

City of Oregon City

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

Meeting Agenda Urban Renewal Commission

Wednesday, September 16, 2015

6:00 PM

Commission Chambers

- 1. Call to Order and Roll Call
- 2. Citizen Comments
- 3. Adoption of the Agenda
- 4. General Business
- **4a.** <u>15-507</u> Grand Cove Soil Agreement Revision/Amendment Request

Sponsors: Economic Development Manager Eric Underwood

Attachments: Staff Report

Soil Agreement Signed

Cover Letter-Amendment

Soil Agmt with Commission - First Amdt

EXHIBIT C - LOT 1

EXHIBIT B - NORTH PARK - TRACT D

EXHIBIT A - LOT 2 & EASEMENT AREA

4b. 15-444 The Cove Disposition and Development Agreement Precondition

Requirement: Section 14.2.8 Land Use Approval Applications

Sponsors: Economic Development Manager Eric Underwood

<u>Attachments:</u> <u>Staff Report</u>

Cove DDA Signed
DDA Timeline

2. LAND USE APPLICATION
The Cove DDP Waterfront Res
The Cove TaxLots UPDATED

PHASE 2 - ARCH

WATERFRT-SPEC-EXTERIOR rd

PHASE 2 - CIVIL

EARTHWORK PLAN rd

<u>The Cove Phase 1 NROD Report (PHS# 5511)</u> 2015-07-02-Memo-Floodplain Analysis final copy

Neighborhood mtg

18574 The Cove TIA final report 7-29-2015

0922-Drainage Report-Garden Apart-2015-07-01 copy

Apex 2015 Clackamette Cove Hazard Letter copy 2

The Cove lot tract D

The Cove lot 1,3,4,5,6,7 Tract A,B&C

WATERFRONT RENTS

1. PRE-APP FORM copy 2

4c. 15-516 The Cove Project Disposition and Development Agreement (DDA)

Amendment Request

Sponsors: Economic Development Manager Eric Underwood

Attachments: Staff Report

Cove DDA Signed

#4 Submission Letter DDA Revisions

4d. 15-515 Minutes of the August 19, 2015 Regular Meeting

<u>Sponsors:</u> City Recorder Kattie Riggs <u>Attachments:</u> Minutes of 8/19/2015

- 5. Future Agenda Items
- 6. City Manager's Report

7. Adjournment

Public Comments: The following guidelines are given for citizens presenting information or raising issues relevant to the City but not listed on the agenda.

- Complete a Comment Card prior to the meeting and submit it to the staff member.
- When the Chair calls your name, proceed to the speaker table and state your name and city of residence into the microphone.
- Each speaker is given 3 minutes to speak. To assist in tracking your speaking time, refer to the timer at the dais.
- As a general practice, Oregon City Officers do not engage in discussion with those making comments.

Agenda Posted at City Hall, Pioneer Community Center, Library, and City Web site(oregon-city.legistar.com).

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

ADA: 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 staff member prior to the 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

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

Staff Report

File Number: 15-507

Agenda Date: 9/16/2015 Status: Agenda Ready

To: Urban Renewal Commission Agenda #: 4a.

From: Economic Development Manager Eric Underwood File Type: Report

SUBJECT:

Grand Cove Soil Agreement Revision/Amendment Request

RECOMMENDED ACTION (Motion):

Staff recommends that the Urban Renewal Commission (URC) approve the request from Grand Cove for the proposed Soil Agreement revision.

BACKGROUND:

The Grand Cove Soil Excavation and Site Improvement Agreement was executed on April 20, 2015. The purpose of the Agreement is to authorize Grand Cove, LLC to excavate 87,790 cubic yards of soil from an excavation site located on property owned by the Urban Renewal Agency (URA) to be used on the Grand Cove project site in return for infrastructure improvements on Urban Renewal Agency property. However, the Agreement states that Grand Cove, LLC may not proceed until the URC has approved the Preliminary Excavation Plan and the City has approved the Final Excavation Plan.

The Preliminary Excavation Plan and the amount of soil needed for the Grand Cove project has changed from the time the Agreement was signed last April and the time the Preliminary Excavation Plan was first submitted, thereby necessitating the need for a revision to the Agreement. The request for revision includes a change in the amount of soil to be excavated from URA property, modification in the location from which the soil is to be excavated and a time extension to allow reasonable time for a new preliminary excavation plan to be submitted (documentation attached). Staff suggests a time extension of 60 days from approval of this request for submittal of a revised Preliminary Excavation Plan.

SOIL EXCAVATION AND SITE **IMPROVEMENT AGREEMENT**

DATED:

April 1, 2015

BETWEEN: URBAN RENEWAL COMMISSION OF

THE CITY OF OREGON CITY

PO Box 3040

Oregon City, OR 97045-0304

(the "Commission")

AND:

GRAND COVE, LLC,

a Delaware limited liability company 4582 S. Ulster Parkway, Ste. 1200

Denver, CO 80237

("Grand Cove")

Grand Cove is the contract purchaser of the real property described in attached Exhibit A (the "GC Site"). Grand Cove intends to 244-unit garden apartment project, including construct a infrastructure and amenities (the "GC Project") in the event that Grand Cove closes on the GC Site and purchase fee simple title to the GC Site.

The Commission owns the real property adjacent to the GC Site, which is described on attached Exhibit B (the "Commission Property"). The GC Site and the Commission Property were both previously the site of a mixed-use project to be built by Clackamette Cove, LLC, subject to that Disposition and Development Agreement for the Cove, between the Commission and Clackamette Cove, LLC, dated January 10, 2014, which is now not legally binding and not in effect.

Grand Cove is unrelated to and unaffiliated with Clackamette Cove, LLC. Grand Cove is pursuing the GC Project and the GC Site as a separate, stand-alone garden apartment project. The Commission may enter into a new agreement with Clackamette Cove, LLC for the purchase and development of substantially all of the Commission Property.

Portions of the GC Site are below the 100-year flood plain and cannot be developed unless the elevation of those portions of the GC Site are filled to an elevation above the elevation of the 100-year flood plain. Following the closing of Grand Cove's purchase of the GC Site, Grand Cove desires to extract soil from that portion of the Commission Property described on attached Exhibit C (the "Excavation Site"). The Commission is willing to allow Grand Cove to excavate up to 87,790 cubic yards of soil from the Excavation Site in return for Grand Cove constructing certain infrastructure improvements on the Commission Property (the "Required Infrastructure Improvements") described in Section 3.1 below. The Required Infrastructure Improvements are in addition to other infrastructure improvements that may be required by the City of Oregon City (the "City") through its land use approval process, which will be on portions of the Commission Property or City right-of-way.

NOW, THEREFORE, in consideration of the mutual promises of Grand Cove and the Commission set forth in this Soil Excavation and Site Improvement Agreement (the "Agreement"), Grand Cove and the Commission agrees as follows:

SECTION 1 EFFECTIVE DATE, TERM

1.1 Effective Date.

The "Effective Date" of this Agreement is the last to occur of:

(i) the execution of this Agreement by Grand Cove; and (ii) the approval of

this Agreement by the Commission's Board and the execution of this Agreement by the Chair of the Board.

1.2 Closing Date.

The "Closing Date" for purposes of this Agreement shall be the date on which Grand Cove acquires title to the GC Site.

1.3 Term

The "Term" of this Agreement commences on the Effective Date and continues thereafter until the date that is twelve (12) months after the Closing Date, except for those provisions of this Agreement which explicitly state that they survive any termination. Notwithstanding the foregoing, the obligations of Grand Cove and the Commission under this Agreement shall only become effective as of the Closing Date, except that Section 2.3 shall become effective as of the Effective Date.

1.4 Early Termination

The Agreement will terminate in its entirety and automatically:

(a) upon the termination for any reason of the purchase and sale agreement between Woodley Properties, Inc., as seller and Grand Cove as purchaser relating to the GC Site, or (b) in the event Grand Cove fails to submit preliminary and final Excavation Plans to the Commission and the City Planning Department which are acceptable to the Commission and the City Planning Department when required by Section 2.

SECTION 2 EXCAVATION PLAN

2.1 Excavation Plan

2.1.1 Grand Cove has prepared and has submitted to the Commission, a preliminary excavation plan which is attached as Exhibit D (the "Preliminary Excavation Plan"). The Commission will approve or

approve with conditions or modifications or disapprove, in its reasonable discretion, the Preliminary Excavation Plan within 45 days of the Effective Date. If the Commission timely approves the Preliminary Excavation Plan (with a copy to the Commission), then Grand Cove will prepare and submit to the City Planning Department, within 30 days of the Commission's approval, a final excavation plan (the "Final Excavation Plan"). The Final Excavation Plan must contain the following: (i) a description of that area of the Excavation Site where actual excavation will occur; (ii) a description of the means and methods of the excavation work; (iii) a schedule for implementing the Excavation Plan; (iv) a safety plan that will be in place until the excavation work is complete; (v) a plan showing the elevations and contours of the excavated area after all material to be excavated has been excavated; (vi) a grading plan for the area where the excavation has occurred; (vii) a drainage analysis that shows that the excavated area will not create a pond; (viii) a safety plan (including fencing, if required by the Commission for safety purposes) which demonstrates that the excavated area will not be a potential hazard to the public; and (ix) all other information required by City Code, including but not limited to information necessary to comply with the requirements of the Natural Resources Overlay District.

2.1.2 Grand Cove may not proceed with any excavation unless and until the Commission has approved the Preliminary Excavation Plan, and the City has approved the Final Excavation Plan and no appeal of that final City action has been filed. In the event Grand Cove and the Commission cannot agree on the Preliminary Excavation Plan, or Grand Cove and the City cannot agree on the Final Excavation Plan, this Agreement may be

terminated by either party to this Agreement by written notice to the other party, in which event Grand Cove shall have no obligation to construct the Required Infrastructure Improvements.

2.2 Excavation Easement

- 2.2.1 Assuming the parties have agreed on the Final Excavation Plan, the Commission hereby grants Grand Cove a temporary access easement allowing Grand Cove to come upon the Commission Property in order to have access to and from the area where the excavation will occur and to transport excavated material from the excavation area to the GC Site, and to transport soil from the "Tri-City" site across the Commission Property to the GC Property. This temporary easement will be subject to the requirements of the Final Excavation Plan. This temporary easement will be in effect from the commencement of Grand Cove's excavation and terminate thirty (30) days after Grand Cove has completed the grading plan and safety plan included in the Final Excavation Plan.
- 2.2.2 Grand Cove agrees to repair any material damage to the Commission Property, other than the actual area of excavation, created by Grand Cove's exercise of its easement rights under Section 2.2.1 or the implementation of the Final Excavation Plan.
- 2.2.3 Grand Cove agrees to defend, indemnify and hold the Commission harmless from any third-party claim, loss, damage, injury or liability arising out of or related to Grand Cove's exercise of its easement rights or the implementation of the Final Excavation Plan. Nothing in this Section 2.2 shall be construed to require Grand Cove to indemnify the Commission against any loss or damage arising out of, or resulting from,

any condition existing on or about the Excavation Site prior to the time of Grand Cove's excavations.

2.2.4 Before exercising any of its rights under this Section 2.2, Grand Cove shall provide the Commission with a comprehensive commercial liability insurance policy with coverage in the amount of at least \$2,000,000 and naming the Commission as an additional insured.

2.3 Hazardous Materials

- 2.3.1 The Commission makes absolutely no representation or warranty regarding whether or not the material Grand Cove desires to excavate contains Hazardous Materials. "Hazardous Materials" are any and all substances identified as hazardous under state law and federal law. The Commission shall have no liability to Grand Cove in the event the material excavated by Grand Cove contains Hazardous Materials.
- 2.3.2 Grand Cove will have until the Closing Date to investigate the soil on the Excavation Site. Such right of investigation will include, without limitation, the right to have made, at Grand Cove's expense, any studies or inspections of the Excavation Site that Grand Cove may deem necessary or appropriate, including, without limitation, the taking of soil samples and the conduct of environmental assessment of the Excavation Site. The Commission agrees to cooperate reasonably with any such investigations, inspections or studies made by or at Grand Cove's direction so long as such cooperation is at no expense or liability to the Commission. Grand Cove agrees to repair any material damage to the Excavation Site created by Grand Cove's exercise of its investigation rights under this Section, and Grand Cove agrees to indemnify and hold the Commission

harmless from any mechanic's lien asserted against the Commission or the Commission Property arising out of or resulting from Grand Cove's or its employees', agents', representatives' or contractors' investigations of the Excavation Site. Notwithstanding any other terms and provisions of this Agreement to the contrary, this indemnification obligation of Grand Cove will survive any termination of this Agreement. Nothing in this Section 2.3.2 shall be construed to require Grand Cove to indemnify the Commission against any loss or damage arising out of, or resulting from, any condition existing on or about the Excavation Site prior to the time of Grand Cove's investigations.

2.3.3 In the event that, during the inspections described in Section 2.3.2 above or during the excavation and removal of soil from the Excavation Site to the GC Site, either Grand Cove or its contractor has reason to suspect that the soil being extracted or to be extracted may contain Hazardous Materials: (a) Grand Cove shall immediately cease any ongoing excavation and make full disclosure to the Commission; (b) no further excavation may occur unless and until the Commission has investigated and confirmed, to the reasonable satisfaction of both the Commission and Grand Cove, that Hazardous Materials are not present; and (c) if such confirmation does not occur within sixty (60) days after Grand Cove's initial disclosure to the Commission, then either Grand Cove or the Commission may elect to terminate this Agreement by written notice to the other, in which event neither party shall have any further obligations hereunder except for those obligations that expressly survive termination.

2.4 <u>Charge for Excavated Material</u>

There shall be no charge imposed by the Commission for the material excavated by Grand Cove. The consideration is the performance by Grand Cove of its obligations under this Agreement.

2.5 Grading

After Grand Cove has completed its excavation of material, Grand Cove agrees to implement the grading plan and the safety plan set forth in the Final Excavation Plan, all in accordance with the schedule in the Final Excavation Plan. Grand Cove shall execute this work in a good and workmanlike manner, at Grand Cove's sole cost and expense, lien free and free of any material defects.

2.6 Excess Flood Capacity

The parties acknowledge that the removal of soil from the Excavation Site to the GC Site will create an unbalanced importation of dirt in the flood plain. The City has approximately 22,000 cubic yards of excess flood capacity that was generated from the construction of the "Jug Handle" road improvements. On the Closing Date, the City will transfer this excess capacity to the GC Site for consideration of Ten Dollars (\$10.00).

SECTION 3 REQUIRED INFRASTRUCTURE IMPROVEMENTS

3.1 Improvements

The Required infrastructure Improvements consist of: (i) a full street improvement of Main Street and a round-about, all to City standards, as shown on the plan attached as Exhibit E-1; (ii) a stormwater line, to City standards, as shown on the plan attached as Exhibit E-2; (iii) a pedestrian crossing of Main Street, to City of Oregon City standards, as shown on the plan attached as Exhibit E-3; (iv) a temporary trailhead graveled parking

area, as shown on the plan attached as Exhibit E-4; (v) the removal of invasive, non-native plant material and the planting of native riparian vegetation in a portion of the Natural Resource Overlay Zone as shown on the plan attached as Exhibit E-5; (vi) an earthwork and grading plan as shown on the plan attached as Exhibit E-6; and (vii) a temporary access improvement providing access to Old Agnes Street, as shown on the plan Exhibit E-7 (collectively, the "Required Infrastructure attached as Improvements"). The native riparian vegetation to be planted shall be selected from the City's approved native plant list and shall be consistent with the landscape plan for the area. The area in which such planting will be done shall take into account the location of Main Street and the prohibition against the planting of trees in the public utility easement area). Grand Cove agrees to construct the Required Infrastructure Improvements at its own cost and expense, lien free, in a good and workmanlike manner, and in substantial accordance with Exhibit E (subject to any modifications to such exhibits that are approved by both the Commission and Grand Cove after the date of this Agreement). Grant Cove is required to construct and complete the Required Infrastructure Improvements even if Grand Cove does not excavate and use any or all of the soil which Grand Cove has the right to excavate under the terms of this Agreement. The Commission has the right to require that Grand Cove post a completion bond with the Commission covering the Required Infrastructure Improvements, in a form and from a bonding company reasonably acceptable to the Commission.

3.2 Time of Construction

Grand Cove agrees to construct the Required Infrastructure Improvements during the construction of the GC Project. The construction of the Required Infrastructure Improvements shall commence within thirty (30) days after notice from Grand Cove to the Commission regarding the commencement of construction. The completion of the construction of the Required Infrastructure Improvements shall occur promptly but no later than nine (9) months after the commencement of construction.

3.3 <u>Temporary Construction Easement</u>

The Commission hereby grants Grand Cove a temporary access and construction easement to come upon the Commission Property as may be reasonably necessary for Grand Cove and its contractors, subcontractors, employees and employers to construct the Required Infrastructure Improvements. This temporary construction easement is on the same terms and conditions as the easement referred to in Section 2.2 above, except that it shall not terminate until thirty (30) days after completion of the Required Infrastructure Improvements.

3.4 <u>Inspection</u>

During the construction of the Required Infrastructure Improvements, the Commission's employees shall be entitled to inspect the work at any reasonable time.

3.5 Warranty

Grand Cove warrants that the completed Required Infrastructure Improvements will be in substantial conformance with Exhibits D and E (subject to modifications as described above) and will be free of any material defects or inferior workmanship. This warranty shall have a term of one (1) year after final completion of the Required Infrastructure Improvements.

SECTION 4 GENERAL PROVISIONS

[To be added, subject to approval by all parties.]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first set forth above.

COMMISSION:	URBAN RENEWAL COMMISSION OF THE CITY OF OREGON CITY	
	By: Its:	
GRAND COVE:	GRAND COVE, LLC, a Delaware limited liability company	
	By:	
THE CITY (solely for purposes of acknowledging and agreeing to Section 2.6, Excess Flood Capacity): THE CITY OF OREGON CITY		
	By: Its:	
Approve as to Form by Approve Approve		



4582 S Ulster St Pkwy Suite 1200 Denver CO 80237

720-889-9200 OFFICE 303-991-3143 FAX

September 10, 2015

Mr. Eric Underwood
Economic Development Manager of Oregon City
Mr. John Lewis
Public Works Director
Oregon City Urban Renewal Commission
P.O. Box 3040
Oregon City, Oregon 97045 – 0304

Dear Commissioners, Eric and John:

Attached herewith is a requested amendment (the "Amendment") to the Soils Excavation and Site Improvement Agreement between Grand Cove, LLC ("Grand Cove") and the Urban Renewal Commission of the City of Oregon City (the "Agreement"). The amendments requested are:

1. To allow Grand Cove to excavate up to 5,000 cubic yards of dirt from Lot 1 of Clackamette Cove.

This is required due to the fact that the original site grading plan included the availability of up to approximately 35,000 cubic yards of excess flood capacity that was generated for the construction of the "Jug Handle" road improvements. Although it was not expected that the total of 35,000 cubic yards would be fully utilized, that was the amount that was to be available. In the period from the original site grading plan to the finalization of the Agreement, the City reduced the amount of available excess flood capacity down to 22,000 cubic yards. With final grading analysis completed, it has become necessary to secure approximately an additional 5,000 cubic yards of excess capacity. This reduction requires the utilization of Lot 1 to make up for the loss of the excess flood capacity.

2. To allow more time to complete the Final Excavation Plan.

The Final Excavation Plan is required to include certain items under the terms of the Agreement, and City staff has requested certain additional items. As a result, the Final Excavation Plan will need to incorporate several items that sequentially are not available at this time. More specifically, Grand Cove is currently working with a general contractor to value-engineer the plans and qualify specific sub-contractors such as the excavator. Pricing has been received for the over-all grading; however, at this time an

excavator has not been selected. The scope of work that will be incorporated into the excavator's contract will include these items that are required pursuant to Section 2.1.1 of the Agreement:

"....(i) a description of that area of the Excavation Site where actual excavation will occur; (ii) a description of the means and methods of the excavation work; (iii) a schedule for implementing the Excavation Plan; (iv) a safety plan that will be in place until the excavation work is complete; (v) a plan showing the elevations and contours of the excavated area after all material to be excavated has been excavated; (vi) a grading plan for the area where the excavation has occurred; (vii) a drainage analysis that shows that the excavated area will not create a pond; (viii) a safety plan (including fencing, if required by the Commission for safety purposes) which demonstrates that the excavated area will not be a potential hazard to the public; and (ix) all other information required by City Code, including but not limited to information necessary to comply with the requirements of the Natural Resources Overlay District."

This level of detail is ordinarily included in the "scope of work" within the final subcontractor's (excavator's) contract and is defined during the contract negotiations. Sequentially, we are not at the stage of actually sign an excavation contract.

Further, it would be practical to complete the Land Use Approvals to make sure that Planning has vetted all the plans and Grand Cove has incorporated any revisions that may be requested through that process. Also, specific revisions to the grading have been requested by the Public Works Department that are currently being incorporated.

Grand Cove hereby requests that the Amendment be reviewed and approved by the Urban Renewal Commission to allow the excavation of Lot 1 and the additional time necessary for Grand Cove and its consultants, general contractor and sub-contractors to prepare the requested information.

Further it is requested that the Urban Renewal Commission sign Grand Cove's Land Use Application subject to the Planning Department review of the Application and their submission of a letter with a definitive list of any deficiencies.

Sincerely,

GRAND COVE, LLC

Paul Herskowitz

Manager

FIRST AMENDMENT TO SOIL EXCAVATION AND SITE IMPROVEMENT AGREEMENT

DATED:	, 2015
DITLD.	, 4010

BETWEEN: URBAN RENEWAL COMMISSION OF

THE CITY OF OREGON CITY

PO Box 3040

Oregon City, OR 97045-0304 (the "Commission")

AND: GRAND COVE, LLC,

a Delaware limited liability company 4582 S. Ulster Parkway, Ste. 1200

Denver, CO 80237 ("Grand Cove")

Recitals

On April 1, 2015 the Commission and Grand Cove executed the Soil Excavation and Site Improvement Agreement (the "Agreement"). Any capitalized terms used but not defined in this First Amendment to Soil Excavation and Site Improvement Agreement (this "Amendment") shall have the meanings assigned to such terms in the Agreement.

As set forth in the Agreement, Grand Cove intends to construct a 244-unit garden apartment project, including related infrastructure and amenities (the "GC Project") in the event that Grand Cove closes on the GC Site (the parcel identified as Lot 2 on Exhibit A attached to this Amendment) and purchase fee simple title to the GC Site.

As further set forth in the Agreement, portions of the GC Site are below the 100-year flood plain and cannot be developed unless the elevation of those portions of the GC Site are filled to an elevation above the elevation of the 100-yearflood plain. The Commission owns the real property adjacent to the GC Site, which is described on Exhibit B to the Agreement (the "Commission Property"). Under the Agreement, following the closing of Grand Cove's purchase of the GC Site, Grand Cove will have the right to extract up to 87,790 cubic yards of net usable soil from that portion of the Commission Property identified as the "Excavation Area" in the Agreement, which is designated as "Tract D" on Exhibit A to this Amendment and is depicted in more detail on Exhibit B to this Amendment ("Tract D").

Grand Cove has requested that the Commission agree to allow Grand Cove to extract soil from an additional portion of the Commission Property, designated as "Lot 1" on Exhibit A to this Amendment and depicted in more detail on Exhibit C to this Amendment ("Lot 1"), in order to balance the flood plain. The Commission has agreed to permit the extraction of up to 5,000 cubic yards of net usable soil from Lot 1.

The Preliminary Excavation Plan for Tract D has been approved by the Commission. The Final Excavation Plan has not yet been submitted by Grand Cove to the

City. Due to the complexity of the Final Excavation Plan, and the addition of Lot 1 to the excavation plan, additional time is needed to prepare detailed plans to thoroughly document the Final Excavation Plan. Also, the City desires to review and approve Grand Cove's Land Use Applications for the Concept Development Plan and the Detail Development Plan prior to approving the Final Excavation Plan.

Grand Cove and the Commission desire to amend the Agreement.

