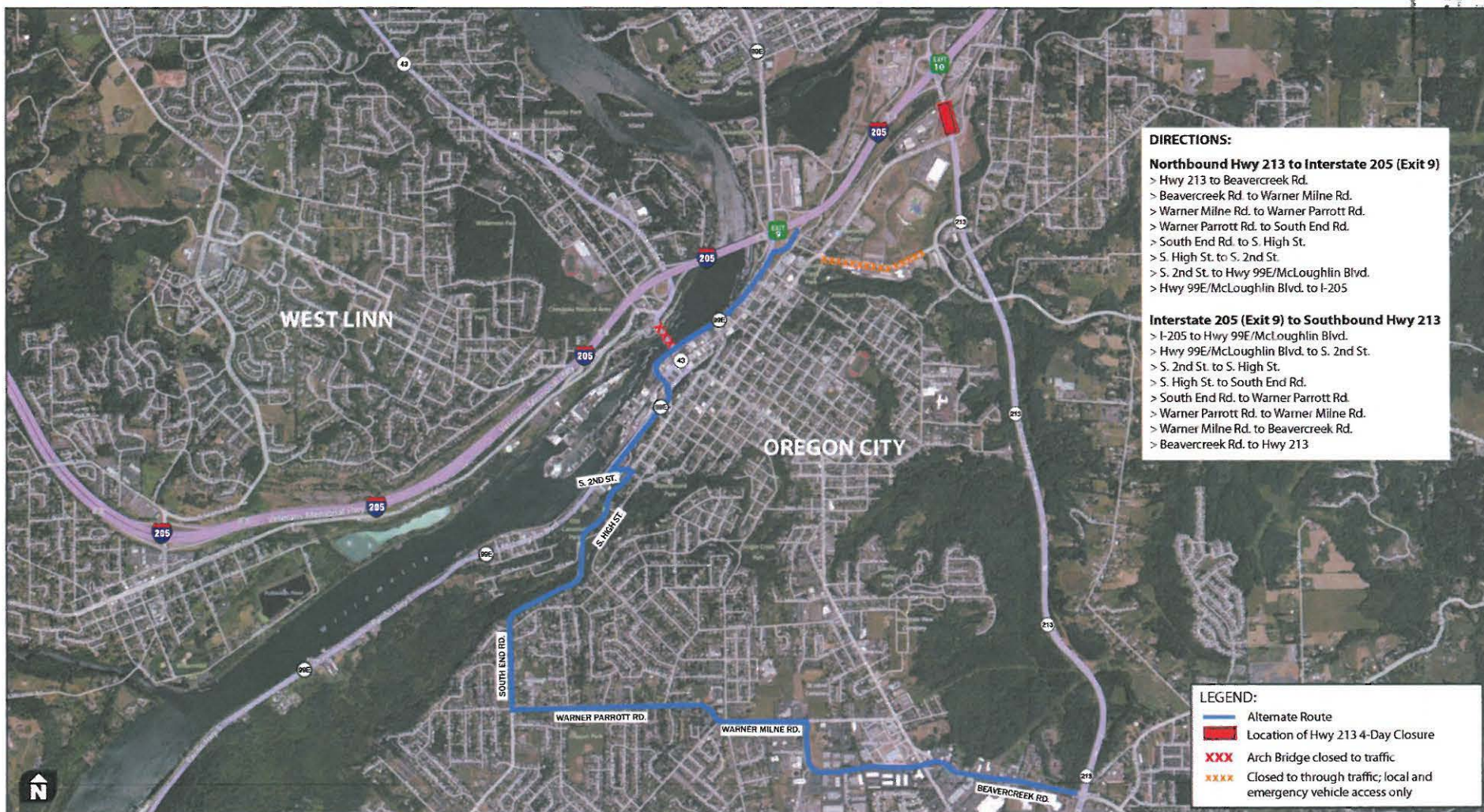
DETOUR ROUTE FOR HIGHWAY 213 TEMPORARY CLOSURE



LEGEND

- Hwy 213 Northbound Detour (Signed)
- Hwy 213 Northbound Detour (Unsigned)
- Hwy 213 Southbound Detour (Signed)
- Location of Hwy 213 4-Day Closure
- Closed to through traffic; local access only

ALTERNATE ROUTE BETWEEN HWY 213 AND I-205 USING EXIT 9 (NO SEMI-TRAILER TRUCKS)



ALTERNATE ROUTE BETWEEN HWY 213 AND I-205 USING EXIT 12 (NO SEMI-TRAILER TRUCKS)