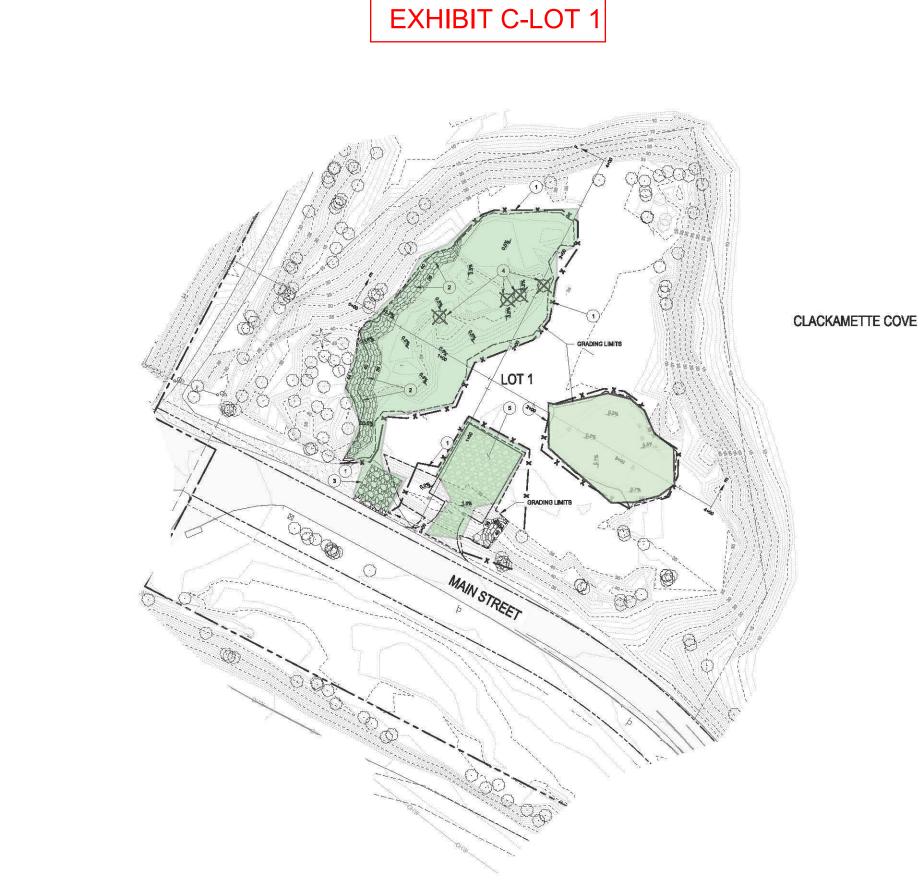
Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grand Cove and the Commission agree as follows:

- 1. Excavation of Soil from Lot 1. The Commission agrees that, in addition to the 87,790 cubic yards of net usable soil that Grand Cove is permitted to excavate from Tract D under the Agreement, Grand Cove may also excavate up to 5,000 cubic yards of net usable soil from Lot 1, in consideration of Grand Cove's construction of the Required Infrastructure Improvements as set forth in the Agreement. Lot 1 shall be deemed to be part of the Excavation Site for all purposes under the Agreement, including, without limitation, for purposes of the easement described in Section 2.2 of the Agreement.
- 2. <u>Preliminary Excavation Plan Lot 1</u>. The Preliminary Excavation Plan for Lot 1 is attached to this Agreement as Exhibit C. The Commission will approve or approve with conditions or modifications, or disapprove, in its reasonable discretion, the Preliminary Excavation Plan for Lot 1 within 45 days of the date of this Amendment.
- 3. <u>Submission of Final Excavation Plan</u>. Section 2.1.1 of the Agreement is hereby revised to provide that the Final Excavation Plan (which shall include both Tract D and Lot 1) is to be prepared and submitted by Grand Cove to the City Planning Department within 60 days following the later of (a) the City's final approval of Grand Cove's Land Use Applications for a revised Concept Development Plan and a Detailed Development Plan, and (b) the Commission's approval of the Preliminary Excavation Plan for Lot 1.
- 4. <u>Effect of Amendment</u>. Except as expressly modified hereby, the Agreement remains in full force and effect in accordance with its original terms. In the event of any conflict between the terms of the Agreement and the terms of this Amendment, this Amendment shall control.
- 5. <u>Counterparts</u>. This Amendment may be executed in any number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall collectively constitute one agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first set forth above.

COMMISSION:	URBAN RENEWAL COMMISSION OF THE CITY OF OREGON CITY
	By:
	Its:
GRAND COVE:	GRAND COVE, LLC, a Delaware limited liability company
	By:
	Its:



LEGEND

- PROPERTY BOUNDARY LINE

- PROPERTY BOUNDARY LINE
- EXISTING MINIOR CONTOUR
- EXISTING MAJOR CONTOUR
- FINISH GRADE 1 FOOT CONTOUR FOR THIS PHASE OF WORK
- FINISH GRADE 5 FOOT CONTOUR FOR THIS PHASE OF WORK
- GRADING LIMITS

- EXISTING TREES

PROPOSED SEDIMENT FENCE

- PROPOSED STABILIZED CONSTRUCTION ENTRANCE

- PROPOSED SLOPE STABILIZATION MATTING

GENERAL EROSION CONTROL & GRADING NOTES:

- ALL SEDIMENT FENCE TO BE INSTALLED IN AREAS SHOWN AT LEVEL CONTOURS.
- THIS SITE WILL BE SUBJECT TO A ZERO TURBIDITY DISCHARGE REQUIREMENT. CONTRACTORS MUST BE PREPARED TO IMPLEMENT ADDITIONAL EROSION AND SEDIMENT CONTROL MEASURES IF THOSE SHOWN ON THIS PLAN ARE INSUFFICIENT.
- ALL DISTURBED AREAS SHALL BE HYDROSEEDED WITH EROSION CONTROL MIX AFTER GRADING HAS BEEN COMPLETED
- ALL FINISH GRADED AREAS TO BE TOPOGRAPHICALLY SURVEYED PRIOR TO PLANTING, PAVING, WINTERIZATION OR ANY FINAL INSPECTIONS TO INSURE THE SITE IS IN COMPLIANCE WITH FLOOD PLAIN BALANCE OF CUT & FILL

GRADING & EROSION CONTROL CONSTRUCTION NOTES:

1 INSTALL SEDIMENT FENCE.

2 INSTALL SLOPE STABILIZATION MATTING

3 CONSTRUCT CONSTRUCTION ENTRANCE

4 REMOVE EXISTING TREE

EARTHWORK QUANTITIES

NOTE:

- FOOTING DRAINS ARE TO BE LOCATED AROUND ALL BUILDINGS AND RETAINING WALLS. TIE FOOTING DRAINS INTO PROPOSED ROOF DRAINS. ELEVATIONS ARE IN TO PROPOSED ROOF DRAINS. ELEVATIONS ARE NOT HAMERICAN DATUM OF 1988 (NAVIDSB)
 OREGING LOTY DESIGN FLOOD ELEVATION (DFE) IS 50.7 FEET NAVIDSB

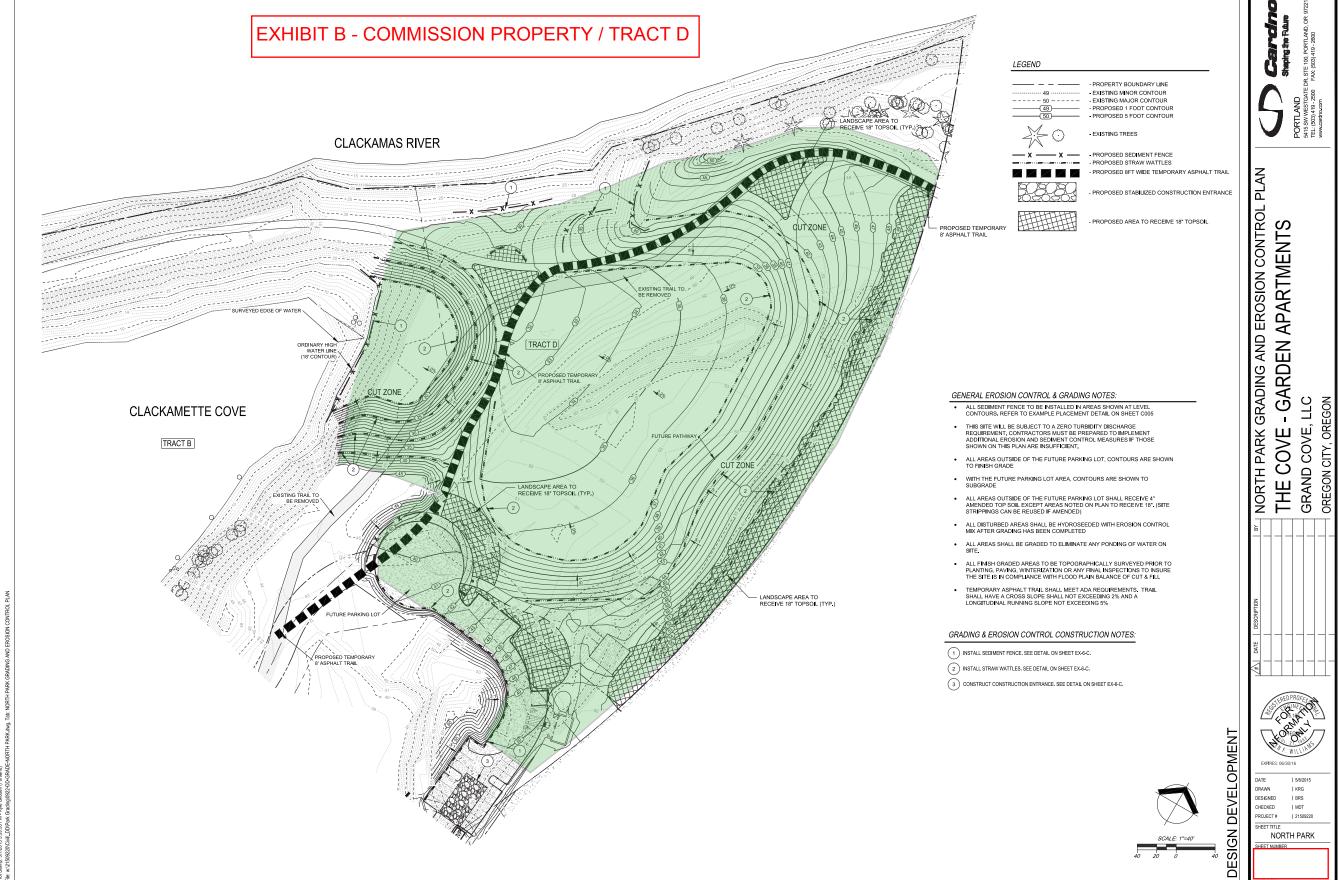


SUBMITTAL DDP

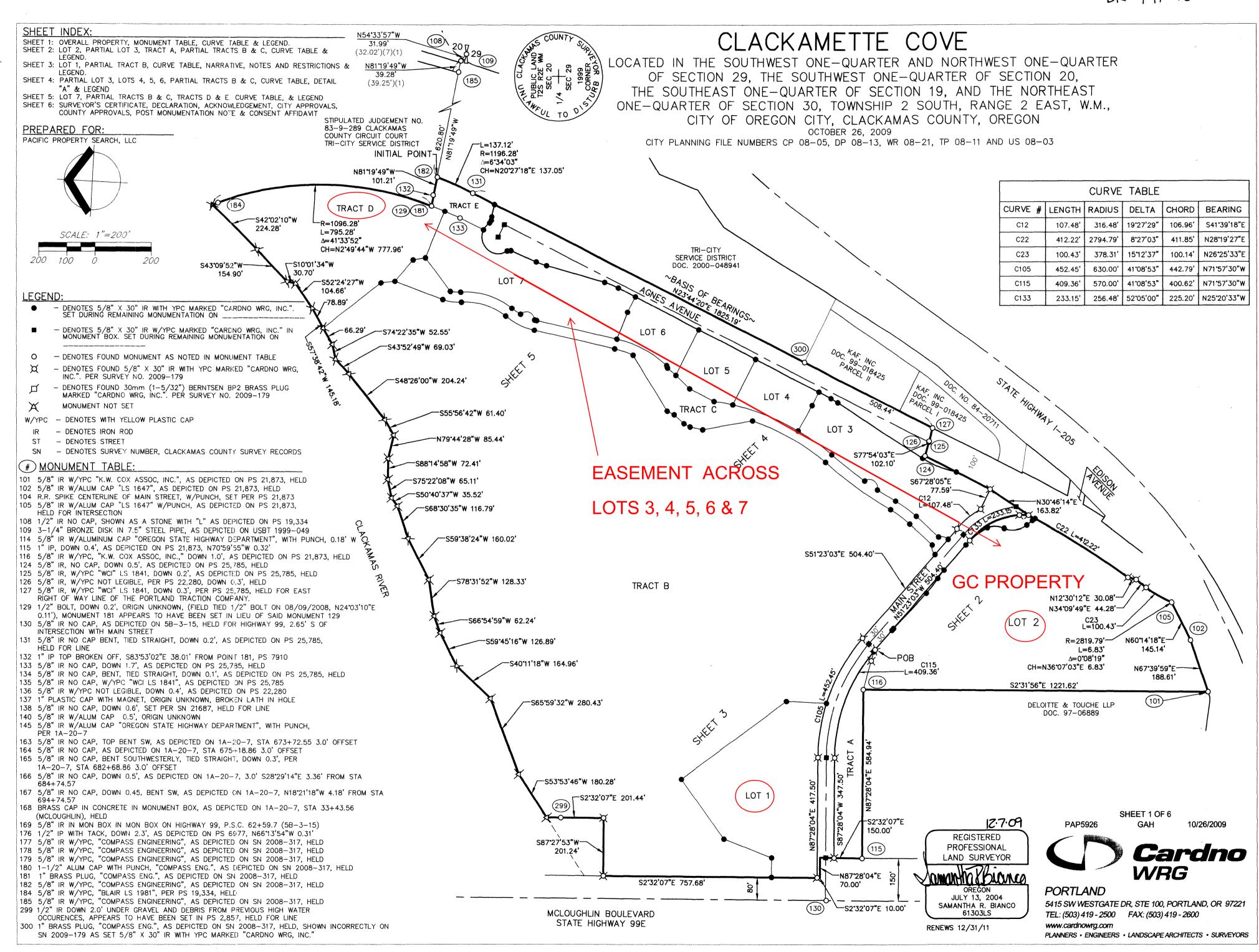
LOT 1 GRADING AND EROSION CONTROL PLAN
THE COVE - GARDEN APARTMENTS
GRAND COVE, LLC
OREGON CITY, OREGON

DRAWN
DESIGNED
CHECKED
PROJECT# | BRS | MOT | 21509220 SHEET TITLE

LOT 1 SHEET MUMBER



BK 141 PG 001 4289





City of Oregon City

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

Staff Report

File Number: 15-444

Agenda Date: 9/16/2015 Status: Agenda Ready

To: Urban Renewal Commission Agenda #: 4b.

From: Economic Development Manager Eric Underwood File Type: Report

SUBJECT:

The Cove Disposition and Development Agreement Precondition Requirement: Section 14.2.8 Land Use Approval Applications

RECOMMENDED ACTION (Motion):

Staff recommends the Urban Renewal Commission review the proposed plans for Phase 2 of the Cove development and approve with conditions or deny the application. The review will determine if the application is consistent with the previously approved plans and if the Urban Renewal Commission would like the applicant to proceed with the development process.

Staff recommends the Urban Renewal Commission add a condition that the Disposition and Development Agreement (DDA) between the Urban Renewal Commission of the City of Oregon City and Clackamette Cove LLC (CCLLC) and the Soil Excavation and Site Improvement Agreement between the Urban Renewal Commission of the City of Oregon City and Grand Cove, LLC. be amended to be consistent with the development application prior initiating construction of Phase 2 of the Cove.

Upon approval of the Urban Renewal Commission, CCLLC will submit a pre-application conference request, followed by the required land use applications to the Planning Division for review. The review process will allow the public and Oregon City staff to analyze the application to determine if it complies with the applicable Oregon City Municipal Code. The documentation has not been previously reviewed by Oregon City staff for compliance with the Oregon City Municipal Code.

In addition, the Urban Renewal Commission is asked to review the Draft Documentation for Review by the Urban Renewal Commission and provide comments. Staff will continue to work with CCLLC to revise the documentation as directed.

BACKGROUND:

The Urban Renewal Commission entered into a Disposition and Development Agreement (DDA) for the Cove with Clackamette Cove LLC (CCLLC) on April 20, 2015 for development of properties near Clackamette Cove owned by the Urban Renewal Agency. The agreement included a description of Phase 2 of the Cove on Lots 3, 4, 6 and 7 along the waterfront with requirements to submit documentation to the Urban Renewal Commission prior to submittal of an application to the Oregon City Planning Division. This review will determine if the application is consistent with the previously approved plans and if the Urban Renewal

File Number: 15-444

Commission would like the applicant to proceed with the development process. Exhibits:

- A. Disposition and Development Agreement (DDA)
- B. Matrix Summarizing the Required Information and Submittal Dates
- C. Proposed Land Use Application for Phase 2 of Clackamette Cove
 - 1. Land Use Application
 - 2. Narrative and Responses to the Oregon City Municipal Code
 - 3. Site Plan
 - 4. Architectural Plans
 - Materials Board
 - 6. Infrastructure (Civil) Plans (Amended Since UR Approval)
 - 7. Earthwork Plan (Amended Since UR Approval)

Includes the Following:

- i. A map showing the areas from which the dirt will be removed and the approximate quantities.
- ii. A map showing the areas which the relocated dirt will be filled.
- iii. A timeframe showing when the earthwork will be performed.
- iv. A plan showing how the project site will be secured from erosion until phase 2 and 3 are complete.
- 8. Maps of Applicable Overlay Districts
- 9. Natural Resource Overlay District Information
- 10. Floodplain Information
- 11. Neighborhood Meeting Information
- 12. Traffic Impact Study
- 13. Preliminary Drainage Report
- 14. Geotechnical Report
- 15. Title Reports
- 16. Proposed Rental Rates
- 17. Pre-Application Submittal

If approved, CCLLC will have 60 days to submit an application for a Pre-application Conference to the Planning Division. Once the application is submitted, CCLLC will then have 45 days to submit final documentation for land use review.

DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE COVE

Between

THE URBAN RENEWAL COMMISSION OF THE CITY OF OREGON CITY

And

CLACKAMETTE COVE LLC

April 1, 2015

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Exhibits

Exhibit A	2013 Master Plan
Exhibit B	Plat of Project Site
Exhibit B-1	Ownership Matrix
Exhibit C	Closing Mechanics

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DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE COVE

DATED:

April 1, 2015

BETWEEN:

URBAN RENEWAL COMMISSION OF

THE CITY OF OREGON CITY

PO Box 3040

Oregon City, OR 97045

(the "Commission")

AND:

CLACKAMETTE COVE LLC,

an Oregon limited liability company

30460 SW Ruth Street Wilsonville, OR 97070

("CCLLC")

The Clackamette Cove development area consists of approximately 89.59 acres which includes an approximately 53-acre man-made lake that is connected to the Clackamas River. The Commission owns approximately 76.04 acres of that area (the "Commission Property"). Formerly, CCLLC had the right to acquire an 11.05 acre portion of the development area but currently Grand Cove LLC, a Colorado limited liability company, has the right to purchase that 11.05 acre portion (the "Apartment Site"). The Tri-City County Service District owns an adjacent approximately 2.5-acre parcel (the "Tri-City Parcel"). The Commission Property, the Apartment Site and the Tri-City Parcel are collectively the "Development."

The Development Site is substantially undeveloped, produces no employment (after the closure of the former Glacier Northwest plant) and produces few taxes. The Development Site has very limited public access and is of poor habitat quality, with excessive slopes bordering the lake and with non-native plants, and is subject to flooding, as evidenced by the 1996 flood which covered most of the Development Site. The area cannot be developed without substantial engineered fill, infrastructure and other site improvements. The Commission has determined that the Development Site is blighted, based upon the Downtown North End Urban Renewal Plan. The Development Site is within the Downtown North End Urban Renewal Area.

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The 89.59-acre project area cannot be developed without a substantial public investment. The costs involved in making the Development Site suitable for development are too great to be incurred by a privately financed development. The extraordinary costs that require a substantial public investment are based upon the following: the Development Site needs very significant fill in order to bring portions of the site above the 100-year flood level, the slopes adjacent to the lake must be regraded, prior fills in the Development Site need to be excavated and re-filled with engineered fill, buried construction debris needs to be excavated and re-filled, topsoil needs to be imported, retaining walls need to be built in order to stabilize regraded slopes, power lines and poles need to be relocated to construct Agnes Street, and steel piles along the lake's shoreline need to be removed or retrofitted for another use. In addition, the Development Site lacks the infrastructure (streets, utilities and public amenities) necessary for a quality mixed-use development.

In 2008, an appraisal of the Development Site (excluding the Tri-City Parcel) was performed, at the request of the Commission, by PGP Valuation, Inc. That appraisal covered a total of 31.39 acres of the Development Site's developable land, consisting of 24.72 acres of building area and 6.67 acres of open space. The assumed development consisted of 244 waterfront condominium units, a commercial plaza with restaurants and office space, and a medical office building development site. Because of the condition of the Development Site and the absence of needed infrastructure, the appraisal determined that the Development Site had a negative value of \$12,070,000. A subsequent 2012 appraisal performed by Colliers International appraised the waterfront land (7.8 acres) owned by the Commission (for multi-family residential) and the Tri-City Parcel (2.5 acres) (for parking for an adjacent proposed office building), and concluded that the Commission property had a fair re-use value of \$2,750,000 but only on the assumption that all deficiencies in the land (noted above) were remedied, and all necessary infrastructure was in place. The cost of preparing the land for development and building the necessary infrastructure has been

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estimated to be \$7,000,000 or more. Thus, based on the 2012 appraisal, the Commission Property still had a negative value.

The Commission desires to see the Development Site developed pursuant to the Downtown North End Urban Renewal Plan. The public benefits from development include: turning a blighted, abandoned industrial area into an attractive mixed-use development; a substantial increase in property taxes (after any applicable tax abatement); significant construction and permanent employment; and numerous on-site public amenities. The Commission agrees that the Development Site cannot be developed without substantial public investment so as to overcome the development challenges inherent in the area described above.

The Commission and CCLLC entered into that Disposition and Development Agreement for The Cove dated September 2, 2009 (the "Original DDA). The Original DDA contemplated a specific 9-phase development plan proposed by CCLLC to be built primarily on the Commission Property and the Apartment Site and a substantial investment of funds by the Commission, subject to numerous pre-conditions. Further, the Original DDA contemplated two disbursements of public funds, each preceded by a contingency period during which CCLLC would have to satisfy numerous pre-conditions.

CCLLC satisfied the pre-conditions in Contingency Period One set forth in the Original DDA. As a result, the Commission and CCLLC closed the first disbursement of Commission funds in January 2010. Through that funding the Commission: (i) acquired that approximately 1.81 acres of land described in the Original DDA as the "Glacier Parcel" at a cost of \$500,000; (ii) acquired that approximately 1.62 acres of land described in the Original DDA as the "Parker Phase 2" property at a cost of \$1,323,000; and (iii) obtained a UCC security interest in all of CCLLC's work product for the development described in the Original DDA at a cost of \$1,176,799 (the "Work Product").

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The Original DDA also contemplated a second and final disbursement of Commission funds in an amount not to exceed \$7,000,000.00, subject to CCLLC satisfying numerous pre-conditions as set forth in the Original DDA by April 15, 2010. These Commission funds were to be used to cause certain construction work to be performed on the Development Site, which work was described as the Phase 1 and Phase 2 Work in the Original DDA. CCLLC did not satisfy those pre-conditions by April 15, 2010 and the Commission extended that deadline to July 15, 2010. CCLLC did not satisfy those pre-conditions by July 15, 2010.

As a result of CCLLC not satisfying those pre-conditions, the Commission and CCLLC entered into that Conditional Reinstatement Agreement dated October 20, 2010 which (i) terminated the Original DDA, (ii) set forth certain unsatisfied pre-conditions, (iii) gave CCLLC until October 1, 2011 the opportunity to satisfy those pre-conditions, and (iv) required that CCLLC deliver its entire Work Product for the project contemplated in the Original DDA to the Commission. If CCLLC satisfied the identified pre-conditions by October 1, 2011, the Commission agreed to reinstate the Original DDA and to allow CCLLC to use the Work Product to construct the project contemplated in the Original DDA. In fact, CCLLC did not satisfy those identified pre-conditions by October 1, 2011 and the Original DDA remained terminated.

CCLLC proposed a revised development plan to the Commission which is set forth in attached Exhibit A (the "2013 Master Plan"). The 2013 Master Plan provided for a four (4) -five (5) phase development of the Development Site. Each phase as described below was a "Phase." CCLLC proposed a revised version of Original DDA, which revised version was agreed to by the Commission and CCLLC, was executed by the parties, and was dated January 10, 2014. In that January 10, 2014 agreement CCLLC proposed to build some or all of the below described Phases. The private development and infrastructure work for each Phase was as follows:

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Phase 1

<u>Private Development</u>: Approximately 244 garden apartment including approximately 8,000 square feet of office use and a recreation building of approximately 3,000 square feet, all to be built on Lot 2 (the "Garden Apartments").

<u>Transportation Infrastructure Work</u>: Improvements on a portion of Main Street adjacent to Lot 2 and a roundabout at the intersection of Main Street and Agnes Street.

<u>Parks Infrastructure Work</u>: Soil removal and grading for North Park and amphitheatre on Tract D, trail head parking and monument sign on Tract A and a path connecting the trailhead parking on Tract A to the sidewalk on Main Street fronting Lot 1 down to Agnes Street.

The Phase 1 Transportation Infrastructure Work and the Phase 1 Parks Infrastructure Work are collectively the "Phase 1 Infrastructure Work."

Phase 2

<u>Private Development</u>: Approximately 195 waterfront apartment units, built to condominium standards, including approximately 11,000 square feet of office use on Lots 3, 4, 6 and 7; potential restaurant space of approximately 1,800 square feet on each of Lots 4 and 6; approximately 1,800 square feet of leasing office on Lot 7; approximately 1,800 square feet of exercise area on Lot 7; and a swimming pool and spa on Lot 7 (the "Waterfront Units").

<u>Transportation Infrastructure Work</u>: Construction of Agnes Street to City of Oregon City standards.

<u>Parks Infrastructure Work</u>: Construction of the Esplanade path and landscaping on Tract C; construction of North Park and an amphitheatre, including paths and landscaping, a parking lot on Tract D; development of a hiking path on the north peninsula; a temporary trail; and the permanent trailhead on Tract A across from Lot 1.

The Phase 2 Transportation Infrastructure Work and the Phase 2 Parks Infrastructure Work are collectively the "Phase 2 Infrastructure Work."

Phase 3

<u>Private Development</u>: A mixed-use building on Lot 1 consisting of approximately 57,000 square feet of space with parking below the building (the "Mixed-Use Building").

<u>Transportation Infrastructure Work</u>: Construction of Main Street along the frontage of Lot 1 to City of Oregon City standards.

The Phase 3 Transportation Infrastructure Work is the "Phase 3 Infrastructure Work."

Phase 4

<u>Private Development</u>: An office building of approximately 65,000 to 80,000 square feet on Lot 5 (the "Office Building"), with a surface parking lot of approximately 272 stalls on the Tri-City Parcel, of which approximately 50 stalls shall be for public parking.

Phase 5

<u>Parks Infrastructure Work</u>: An in-water sports center (the "Water Sports Center") and marinas ("Marinas").

Pursuant to Section 14 of the January 10, 2014 agreement, CCLLC was required to satisfy certain Fundamental Preconditions by August 15, 2014. In fact CCLLC satisfied some but not all of those Fundamental Preconditions by August 15, 2014. As a result, the Commission gave Commission staff a period of time to negotiate a new agreement with CCLLC.

Grand Cove LLC is an affiliate of an accomplished developer of multi-family housing. Grand Cove LLC has entered into a contract of sale pursuant to which Grand Cove LLC has the right to acquire the Apartment Site. The Apartment Site was not and is not part of the Commission Property. The Apartment Site is not subject to this Disposition and Development Agreement for the Cove.

However, the Commission and Grand Cove LLC have entered into that Soil Excavation and Infrastructure Improvement Agreement (the "Grand Cove Agreement"). Pursuant to the Grand Cove Agreement, the Commission has agreed to allow Grand Cove LLC to excavate approximately 87,790 cubic yards of soil from the northerly portion of the Commission Property at no charge and, in return, Grand Cove has agreed to build at its cost

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and expense certain infrastructure improvements including the Phase 1 Transportation

Infrastructure Work and the Parks Infrastructure Work described above.

CCLLC desires to have the right to proceed with Phases 2 through 5 (the "Project") as described above. The Commission is willing to give CCLLC the right to proceed with Phases 2 through 5, but only on the terms and conditions of this Disposition and Development Agreement for the Cove.

NOW THEREFORE, in consideration of the mutual promises of the parties set forth in this Disposition and Development Agreement for the Cove (the "Agreement"), and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

SECTION 1 TERM

The term of this Agreement commences on the Effective Date (defined in Section 17.2) and continues thereafter until terminated pursuant to any other provision of this Agreement that allows a termination.

SECTION 2 PROJECT SITE

The overall Project Site is shown in attached Exhibit B, and attached as Exhibit B-1 is a matrix showing the current ownership of the parcels and tracts included in the Project Site. The Project Site consists of the following parcels:

2.1 Commission Parcel

That approximately 76.04-acre parcel owned by the Commission and described as Lots 1, 3, 4, 5, 6 and 7 and Tracts A, B, C, D and E on attached Exhibit B (the "Commission Property").

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2.2 Tri-City Property

That approximately 2.50 acre parcel of land described on Exhibit B as Tract F, which is owned by Tri-City County Service District (the "Tri-City Parcel").

SECTION 3 PROJECT CONSTRUCTION

3.1 Phase 2 Construction Option

In the event that all preconditions set forth in Sections 14.2 and 14.4 have been satisfied, CCLLC shall have the option, but not the obligation, to construct Phase 2. CCLLC shall be entitled to exercise its option to construct Phase 2 at any time during the twelve (12) months following issuance of Final Approvals, defined in Section 5.3 (the "Option Period"), so long as at the time of exercise of the option, CCLLC is not in default of this Agreement. In order to exercise this option, CCLLC must: (i) give written notice to the Commission during the Option Period, committing to commence construction of Phase 2 within ninety (90) days of CCLLC's notice; (ii) CCLLC must exercise the option set forth in Section 13.2 to acquire Lots 3, 4, 6 and 7, and; (iii) CCLLC must satisfy the requirements of Section 12 with respect to the construction and permanent financing of Phase 2. If CCLLC does not exercise the above option by complying with the above requirements during the Option Period, then the Commission may terminate this Agreement by written notice to CCLLC, which notice shall be effective twenty (20) days after delivery.

3.2 Phase 2 Construction Obligation

In the event that CCLLC has timely exercised its option in Section 3.1 and all of the parties' preconditions set forth in Section 14.2 and 14.4 have been satisfied or waived, CCLLC shall be obligated to construct Phase 2 and CCLLC shall Commence Construction of Phase 2 within ninety (90) days after CCLLC's notice of exercise. If CCLLC fails to Commence Construction of Phase 2 as provided above, and unless the failure is the result of Excused Delay, then the Commission may terminate this Agreement by written

notice to CCLLC, which notice shall be effective twenty (20) days after delivery. Once CCLLC has Commenced Construction of Phase 2, CCLLC shall diligently pursue the Completion of Construction of Phase 2 within twenty-four (24) months after the Commencement of Construction, subject only to Excused Delay. "Commence Construction" or "Commencement of Construction" means that CCLLC has commenced grading and excavation of the land involved in a given Phase, and that a construction loan mortgage or trust deed has been recorded against the land involved in the Phase. With respect to each Phase, "Completion of Construction" means that certificates of occupancy have been issued for the Private Development included in that Phase, and the City of Oregon City (the "City") has determined that any Infrastructure Work included in that Phase has been completed.

3.3 Phase 2 Infrastructure Work

- 3.3.1 In order to enable CCLLC to construct the Phase 2 Infrastructure Work on property that is owned by the Commission and described on Exhibit B-1, the Commission agrees to enter into a form of Construction Easement Agreement, to be agreed upon by the parties, each in their reasonable judgment, which will provide CCLLC adequate access to such property so that CCLLC may construct the Phase 2 Infrastructure Work (a "Construction Easement Agreement"). The Construction Easement Agreement shall provide that the property will not be subject to the lien of CCLLC's construction loan or any other lien or encumbrance arising from CCLLC's construction of Phase 2 Infrastructure Work.
- 3.3.2 As a precondition to CCLLC's right to have access to the Commission's property referred to in Section 3.3.1, CCLLC must post a bond or other form of surety in the contractor's estimated cost of constructing the applicable Phase Infrastructure Work plus 20% (a "Completion Bond"). The Completion Bond shall name the Commission as the beneficiary or indemnitee under the Completion Bond, must be from a surety reasonably acceptable to the Commission and must be in a commercially reasonable form.

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Earthwork. Part of the Phase 2 Infrastructure Work and the Phase 3 3.3.3 Infrastructure Work, involves substantial earthwork consisting of moving dirt from certain portions of the Project Site to other portions so as to raise the development portions of the Project Site above the 100-year flood plain. CCLLC agrees to provide the Commission with an "Earthwork Plan" within sixty (60) days of the Effective Date which shall contain the following elements: (i) a Project Site map showing the areas from which dirt will be removed and the approximate quantities of dirt to be removed; (ii) a Project Site map showing the areas in which the relocated dirt will be filled; (iii) a timeframe showing when the earthwork will be performed; (iv) a plan describing how the Project Site will be secured from erosion from rainwater until the development of improvements has commenced on each of Phases 2 and 3; (v) a proposed form of security (such as a completion bond) assuring the Commission that, once the earthwork has been commenced, it will be completed based on the timeframe in subsection (iii); and (vi) in the event CCLLC elects to remove dirt from the Tri-City Parcel, then an agreement with the Tri-City County Service District agreeing to allow removal of dirt from the Tri-City Parcel as part of the overall earthwork to be performed on the Project Site. The Earthwork Plan must comply with the balanced cut and fill provisions of the Municipal Code of the City of Oregon City. Upon Commission approval of the Earthwork Plan, pursuant to Section 14.2.5, CCLLC must conduct its earthwork in conformance with the approved Earthwork Plan.

3.4 Phases 3 and 4

3.4.1 CCLLC is not obligated to construct either or both of Phase 3 and 4. However, CCLLC has the option to construct either or both of Phases 3 and 4. If CCLLC does not exercise its option under Section 3.1, then the options set forth in this Section 3.4 shall terminate. CCLLC may not exercise its option to construct either or both of Phases 3 and 4 unless and until CCLLC has achieved timely Commencement of Construction of Phase 2. After the Commencement of Construction of Phase 2, CCLLC shall have the option to

elect to construct either Phase 3 or 4. CCLLC may exercise this option right, if at all, within two (2) years after CCLLC has achieved Completion of Construction of Phase 2, and the preconditions set forth in Section 14.5 or 14.6, as applicable, have been satisfied or waived, so long as CCLLC is not in default of this Agreement. CCLLC may exercise its option by delivering written notice to the Commission identifying the Phase which will be constructed. If CCLLC does not give such a written notice of exercise to the Commission within the time period set forth above, then CCLLC shall have no further rights with respect to Lot 1, Lot 5 or the Tri-City Parcel, and the Commission may terminate this Agreement by written notice to CCLLC, which notice shall be effective twenty (20) days after delivery.

- 3.4.2 If CCLLC exercises the above option to construct Phase 3, whether before or after it exercises its option to construct Phase 4, the parties agree to enter into a Construction Easement Agreement covering the property owned by the Commission which is required for construction of the Phase 3 Infrastructure. In addition, CCLLC must post a Completion Bond covering the Phase 3 Infrastructure. CCLLC's exercise of its option to construct Phase 3 is not complete unless and until the parties execute and deliver a Construction Easement Agreement as described above and CCLLC posts the Completion Bond covering the Phase 3 Infrastructure.
- 3.4.3 If CCLLC exercises its option in Section 3.4.1 with respect to either Phase 3 or Phase 4 (the "Elected Phase"), CCLLC shall Commence Construction of the Elected Phase within ninety (90) days of the date of CCLLC's written notice exercising its option. If CCLLC fails to Commence Construction of the Elected Phase as provided above, and unless the failure is the result of Excused Delay, then the Commission may terminate this Agreement by written notice to CCLLC, which notice shall be effective twenty (20) days after delivery. Once CCLLC has Commenced Construction of the Elected Phase, CCLLC shall diligently pursue the Completion of Construction of the Elected Phase within twenty-four

(24) months after the Commencement of Construction of the elected Phase, subject only to Excused Delay.

- 2.4.4 CCLLC shall have the option to construct whichever of Phase 3 or Phase 4 was not the Elected Phase (the "Remaining Phase") at any time during the time period referred to in Section 3.4.1, so long as the preconditions in Section 14.5 or 14.6, as applicable, have been satisfied or waived, and CCLLC has satisfied the requirements of Section 12 with respect to the Remaining Phase, and so long as CCLLC is not in default of this Agreement. CCLLC may exercise its option, if at all, with respect to the Remaining Phase by giving written notice to the Commission. If CCLLC does not give a written notice of exercise to the Commission within the time period set forth above, CCLLC shall have no further rights with respect to the Commission's property upon which the Remaining Phase would have been constructed, and the Commission may terminate this Agreement upon written notice to CCLLC, which notice shall be effective twenty (20) days after delivery.
- 3.4.5 If CCLLC exercises the option referred to in Section 3.4.4, CCLLC shall Commence Construction of the Remaining Phase within ninety (90) days of the date of CCLLC's written notice exercising this option. If CCLLC fails to Commence Construction of the Remaining Phase as provided above, and unless the failure is the result of Excused Delay, then the Commission may terminate this Agreement by written notice to CCLLC, which notice shall be effective twenty (20) days after delivery. Once CCLLC has Commenced Construction of the Remaining Phase, CCLLC shall diligently pursue the Completion of Construction of the Remaining Phase within twenty-four (24) months after the Commencement of Construction of the Remaining Phase, subject only to Excused Delay.

3.5 Phase 5

CCLLC has the option but not the obligation to construct Phase 5. Phase 5 consists of the Water Sports Center and the Marinas. CCLLC may exercise its option to

construct either the Water Sports Center or the Marinas or both. CCLLC may exercise the above option at any time after the Commencement of Construction of Phase 2 and the preconditions in Section 14.7 have been satisfied, so long as at the time of exercise CCLLC is not in default of this Agreement. In the event CCLLC desires to construct Phase 5 or either the Water Sports Center or the Marinas, then CCLLC may exercise its option by written notice to the Commission identifying what CCLLC elects to construct. CCLLC's option with respect to Phase 5 shall terminate within five (5) years after the Completion of Construction for Phase 2. Upon completion of the Water Sports Center, CCLLC agrees to convey the Water Sports Center to the URA, lien free, in sound condition and at no cost to the URA. If CCLLC exercises its option to construct Phase 5 or a portion of Phase 5, CCLLC shall commence construction of Phase 5 or the elected portion of Phase 5 within ninety (90) days of the date of CCLLC's written notice exercising this option. If CCLLC fails to Commence Construction of all of Phase 5 or of the Water Sports Center or Marinas, as elected by CCLLC, as provided above, and unless the failure is the result of Excused Delay, then the Commission may terminate this Agreement by written notice to CCLLC, which notice shall be effective twenty (20) days after delivery. Once CCLLC has commenced construction of Phase 5 or the elected portion of Phase 5, CCLLC shall diligently pursue the completion of Phase 5 or the elected portion within six (6) months after the Commencement of Construction, subject only to Excused Delay.

3.6 Completion of Construction

With respect to any Phase or a component of any Phase, where the Commission has approved of design development plans for such Phase or component of a Phase pursuant to Section 4.1, CCLLC agrees to cause Completion of Construction of that Phase or component of a Phase in conformance with the applicable design development plans for such Phase or component of a Phase as approved by the Commission. With respect to any Phase or a component of a Phase, the Commission may, as part of its

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approval process, require that CCLLC provide the Commission with a completion bond issued by a surety reasonably acceptable to the Commission, enforceable by the Commission.

3.7 Early Termination

In the event CCLLC: (i) fails to Commence Construction of a Phase when required pursuant to this Section 3 or, if after CCLLC has Commenced Construction, CCLLC subsequently abandons construction, or (ii) construction is stopped for a period of sixty (60) days or more, except for an Excused Delay, or (iii) CCLLC defaults on any loan providing funds for the construction of such Phase and the lender initiates a foreclosure action or proceeding, then the Commission may by written notice to CCLLC terminate this Agreement. In the event this Agreement is terminable on account of the events described in (iii), the Commission will not terminate the applicable Construction Easement Agreement if CCLLC's lender for that Phase agrees to assume CCLLC's obligation under this Agreement with respect to the Completion of Construction of that Phase within thirty (30) days on terms and conditions acceptable to the Commission in its sole discretion. Any early termination pursuant to this Agreement, will terminate all of CCLLC's rights with respect to other Phases upon written notice to CCLLC, which notice shall be effective twenty (20) days after delivery.

SECTION 4 INITIAL COMMISSION APPROVALS

4.1 Commission Approval of Phase 2 Design Development Plans

4.1.1 CCLLC agrees to prepare and submit to the Commission for the Commission's review, design development level plans and specifications for the Waterfront Units (the "Phase 2 Design Development Plans") within thirty (30) days after CCLLC and the Commission agree on the Design Standards referred to below. The Phase 2 Design Development Plans must include: more precise information (more than schematic plans) on

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the location of these Project elements, exterior elevations, illustrations of the type and quality of exterior materials, typical floor plans for the various types of units, and a general floor plan for the recreation building as well as a summary of its equipment and features. In addition, Phase 2 Design Development Plans shall include a schedule of proposed rental rates. The Commission has the right, in its sole discretion, to approve, disapprove or approve with conditions the Phase 2 Design Development Plans in its proprietary capacity and not as a land use decision, based upon design standards to be negotiated by the Commission and CCLLC during the period of ninety (90) days after the Effective Date (the "Design Standards"). CCLLC agrees to prepare and submit to the Commission its proposed design standards prior to or with the submittal of the Phase 2 Design Development Plans. If the Commission and CCLLC cannot agree, each in their sole discretion, on the Design Standards within that ninety (90) day period of time, then either party may terminate this Agreement by written notice to the other party, which notice shall be effective twenty (20) days after delivery.

4.1.2 The Commission shall have forty-five (45) days after receipt of the Phase 2 Design Development Plans to either approve, conditionally approve or disapprove of the Phase 2 Design Development Plans in its sole discretion and proprietary capacity. If the Commission takes no action on the Phase 2 Design Development Plans within that period of time, then the Phase 2 Design Development Plans shall be deemed disapproved. If the Commission disapproves (except for a deemed disapproval) of the Phase 2 Design Development Plans, or if CCLLC does not accept the conditions of approval, the Commission will provide CCLLC with a statement of the changes that would be necessary in order for the plans and specifications to be acceptable to the Commission. CCLLC shall have ten (10) days to submit revised plans and specifications, and the Commission shall respond to the revised plans and specifications within thirty (30) days of receipt. If the Commission and CCLLC cannot agree on the Phase 2 Design Development Plans, then either party may

terminate this Agreement by written notice to the other party, which notice shall be effective twenty (20) days after delivery.

4.2 Commission Approval of Phase 2 Infrastructure Work Detailed Plans

- 4.2.1 CCLLC had previously prepared detailed plans for the infrastructure work involved in Phases 2 that describe the physical condition of the land area covered by the infrastructure work, both during and after construction, including, but not limited to: topography, landscaping, hard surface improvements and means of public access. CCLLC submitted the plans for such infrastructure work to the Commission, and the Commission approved such plans. However, changes in the Project from the project contemplated by the Original DDA to the current Project and the Land Use Approval Amendments (defined below) may require changes to the proposed infrastructure. CCLLC agrees to submit to the Commission detailed plans and specifications for the Phase 2 Infrastructure Work within sixty (60) days of the Effective Date of this Agreement. The Phase 2 Infrastructure Work plans and specifications are subject to the approval of the Commission in its sole discretion and in its proprietary capacity.
- 4.2.2 The Commission shall either approve, approve with conditions or disapprove of the Phase 2 Infrastructure Work plans and specifications within forty-five (45) days of their submission to the Commission. In the event that the Commission takes no action on the submitted plans and specifications within that period of time, then the submitted plans and specifications will be deemed disapproved. If the Commission disapproves (except for a deemed disapproval) of the submitted plans and specifications, the Commission will provide CCLLC with a statement of the changes that would be necessary in order for the plans and specifications to be acceptable to the Commission. CCLLC shall have ten (10) days to submit revised plans and specifications, and the Commission shall respond to the revised plans and specifications within thirty (30) days of

receipt. If the Commission and CCLLC cannot agree on the plans and specifications, then either party may terminate this Agreement by written notice to the other, which notice shall be effective twenty (20) days after delivery.

SECTION 5 LAND USE APPROVALS

5.1 Required Approvals

The Project Site is zoned MUD-Mixed Use Downtown which allows the elements of the Project as permitted uses. Within thirty (30) days of the Effective Date, CCLLC agrees to submit to the Commission a listing of all discretionary land use approvals (other than variances or adjustments from development standards) required in order to develop and construct the Project along with a written confirmation from the City of Oregon City confirming that CCLLC's listing of the required discretionary approvals is complete and accurate. The list shall also indicate any land use approvals that have previously been obtained for a prior version of the Project and which are still in effect and applicable to the Project or any amendments to such prior approvals which are required for the Project. If CCLLC does not submit the required list of discretionary land use approvals within the above thirty (30) days, either party may terminate this Agreement by written notice to the other party, which notice shall be effective twenty (20) days after delivery. Each required discretionary land use approval or amendment to an existing land use approval is a "Land Use Approval," and they are collectively the "Land Use Approvals."

5.2 Submission of Land Use Approval Applications

5.2.1 CCLLC agrees to prepare complete applications for the Land Use Approvals so as to permit CCLLC to construct the Project (the "Land Use Approval Applications") and to submit these Land Use Approval Applications to the Commission within ninety (90) days of the Effective Date of this Agreement, along with any other additional Project information requested by the Commission. The Commission shall review the Land

Use Approval Amendments and related Project information within forty-five (45) days of submittal to the Commission. The Commission's review is in its proprietary capacity, not as a land use approval by the City or the Commission and is within the Commission's reasonable judgment. If the Commission fails to act on the Land Use Approval Applications within that period of time, the Land Use Approval Applications will be deemed disapproved. If the Commission disapproves (except for a deemed disapproval) of the Land Use Approval Applications and related information, the Commission shall give CCLLC a written statement of changes to the disapproved Land Use Approval Applications or additional Project information that would need to be made or provided in order for CCLLC to obtain the Commission's approval. CCLLC shall have twenty (20) days to resubmit a revised Land Use Approval Application or revised additional Project information. If CCLLC and the Commission do not agree on the Land Use Approval Applications or the additional Project information within forty-five days of submission, then either CCLLC or the Commission may terminate this Agreement by giving written notice to the other, which notice shall be effective twenty (20) days after delivery.

5.2.2 CCLLC shall submit the Commission approved Land Use Approval Applications and any other City-required Land Use Approvals (approved by the Commission) to the City within forty-five (45) days after Commission approval and thereafter, diligently pursue the City's approval of the Land Use Approvals.

5.3 Requirement of Approval

CCLLC may not proceed with the Project unless the Commission has approved the Land Use Approvals and the Land Use Approvals have been approved by the City, and no appeals have been filed ("Final Approval"). If an appeal to the Land Use Board of Appeals is filed, then the Option Period in Section 3.1 and the calendar dates set forth in

Section 14 shall be extended by the amount of time of the appeal to the Land Use Board of Appeals.

SECTION 6 PUBLIC WORKS, PUBLIC BIDDING

6.1 Infrastructure Work

The Commission has determined that the Phase 2 Infrastructure Work and the Phase 3 Infrastructure Work may each be a "public work" as defined in ORS 279C.800(6)(B). Within sixty (60) days of the Effective Date, CCLLC shall provide the Commission with a determination letter from the State of Oregon, Bureau of Labor and Industries ("BOLI") advising whether or not some or all of the Project is a "public work." If BOLI determines that all of the Project is not a "public work," then CCLLC need not take any further action on this issue. If BOLI determines that some or all of the Project is a "public work," then CCLLC shall either: (i) comply with all requirements of applicable law; or (ii) seek an exemption from the requirements of constructing a "public work."

6.2 Exemption and Compliance

CCLLC shall be entitled to seek a binding exemption from the requirements of constructing a "public work" from BOLI. That exemption request shall be accompanied by a copy of this Agreement. CCLLC acknowledges that it is possible that components of the Project, other than the Phase 2 Infrastructure Work, could be construed to be a "public work." CCLLC agrees to comply with any determination by BOLI, including any denial of the exemption or a determination by BOLI that components of the Project are "public works." If CCLLC obtains an exemption from BOLI, the Commission agrees to allow CCLLC to proceed with the project in compliance with that exemption.