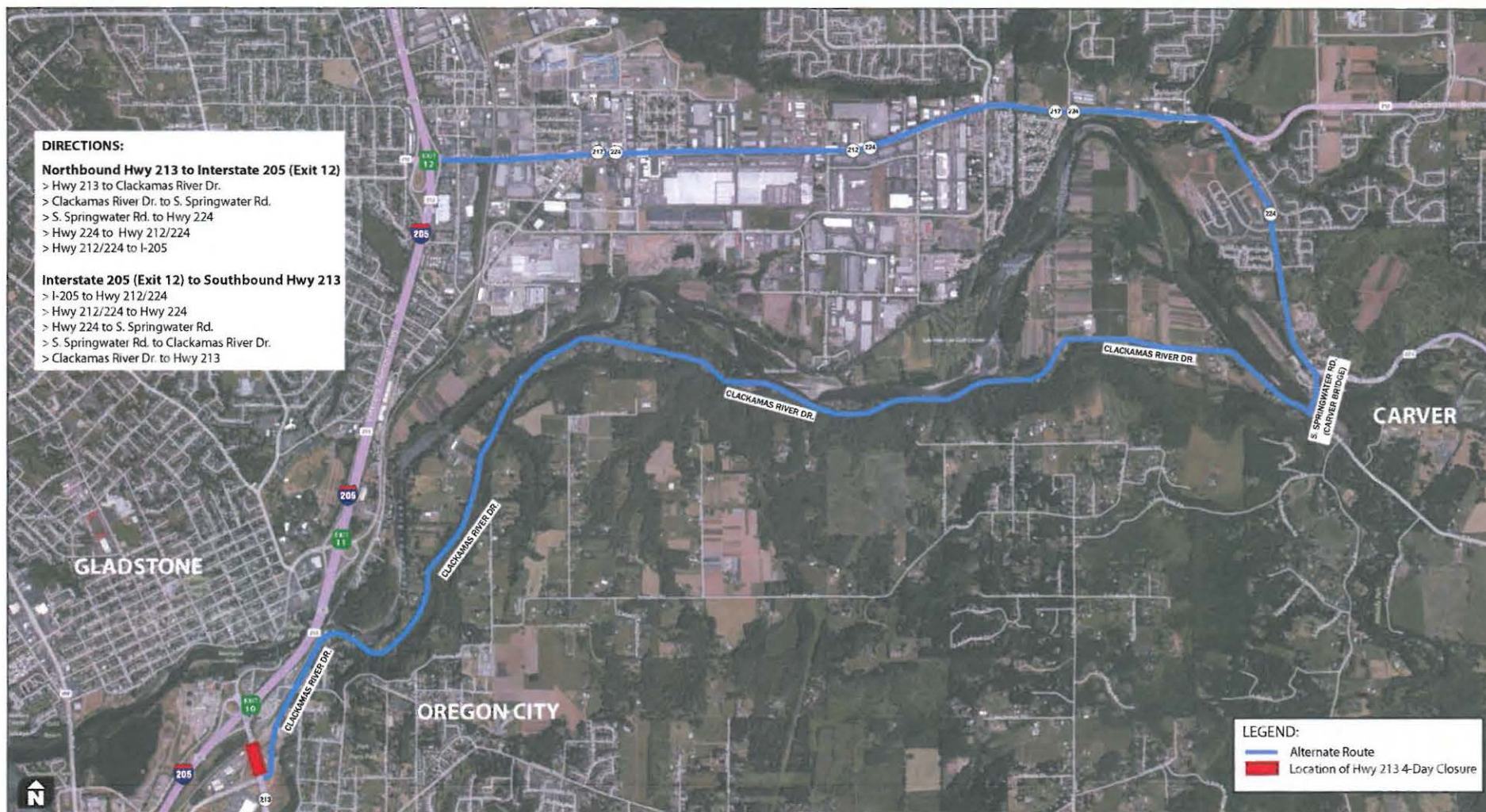
DIRECTIONS:

Northbound Hwy 213 to Interstate 205 (Exit 12)

- > Hwy 213 to Clackamas River Dr.
- > Clackamas River Dr. to S. Springwater Rd.
- > S. Springwater Rd. to Hwy 224
- > Hwy 224 to Hwy 212/224
- > Hwy 212/224 to I-205

Interstate 205 (Exit 12) to Southbound Hwy 213

- > I-205 to Hwy 212/224
- > Hwy 212/224 to Hwy 224
- > Hwy 224 to S. Springwater Rd.
- > S. Springwater Rd. to Clackamas River Dr.
- > Clackamas River Dr. to Hwy 213



**PLAN A
DIFFERENT ROUTE**

4-DAY (104-Hr) CLOSURE HIGHWAY 213 NEAR I-205

8:00 p.m. Thursday, March 22 until 4:00 a.m. Tuesday, March 27



**Heavy traffic congestion and long delays
are likely in and around Oregon City.**

***Steer clear of this area
to prevent GRIDLOCK!***

www.jughandleproject.com