6.3 Public Bidding Exemption

6.3.1 The performance of certain aspects of the construction of the Project involve the construction of "public improvements" as defined in ORS 279A.010. Accordingly, this Agreement, the concrete purchase referred to in Section 10, the Phase 2 Infrastructure Work, the Phase 3 Infrastructure Work and the improvements in the Public Area defined in Section 15.2.1 are subject to the public contracting requirements of ORS Chapter 279C unless exempted by the Commission pursuant to ORS 279C.335. CCLLC may submit a request to the Commission to exempt this Agreement, the concrete purchase referred to in Section 10 and the above components of the Project from competitive bidding as otherwise required under ORS Chapter 279C within ninety (90) days of the Effective Date. The Commission is free to approve or disapprove that exemption action, in its sole discretion, but the Commission agrees to act on that exemption application within thirty (30) days of submittal of a complete application by CCLLC. If the Commission does not grant the exception, then CCLLC shall be required to comply with the statutory requirements applicable to the construction of "public improvements" or give its written notice to the Commission terminating this Agreement, which notice shall be effective twenty (20) days after delivery.

6.3.2 Notwithstanding an exemption of this Agreement from competitive bidding, CCLLC agrees to competitively bid subcontracts for the Phase 2 Infrastructure Work and the Phase 3 Infrastructure Work.

SECTION 7 LAND ASSEMBLY AND VALUATION

7.1 Valuation of Commission Property

The Commission has reviewed the appraisals referred to in the Recitals. The Commission has determined that, given the current unimproved condition of the Commission Property and the cost necessary to bring the Commission Property to a

developable condition, the Commission Property has only a nominal value and that its fair reuse value is nominal in the judgment of the Commission pursuant to ORS 457.230(1).

7.2 <u>Tri-City Parcel</u>

In the event that CCLLC has exercised its option under Section 3.4 to construct Phase 4, CCLLC is not in default of this Agreement, and the preconditions in Section 14.5 have been satisfied, the Commission will use its best efforts to acquire a 65year leasehold estate through a ground lease of the Tri-City Parcel (Tract F), requiring only nominal rent and which is freely assignable by the Commission to CCLLC and with such other terms and provisions that are acceptable to the Commission and CCLLC, each in their sole discretion (the "Tri-City Ground Lease"). If the Commission has been successful in obtaining the Tri-City Ground Lease, then upon CCLLC's acquisition of Lot 5, the Commission will assign the Tri-City Ground Lease to CCLLC, and CCLLC will assume the Commission's obligations under the Tri-City Ground Lease, in the event that the Commission has executed the Tri-City Ground Lease by that time. As a condition of assigning the Tri-City Ground Lease to CCLLC, the Commission will require that CCLLC agree that the public may use the surface parking lot to be built on the Tri-City Parcel at no charge during evenings and weekends and use up to fifty (50) stalls at no charge during normal business hours. These requirements will be included in a separate recordable instrument binding on CCLLC's leasehold estate in the Tri-City Ground Lease. In the event that the Commission is not successful in obtaining the Tri-City Ground Lease, then CCLLC may elect, by written notice to the Commission to be given within sixty (60) days of written notice from the Commission that the Commission was not successful in obtaining the Tri-City Ground Lease, to either: (i) rescind its option electing to build Phase 4 or (ii) proceed to construct Phase 4 without the Tri-City Ground Lease and to provide the parking needed for Phase 4 on Lot 5.

SECTION 8 VERTICAL HOUSING TAX EXEMPTION

8.1 In General

ORS 307.841 et seq. provides for a partial exemption from real property taxes for "vertical housing development projects" as that term is defined in ORS 307.841(7). In order to qualify a development project as a vertical housing development project, the land involved in the project must be within a "vertical housing development zone." The establishment of a vertical housing development zone requires an application from the City to the State of Oregon, Housing and Community Services Department ("HCSD") and the approval of that application by the HCSD. After the approval of a vertical housing development zone, the developer of a vertical housing development project must apply to the HCSD for a certification that the specific project meets the requirements of the definition of a vertical housing development project (ORS 307.841(7)) and meets the approval criteria of the HCSD (ORS 307.857). If a project is certified as a vertical housing development project, the certified project is entitled to a partial exemption from real property for a period of ten (10) years with the amount of the partial tax exemption based on criteria in ORS 307.857 and ORS 307.864 (the "Partial Tax Exemption"). CCLLC intends to apply for the certification of the Waterfront Units as vertical housing development projects, and CCLLC will not proceed with the Project unless: (i) the Waterfront Units are so certified; and (ii) CCLLC is satisfied with the amount of and terms of the Partial Tax Exemption.

8.2 Certifications

CCLLC agrees to submit an application to the HCSD for certification of the Waterfront Units as vertical housing development projects, which application must be submitted within ninety (90) days of the Effective Date. As part of that application, CCLLC shall submit such information as may be required by HCSD to establish the amount and

terms of the Partial Tax Exemption allowed by HCSD to each of the Garden Apartments and the Waterfront Units.

8.3 CCLLC Condition

CCLLC will not proceed to develop any portion of the Project unless and until CCLLC has obtained certification of the Waterfront Units as vertical housing development projects, and CCLLC is satisfied with the amount and terms of the Partial Tax Exemption.

SECTION 9 DREDGING

The parties acknowledge that it may be necessary to periodically dredge material from Clackamette Cove in order to maintain the ecological vitality of the waters of Clackamette Cove and to maintain its utility to occupants of the Project for water dependent and related activities, except for a marina where any marina specific dredging will be the responsibility of the marina owner. In addition, it may be necessary, from time to time, to dredge material from the area where Clackamette Cove meets the Clackamas River so as to allow water and shallow bottom boats to freely move between Clackamette Cove and the Clackamette River. Accordingly, the parties agree to negotiate in good faith the terms of an agreement pursuant to which the parties will cause dredging of Clackamette Cove to occur when and as needed to accomplish the objectives set forth above (the "Dredging Agreement"). The parties agree that the Dredging Agreement shall provide that: (i) all costs and expenses of work covered by the Dredging Agreement shall be paid as follows: (a) the Commission shall pay an amount equal to the lesser of: (i) \$100,000 (adjusted by consumer inflation in the Portland SMSA) or (ii) 50% of the total cost for each dredging project (the "Public Share") and (b) the balance of the total cost for each dredging event shall be paid by CCLLC; (ii) for a fixed, but long term of the Dredging Agreement; and (iii) the Dredging Agreement shall contain a mechanism for allocating CCLLC's share of the cost and expenses among Phases of the Project, applicable in the event CCLLC sells or otherwise

conveys a completed Phase(s) of the Project; (iv) the frequency, location, quantity and methodology shall be determined by a water resource and quality expert; and (v) the obligation of CCLLC to pay its share of the cost and expenses shall be evidenced by a recorded instrument so as to be binding on all completed Phases of the Project which may be sold or otherwise conveyed by CCLLC. The Commission and CCLLC acknowledge that no source of public funding has been determined for the Public Share of the cost of the dredging, and that the Dredging Agreement cannot be consummated unless and until a source of funding for the Public Share has been identified. Any costs, including dredging costs, both initial dredging and maintenance dredging required for the development, construction and operation of a marina, shall be paid exclusively by the developer or owner of such marina.

SECTION 10 PURCHASE OF CONCRETE

CCLLC agrees to purchase all concrete to be used by CCLLC in connection with the construction of the Project from Northwest Aggregates Co. in order to reduce the cost of the Glacier Parcel pursuant to the terms of the Purchase and Sale Agreement dated December 20, 2007 between Glacier Northwest, Inc. (later assigned to Northwest Aggregates Co.) and Pacific Property Search LLC, as amended by that First Amendment dated October 31, 2008 and by that Second Amendment dated November 12, 2009, assuming Northwest Aggregates Co. agrees to supply this concrete at market rates, unless Northwest Aggregates Co. has waived this requirement in writing.

SECTION 11 PUBLIC INVESTMENT

The Commission recognizes the substantial cost of correcting the defects in the Project Site and the substantial cost of building the streets, utilities and public amenities necessary to create an economically viable Project and recognizes that CCLLC is willing to

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pay most of these costs and that these costs will substantially exceed the value of the Commission Property. Accordingly, in order to achieve the public benefits from the Project referred to in the Recitals, the Commission and CCLLC have negotiated and agreed upon a financial contribution from the Commission to reduce CCLLC's net cost in correcting the defects in the Project Site and building the Project's streets, utilities and public amenities. Within thirty (30) days of the Commencement of Construction of Phase 2 in conformance with the requirements of this Agreement, the Commission agrees to reimburse CCLLC the sum of Three Hundred Seventy-Two Thousand Five Hundred Dollars (\$372,500), and within thirty (30) days of the Completion of Construction of Phase 2 in conformance with the requirements of this Agreement, the Commission agrees to reimburse CCLLC the sum of Three Hundred Seventy-Two Thousand Five Hundred Dollars (\$372,500).

SECTION 12 PRIVATE FINANCING

12.1 CCLLC's Equity Partner

members into CCLLC, and upon admission, modifying the Operating Agreement of CCLLC. Within thirty (30) days of the Final Approval of all Land Use Approvals, CCLLC shall submit to the Commission for its review and approval the following: (i) the identities of its new equity members, (ii) a net worth confirmation statement from each equity member's principal bank or certified public accountant (which the Commission shall review as confidential documents), and (iii) the final form of CCLLC's Operating Agreement with approval of that form by the equity members. The Commission shall review the submittals in the Commission's commercially reasonable judgment. In the event that the Commission does not approve of any of the above, the Commission may terminate this Agreement by written notice to CCLLC, which notice shall be effective twenty (20) days after delivery. No construction of the Project may occur without the Commission's approval of the above.

specific Phase of the Project and, in this event, all references to CCLLC with respect to such Phase shall be applicable to such newly-formed entity, and that entity must meet all of the requirements of in this Agreement applicable to that Phase, and the equity members of that entity must submit to the Commission the information in 12.1.1(i), (ii) and (iii) and the new entity's controlling documents within thirty (30) days of the formation of such entity and the execution of its controlling documents for the Commission's review. The Commission shall review the submittals in the Commission's commercially reasonable judgment. In the event that the Commission does not approve of any of the above, the Commission may terminate this Agreement by written notice to CCLLC, which notice shall be effective twenty (20) days after delivery. No construction of the Project may occur without the Commission's approval of the above.

12.2 CCLLC's Project Financing

will need to obtain construction financing and long-term financing from one or more lenders. CCLLC will obtain such financing on a Phase-by-Phase basis. Before CCLLC may commence construction of a Phase, CCLLC shall provide the Commission with a lender-approved term sheet or letter of intent establishing the lender(s)' conditional commitment to make a construction loan and/or a permanent loan for a given Phase (a "Phase Loan Commitment"). The Commission shall have forty-five (45) days to review and either approve or disapprove of a Phase Loan Commitment in the Commission's commercially reasonable judgment. If the Commission disapproves of any Phase Loan Commitment, the Commission shall give CCLLC a written explanation of the basis for its disapproval within thirty (30) days. CCLLC shall be entitled to provide a revised term sheet and letter resolving the Commission's objection within forty-five (45) days of the Commission's decision, and if CCLLC does not do

so, either party may terminate this Agreement by written notice to the other, with the termination effective twenty (20) days after delivery.

- 12.2.2 Within thirty (30) days of the Commission's approval of a Phase Loan Commitment, CCLLC shall provide the Commission with either a lender's loan commitment, signed by the lender, or CCLLC's loan application accepted by the lender. Each of these shall be subject to the Commission's approval process and rights under Section 12.2.1.
- **12.2.3** Within thirty (30) days of the Commission's approval of lender-approved loan commitment(s) or loan application(s) providing financing for a Phase, CCLLC shall submit to the Commission definitive loan agreements for such financings signed by the lender(s) and CCLLC. These loan agreements shall be subject to the Commission's approval process and rights under Section 12.2.1.
- 12.2.4 CCLLC shall not be entitled to commence construction of a Phase or exercise an option to acquire that portion of the Commission Property required for that Phase unless and until the lender(s) close the construction financing for such Phase and gives written notice to the Commission that the lender is prepared to advance funds under the terms of the construction loan agreement.

SECTION 13 CCLLC ACQUISITION OF COMMISSION PROPERTY

13.1 Phase 2 Property

shown on Exhibit B, and the Phase 2 Infrastructure Work will be built on Tracts C and D and the City-owned right-of-way for Agnes Street. Upon Final Approval of the Land Use Approvals for Phase 2, CCLLC shall have the option to acquire fee simple ownership of Lots 3, 4, 6 and 7 (but not the North Park land area) during the one year period after Final Approval of the Land Use Approvals for Phase 2, so long as CCLLC is not in default of this

Agreement. CCLLC may not exercise the above option unless all of the preconditions to proceeding with the construction of Phase 2 set forth in Section 14.4 have been satisfied. If those preconditions have been satisfied within that period of time, then CCLLC may exercise its option to acquire fee simple title to Lots 3, 4, 6 and 7 by written notice to the Commission to be given within the above period of time. If the preconditions in Section 14.4 have not been satisfied within the above period of time or if CCLLC does not give written notice exercising its option as allowed above, then the Commission may terminate this Agreement upon written notice to CCLLC, which notice shall be effective twenty (20) days after delivery.

13.1.2 Upon the proper exercise of CCLLC's option set forth in Section 13.1.1, the Commission will convey fee simple title to Lots 3, 4, 6 and 7 to CCLLC pursuant to the closing mechanics set forth in attached Exhibit C (the "Closing Mechanics") for the consideration of \$10.00. At the closing of the conveyance of Lots 3, 4 6 and 7, the parties will enter into a Construction Easement Agreement covering Tracts C and D. As a condition to closing, CCLLC shall provide the Commission with a Completion Bond for the Phase 2 Infrastructure Work. The deed from the Commission to CCLLC will include a reversionary right which will provide that, if CCLLC does not Commence Construction of Phase 2 within one hundred twenty (120) days after the effective date of the deed, Lots 3, 4, 6 and 7 will revert to the ownership of the Commission and the Commission shall be entitled to terminate this Agreement by written notice to CCLLC which will be effective twenty (20) days after delivery.

13.2 Phase 3 Property

13.2.1 The Phase 3 Mixed-Use Building will be built on Lot 1 as shown on Exhibit B, and the Phase 3 Infrastructure Work will be built on Commission-owned land between Lot 2 and Lot 1. Upon the Commencement of Construction of Phase 1, when and

as required by this Agreement, CCLLC shall have the option to acquire fee simple title to Lot 1 during the period between Commencement of Construction of Phase 2 until two (2) years after Completion of Construction of Phase 2. CCLLC may not exercise the above option unless all of the preconditions to proceeding with construction of Phase 3 set forth in Section 14.5 have been satisfied and so long as CCLLC is not in default of this Agreement. If those preconditions have been satisfied, CCLLC may exercise its option to acquire fee simple title to Lot 1 by written notice to the Commission, to be given within the above period of time. If the preconditions in Section 14.5 have not been satisfied within the above period of time or if CCLLC does not give written notice exercising its option as allowed above, then the Commission may terminate this Agreement upon written notice to CCLLC, which notice shall be effective twenty (20) days after delivery.

13.2.2 Upon the proper exercise of CCLLC's option set forth in Section 13.2.1, the Commission will convey fee simple title to Lot 1 pursuant to the Closing Mechanics for the consideration of \$10.00. At the closing of the conveyance of Lot 1, the parties will enter into a Construction Easement Agreement covering the Commission-owned property which is the site of the Phase 3 Infrastructure Work. As a condition to closing, CCLLC shall provide the Commission with a Completion Bond for the Phase 3 Infrastructure Work. The deed from the Commission to CCLLC will include a reversionary right which will provide that, if CCLLC does not Commence Construction of Phase 3 within one hundred twenty (120) days after the effective date of the deed, Lot 1 will revert to the ownership of the Commission. Commencement of Construction means that a construction loan mortgage or deed of trust has been recorded against Lot 1, and grading and excavation have occurred on Lot 1.

13.3 Phase 4 Property

13.3.1 The Phase 4 Office Building will be built on Lot 5 as shown on Exhibit B and on the Tri-City Parcel. Upon the Commencement of Construction of Phase 2, when and

as required by this Agreement, CCLLC shall have the option to acquire fee simple title to Lot 5, during the period between Commencement of Construction of Phase 2 and two years after Completion of Construction of Phase 2. CCLLC may not exercise the above option unless all of the preconditions to proceeding with the construction of Phase 4 set forth in Section 14.6 have been satisfied and so long as CCLLC is not in default of this Agreement. If those preconditions have been satisfied within the above period of time, then CCLLC may exercise its option to acquire fee simple title to Lot 5, and an assignment of the Tri-City Ground Lease by written notice to the Commission to be given within the above period of time. If the preconditions in Section 14.6 have not been satisfied within the above period of time or if CCLLC does not give written notice exercising its option as allowed above, then the Commission may terminate this Agreement by written notice to CCLLC.

13.3.2 Upon the proper exercise of CCLLC's option set forth in Section 13.3.1, the Commission will convey fee simple title to Lot 5 pursuant to the Closing Mechanics for the consideration of \$10.00. At the closing of the conveyance of Lot 5, the parties will enter into a Construction Easement Agreement covering the Commission-owned property which is the site of the Phase 4 Infrastructure Work. As a condition to closing, CCLLC shall provide the Commission with a Completion Bond for the Phase 4 Infrastructure Work. The deed from the Commission to CCLLC will include a reversionary right which will provide that, if CCLLC does not Commence Construction of Phase 4 within one hundred twenty (120) days after the effective date of the deed, Lot 5 will revert to the ownership of the Commission.

13.4 Phase 5 Submerged Land Lease

In the event that CCLLC elects to construct Phase 5 pursuant to Section 3.5, then within ninety (90) days after receipt of CCLLC's notice given pursuant to Section 3.5, the parties will attempt to agree, each in its commercially reasonable judgment, upon the terms of a Submerged and Submersible Ground Lease covering that portion of the surface

of Clackamette Cove upon which Phase 5 will be located and the submerged land under that surface area. The term of the Submerged and Submersible Ground Lease will be ninetynine (99) years, and the rent will be prepaid in a nominal amount. In the event the parties agree upon the terms of the Submerged Ground Lease and the preconditions in Section 14.7 have been satisfied within the above period of time, then the parties shall enter into the Submerged Ground Lease, and CCLLC shall proceed to construct Phase 5 pursuant to Section 3.5. If the parties do not agree on the terms of the Submerged Ground Lease, then CCLLC shall not have the right to construct Phase 5.

SECTION 14 PRECONDITIONS TO THE PARTIES' OBLIGATIONS TO PROCEED

14.1 In General

The preconditions to the parties' obligations to proceed with the transactions contemplated by this Agreement fall into two categories: (i) the "Fundamental Preconditions" set forth in Section 14.2; and (ii) the special preconditions that are applicable to each Phase and which are not applicable to all Phases and are set forth in Sections 14.3 through 14.7 (the "Phase Preconditions"). Each of the Fundamental Preconditions and the Phase Preconditions are for the benefit of both parties, and any satisfaction or waiver requires the consent in writing of both parties. Unless another standard for consent or approval is specifically stated with respect to a given precondition, each party shall be entitled to determine in its good faith sole discretion whether or not a given precondition is satisfied or will be waived.

14.2 Fundamental Preconditions

The following are the Fundamental Preconditions. The Fundamental Preconditions must be satisfied or waived by both parties by July 1, 2015 unless a different date is set forth below for a specific Fundamental Precondition. If all of the Fundamental Preconditions are not satisfied or waived by the applicable dates, then either party may

terminate this Agreement by written notice to the other party, which notice shall be effective twenty (20) days after delivery. If all of the Fundamental Preconditions are satisfied or waived by both parties by the applicable dates, the parties shall proceed with their respective obligations set forth in this Agreement.

- **14.2.1** The parties shall have agreed on the form of the Construction Easement Agreement referred to in Section 3.3.1.
- 14.2.2 The Commission shall have approved of the form of a Completion Bond, referred to in Section 3.3.2, and the surety CCLLC proposes to issue a Completion Bond.
- 14.2.3 The parties shall have agreed on the Phase 2 Design Development Plans, referred to in Section 4.1, within the time allowed in Section 4.1.
- **14.2.4** The parties shall have agreed on the Phase 2 Infrastructure Work plans and specifications, referred to in Section 4.2, within the time allowed in Section 4.2.
- 14.2.5 The parties shall have agreed on the Earthwork Plan referred to in Section 3.2.3.
- **14.2.6** The parties shall have agreed on the Design Standards referred to in Section 4.1.1.
- **14.2.7** The parties shall have agreed on the Land Use Approval Applications, referred to in Section 5.2, within the time allowed in Section 5.2.
- 14.2.8 CCLLC shall have submitted all Land Use Approval Applications by August 1, 2015.

- **14.2.9** CCLLC shall have received a final determination by BOLI on the "public work" issue referred to in Sections 6.1 and 6.2 within the time allowed under Section 6.1.
- **14.2.10** If CCLLC submits a request to the Commission for an exemption from "public bidding" pursuant to Section 6.3.1, the Commission shall have made a final determination on the requested exemption, and the period for any appeal shall have expired with no appeal having been filed.
- 14.2.11 CCLLC shall have received the determination of the HSCD that Waterfront Units are "vertical housing developments" as described in Section 8.1, and CCLLC shall have approved the Partial Tax Exemption referred to in Section 8.1.
- **14.2.12** The parties shall have agreed on the form of the Dredging Agreement referred to in Section 9.
- Maintenance Plan, referred to in Section 15.1.1; the Memorandum of Private Area Maintenance Plan, referred to in Section 15.1.2; the Private Area Maintenance Lien, referred to in Section 15.1.3; the Public Areas Cost Agreement, referred to in Section 15.2.1; the Public Areas Maintenance Plan, referred to in Section 15.2.1; the Public Areas Maintenance Plan, referred to in Section 15.2.1; the Memorandum of the Public Areas Maintenance Plan, referred to in Section 15.2; and the Public Areas Maintenance Lien, referred to in Section 15.2, and the above documents that are to be recorded pursuant to Section 15.2 shall have been recorded.

14.3 Phase 2 Preconditions to Phase 2

The following are the "Phase 2 Preconditions." The Phase 2 Preconditions must be satisfied or waived within eighteen (18) months of the Effective Date. If the Phase 2 Preconditions are not satisfied within eighteen (18) months of the Effective Date, then either party may terminate this Agreement by written notice to the other party.

- 14.3.1 The Fundamental Preconditions shall remain satisfied or waived, CCLLC shall not be in default or breach of this Agreement, and no early termination shall have occurred pursuant to Section 3.7.
- **14.3.2** CCLLC shall have given notice to the Commission when and as provided in Section 3.1 that CCLLC commits to construct Phase 2.
- **14.3.3** The parties shall have entered into a Construction Easement Agreement for the Commission Property referred to in Section 3.3.1.
- 14.3.4 CCLLC shall have delivered to the Commission a Completion Bond, referred to in Section 3.3.2, with a surety acceptable to the Commission.
- **14.3.5** The Commission shall have approved of all matters regarding CCLLC's equity referred to in Section 12.1, applicable to Phase 2.
- 14.3.6 CCLLC shall have obtained Commission approval of the Phase 2 Loan Commitment and the Phase 2 loan agreements referred to in Section 12.2, and the lender(s) for Phase 2 shall have given the Commission the notice referred to in Section 12.2.4.
- **14.3.7** The parties shall have closed the acquisition by CCLLC of Lots 3, 4, 6 and 7 pursuant to Section 13.1.

14.4 Phase 3 Preconditions

The following "Phase 3 Preconditions" must be satisfied or waived within that period of time referred to in Section 3.4.1 during which CCLLC may exercise the option referred to in Section 3.4.1. If the following Phase 3 Preconditions are not satisfied or waived within the applicable time period, then either party may terminate this Agreement by written notice to the other party.

- 14.4.1 The Fundamental Preconditions shall remain satisfied or waived, CCLLC shall not be in default or breach of this Agreement, and no early termination shall have occurred pursuant to Section 3.7.
- **14.4.2** CCLLC shall have given the Commission written notice pursuant to Section 3.4 that CCLLC commits to construct Phase 3.
- **14.4.3** The parties shall have entered into a Construction Easement for the Commission Property referred to in Section 3.4.2.
- 14.4.4 CCLLC shall have delivered to the Commission a Completion Bond, referred to in Section 3.4.2, with a surety acceptable to the Commission.
- **14.4.5** The Commission shall have approved of all matters regarding CCLLC's equity referred to in Section 12.1 applicable to Phase 3.
- 14.4.6 CCLLC shall have obtained Commission approval of the Phase 3 Loan Commitment, the Phase 3 loan agreements referred to in Section 12.2, and the lender(s) for Phase 3 shall have given the Commission the notice referred to in Section 12.2.4.
- **14.4.7** The parties shall have closed the acquisition by CCLLC of Lot 1 pursuant to Section 13.3.

14.5 Phase 4 Preconditions

The following "Phase 4 Preconditions" must be satisfied or waived within that period of time referred to in Section 3.4.1 during which CCLLC may exercise the option referred to in Section 3.4.1. If the following Phase 4 Preconditions are not satisfied within the applicable time period, then either party may terminate this Agreement by written notice to the other party.

- 14.5.1 The Fundamental Preconditions shall remain satisfied or waived, CCLLC shall not be in default or breach of this Agreement, and no early termination shall have occurred pursuant to Section 3.7.
- **14.5.2** CCLLC shall have given the Commission written notice pursuant to Section 3.4 that CCLLC commits to construct Phase 4.
- **14.5.3** The Commission shall have approved of all matters regarding CCLLC's equity referred to in Section 12.1 applicable to Phase 4.
- **14.5.4** CCLLC shall have obtained Commission approval of the Phase 4 loan agreements referred to in Section 12.2, and the lender(s) for Phase 4 shall have given the notice referred to in Section 12.2.4.
- **14.5.5** The parties shall have closed the acquisition by CCLLC of Lot 5 and the assignment of the Tri-City Ground Lease if the Commission was able to obtain the Tri-City Ground Lease pursuant to Section 7.3.

14.6 Phase 5 Preconditions

The following "Phase 5 Preconditions" must be satisfied or waived within five (5) years of the Completion of Construction of Phase 2. If the following Phase 5 Preconditions are not satisfied within the applicable time period, then CCLLC shall not have the option to construct Phase 5.

- **14.6.1** The Fundamental Preconditions shall remain satisfied or waived, CCLLC shall not be in default or breach of this Agreement, and no early termination shall have occurred pursuant to Section 3.7.
- **14.6.2** CCLLC shall have given the Commission written notice pursuant to Section 3.5 that CCLLC commits to construct Phase 5.

- 14.6.3 The parties have agreed upon the terms of the Submerged and Submersible Ground Lease and shall have executed the Submerged and Submersible Ground Lease.
- 14.6.4 CCLLC shall have obtained Commission approval of the Phase 5 Loan Commitment and the Phase 5 loan agreements referred to in Section 12.2, and the lender(s) for Phase 5 shall have given the Commission the notice referred to in Section 12.2.4.

SECTION 15 MAINTENANCE, PUBLIC AREAS

15.1 Maintenance of Completed Waterfront Units and Garden Apartments

- 15.1.1 The rights and obligations of the parties to proceed with the development of the Project shall be conditional on the Commission and CCLLC agreeing upon a plan for the periodic maintenance and upkeep of the exterior elements of the Waterfront Units (the "Private Area Maintenance Plan"). CCLLC, or upon a sale, CCLLC's purchaser, or in the event the Waterfront Units are converted to condominiums, the applicable unit owners association, shall be responsible, at its expense, to perform all maintenance activities required by the Private Maintenance Plan. Over time, it may be necessary to update and amend the Private Maintenance Plan, and any such amendment shall be mutually agreed upon by CCLLC (or its successor as described above), and the Commission, each in its respective commercially reasonable judgment.
- **15.1.2** The Private Area Maintenance Plan shall be evidenced by a Memorandum of Private Area Maintenance Plan, in a form mutually agreed upon by CCLLC and the Commission and recorded against title to the Waterfront Units prior to the lien of any mortgage or deed of trust (the "Memorandum of Private Area Maintenance Plan").

15.1.3 In the event the Commission reasonably determines that the party then responsible, pursuant to Section 15.1.1 for implementing the Private Area Maintenance Plan, is in breach off the requirements of the Private Area Maintenance Plan, the Commission may give written notice, stating with reasonable particularity the deficiencies which constitute a breach, to the then responsible party. The then responsible party shall be given a reasonable period of time (reasonable in light of the nature of the deficiencies and the time of the year) to cure the deficiencies. If the then responsible party fails to cure the deficiencies during the cure period, then the Commission may implement the necessary actions to cure the deficiencies by giving written notice to the then responsible party of its The then responsible party shall be obligated to reimburse the intention to do so. Commission for the Commission's reasonable out-of-pocket costs in curing the deficiencies, plus interest at the then US National Bank prime lending rate. In order to enforce such reimbursement obligation, CCLLC agrees to record a contractual lien in favor of the Commission prior to the lien of any mortgage or trust deed against title to the Waterfront Units (the "Private Area Maintenance Lien"). The Private Area Maintenance Lien shall be in a commercially reasonable form.

15.2 Maintenance of Public Areas

and the esplanade improvements on Tract C. The Commission or the City shall be responsible for the maintenance and repair of the trailhead and parking area on Tract A, the trail system and the public park on Tract D (collectively, the "Public Areas"). The cost of maintaining and repairing the Public Areas shall be paid by CCLLC through an agreement with the City (the "Public Areas Cost Agreement"). The rights and obligations of the parties to proceed with the development of the Project shall be conditioned on the City and CCLLC agreeing upon a plan for the periodic maintenance and upkeep of the Public Areas (the "Public Areas Maintenance Plan") and agreeing upon the Public Areas Cost Agreement. The

Public Areas Cost Agreement will provide for reimbursement to the Commission or the City at actual cost and will include maintenance standards. CCLLC, or upon a sale, CCLLC's purchaser, or in the event the Waterfront Units are converted to condominiums, the applicable unit owners association shall be responsible for the cost of all maintenance activities required by the Public Areas Maintenance Plan and be bound by the Public Areas Cost Agreement. The Public Areas Maintenance Plan and the Public Areas Cost Agreement shall be enforced through the comparable provisions in Sections 15.1.2 and 15.1.3 through the execution and recording of this "Memorandum of Public Areas Maintenance Plan" and the "Public Areas Maintenance Lien." CCLLC shall evidence the Public Areas Maintenance Plan and the Public Areas Cost Agreement by recording a Memorandum of the Public Areas Maintenance Plan and Cost Agreement against title to the Project Site prior to any mortgage or deed of trust being recorded.

15.2.2 Notwithstanding the provisions of Section 15.2.1, the parties intend that the cost of maintaining and repairing the Public Areas should ultimately be paid by the City to the extent that the City is able to develop a source of public funding. The Commission agrees to work with the City in a good faith effort to develop such a long term, stable funding mechanism.

15.3 Agnes Street Construction and Dedication

CCLLC agrees to construct Agnes Street and Main Street as shown on attached Exhibit A to public street standards. CCLLC agrees to build Agnes Street as a full street improvement during and as part of the Phase 2 Infrastructure Work. CCLLC agrees to dedicate all streets and street segments to the City as the street improvements are completed. The City shall thereafter be responsible for the maintenance of these streets.

SECTION 16 DEFAULT; REMEDIES

16.1 Event of Default

An "Event of Default" shall exist if a party fails to perform an obligation of that party set forth in this Agreement, when and as required by this Agreement, the other party gives notice of such failure, and the failure of performance is not cured within ten (10) days of the effective date of the notice, or if the failure cannot be cured within ten (10) days, the party has not commenced the cure within ten (10) days and thereafter diligently completed the cure. Nothing in the Section 16.1.1 shall be construed to extend any time frame for the performance by CCLLC of its obligations under this Agreement nor the time period during which conditions or preconditions must be satisfied. An Event of Default shall also exist if CCLLC becomes insolvent or is the subject of a voluntary or involuntary bankruptcy, but there shall be no requirement of notice from the Commission and no cure period.

16.2 Remedies

In the case of an Event of Default, the non-defaulting party shall be entitled to pursue all available legal and equitable remedies, including but not limited to the termination of this Agreement.

SECTION 17 GENERAL PROVISIONS

17.1 Excused Delay

"Excused Delay" is a delay in the performances of a party's obligation caused by any of the following: litigation by a third party that challenges a party's ability to perform an obligation under this Agreement, land use appeals by a third party, acts of God, terrorism, unusual weather, strikes, embargoes, or shortages of materials. Excused Delay does not include market conditions or the availability of financing. In the case of an Excused Delay, the period of time for a party's performance of its obligation shall be

extended by the period of the Excused Delay. A claimed "Excused Delay" shall not extend the time for satisfaction of any conditions or preconditions.

17.2 Effective Date

The "Effective Date" is that date by which this Agreement has been executed by both parties.

17.3 Waiver

Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision, nor shall any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself. Any claimed waiver of a provision of this Agreement must be in writing and signed by the party bound by such waiver.

17.4 Prior Agreements

This Agreement is the entire, final, and complete agreement of the parties pertaining to the matters covered by this Agreement, and supersedes and replaces all prior or existing written and oral agreements between the parties and/or their representatives relating to the same matters.

17.5 Notices

Any notice under this Agreement shall be in writing and shall be effective when actually delivered in person, or one (1) business day after being sent by facsimile, with receipt being electronically confirmed or one (1) business day after deposit with a nationally recognized overnight courier service, with charges pre-paid, or three (3) days after being deposited in the U.S. mail, registered or certified, return-receipt requested, postage prepaid and addressed or sent by facsimile to the party at the address or number

set forth below or such other address or number as either party may designate by written notice to the other.

If to the Commission: URBAN RENEWAL COMMISSION OF

THE CITY OF OREGON CITY

PO Box 3040

Oregon City, OR 97045 Attn: City Manager Fax No.: (503) 657-7026

With a copy to: Ball Janik LLP

101 SW Main Street, Suite 1100

Portland, OR 97204 Attn: Stephen T. Janik Fax No.: (503) 295-1058

If to CCLLC: CLACKAMETTE COVE LLC

30460 SW Ruth Street Wilsonville, OR 97070 Attn: Edward E. Darrow

With a copy to: Greene & Markley, P.C.

1515 SW Fifth Avenue, Suite 600

Portland, OR 97201 Attn: Ward Greene Fax No.: 503-295-2668

17.6 Applicable Law; Venue

This Agreement has been entered into in Oregon, and the Project Site is located in Oregon. The parties agree that the laws of the state of Oregon shall be used in construing this Agreement and enforcing the rights and remedies of the parties. Venue shall be in the Circuit Court for Clackamas County, Oregon; provided that, if litigation is properly brought in federal court, venue shall be in the U.S. District Court for the State of Oregon in Portland, Oregon.

17.7 Attorneys' Fees

In the event of litigation to enforce or interpret this Agreement, the prevailing party shall recover its litigation costs, disbursements, paralegal fees, expert fees and attorneys' fees as determined by the judge at trial or upon any appeal or petition for review.

17.8 Condition of Property

The Commission and the City make absolutely no representation or warranty about: The Commission Property; any condition or feature at the Commission Property; the environmental condition of the Commission Property; the ability of CCLLC to develop the Commission Property as intended by CCLLC; the willingness of any Commission, department or division of the City to approve any aspect of the development of the Commission Property or fund any cost necessary for the development of the Project (except for any obligation of the Commission set forth in this Agreement); or any other matter pertinent to the transactions referred to in this Agreement, except as expressly set forth in this Agreement. CCLLC acknowledges that it has and will examine the Commission Property to its own satisfaction and will form its own opinion as to the condition (including environmental condition) and value thereof. CCLLC has not relied on any statements or representations from the Commission, the City or any person acting on behalf of the Commission or the City concerning any of the following: the size or area of the Commission Property; the location of corners or boundaries of any parcel of the Commission Property; the condition of the Commission Property, including, but not limited to, environmental condition above or below the surface of the Commission Property or compliance with environmental laws and other governmental requirements; the availability of utility services to the Commission Property; the ability of CCLLC to use the Commission Property or any portion thereof for any intended purpose; or any other matter affecting or relating to the Commission Property or any portion thereof. CCLLC is acquiring the Commission Property, in the condition existing as of the Effective Date, AS IS, with all defects, if any. CCLLC waives, releases and forever discharges the Commission and the Commission's successors and assigns, of and from all claims, actions, causes of action (except fraud), fines, penalties, damages (including consequential, incidental and special damages), costs (including the cost of complying with any judicial or governmental order), and expenses

(including attorney fees), direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way grow out of or in connection with any physical condition of the Commission Property, including any surface or subsurface condition, or any law, rule or regulation applicable to the Commission Property. The provisions of this Section shall survive the acquisition by CCLLC of a portion of the Commission Property and shall be binding on the CCLLC and CCLLC' successors and assigns.

17.9 Brokerage Commissions

Neither the Commission nor CCLLC have used a real estate broker, agent or finder in connection with this Agreement. Each party (for purposes of this Section, the "Indemnitor") agrees to defend, indemnify and hold harmless the other party (for purposes of this Section, the "Indemnitee") from and against any and all commissions or fees and arising out of the actions of the Indemnitor.

17.10 Invalid Provision

If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be severable, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and not be affected by such illegal, invalid or unenforceable provision or by its severance.

17.11 Statutory Disclosures

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE

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LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

17.12 Time

Time is of the essence in this Agreement.

17.13 Commission Inspection Rights

The Commission shall be entitled at any reasonable time, to come upon any portion of the Project Site for purposes of inspecting the Project Site and CCLLC' development of such portions for purposes of determining CCLLC' compliance with its obligations under this Agreement. The Commission shall comply with any safety regulations generally imposed by CCLLC with respect to construction activities on the Project Site.

17.14 Non-Waiver of Governmental Authority

Nothing in this Agreement shall be construed or interpreted to constitute a waiver of the City of Oregon City's governmental powers or condemnation authority.

17.15 Defined Terms

A word that is capitalized and is not the first word in a sentence or is set off in quotation marks is a defined term. A defined term has the meaning given to it when first used in this Agreement.

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17.16 Exhibits

All Exhibits to this Agreement are an integral part of this Agreement and are

incorporated into the text of this Agreement by reference.

17.17 Assignment

Neither party may assign its right or obligations under this Agreement without

the prior written consent of the other party which may or may not be given in such party's

sole discretion. However, CCLLC may assign its rights and obligations with respect to a

given Phase, subject to the Commission's prior approval in its commercially reasonable

judgment.

17.18 Applicability of City Code

CCLLC shall be obligated in developing the Project to comply with all

applicable provisions of the Oregon City Municipal Code, and this Agreement is not intended

to, and shall not be construed to, waive any applicable provision of the Oregon City

Municipal Code.

IN WITNESS WHEREOF, CCLLC and the Commission have executed and

delivered this Agreement to be effective on the date first set forth above.

COMMISSION:

URBAN RENEWAL COMMISSION OF

THE CITY OF OREGON CITY

Бу._

Its:

NEWAL COMMISSION CHAIR

Approved as to Form by Commission Counsel:

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CCLLC:	CLACKAMETTE COVE LLC, an Oregon limited liability company			
	By: Its:			

EXHIBIT A 2013 MASTER PLAN

907099\v12 A-1

EXHIBIT B

PLAT OF PROJECT SITE

907099\v12 B-1

EXHIBIT B-1

OWNERSHIP MATRIX

907099\v12 B-1-1

EXHIBIT C

CLOSING MECHANICS

Escrowed Closing

Closing wil	occur	through	an	escrow	to	be	administered	by _	
Title Insurance Company,				(the '	`Tit	le C	ompany").		

Date of Closing

Closing of the conveyance by the City to CCLLC of land in the Project Site shall occur on a mutually agreed-upon date which is within thirty (30) days of when: (i) all pre-conditions to closing have been satisfied with respect to the land being acquired by CCLLC; and (ii) the Commission and CCLLC have signed joint escrow instructions to the Title Company establishing, among other things, the closing date and Purchase Price for that Takedown.

3. Condition of Title

Each parcel acquired by CCLLC shall be subject to no liens, encumbrances or exceptions other than: (i) those set forth in that Preliminary Title Report issued by the Title Company dated ______, under Order No. ______; (ii) those granted by CCLLC or arising from the actions of CCLLC; and (iii) the liens in favor of the City referred to in Section 12.

4. Form of Deed

The Commission shall convey each parcel to CCLLC by means of a statutory special warranty deed subject only to the liens, encumbrances and exceptions permitted pursuant to paragraph 3 above.

5. Payment of Purchase Price

CCLLC shall pay the purchase price for each parcel at closing by wire transfer of same-day funds.

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6. Closing Costs

The Commission shall pay one-half of the Title Company's escrow fee and the premium for an ALTA standard form owner's policy of title insurance. CCLLC shall pay one-half of the Title Company's escrow fee, all recording fees and any additional premium for an extended overage policy of title insurance.

7. Brokerage Fees

There shall be no brokerage fees paid through the closing escrow.

8. Title Insurance

At closing, the Commission shall cause the Title Company to issue to CCLLC a standard form ALTA owner's policy of title insurance insuring CCLLC as the owner of the parcel which is the subject of closing, with coverage in the full amount of the purchase price subject only to the Title Company's standards printed exclusions and exceptions and those exceptions permitted pursuant to paragraph 3 above.

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Disposition and Development Agreement for the Cove

DDA Effective Date: April 20, 2015 (Both Parties Signed) Garden Apartments Not Subject to this Agreement

Item #	Date Due	Date Submitted	Date & Person Approved	Notes	DDA Section	Item	Item Complete?
Phase	2						
1	Within 30 days of the Effective Date (May 20, 2015)	5/5/2015	5/5/2015, E. Underwood	Written confirmation from T. Konkol.	General Precondition 14.2.7 (5.1)	CCLLC submits a list of all land use approvals required to construct the project and any previous valid approvals and confirmation from the City that the list is complete and accurate Additional information in section.	Complete.
2	Within 60 days of the Effective Date (6/19/2015)	5/5/2015 7/14/2015	6/10/15, Urban Renewal	No Commission comments when posted in conference room, though the plan has been altered since approval. Plans reviewed by City upon submittal of an application.	General Precondition 14.2.4 (4.2)	CCLLC to submit the Phase 2 Infrastructure Work plans and specifications.	Complete.
3	Within 60 days of the Effective Date (6/19/2015)	5/5/2015 7/14/2015 8/20/2015	6/10/15, Urban Renewal	No Commission comments when posted in conference room, though the plan has been altered since approval. All required documentation has been submitted, though the grading plan is likely to change prior to submittal. Plans reviewed by City upon submittal of an application. CCLLC submitted the form of surety, but it has not been finalized by the City.	General Precondition 14.2.5 (3.3.3)	CCLLC to submit the Earthwork Plan for phase 2. Supporting documentation such as a map of the dirt removal and replacement locations, erosion control plan, a surety form for the earthwork and the Tri-County Service District Agreement is required.	Complete. CCLLC and City are working on finalizing the surety form.
4	Within 60 days of the Effective Date (6/19/2015)	10/1/2014 6/1/2015	12/2014, E. Underwood	Approved w/previous DDA	General Precondition 14.2.9 (6.1 & 6.2)	CCLLC provide a final determination letter by BOLI on the "public work" issue .	Complete.
5	7/1/2015	6/11/2015 8/20/2015	Pending	CCLLC submitted the form of the Completion Bond and is working with the City to finalize the document.	General Precondition 14.2.2 (3.3.2)	The Commission shall have approved of the <u>form</u> of a Completion Bond for Phase 2 infrastructure work (plus 20%).	Complete. CCLLC and City are working on finalizing the Completion Bond form.

6	7/1/2015	6/11/2015 8/20/2015	Pending	CCLLC submitted the Construction Easement Agreement form and is working with the City to finalize the document.	General Precondition 14.2.1 (3.3.1)	The parties have agreed on the <u>form</u> of the Construction Easement Agreement to construct Phase 2 infrastructure.	Complete. CCLLC and City are working on finalizing the Construction Easement Agreement form.
7	7/1/2015	N/A	Pending	City created a draft agreement and sent to CCLLC to review 9/9/2015. CCLLC is working with the City to finalize the document.	General Precondition 14.2.12 (9)	The parties have agreed on the <u>form</u> of the Dredging Agreement.	Complete. CCLLC and City are working on finalizing the Dredging Agreement form.
8	7/1/2015	7/14/2015	Pending	CCLLC submitted the Private Area Maintenance Plan and is working with the City to finalize the document.	General Precondition 14.2.13 (15.1.1)	The Private Area Maintenance Plan is agreed on by both parties. Additional information provided in 15.1.3.	Complete. CCLLC and City are working on finalizing the Private Area Maintenance Plan.
9	7/1/2015	7/14/2015	Pending	CCLLC submitted the Memorandum of Private Area Maintenance Plan and is working with the City to finalize the document.	General Precondition 14.2.13 (15.1.2)	The Memorandum of Private Area Maintenance Plan is agreed on by both parties and recorded prior to mortgage of waterfront units or deed of trust.	Complete. CCLLC and City are working on finalizing the Memorandum of Private Area Maintenance Plan.
10	7/1/2015	7/14/2015	Pending	CCLLC submitted the Private Area Maintenance Lien and is working with the City to finalize the document.	General Precondition 14.2.13 (15.1.3)	The Private Area Maintenance Lien is agreed on by both parties and recorded prior to mortgage of waterfront units or deed of trust.	Complete. CCLLC and City are working on finalizing the Private Area Maintenance Lien.
11	7/1/2015	7/14/2015	Pending	CCLLC submitted the Public Areas Cost Agreement and is working with the City to finalize the document.	Precondition 14.2.13 (15.2.1)	The Public Areas Cost Agreement is agreed on by both parties.	Complete. CCLLC and City are working on finalizing the Public

12	7/1/2015	7/14/2015	Pending	CCLLC submitted the Public Areas Maintenance Plan and is working with the City to finalize the document.	General Precondition 14.2.13	The Public Areas Maintenance Plan is agreed on by both parties.	Complete. CCLLC and City are working on
13	7/1/2015	7/14/2015	Pending	CCLLC submitted the Memorandum of the Public Areas Maintenance Plan and is working with the City to finalize the document. Request to amend DDA to	General Precondition 14.2.13 (15.2)	The Memorandum of the Public Areas Maintenance Plan is agreed on by both parties <u>and</u> <u>recorded</u> .	Complete. CCLLC and City are working on finalizing the Public
14	7/1/2015	7/14/2015	Pending	CCLLC submitted the Public Areas Maintenance Lien and is working with the City to finalize the document. Request to amend DDA to record document later in the construction process.	General Precondition 14.2.13 (15.2)	The Public Areas Maintenance Lien is agreed on by both parties <u>and recorded</u> .	Complete. CCLLC and City are working on finalizing the Public Areas Maintenance Lien. DDA Amendment Requestesd.
15	Within 30 days after CCLLC and the Commission agree on the Design Standards (7/10/2015)	5/5/2015 7/14/2015	6/10/15, Urban Renewal	No Commission comments when posted in conference room, though there have been changes since approval. Plans reviewed by City upon submittal of an application to the Planning Division.	General Precondition 14.2.3 (4.1)	CCLLC submits the Phase 2 Design Development Plans including exterior elevations, building materials board, floor plans, a layout and description of the recreation building, and a schedule of rental rates.	Complete.
16	Within 90 days of the Effective Date (7/19/2015)	7/14/2015	7/14/2015, E. Underwood	CCLLC is not requesting an exemption.	General Precondition 14.2.10 (6.3.1)	If CCLLC submits a request to the Commission for an exemption from "public bidding" pursuant to Section 6.3.1, the Commission shall have made a final determination on the requested exemption, and the period for any appeal shall have expired with no appeal having been filed.	Complete.
17	Within 90 days of the Effective Date (7/19/2015)	6/1/2015	6/1/2015, E. Underwood	N/A	General Precondition 14.2.11 (8.1)	CCLLC received the determination of the HSCD that the Waterfront Units are "vertical housing developments", and CCLLC approved the Partial Tax Exemption.	Complete.

18	Within 90 days of the Effective Date (7/19/2015)	8/20/2015	8/20/2015 E. Underwood	Potential conflict with precondition 14.2.8. Agreement to change Commission submittal date to 8/1/2015 as identified in 14.2.8. City staff will review for compliance with the Oregon City Municipal Code upon submission of an application to the Planning Division.	General Precondition 14.2.7 (5.2)	CCLLC will submit a complete application for Phase 2 to the Commission.	Complete.
19	Prior to or with the Phase 2 Design Development Plans	5/5/2015	6/10/15, Urban Renewal	oards of example finishes and exterior building designs. No Commission comments when posted in conference room. General Precondition 14.2.6 (4.1.1) CCLLC submit Design Standards as referenced in 4.1.1.		Complete.	
20	8/1/2015	See Above	Not Submitted	Potential conflict with section 5.2. Agreement to change Commission submittal date to 8/1/2015 as identified in 14.2.8. City staff will review for compliance with the Oregon City Municipal Code upon submission of an application to the Planning Division.	General Precondition 14.2.8	CCLLC shall have submitted all Land use Approval Applications by August 1, 2015.	Complete.
21	Within 45 days of the Commission Approval of the Phase 2 application.	Not Submitted	Not Submitted	This section requires submittal of the land use application (presumably to the Planning Division) within 45 days of the Commission approval. Request to amend submittal date in DDA.	General Precondition 14.2.7 (5.2)	CCLLC submit Phase 2 application to the City after the Commission has approved it.	Not Submitted. DDA Amendment Requestesd.



Type I (OCMC 17.50.030.A)

☐ Compatibility Review

Community Development - Planning

Type III / IV (OCMC 17.50.030.C)

□ Annexation

221 Molalla Ave. Suite 200 | Oregon City OR 97045 Ph (503) 722-3789 | Fax (503) 722-3880

LAND USE APPLICATION FORM

Type II (OCMC 17.50.030.B)

□ Extension

☐ Non-Conforming Use Review ☐ Natural Resource (NROD) Verification	☐ Detailed Development Review ☐ Geotechnical Hazards ☐ Minor Partition (<4 lots) ☐ Minor Site Plan & Design Review ☐ Non-Conforming Use Review ☐ Site Plan and Design Review ☐ Subdivision (4+ lots) ☐ Minor Variance ☐ Natural Resource (NROD) Review	□ Code Interpretation / Similar Use □ Concept Development Plan □ Conditional Use □ Comprehensive Plan Amendment (Text/Map) □ Detailed Development Plan □ Historic Review □ Municipal Code Amendment □ Variance □ Zone Change
File Number(s):		
1 200	Detailed Development Plan for 195 Waterfront F	Residences
Annamia - Annama - Annama - Anna - Anna	American and a variable of an experience of the second of	
Project Name: The Cove	Number	of Lots Proposed (If Applicable): four lots
Physical Address of Site:		
Clackamas County Map and Tax L	ot Number(s): Lots 3, 4, 6, & 7 of the Plat	of Clackamette Cove & Tracts A, C & D
Applicant(s):		
Applicant(s) Signature:		
Applicant(s) Name Printed:Clac	kamette Cove, LLC	Date:
Mailing Address: 30460 SW Ruth S	treet, Wilsonville, Oregon 97070	- NO - 0.0 - 1.0 -
Phone: 503 702 0009	Fax:	Email: eed1@comcast.net
Property Owner(s):		
Property Owner(s) Signature:		
		Date:
Mailing Address: P.O. Box 3040 Or	egon city, OR 97045-0304	- PO- 4001 - 100-10 - OK - MODE-P-11/12 - MI - 1/18 - 1/18 - PO- 01 - 01 - PO- 0K - 1/100-P-14/01/1/
Phone:	Fax:	_ Email:
Representative(s): Representative(s) Signature:		
Representative (s) Name Printed:	Pacific Property Search, LLC	Date:
Mailing Address: 30460 SW Ruth S	Street, Wilsonville, Oregon 97070	
Phone: 503 702 0009	Fax:	Email:eed1@comcast.net

All signatures represented must have the full legal capacity and hereby authorize the filing of this application and certify that the information and exhibits herewith are correct and indicate the parties willingness to comply with all code requirements.

THE COVE Oregon City, Oregon

An Application for:

Amended Concept Development Plan (CDP)
(Previously submitted by Grand Cove, LLC and referenced here)

Waterfront Residence – Preliminary Detailed Development Plan (DDP)

Natural Resource Overlay District Review Geologic Hazards Overlay Review

Submitted: , 2015

Applicant:

Clackamette Cove, LLC 30460 SW Ruth Street 4801 Wilsonville, Or 97070 (503) 702-0009

Prepared by:

Cardno

5415 SW Westgate Drive, Suite 100 Portland, Oregon 97221 (503) 419-2500

And

Pacific Property Search, LLC 30460 SW Ruth Street 4801 Wilsonville, Or 97070 (503) 702-0009

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EXHIBITS

Exhibit A DDP Application

Exhibit B DDP Plan Sets: Civil & Architectual

Exhibit C Tax Map & Title Report

Exhibit D Pre-App Notes/City Maps (Pre-Application not held at this printing)

Exhibit E Traffic Impact Study

Exhibit F NROD Report

Exhibit G Geotechnical Report

Exhibit H Preliminary Hydrology Report Exhibit I Flood Plain Balance Memo

Exhibit J Site Lighting Details
Exhibit K Materials Board

Exhibit L Neighborhood Meeting Materials (Not held at this printing)

Exhibit M Site Aerial

I. INTRODUCTION

General Information

Applicant: Clackamette Cove, LLC

30460 SW Ruth St. 4801 Wilsonville, OR 97070

Contact: Edward E. Darrow

Cell: 503 702 0009 Eed1@comcast.net

Property Owner—

Lots 3-7 Urban Renewal Agency of Oregon City

Tracts A-D P.O. Box 3040

Oregon City, OR 97045-0304

Tri-City Services District Site Tri-City Services District

150 Beavercreek Road

Oregon City, OR 97045-4302

Applicant's Representative Pacific Property Search, LLC

30460 SW Ruth St. 4801 Wilsonville, OR 97070

Contact: Edward E. Darrow

Cell: 503 702 0009 Eed1@comcast.net

Plat & Tax Lot Information:	Plat Lot Nos.	Tax Lot Nos.
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#1	2800 on Map 22E29
#2	2900 on Map 22E29
#3	3000 on Map 22E29
#4	3100 on Map 22E29
#5	3200 on Map 22E29
#6	3300 on Map 22E29
#7	3400 on Map 22E29

TRACTS

Α	3500 on Map 22E29
В	3600 on Map 22E29
С	3700 on Map 22E29
D	1100 on Map 22E20

PROJECT TEAM

Planning, Civil Engineering,

Landscape Architecture

Architect

Traffic Engineer

Geotechnical Engineer

Wetland Biologist

Cardno

5415 SW Westgate Dr, Suite 100

Portland, OR 97221 (503) 419-2500

Contacts: Read Stapleton, AICP

Mike Towle, P.E. Pat Gaynor, ASLA

Hill Architects

1750 Blankenship Rd, Suite 400

West Linn, Oregon 97068

(503) 305-8033

Contact: Lloyd Hill, AIA

Kittelson and Associates, Inc.

610 SW Alder Ave., Suite 700

Portland, OR 97205

(503) 535-7447

Contact: Brian Dunn

Apex

9615 SW Allen Boulevard, Suite 106

Portland, Oregon 97005

(503) 924-4704

Contact: Stu Albright, PE

Geopacific Engineering

14835 SW 72nd Avenue

Portland, Oregon 97224

(503) 598-8445

Contact: Ben Cook, RG, LG

Pacific Habitat Services

9450 SW Commerce Circle, Ste 180

Wilsonville, OR 97070

(503) 570-0800

Contact: John van Staveren

SUMMARY OF PROPOSAL

PROJECT SUMMARY

On behalf of Grand Cove LLC (GCLLC), an affiliate of a multi-family residential developer based out of Denver, Colorado, Cardno has submitted-a land use application package that will amend the existing Concept Development Plan approval (CP 08-05/CP 09-02) for The Cove master plan to revise the anticipated phasing of improvements identified in the most recent Concept Development Plan approval (CP 09-02) and request other minor adjustments from the approved land uses and design detailed in the previous concept plan submittals.

In addition, this application package requests approval of a Detailed Development Plan (DDP) for the construction of approximately 195 multi-family units within 6 buildings located on the new and improved Agnes Street. In conjunction with this second phase of development, the applicant will be providing second phase infrastructure, including road, trail and utility improvements. It is anticipated that, in addition to the CDP amendment and DDP requests, the applicant will be requesting permit approvals and authorizations under the Geologic Hazards (Chapter 17.44), Flood Management Overlay District (Chapter 17.42) and Natural Resource Overlay District (Chapter 17.49) provisions in the Oregon City Municipal Code (OCMC) for Phase 2 site and infrastructure improvements

LAND USE APPROVAL HISTORY SUMMARY

2008 Concept Development Plan (CP 08-05)

On February 10, 2009 the City of Oregon City issued final approval of a CDP for The Cove, a master planned development surrounding the Clackamette Cove. The CDP proposed that the project would be built in eight phases over 10-years and the record established a CDP expiration date of February 10, 2019. The CDP identified that the project would be developed with the following land uses:

- 224 Condominium Units for lease—Lots 3, 4, 6 & 7;
- 8,000 square foot high turnover restaurant;
- 8,000 square foot "quality" restaurant;
- 42,300 square feet of general office; and,
- 80,000 square feet of medical office

2008 Detailed Development Plan (DP 08-13)

Concurrent with the 2008 CDP request, a prior applicant (Woodly Properties, Inc.) requested approval of a detailed development plan for anticipated Phase 1 site improvements. The DDP included:

- · Mass grading
 - Multi-family apartment area
 - North Park
 - Mixed Use Building and parcel south of Main Street
 - Water Quality Resource Area (Main St and Mixed Use Building)
- Infrastructure

- Main Street (fully improved)
- o Agnes Avenue
 - Half street improvements up to North Park
 - 20-ft paved width to Washington
- Utilities in Agnes up to North Park
- North Park final landscape improvements
- Water Quality Area landscaping around mixed-use building

2008 Water Resource Review (WR 08-21)

At the time that the 2008 CDP application was vested, the OCMC included Chapter 17.49, Water Quality Resource Overlay District, which included provisions regarding riparian buffer requirements. On The Cove site, the standard buffer width from the ordinary high water line (OHWL) of the Clackamette Cove was 250-feet. Through the Water Quality Resource and CDP review, the applicant requested, and the City granted, approval of a reduction of the Water Quality Resource Area (WQRA) from 250-feet to 50-feet. The applicant also requested a limited encroachment into the 50-foot buffer for the purposes of constructing a mixed use office building on Lot 1 of the development. The establishment of a 50-foot buffer through the 2008 CDP review remains valid.

2008 Subdivision Review (TP 08-11)

Included with the suite of approvals was a proposal to subdivide parent parcels within the aggregated Cove master plan site. The City approved this request in conjunction with the package of requested land use approvals.

2008 Geologic Hazards Review (US 08-03)

The 2008 application package included a request for review under OCMC 17.44, US – Geologic Hazards. Site conditions that triggered this review included steep slopes adjacent to the south and southeast bank of Clackamette Cove. The applicant provided a geotechnical report prepared by Ash Creek Associates to validate project compliance with the applicable standards of OCMC 17.44.

2009 Concept Development Plan Amendment (CP 09-02)

Shortly after the original CDP (CP 08-05) was approved, the Applicant submitted a CDP amendment request filed by the City under CP 09-02. This amendment request sought to add approximately 2.5 acres of land from the "Tri-City" property to the master plan boundary, thereby increasing the total site area to 95-acres (including the 46-acres of the Clackamette Cove waterbody). Additional changes were requested in the 2009 amendment that requested the following modifications:

 Reduce the footprint of a mixed use building on Lot 1 - located in the southwest corner of the site by 10 feet in width on each side and add retail uses within the building. This removed an encroachment into the buffer.

- Remove two of the approved access drives in the Waterfront Residence parking area to allow for a gentler slope transition into the basement parking area of the units.
- Relocate 80,000 square feet of mixed use building area from the Glacier site to an area located between Waterfront Residence buildings 3 and 4. Waterfront Residence buildings 3 and 4 were reduced by 22 residential units each to accommodate the addition of the mixed use building, resulting in a total of 180 condo residential units in six buildings.
- Add up to 220 apartments or up to 80,000 square feet of office use on the Glacier site.
- Add the approximately 2.5 acre Tri-City property to the concept master plan boundary.
- Relocate a proposed recreation facility along the north side of Main Street to the apartment site and remove the associated on-street parking along Main Street.

The table below identifies the changes in land uses for The Cove as requested and approved under CP-09-02.

Land Use	2008 CDP Approval (CP 08-05)	2009 CDP Amendment (CP 09- 02)
Condominiums	224 units. Lots 3, 4, 6 & 7	180 units. Lots 3, 4, 6 & 7
Apartments	0	220
Retail Sales		3,520 SF. Lot 1
HighTurnover Restaurant	8,000 SF. Lot 1	6,750 SF. Lot 1
Quality Restaurant	8,000 SF. Lot 1	6,800 SF. Lot 1
General Office	42,300 SF. Lot 1	51,920 SF. Lot 1
Medical Office	80,000 SF. Lot 5	80,000 SF. Lot 2

The City approved the CDP amendment request and issued a notice of decision on October 16, 2009. The CDP modification request did not request an extension of the proposed CDP modification and therefore the original expiration of the master plan on February 10, 2009 remains unchanged. Conditions of approval were issued with the 2009 modification that amended and supplemented the conditions of approval issued under CP 08-05.

2009 Detailed Development Plan (DP 09-01)

Consistent with the changes proposed to the master plan under CP 09-02, the applicant proposed the following updates to the DDP with the 2009 amendment request:

Phase 1

- 1. Relocate the public restrooms in the park to a location adjacent to the northwestern parking lot, near the entrance to the amphitheater park area.
- 2. Increase the right of way for Agnes Street from 60 feet to 65 feet east of the northeast traffic circle to accommodate increase drainage swales.
- 3. Construct Agnes Street with half street improvements leading to the North Park and a 20-foot paved section to Washington Street.
- 4. Install landscaping at the monument at Main Street, near Firestone Alley, with Phase IV rather than Phase I as indicated in the 2008 CDP/DDP request.
- 5. Construct a 28 stall parking lot as required per condition of approval 2 from Planning File CP 08-05.

Phase 2

- 1. Alter the phasing of the grading of condos 3 and 4 to occur with Phase IV.
- 2. Complete environmental restoration of the northwestern peninsula in Phase IV to coincide with the development of the first phase of condominium buildings.

PROJECT DESCRIPTION - PHASE 2

The proposed CDP Amendment, submitted earlier by Grand Cove, LLC and at the time of this submission is still pending and DDP includes updates to site grading; NROD mitigation plantings; floodplain grading activities; road improvements; a Trailhead parking on Tract A Agnes Street; and updates to the phasing plan. A more detailed summary of how the requested changes impact the permits is noted below:

1. Grading

North Park: The North Park site will be excavated per the grading plans in order to obtain approximately 88,000 cubic yards of usable fill material for the Garden Apartment project (Phase 1 – Lot 2) and to bring the North Park site to its final design grade. Ultimate grades at the Waterfront Residences (Lots 3, 4, 6 & 7) site will require finished floor elevations at approximately 52 feet or greater see Sheet C18 Civil Engineering. As shown on Sheets C29, C30 Civil Engineering DDP submission & Sheet C5 Civil Engineering DDP submission the proposed floodplain fills for Phase 2 are balanced by removing 74,000 cubic yards of material from Lot 1 and 3,000 cubic yards of material from Main Street. Subject to final grading design it may be necessary to utilize a portion of the Tri-city stock pile. In total, these excavations balance the floodplain fill associated with the garden apartments and Waterfront Residences. In addition to this balance of cut and fill within Phase 1and 2, it is anticipated that future development phases will also be developed in a manner that will result in a balance of floodplain fill and excavation

During Phase 1 the grading at the North Park will include work within the geologic hazard overlay, which is designated for areas with a slope of 25% or greater. A portion of site grading will occur within the Natural Resource Overlay District (NROD) and the proposed 50-foot buffer to remove the existing trail and to remove soil near the northeast corner of the Cove for transfer to the Phase 1 project. Additionally, upon completion of this excavation, the park area will be hydro-seeded for stabilization until the final park improvements occur with Phase 2. Phase 2 will include the finish improvements to the North Park as shown in Civil Sheets C29, C30, C31, C32, C33 and C34.

Waterfront Residences: Soil transferred from Main Street and Lot 1 will be used to bring the 6 proposed buildings and associated parking area above the base flood elevation, which is 50.7 feet North American Vertical Datum of 1988 (NAVD 88), per Oregon City standards. Additional grading will occur for internal drive aisles and parking, as well as grading along the site perimeter for transitions from the building pads to the Esplanade and down to and above the ordinary high water mark (OHWM). The internal drive aisles and parking area will be above the base flood elevation as will be the newly improved Agnes Street.

2. Shoreline Restoration

- a. The original CDP/DDP application approved in 2008 included a Water Quality Resource Area (WQRA) Assessment conducted by Pacific Habitat Services (PHS). This assessment, as confirmed and approved by City staff in the staff report and recorded in the final Planning Commission decision, validated a reduction in the WQRA buffer from 200-feet to 50-feet, with stream restoration plantings for areas where development would encroach into the 50-foot buffer. Since that time, the WQRA has been updated and reclassified as a natural resources design overlay (NROD) with the same restrictions, mitigation requirements, and vegetated buffer standards as previously reviewed and approved in 2008.
- b. The proposed DDP request includes specific areas of construction within the 50-foot setback from the Clackamette Cove ordinary high water mark (OHWM). These encroachments were also identified in the former approval, on page 43 of the staff report for CDP 08-05. Potential work and impacts to the vegetated corridor within the Phase 2 construction area will not extend farther into the resource area or create additional impacts in the select areas of encroachment from the original scope of work and design provided in the original submittal. Areas of encroachment include:
 - Approximately 2,000 lineal feet of grading above the ordinary high water mark (OHWM) fronting the Waterfront Residences and will encroach 25 to 30-feet into the 50-foot buffer.
- c. To mitigate for these select areas of buffer encroachment, the proposed project will enhance shoreline areas adjacent to these encroachments through the removal of non-native vegetation and installation of native plants. These activities will improve shoreline habitat, water quality, and bank stability and will reduce erosion. Additional restoration activities will occur for the remainder of the shoreline area in future construction phases.

3. Floodplain activities

a. As noted above the proposed Phase 2 grading activities will involve approximately 77,000 cubic yards of floodplain fill, with compensatory floodplain storage created through a combination of excavation/construction of Main Street and Lot 1.

4. Road Improvements

Phase 2 road improvements are limited to Main Street improvements extending from the most Westerly property line of Lot 2 West up to and including the Tract A Trailhead parking improvements.

Main Street: Proposed roadway design and construction for Phase 1 will include the improvement of approximately 650 lineal feet of Main Street along the north side of the apartment project site and approximately 720 lineal feet on the east side of the apartment site.

On the north side of the apartment project, Main Street will be a shed section and on the east side of the apartment project the road will be a crown section. The existing and proposed cross sections of Main Street are noted below. Main Street improvements in Phase 2 will include approximately 500 lineal feet connecting to the Phase 1 improvements up to and including the Trailhead parking area. Balance of Main Street will be completed with improvements to Lot 1.

- a. **Roundabout Intersection with Agnes Street:** The roundabout will be designed as originally planned, with improvements and dimensions as summarized in the table below.
- b. **Agnes Street:** Fully improved from the round-about up to and including the parking at the North Park. Also included is a 20 ft paved street from Agnes to Washington street.

Road Section	Existing	Proposed
Main Street North (Shed Section)	60' ROW: 37' paved width (2) 11' travel lanes Shoulders with varying width from 3 to 10-feet	60' ROW: (2) 11' travel lane (2) 6' bike lanes (1) 4.5' planter strip with 0.5' curb (east side, along Cove) (1) 8' sidewalk (east side, along Cove)
Main Street South (Crown Section)	60' ROW: 33-37' paved width (2) 11' travel lanes Shoulders with varying width from 3 to 10-feet	60' ROW: (2) 11' travel lane (2) 6' bike lanes (2) 6.5' planter strips with 0.5' curbs (1) 6' sidewalks
Agnes	NONE	65' ROW: (2) 11' travel lanes (1) 6' bike lanes (1) 6.5 planter strips with 0.5 curbs (1) Water Quality Swale

5. Trailhead Parking Lot

A 14 space Trailhead parking lot will be constructed on Tract A. This will replace the temporary Trailhead parking constructed in Phase 1. See Civil - Sheet C8 for location and design of the Trailhead parking.

6. Clackamas River Trail

Work associated with the Phase 1 North Park grading will impact the current alignment of the Clackamas River Trail. As shown on the site grading plans for the North Park – Civil C30, a temporary 8-foot asphalt trail will replace approximately 920 lineal feet of the trial where grading activities will occur within the existing trail alignment. The Phase 2 scope of work will include the construction of a 12 foot wide asphalt esplanade trail starting at Main Street up to 100 feet from the center of Lot 5 then extending for 200 feet at 20 foot wide (concrete) and thereafter returning to 12 feet wide up to the North Park. – see Civil Sheets C22 thru C28.

7. Stormwater Outfall Pipe

In Phase 1 a new and upsized (48-inch) stormwater pipe will be installed within Main Street and will be designed to connect with the existing outfall pipe. The existing outfall will be retained with the project and a new outfall is not proposed.

8. Phasing

It is anticipated that the proposed project will be phased according to the following schedule noted below – see Civil Sheets C11 & C12. It should be noted that this schedule is an estimate and actual initiation and completion of improvements may vary, but are anticipated within the 10-year approval window of the CDP. Due to market condtions it may be necessary to modify this schedule and it is requested that any modification of this Phasing be a Type II administrative review and approval.

UPDATED PHASING PLAN	ESTIMATED START DATE
PHASE 1	
INFRASTRUCTURE	
Main Street: Lot 2 frontage street improvements	
Garden Apartment Site Grading	
North Park & Esplanade (borrow dirt from N. Park)	
Lot 1 Grading—approximately 4,000 cubic yards of cut to transfer to Garden Apartment site.	
Water Quality Resource #1	2015-2017
Temporary Trailhead Parking Lot on Lot 3	
Agnes (temporary connection to temporary Trailhead pkg. lot)	
BUILDINGS—LOT 2:	
244 Garden Apartments + non-residential and club house	
5,500 SF General Office (not medical or dental office)	
1,000 SF Deli/Coffee Shop	
PHASE 2	
INFRASTRUCTURE	2016-2018
Agnes fully improved – 20' wide connection to Washington St.	
Esplanade & Landscaping of Tract C in front of 195 waterfront units	
Main Street from Lot 2 improvements up to east end of the trailhead parking and including trailhead parking	
North Park + Parking/Amphitheater+restrooms	
Water Quality Resource #2	
BUILDINGS—LOTS 3,4,6 & 7:	
195 waterfront units for lease + non-residential	
Within waterfront buildings:	

(2) High turnover restaurants (Total 3,250 SF)	
8,712 SF General Office (not medical or dental office)	
PHASE 3	
INFRASTRUCTURE	
Parking Lot on Tri-City property—272 spaces with 50 public spaces	
BUILDINGS—LOT 5	2017-2019
70,000 SF Office	
(2) High turnover restaurants (Total 2,700 SF)	
PHASE 4	
INFRASTRUCTURE	
Completion of Main Street in front of Lot 1	
BUILDINGS—LOT 1	
50,400 SF Mixed Use Office on Lot 1 (will allow for medical-dental office)	2017-2020
(1) High turnover restaurant (4,000 SF)	
(1) Quality restaurant (4,000 SF)	
PHASE 5	
IN WATER MARINA/WATER SPORTS CENTER	
(2) Marinas with combined total of 150 slips	2018-2020
(1) One outdoor water sports center, seasonal use.	

PERMITS REQUESTED

CDP AMENDMENT - PREVIOUSLY SUBMITTED BY GRAND COVE, LLC

The proposed CDP amendment includes the following updates to the CP 08-05 and CP 09-02:

- Increase in the number of multi-family units at the Glacier site from 220 units to 244 units with approximately 6,500 square feet of retail space.
- Changes in the infrastructure phasing as noted herein
- Change in the timing of development, which affects the traffic generation timing from previous approvals.
- An extension of the CDP approval for another 10 years.
- A reconfiguration of the phasing plan for the CDP, as well as an increase in the number of Waterfront Residences on Lots 3, 4, 6 and 7 from 180 to 195 units.

DDP

 Site Plan – Sheet C13 – Arch and elevations Sheet A103 & A104 for 195 Waterfront Residence units and supporting commercial retail/office at the Waterfront Residence site. This includes driveway access from Agnes Street, off-street parking, drive aisles, landscaping, and pedestrian linkage to the overall sidewalk, Esplanade and trail network See Sheet C8 & C9 Arch, for site circulation

- Grading Plan to transfer 73,000 cubic yards of material from the Lot 1 site and 4,000 cy from Main Street construction to the Waterfront Residences site to achieve finished floor elevations above the base flood elevation. The transfer will maintain a net balance of floodplain fill.
- Grading impacts within the 50-foot NROD and proposed mitigation plantings presented by Pacific Habitat Services this is currently being updated. The areas of encroachment include approximately 2,000 lineal feet of construction along the Cove lake in front of the Waterfront Residences.
- Road improvements to Main Street during Phase 2 road improvements are limited to Main Street improvements extending from the most Westerly property line of Lot 2 West up to and including the Tract A Trailhead parking improvements consisting of 14 parking spaces – See Sheet C3 – Arch.
- Agnes Street will be fully improved.

NROD

 Grading activities within the NROD and proposed mitigation plantings presented by Pacific Habitat Services- currently being updated. The areas of encroachment include approximately 2,000 lineal feet of construction along the Cove lake in front of the Waterfront Residences.

GEOHAZARD OVERLAY

Residences. Updated Geotechnical Reports address the geohazard overlay and impacts to those areas. A copy of the reports is attached "Apex 2015 Clackamette Cove Hazard letter".

THE COVE CONCEPTUAL DEVELOPMENT PLAN

MASTER PLAN BOUNDARY

The entire site is located within the Urban Growth Boundary and City Limits of Oregon City and is more precisely represented in the following Vicinity Map.



The subject property includes eleven (11) tax lots including the Clackamette Cove and Tri-City parcels. The site is zoned for mixed use development and was incorporated in 1991 into the City of Oregon City's network of urban renewal areas. The subject property is accessed via Agnes Avenue and Main Street. More detailed information regarding the zoning, size and ownership of each property is set forth below in Table 1.

	Table 1 – Property Information			
Lot&Taxlot ID#	Size (Acres)	Ownership	Zoning Designation	Comprehensive Plan
22E29 01509	2.5	Tri-City Services District	General Industrial	General Industrial (GI)
Lot # 1 22E29 02800	4.45	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Lot # 2 22E29 02900	11.46	Woodley Properties Inc	Mixed Use Downtown	Mixed Use District (MUD)
Lot # 3 22E29 03000	2.82	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Lot # 4 22E29 03100	0.92	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Lot # 5 22E29 03200	1.0	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Lot # 6 22E29 03300	0.90	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Lot # 7 22E29 03400	3.16	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Tract A 22E29 03500	1.33	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Tract B 22E29 03600	52.85	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Tract C 22E29 03700	2.59	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)
Tract D 22E20 01100	5.27	Urban Renewal Agency of Oregon City	Mixed Use Downtown	Mixed Use District (MUD)

EXISTING CONDITIONS

No work has commenced on the approved development plan at the Cove. Therefore, there have been no changes to the existing conditions on the subject property.

SURROUNDING USES

Table A: SURROUNDING LAND USE

Location	Zoning Designation	Land Use
North	MUD	Clackamette Cove/Clackamas River
South	MUD	Vacant/I-205 On-Ramp
F4	MUD	I-205 On-Ramp/
East	MUD	Tri City Wastewater Treatment Plant
West	MUD	Oregon City Shopping Center

II. OREGON CITY MUNICIPAL CODE

CHAPTER 12.04 STREETS, SIDEWALKS AND PUBLIC PLACES

12.04.010 Construction specifications—Improved streets.

All sidewalks hereafter constructed in the city on improved streets shall be constructed to city standards and widths required in the Oregon City Transportation System Plan. The curb shall be constructed at the same time as the construction of the sidewalk and shall be located as provided in the ordinance authorizing the improvement of said street next proceeding unless otherwise ordered by the city commission. Both sidewalks and curbs are to be constructed according to plans and specifications provided by the city engineer.

Response:

As shown on the Site Plans, Civil Sheet C14 and C15 all proposed sidewalks are at least 6-feet in width, with standard curbs to meet the plans and specifications provided by the City Engineer.

12.04.025 Street design—Driveway curb cuts.

Response:

The entrances into the Waterfront Residences site is located along Agnes Street, north of the roundabout. These entrances are 24-feet wide to accommodate the tenants of the Waterfront Residences

12.04.050 - Retaining walls—required.

Every owner of a lot within the city, abutting upon an improved street, where the surface of the lot or tract of land is above the surface of the improved street and where the soil or earth from the lot, or tract of land is liable to, or does slide or fall into the street or upon the sidewalk, or both, shall build a retaining wall, the outer side of which shall be on the line separating the lot, or tract of land from the improved street, and the wall shall be so constructed as to prevent the soil or earth from the lot or tract of land from falling or sliding into the street or upon the sidewalk, or both, and the owner of any such property shall keep the wall in good repair.

Response:

As shown on Civil Sheet C19 rockery retaining walls periodically run along the esplanade path and are at a maximum height of 4 feet. These rockery retain walls will retain the grades of the Waterfront Residence that are above the elevation of the esplanade. Also there is a retaining wall of approximately 7 feet

high running East from the esplanade on Main Street wrapping around a short distance on to Agnes Street – also shown on Civl Sheet C19..

12.04.180 Street design.

Response:

All proposed street designs are consistent with the original approval and only the ROW on Agnes Street has changed from 60 ft to 65 ft. No changes are proposed from the original design. Phase 2 road improvements are limited to Agnes Street improvements along the Waterfront Residences frontage and a small section of Main Street as defined in b below. The roadway design is vested according to the original approval and there are no proposed changes to the original approval and design.

- a. **Agnes Street:** Proposed roadway design and construction for Phase 2 will include the improvement of approximately 2,000 lineal feet of Agnes Street along the East side of the Waterfront Residences and an emergency road from Agnes to Washington Street.
- b. **Main Street**: Road improvements to Main Street during Phase-2 are limited to Main Street improvements extending from the most Westerly property line of Lot 2 West up to and including the Tract A Trailhead parking improvements consisting of 14 parking spaces approximately 500 feet.

12.04.195 Spacing standards.

Response:

There are no proposed changes from the original street design with the exception that Agnes ROW has been increased from 60 feet to 65 feet. For future phases, the minimum driveway spacing along Agnes Street is approximately 150-feet. The driveway entrances are spaced at least 200-feet between entrances.

12.04.199 Pedestrian and bicycle access ways.

Response:

As shown on the CDP Site Circulation Plan on Civil Sheets C9, C10 and C17 the pedestrian circulation within the Master Plan Boundary is provided via a series of sidewalks, pathways, and trails. The layout of the proposed pathways has been designed to connect with existing and planned pedestrian facilities along the natural areas that exist within and adjacent to the master plan area. The proposed design enables pedestrians to move throughout the site and access all of the amenities of the development safely. The proposed CDP amendment will not significantly impact the approved pedestrian circulation system. Six-foot wide sidewalks will be constructed along all internal and adjacent frontages of both Main Street and Agnes Avenue. The esplanade that runs the length of the eastern shore of the Clackamette Cove will remain unchanged. The Applicant has provided connections between the proposed uses, buildings, parking areas and open space though a series of separated pathways. These pathways are approved to be seven to eight (8)-feet wide and are designed to be ADA accessible to the greatest extent possible. Due to topography constraints some pathways may have grades that exceed the requirements of ADA.

12.04.205 Mobility standards.

Response: Refer to the Kittelson and Associates, Inc. which is currently be updated.

CHAPTER 12.08 - PUBLIC AND STREET TREES

Response:

All proposed street trees are shown on the Civil Sheets 22 thru 28, & C36. There are no proposed changes to the original approval for those trees targeted for removal or public or street trees proposed on the planting plans.

TITLE 13 PUBLIC SERVICES

CHAPTER 13.04 WATER SERVICE SYSTEM

Response:

All proposed water service is shown on Civil Sheets C15, C19-C21 Water service will connect to the existing 10-inch water line within Main Street at the roundabout. For each building a new 8-inch line will tap into the new 10" line to be located in Agnes.

CHAPTER 13.08 SEWER REGULATIONS

13.08.010 Sewer connections—required.

Response:

All proposed sanitary service is shown on Civil Sheets C15, C19-C21 Sanitary service will connect to the 42-inch sanitary line currently located in Main Street.

CHAPTER 13.12 STORMWATER MANAGEMENT

Response:

A Storm Plan is included on Civil Sheets C15, C19-C21 and a Preliminary Stormwater Report prepared for Lot 2 is provided under attached and will be updated to include the Waterfront Residences.

CHAPTER 15.48 GRADING, FILLING AND EXCAVATING

Response:

Proposed grading activity is in excess of ten cubic yards of earth. A Grading Plan is included under Civil Sheets C15 & C18. Also, Geotechnical Reports are included with this submittal as "Apex 2015 Clackamete Cove Hazard Letter that addresses geohazards and soil stability for both the garden apartments, Waterfront Residences and north park amphitheater, as well as proposed roadway locations. As referenced therein earlier report also support this letter.

TITLE 17 ZONING

CHAPTER 17.06 ZONING DISTRICT CLASSIFICATIONS

17.06.040 Requirements table.

To facilitate public understanding of this title, and for the better administration and convenience of use thereof, the following summary of maximum dwelling units per acre, minimum lot area per dwelling unit, maximum building height, and maximum setback regulations for the various zoning districts is set forth in the following table. For further information, please review the regulations of each individual zoning district. (Ord. 92-1024 §3, 1992; prior code §11-3-1)

Employment, Downtown and Industrial

Standard	MUD
Maximum Building Height	75 ft
Minimum Building Height	2 Stories (25 ft.)
Maximum Lot Coverage	Building and Parking Lot—90%
Maximum Front Yard Setback	20 ft.
Maximum Interior Side Yard Setback	0 ft.
Maximum Corner Yard Setback	20 ft.
Minimum/Maximum Rear Yard Setback	None

Response:

The tallest proposed building height from the future finished ground elevations is 64 ft, below the maximum height of 75-feet. This height was determined following the provisions in OCMC Section 17.04.550 which states that height is measured from the average elevation of the finished grade to one-half the vertical distance between the eaves and the highest ridge for a gable, hip or gambrel roof. The site is below the 90-percent maximum lot coverage allowance and the maximum front yard setback does not apply, as an adjustment to the setback standards was approved with the original 2008 decision.

CHAPTER 17.34 "MUD"—MIXED-USE DOWNTOWN DISTRICT

17.34.010 Designated.

Response:

The project is located within the MUD district and the standards of this district apply. Findings of compliance with the applicable standards are included in this narrative.

17.34.020 Permitted uses.

Permitted uses in the MUD district are defined as:

- A. Any use permitted in the mixed-use corridor without a size limitation, unless otherwise restricted in Sections 17.34.020, 17.34.030 or 17.34.040
- B. Hotel and motel, commercial lodging;
- C. Marinas;
- D. Religious institutions;

- E. Retail trade, including grocery, hardware and gift shops, bakeries, delicatessens, florists, pharmacies, specialty stores provided the maximum footprint of a freestanding building with a single store does not exceed sixty thousand square feet (a freestanding building over sixty thousand square feet is allowed as long as the building contains multiple stores);
- F. Live/work units.

Response:

The proposed modifications to the CDP will replace 180 Waterfront Residences units with 195 waterfront Resident units on Lots 3, 4, 6 & 7. Each of the six (6) buildings will contain on the ground floor 1,452 square feet of non-residential that satisfies the Vertical Housing requirement. Also there are two (2) 1,625 sf high turnover restaurants on the ground floor of buildings 3 & 4. These buildings are considered multi-family residential uses and are permitted outright.

17.34.060 Mixed-use downtown dimensional standards—For properties located outside of the downtown design district.

- A. Minimum lot area: None.
- B. Minimum floor area ratio: 0.30.

Response:

The total building footprint area is 290,806 SF and the total site area is 339,768, resulting in an FAR for the site of 0.86. It is anticipated that the FAR of the remaining areas of development will continue to conform to the previous approvals and exceed the FAR requirement. Specific FAR for future phases will be addressed in future DDP requests as required.

C. Minimum building height: Twenty-five feet or two stories except for accessory structures or buildings under one thousand square feet.

Response:

Building elevations for the project are illustrated on Arch Sheets A103 & A104 included. As noted on the attached plan sheets, the lowest proposed building height from the proposed finished ground elevations is 49-feet, thereby exceeding the 25-foot minimum building height requirement.

- D. Maximum building height: Seventy-five feet, except for the following locations where the maximum building height shall be forty-five feet:
 - 1. Properties between Main Street and McLoughlin Boulevard and 11th and 16th streets;
 - 2. Property within five hundred feet of the End of the Oregon Trail Center property; and
 - 3. Property within one hundred feet of single-family detached or detached units.

Response:

Building elevations for the project are illustrated on ARCH Sheets A103 & A104. The tallest proposed building (4 & 5 with loft) height from the future finished ground elevations is approximately 64-feet. The balance of 4 buildings will be approximately 49-feet, all compliant with the maximum building height of 75-feet.

- E. Minimum required setbacks, if not abutting a residential zone: None.
- F. Minimum required interior side yard and rear yard setback if abutting a residential zone: Fifteen feet, plus one additional foot in yard setback for every two feet in height over thirty-five feet.

Response: The proposed waterfront resident site does not abut a residential zone and therefore there are no minimum required setbacks.

- G. Maximum Allowed Setbacks.
 - 1. Front yard: Twenty feet provided the site plan and design review requirements of Section 17.62.055 are met.
 - 2. Interior side yard: No maximum.
 - 3. Corner side yard abutting street: Twenty feet provided the site plan and design review requirements of Section 17.62.055 are met.
 - 4. Rear yard: No maximum.
 - 5. Rear yard abutting street: Twenty feet provided the site plan and design review requirements of Section 17.62.055 are met.

Response: The original CDP approval (CP 08-05) authorized an adjustment that eliminated the maximum setback requirement for development within the CDP boundary.

H. Maximum site coverage including the building and parking lot: Ninety percent.

Response:

As shown on the Planting Details provided under Civil Sheet C14, C22, C 23 & C24 the proposed onsite open space area for the overall Waterfront development includes 112,899 SF of gross landscape area which is equivalent to 33% of the overall site. This equates to 69% of building, parking, and drive aisle coverage, well below the 90% maximum site coverage standard.

I. Minimum landscape requirement (including parking lot): Ten percent.

Response: Approximately 112,899 SF of the total 339,768 SF of the Waterfront Residence site is landscaped for a total of 31%-percent landscape coverage, well above the ten percent minimum standard. See Civil Sheets

CHAPTER 17.41 TREE PROTECTION STANDARDS

Response: The proposed CDP amendment and DDP request is not anticipated to remove any additional trees from those identified in the previous CDP update (09-02). Consistent with that request, it is anticipated that future development will remove 383 trees throughout the master plan site. See Civil Sheets C21.1, C21.2 &

C21.3.

CHAPTER 17.42 - FLOOD MANAGEMENT OVERLAY DISTRICT

- D. Site Development Standards. All development in the floodplain shall conform to the following balanced cut and fill standards:
 - 1. This subsection does not apply to work necessary to protect, repair, maintain or replace existing structures, utility facilities, roadways, driveways, accessory uses and exterior improvements in response to emergencies provided that, after the emergency has passed, adverse impacts are mitigated in accordance with applicable standards.
 - 2. No net fill in any floodplain is allowed. All fill placed in a floodplain shall be balanced with at least an equal amount of soil material removed. For the purpose of calculating net fill, fill shall include any structure below the design flood elevation that has been floodproofed pursuant to subsection (E)(5) of this section.

- 3. Any excavation below bankfull stage shall not count toward compensating for fill.
- 4. Excavation to balance a fill shall be located on the same parcel as the fill unless it is not practicable to do so. In such cases, the excavation shall be located in the same Oregon City floodplain, so long as the proposed excavation and fill will not increase flood impacts for surrounding properties as determined through hydrologic and hydraulic analysis.
- 5. For excavated areas identified by the city to remain dry in the summer, such as parks or mowed areas, the lowest elevation of the excavated area shall be at least six inches above the winter "low water" elevation, and sloped at a minimum of two percent towards the protected water feature pursuant to Chapter 17.49. One percent slopes will be allowed in smaller areas.
- 6. For excavated areas identified by the city to remain wet in the summer, such as a constructed wetland, the grade shall be designed not to drain into the protected water feature pursuant to Chapter 17.49.
- 7. Parking areas in the floodplain shall be accompanied by signs that inform the public that the parking area is located in a flood management area and that care should be taken when the potential for flooding exists.
- 8. Temporary fills permitted during construction shall be removed at the end of construction, thirty days after subdivision acceptance or completion of the final inspection.
- 9. New culverts, stream crossings and transportation projects shall be designed as balanced cut and fill projects or designed not to significantly raise the design flood elevation. Such projects shall be designed to minimize the area of fill in flood management areas and to minimize erosive velocities. Stream crossings shall be as close to perpendicular to the stream as practicable. Bridges shall be used instead of culverts wherever practicable.
- 10. Excavation and fill required for the construction of detention facilities or structures, and other facilities, such as levees, specifically shall be designed to reduce or mitigate flood impacts and improve water quality. Levees shall not be used to create vacant buildable lands.

There is an overall balance of floodplain fill for all proposed soil transferred from the Lot 1 and Main Street to the Waterfront Residence site. The soil transfer is required to bring the finished floor elevation of the units at least one-foot above the floodplain elevation.

CHAPTER 17.44 - US—GEOLOGIC HAZARDS

17.44.060 - Development standards.

Response:

As provided under the Geotechnical Report – "Apex 2015 Clackamette Cove Hazard Letter" has been prepared to address proposed development activity for the overall site.

CHAPTER 17.47 EROSION AND SEDIMENT CONTROL

B. Approval Standards. An erosion and sediment control plan shall be approved only upon making the following findings:

- 1. The erosion and sediment control plan meets the requirements of the City of Oregon City public works standards for erosion and sediment control incorporated by reference as part of this chapter;
- The erosion and sediment control plan indicates that erosion and sediment control measures will be managed and maintained during and following development. The erosion and sediment control plan indicates that erosion and sediment control measures will remain in place until disturbed soil areas are permanently stabilized by landscaping, grass, approved mulch or other permanent soil stabilizing measures.

An Erosion Control Plan is included under on Civil sheet C18 that identifies inlet protection, sediment control fencing, bio bags, and gravel construction entrances as erosion prevention measures to be installed during construction to prevent and restrict the discharge of sediments. The Erosion Control Plan also includes a detail sheet showing how each prevention measure is to be installed and maintained.

CHAPTER 17.49 - NATURAL RESOURCE OVERLAY DISTRICT

17.49.100 - General development standards.

The following standards apply to all Uses Allowed under Prescribed Conditions within the NROD with the exception of rights of ways (subject to Section 17.49.150), trails (subject to Section 17.49.170), utility lines (subject to Section 17.49.140), land divisions (subject to Section 17.49.160), and mitigation projects (subject to Section 17.49.180 or 17.49.190):

- A. Native trees may be removed only if they occur within ten feet of any proposed structures or within five feet of new driveways or if deemed not wind-safe by a certified arborist. Trees listed on the Oregon City Nuisance Plant List or Prohibited Plant List are exempt from this standard and may be removed. A protective covenant shall be required for any native trees that remain;
- B. The community development director may allow the landscaping requirements of the base zone, other than landscaping required for parking lots, to be met by preserving, restoring and permanently protecting habitat on development sites in the Natural Resource Overlay District.
- C. All vegetation planted in the NROD shall be native and listed on the Oregon City Native Plant List;
- D. Grading is subject to installation of erosion control measures required by the City of Oregon;
- E. The minimum front, street, or garage setbacks of the base zone may be reduced to any distance between the base zone minimum and zero in order to minimize the disturbance area within the NROD portion of the lot;
- F. Any maximum required setback in any zone, such as for multi-family, commercial or institutional development, may be increased to any distance between the maximum and the distance necessary to minimize the disturbance area within the NROD portion of the lot:
- G. Fences are allowed only within the disturbance area;

- H. Incandescent lights exceeding two hundred watts (or other light types exceeding the brightness of a two hundred watt incandescent light) shall be placed or shielded so that they do not shine directly into resource areas;
- I. If development will occur within the one hundred-year floodplain, the FEMA floodplain standards of Chapter 17.42 shall be met; and
- J. Mitigation of impacts to the regulated buffer is required, subject to Section 17.49.180 or 17.49.190.

All proposed activity and impacts within the NROD were previously reviewed and approved with the original decision in 2008. At that time the NROD was classified as a Water Quality Resource Area (WQRA) and a 50-foot buffer reduction was approved along Clackamette Cove. That reduced buffer is still in effect and applies to projects within the CDP. The proposed changes include additional grading and soil transfer from the North Park Amphitheater site and Lot 1 to the garden apartments and Lot 1 and Main Street to the Waterfront Residences site. A mitigation plan for the NROD is currently being updated and will be available shortly. The mitigation area and all disturbed areas will be restored by planting species from the Oregon City native plant list. All non-native, nuisance plants will be removed.

CHAPTER 17.50 ADMINISTRATION AND PROCEDURES

17.50.030 Summary of the city's decision-making processes.

C. Type III decisions involve the greatest amount of discretion and evaluation of subjective approval standards, yet are not heard by the city commission, except upon appeal. In the event that any decision is not classified, it shall be treated as a Type III decision. The process for these land use decisions is controlled by ORS 197.763. Notice of the application and the planning commission or the historic review board hearing is published and mailed to the applicant, recognized neighborhood association(s) and property owners within three hundred feet. Notice must be issued at least twenty days pre-hearing, and the staff report must be available at least seven days pre-hearing. At the evidentiary hearing held before the planning commission or the historic review board, all issues are addressed. The decision of the planning commission or historic review board is appealable to the city commission on the record pursuant to Section 17.50.190. The city commission decision on appeal is the city's final decision and is subject to review by LUBA within twenty-one days of when it becomes final, unless otherwise provided by state law.

Response:

Per 17.50.130(D), any request to modify a condition of permit approval is to be considered either a minor modification or a major modification. A major modification shall be processed in the same manner and shall be subject to the same standards as was the original application. The original application was subject to a Type III decision and the City has determined that this proposed amendment is subject to a major modification.

17.50.050 Preapplication conference.

Response: At this date (August 1, 2015) a pre-application conference has not been held.

17.50.080 Complete application—Required information.

Response: City staff has provided a detailed list of requested materials, which have been compiled and submitted with this application package.

17.50.090 Public notices.

Response: The public notice requirement is a City processing requirement and not completed by the applicant.

17.50.100 Notice posting requirements.

Where this chapter requires notice of a pending or proposed permit application or hearing to be posted on the subject property, the requirements of this section shall apply.

- A. City Guidance and the Applicant's Responsibility. The city shall supply all of the notices which the applicant is required to post on the subject property and shall specify the dates the notices are to be posted and the earliest date on which they may be removed. The city shall also provide a statement to be signed and returned by the applicant certifying that the notice(s) were posted at the correct time and that if there is any delay in the city's land use process caused by the applicant's failure to correctly post the subject property for the required period of time and in the correct location, the applicant agrees to extend the one hundred-twenty-day period in a timely manner.
- B. Number and Location. The applicant must place the notices on each frontage of the subject property. If the property's frontage exceeds six hundred feet, the applicant shall post one copy of the notice for each six hundred feet or fraction thereof. Notices do not have to be posted adjacent to alleys or unconstructed right-of-way. Notices shall be posted within ten feet of the street and shall be visible to pedestrians and motorists. Notices shall not be posted within the public right-of-way or on trees. The applicant shall remove all signs within ten days following the event announced in the notice.

Response: The applicant will coordinate with the City as required to provide proper noticing this application request.

17.50.110 Assignment of decision-makers.

The following city entity or official shall decide the following types of applications:

C. Type III Decisions. The planning commission or historic review board, as applicable, shall render all Type III decisions. Such decision is appealable to the city commission, on the record. The city commission's decision is the city's final decision and is subject to review by LUBA within twenty-one days of when it becomes final.

Response: The proposed DDP application is subject to a Type III quasi-judicial decision made by the Planning Commission.

17.50.130 - Conditions of approval and notice of decision.

D. Modification of Conditions. Any request to modify a condition of permit approval is to be considered either minor modification or a major modification. A minor modification shall be processed as a Type I. A major modification shall be

processed in the same manner and shall be subject to the same standards as was the original application. However, the decision-maker may at their sole discretion, consider a modification request and limit its review of the approval criteria to those issues or aspects of the application that are proposed to be changed from what was originally approved.

Response:

The proposed CDP Amendment (submitted earlier and pending approval) and DDP applications are defined as a major modification to the original application. Therefore this submittal is subject to the same level of review as the original application, which was a Type III quasi-judicial decision.

CHAPTER 17.52 OFF-STREET PARKING AND LOADING

Response:

The following uses and square footage summaries are proposed with the Phase 1 scope of work:

PHASE 2 SUMMARY & PARKING REQUIREMENT

USES	SIZE/UNITS	MIN PARKING REQ	MAX PARKING REQ
1 Bedroom	4 units	5	8
2 Bedroom	187 units	280	374
3 Bedroom	4 units	7	10
Ground Floor restaurant – Bldgs 3 & 4	3,250 SF	13	16
Ground Floor Non- residential – live work	8,712 SF	12* *50% reduction requested	29
	Total Parking Required	317	437

There a total of 321 proposed parking spaces (180 standard, 113 carport, and 24 garage) See ARCH C13. The proposed parking spaces fall within the allowed minimum and maximum parking threshold. Standard stalls are dimensioned at 9' x 19'. All drive aisles are dimensioned at 24-feet or greater.

The minimum bicycle parking requirement for multi-family residential is 1 stall per 10 units. With 195 total units, 20 total bike spaces are required, with 10 stalls required to be covered. Bicycle parking will occur on each side of the building entries to accommodate both residents and the non-residential component of the buildings.

17.52.060 Parking lot landscaping.

A. Development Standards.

Response:

As shown on the Onsite Planting Plans on CIVIL Sheets C22 - C4 all areas in a parking lot not used for parking, maneuvering, or circulation are landscaped with

a mix of trees, shrubs, and lawn cover. All interior and perimeter trees are a mix of deciduous and coniferous trees with a 2-inch minimum caliper or 6-foot minimum height sizing.

B. Perimeter Parking Lot Landscaping and Parking Lot Entryway/Right-of-Way Screening. Parking lots shall include a five-foot wide landscaped buffer where the parking lot abuts the right-of-way and/or adjoining properties. In order to provide connectivity between non-single-family sites, the community development director may approve an interruption in the perimeter parking lot landscaping for a single driveway where the parking lot abuts property designated as multi-family, commercial or industrial. Shared driveways and parking aisles that straddle a lot line do not need to meet perimeter landscaping requirements.

Response:

As shown on the on CIVIL Sheets C22 - C24 and provided therein a minimum 5-foot landscape buffer is provided where the parking lot abuts adjoining properties and the Agnes Street ROW. The perimeter parking lot landscape area includes trees spaced a maximum of 35-feet apart with shrubs and lawn sod planted between the trees.

C. Parking Area/Building Buffer. Parking areas shall be separated from the exterior wall of a structure, exclusive of pedestrian entranceways or loading areas, by one of the following:

Response:

As shown on CIVIL Sheets C22 – C24 all parking areas are separated from structures by a combination of pedestrian walkways and site landscaping or a rain garden that is planted. Evergreen hedge and groundcover to fill in the remainder of the landscape strip.

D. Interior Parking Lot Landscaping. Surface parking lots shall have a minimum ten percent of the interior of the gross area of the parking lot devoted to landscaping to improve the water quality, reduce storm water runoff, and provide pavement shade. Interior parking lot landscaping shall not be counted toward the fifteen percent minimum total site landscaping required by Section 17.62.050(1) unless otherwise permitted by the dimensional standards of the underlying zone district. Pedestrian walkways or any impervious surface in the landscaped areas are not to be counted in the percentage. Interior parking lot landscaping shall include:

Response:

As shown on CIVIL Sheets C22 – C24 there are 62 parking area planter with a minimum of two (2) per planter equaling 124 trees within the interior parking lot area that exceeds to the 53 tree requirement (321 parking spaces/6 spaces per tree). Shrubs and groundcover are located within the landscape islands as well as the perimeter of the parking area. There are no more than 6 contiguous parking spaces without an interior landscape strip or island.

17.52.090 Loading areas.

B. Applicability.

1. Section 17.52.090 applies to uses that are expected to have service or delivery truck visits with a forty-foot or longer wheelbase, at a frequency of one or more vehicles per week. The city engineer and decision maker shall

determine through site plan and design review the number, size, and location of required loading areas, if any.

Response:

Due to the minimal commercial uses associated with the overall site, there are no proposed loading areas designated within the site. Service or delivery trucks will make deliveries during off-peak hours when the tenants are generally away from their residences.

CHAPTER 17.62 SITE PLAN AND DESIGN REVIEW

17.62.050 Standards.

- A. All development shall comply with the following standards:
 - Landscaping, A minimum of fifteen percent of the lot shall be landscaped. Existing native vegetation shall be retained to the maximum extent practicable. All plants listed on the Oregon City Nuisance Plant List shall be removed from the site prior to issuance of a final occupancy permit for the building.

Response:

As shown on the Planting Details provided under Civil Sheet C14, C22, C 23 & C24 the proposed onsite open space area for the overall Waterfront development includes 112,899 SF of gross landscape area which is equivalent to 33% of the overall site well above the 10-percent minimum.

2. Vehicular Access and Connectivity.

Response:

The proposed parking areas are located within the interior of the site at the front entry to the buildings with driveway access circulating through the site to connect to a primary and secondary access onto Agnes Street in front of the units. The location of the parking areas and drive aisles allows for maximum building frontage along Agnes Street, while also allowing greater pedestrian elements (sidewalks, stairs, and trail connections) which are removed from conflict with vehicles.

3. Building structures shall be complimentary to the surrounding area. All exterior surfaces shall present a finished appearance. All sides of the building shall include materials and design characteristics consistent with those on the front. Use of inferior or lesser quality materials for side or rear facades or decking shall be prohibited.

Response:

The site is not located within a historic or conservation district. The proposed multi-family buildings include feature architectural features and massing to create a proper pedestrian-scale building with a color palette that of natural tones that is consistent with the surrounding natural environment.

4. Grading shall be in accordance with the requirements of Chapter 15.48 and the public works stormwater and grading design standards.

Response:

Grading is addressed under Chapter 15.48 and in the grading and erosion control plan included CIVIL Sheet C18.

5. Development subject to the requirements of the Geologic Hazard overlay district shall comply with the requirements of that district.

Response:

Geologic Hazard impacts are addressed under Chapter 17.44 within this narrative and in the geotechnical reports included in "Apex 2015 Clackamette Cove Hazard Letter".

- 6. Drainage shall be provided in accordance with city's drainage master plan, Chapter 13.12, and the public works stormwater and grading design standards.
- Response: On-site drainage will be designed in accordance with the City's drainage master plan and Chapter 13.12 See CIVIL Sheets C20 & C21
 - 7. Parking, including carpool, vanpool and bicycle parking, shall comply with city off-street parking standards, Chapter 17.52
- **Response:** Parking is addressed under Chapter 17.52 and the plans complie with the code requirement for number of stalls required and stall dimensions.
 - 8. Sidewalks and curbs shall be provided in accordance with the city's transportation master plan and street design standards. Upon application, the community development director may waive this requirement in whole or in part in those locations where there is no probable need, or comparable alternative location provisions for pedestrians are made.
- **Response:** Sidewalks and curbs are provided in accordance with the City's transportation master plan and street design standards.
 - 9. A well-marked, continuous and protected on-site pedestrian circulation system meeting the following standards shall be provided:
- Response: The proposed on-site pedestrian circulation system meets the standards and specifications outlined above. The system connects all main entrances to the parking area and adjacent properties. The walkways are proposed as hard surfaced, well drained, with a minimum widths at 7-feet. A Site Circulation Plan is provided under the CIVIL Sheets C9, C10 & C17
 - 10. There shall be provided adequate means to ensure continued maintenance and necessary normal replacement of private common facilities and areas, drainage ditches, streets and other ways, structures, recreational facilities, landscaping, fill and excavation areas, screening and fencing, groundcover, garbage storage areas and other facilities not subject to periodic maintenance by the city or other public agency.
- **Response:** Adequate means and accesses are provided to ensure continued maintenance and necessary normal replacement of private common facilities and areas.
 - 11. Site planning shall conform to the requirements of OCMC Chapter 17.41 Tree Protection.
- Response: Site planning will conform to the requirement of OCMC Chapter 17.41 Tree Protection.
 - 12. Development shall be planned, designed, constructed and maintained to protect water resources and habitat conservation areas in accordance with the requirements of the city's Natural Resources Overlay District, Chapter 17.49, as applicable.
- **Response:** All applicable NROD code criteria are addressed under Chapter 17.49 within this narrative that is currently being updated.
 - 13. All development shall maintain continuous compliance with applicable federal, state, and city standards pertaining to air and water quality, odor, heat, glare, noise and vibrations, outdoor storage, radioactive materials, toxic or noxious matter, and electromagnetic interference. Prior to

issuance of a building permit, the community development director or building official may require submission of evidence demonstrating compliance with such standards and receipt of necessary permits. The review authority may regulate the hours of construction or operation to minimize adverse impacts on adjoining residences, businesses or neighborhoods. The emission of odorous gases or other matter in such quantity as to be readily detectable at any point beyond the property line of the use creating the odors or matter is prohibited.

Response:

The proposed development will maintain compliance with the standards outlined above.

Adequate public water and sanitary sewer facilities sufficient to serve the 14. proposed or permitted level of development shall be provided. The applicant shall demonstrate that adequate facilities and services are presently available or can be made available concurrent with development. Service providers shall be presumed correct in the evidence, which they submit. All facilities shall be designated to city standards as set out in the city's facility master plans and public works design standards. A development may be required to modify or replace existing offsite systems if necessary to provide adequate public facilities. The city may require over sizing of facilities where necessary to meet standards in the city's facility master plan or to allow for the orderly and efficient provision of public facilities and services. Where over sizing is required, the developer may request reimbursement from the city for over sizing based on the city's reimbursement policy and fund availability, or provide for recovery of costs from intervening properties as they develop.

Response:

As demonstrated in this narrative and the supporting Civil Plan Set, public water and sanitary sewer facilities are adequate to serve the proposed development.

15. Adequate right-of-way and improvements to streets, pedestrian ways, bike routes and bikeways, and transit facilities shall be provided and be consistent with the city's transportation master plan and design standards and this title. Consideration shall be given to the need for street widening and other improvements in the area of the proposed development impacted by traffic generated by the proposed development. This shall include, but not be limited to, improvements to the right-of-way, such as installation of lighting, signalization, turn lanes, median and parking strips, traffic islands, paving, curbs and gutters, sidewalks, bikeways, street drainage facilities and other facilities needed because of anticipated vehicular and pedestrian traffic generation. Compliance with [Chapter] 12.04, Streets, Sidewalks and Public Places shall be sufficient to achieve right-of-way and improvement adequacy.

Response:

The Traffic Analysis is currently being updated and the proposed right-of-way and improvements provided for Agnes Street will meet the local street design standards already approved with the original approval.

16. If a transit agency, upon review of an application for an industrial, institutional, retail or office development, recommends that a bus stop, bus turnout lane, bus shelter, accessible bus landing pad, lighting, or transit stop connection be constructed, or that an easement or dedication be provided for one of these uses, consistent with an agency adopted or approved plan at the time of development, the review authority shall

require such improvement, using designs supportive of transit use. Improvements at a major transit stop may include intersection or mid-block traffic management improvements to allow for crossings at major transit stops, as identified in the transportation system plan.

Response:

It is not anticipated that the site nor Agnes Street would warrant a bus stop within the general area of The Cove and no conditions for transit stops have been applied to past requests on the site.

17. All utility lines shall be placed underground.

Response:

All proposed utility lines will be placed underground.

18. Access and facilities for physically handicapped people shall be incorporated into the site and building design consistent with applicable federal and state requirements, with particular attention to providing continuous, uninterrupted access routes.

Response:

Twelve ADA compliant parking stalls are proposed near the primary building entrances. All associated walkways that connect to the primary entrance are designed at grades to meet ADA access requirements. An accessible walkway connects the onsite walkway system to the sidewalk on Agnes Street.

19. For a residential development, site layout shall achieve at least eighty percent of the maximum density of the base zone for the net developable area. Net developable area excludes all areas for required right-of-way dedication, land protected from development through Natural Resource or Geologic Hazards protection, and required open space or park dedication.

Response:

The MUD district determines residential density based on the mixed uses and applies an FAR equation to the residential portion of the development.

20. Screening of Mechanical Equipment:

Response:

No rooftop mechanical equipment is proposed for this project. Any ground mounted mechanical equipment such as air conditioner condensers will be screened from view by landscaping.

21. Building Materials.

- a. Preferred building materials. Building exteriors shall be constructed from high quality, durable materials. Preferred exterior building materials that reflect the city's desired traditional character are as follows:
- b. Prohibited materials. The following materials shall be prohibited in visible locations unless an exception is granted by the community development director based on the integration of the material into the overall design of the structure.
- c. Special material standards: The following materials are allowed if they comply with the requirements found below:

Response:

As shown on the building elevations provided in Arch A104 and A129, the primary proposed material is Hardishingle Cedar Shingles lap siding with 8" and 5" exposures, and cultured stone. These materials are considered high quality, durable materials.

17.62.055 Institutional and commercial building standards.

- C. Relationship between zoning district design standards and requirements of this section.
 - 1. Building design shall contribute to the uniqueness of the underlying zoning district by applying appropriate materials, elements, features, color range and activity areas tailored specifically to the site and its context.
 - 2. A standardized prototype or franchise design shall be modified if necessary to meet the provisions of this section.
 - 3. In the case of a multiple building development, each individual building shall include predominant characteristics, architectural vocabulary and massing shared by all buildings in the development so that the development forms a cohesive place within the underlying zoning district or community.
 - 4. With the exception of standards for building orientation and building front setbacks, in the event of a conflict between a design standard in this section and a standard or requirement contained in the underlying zoning district, the standard in the zoning district shall prevail.
 - On sites with one hundred feet or more of frontage at least sixty percent of the site frontage width shall be occupied by buildings placed within five feet of the property line, unless a greater setback is accepted under the provisions of Section 17.62.055D. For sites with less than one hundred feet of street frontage, at least fifty percent of the site frontage width shall be occupied by buildings placed within five feet of the property line unless a greater setback is accepted under the provisions of Section 17.62.055D.

Response:

The proposed building design contributes to the uniqueness of the underlying zoning district by applying appropriate materials and building massing to create a sense of context and "place". This site has more than 1,600 feet of street frontage, but the proposed setbacks are greater than 5-feet, with allowances for a deviation provided under Section 17.62.055D.

D. Relationship of Buildings to Streets and Parking.

- 1. Buildings shall be placed no farther than five feet from the front property line. A larger front yard setback may be approved through site plan and design review if the setback area incorporates at least one element from the following list for every five feet of increased setback requested:
 - a. Tables, benches or other approved seating area.
 - b. Cobbled, patterned or paved stone or enhanced concrete.
 - c. Pedestrian scale lighting.
 - d. Sculpture/public art.
 - e. Fountains/Water feature.
 - f. At least twenty square feet of landscaping or planter boxes for each tenant facade fronting on the activity area.
 - g. Outdoor café.

- h. Enhanced landscaping or additional landscaping.
- i. Other elements, as approved by the community development director, that can meet the intent of this section.
- 2. The front most architecturally significant facade shall be oriented toward the street and shall be accessed from a public sidewalk. Primary building entrances shall be clearly defined and recessed or framed by a sheltering element such as an awning, arcade or portico in order to provide shelter from the summer sun and winter weather.
- 3. Entryways. The primary entranceway for each commercial or retail establishment shall face the major street. The entrance may be recessed behind the property line a maximum of five feet unless a larger setback is approved pursuant to Section 17.62.055.D.1 and shall be accessed from a public sidewalk. Primary building entrances shall be clearly defined, highly visible and recessed or framed by a sheltering element including at least four of the following elements, listed below.
- 4. Where additional stores will be located in the large retail establishment, each such store shall have at least one exterior customer entrance, which shall conform to the same requirements. (Ord. 01-1002 §2, 2001)
- 5. Trellises, canopies and fabric awnings may project up to five feet into front setbacks and public rights-of-way, provided that the base is not less than eight feet at the lowest point and no higher than ten feet above the sidewalk. Awnings shall be no longer than a single storefront.

The facades facing Agnes Street are architecturally significant facades. A central tower element anchors each of the six buildings with each building having two enclosed stair towers at each end. Each building has a security entrance at the center of the building that leads to horizontal circulation to the ground floor units and direct access to the elevators for the upper floors. Pedestrian interior access is covered to the unit entrance.

The floodplain requires that the buildings will be elevated above elevation 50.7. each of the six (6) buildings are a miniumum of two feet above the floodplain minimum. Above the non-residential is patio seating and areas for umbrellas allowing residents a morning seating area while providing color and articulation of the front elevation of each building. The Waterfront Residences living units are properly located so that they take best advantage of the water views. An exception allowing the parking toward the street, and buildings on the edge of the waterfront was approved as part of the earlier CDP approval for The Cove.

F. Commercial First Floor Frontage.

In order to ensure that the ground floor of structures have adequate height to function efficiently for retail uses, the first floor height to finished ceiling of new infill buildings in the mixed use and neighborhood commercial districts shall be no lower than fourteen feet floor to floor. Where appropriate, the exterior facade at the ceiling level of new structures shall include banding, a change of materials or relief which responds to the cornice lines and window location of existing buildings that abut new structures.

The proposed first floor non-residential height to finished ceiling is at least 10' which is appropriate for the smaller live-work office space and other uses envisioned for these small non-residential spaces. The exterior façade includes several material transitions, glazing, and building articulation to meet the intent of the provision. A formal adjustment to the standard is requested and further addressed under Section 17.65.070.

G. Variation in Massing.

- 1. A single, large, dominant building mass shall be avoided in new buildings and, to the extent reasonably feasible, in development projects involving changes to the mass of existing buildings.
- 2. Horizontal masses shall not exceed a height: width ratio of one-to-three without substantial variation in massing that includes a change in height and projecting or recessed elements.
- 3. Changes in mass shall be related to entrances, the integral structure and/or the organization of interior spaces and activities and not merely for cosmetic effect.

Response:

Building materials were selected to create a sense of place and pedestrian-scale through building articulation and massing. As shown on the Elevation Plans under ARCH Sheets C104 & C129 the massing ratios and changes in mass are designed to meet the variation in massing provision.

H. Minimum Wall Articulation.

- 1. Facades shall add architectural interest and variety and avoid the effect of a single, long or massive wall with no relation to human size. No wall that faces a street or connecting walkway shall have a blank, uninterrupted length exceeding thirty feet without including, but not be limited to, at least two of the following:
 - i. Change in plane,
 - ii. Change in texture or masonry pattern or color,
 - iii. Windows, treillage with landscaping appropriate for establishment on a trellis.
 - iv. An equivalent element that subdivides the wall into human scale proportions.
- 2. Facades greater than one hundred feet in length, measured horizontally, shall incorporate wall plane projections or recesses having a depth of at least three percent of the length of the facade and extending at least twenty percent of the length of the facade. No uninterrupted length of any facade shall exceed one hundred horizontal feet.
- 3. Ground floor facades that face public streets shall have arcades, display windows, entry areas, awnings or other such features along no less than sixty percent of their horizontal length.
- 4. Building facades must include a repeating pattern that includes any one or more of the following elements:
 - a. Color change;
 - b. Texture change;

- Material module change. C.
- 5. Facades shall have an expression of architectural or structural bays through a change in plane no less than twelve inches in width, such as an offset, reveal or projecting rib.
- 6. Facades shall have at least one of elements subsections H.4. or H.5. of this section repeat horizontally. All elements shall repeat at intervals of no more than thirty feet, either horizontally or vertically.

As shown on the Building Elevations provided on ARCH A103 & A105building facades include architectural features, color changes and changes in material types to create an appropriate scale and feel to meet the intent of the minimum wall articulation standards.

I. Facade Transparency.

Response:

As shown on the Building Elevations provided in ARCH A103 and A104 main front elevations are comprised of a combination of window, vertical and horizontal projects to meet the intent of the design standard.

- J. Roof Treatments.
 - 1. All facades shall have a recognizable "top" consisting of, but not limited to:
 - 2. Mixed use buildings: For flat roofs or facades with a horizontal eave, fascia, or parapet, the minimum vertical dimension of roofline modulation is the greater of two feet or 0.1 multiplied by the wall height (finish grade to top of wall). The maximum length of any continuous roofline shall be seventy-five
 - 3. Other roof forms consistent with the design standards herein may satisfy this standard if the individual segments of the roof with no change in slope or discontinuity are less than forty feet in width (measured horizontally).

Response:

As shown on the Building Elevations provided in ARCH A103 and A104 the roofs are pitched at a 6:12 and 4:12 ratio, with eave overhangs to create distinguished separation from the remainder of the building. A combination of hip, gable and articulated curve roofs make for a handsome varied roofline.

17.62.057 - Multi-family standards.

Setbacks. Multi-family developments shall be placed no farther than twenty feet from the front property line. A deeper front yard setback may be approved through site plan and design review if the setback area incorporates enhanced pedestrian spaces and amenities, including but not limited to, street furniture, public art or other such deliberately shaped area and/or a feature or amenity that, in the judgment of the community development director, integrates well with adjoining areas. Setbacks may also be increased in order to protect wildlife habitat and water resources pursuant to Section 17.49.100.F, and trees and tree groves pursuant to and Section 17.41.120A.

Response: The proposed Waterfront Residences project is located at the newly constructed Agnes Street. According to the approved 2008 Concept Development Plan (CDP), the requested adjustments to the code standards included an adjustment to the maximum building setback standard. The approved adjustment states that "no maximum setbacks shall apply to the CDP boundary provided that actual

development substantially conforms to the CDP." As currently shown, the proposed building layouts conform to the CDP.

Consistent with the approved setback adjustment for the site, the applicant is proposing to provide substantial landscaping between the buildings and street frontage. The landscaping between the buildings and Agnes Street include a variety of medium stature evergreen and deciduous trees, hedges and shrubs and low spreading groundcover. See CIVIL Sheets C22 - C24

D. Entrances. Every buildings abutting a-Street shall have a street facing front facade. The facade shall be oriented to the street and include windows, doorways, and a structured transition from public to private areas using built elements such as porch features, arbors, low walls, trellis work and/or similar elements integrated with planting.

Response: The building entrances are all facing the street-side elevation shown on the attached building elevations. The street facing facades feature a distinguishing and defined front entrance that extends out from the main building structure that opens to the interior court area and the elevator to the upper levels. See ARCH A103, A104, A130. A131 and A132.

E. Percentage of Frontage. On sites with one hundred feet or more of street frontage at least fifty percent of the site frontage width shall be occupied by buildings placed within twenty feet from the property line, unless a greater setback is accepted under the provisions of Section 17.62.057C. For sites with less than one hundred feet of street frontage, at least forty percent of the site frontage width shall be occupied by buildings placed within twenty feet of the property line, unless a greater setback is accepted under the provisions of Section 17.62.056D.

Response: According to the approved 2008 Concept Development Plan (CDP), and the current amended CDP the requested adjustments to the code standards included an adjustment to the maximum building setback standard and the location of the parking.

- G. Architectural and Material Standards. Building articulation and modulation multifamily residential buildings and residential portions of mixed-use buildings. An alternative to the standards in subsection G. below may be approved by the community development director if the design is consistent with the intent of the standards and a specific architectural or building use exists that prohibits the full implementation of the standard.
 - 1. Articulation and modulation of buildings is essential in providing the ability for new buildings to be compatible with the surrounding commercial and residential development. All residential buildings and residential portions of mixed-use buildings shall include at least three of the following modulation and/or articulation features at intervals of no more than thirty feet along all facades facing a street, common open space, and common parking areas:
 - Repeating distinctive window patterns at intervals less than the a. required interval. Vertical building modulation. Minimum depth and width of modulation is thirty-six inches and four feet (respectively) if tied to a change in color or building material and/or roofline

modulation. Otherwise, minimum depth of modulation is ten feet and minimum width for each modulation is fifteen feet. Balconies may not be used to meet modulation option unless they are recessed or projected from the facade and integrated with the building's architecture as determined by the community development director, balconies that appear to be "tacked on" to the facade will not qualify for this option.

- b. Horizontal modulation (upper level step-backs). The minimum horizontal modulation for buildings higher than two stories shall be five feet. A dormer- set five feet back from the front facade-is an example of an acceptable horizontal modulation.
- c. Articulation of the building's top, middle, and bottom. This typically includes a distinctive ground floor or lower floor design, consistent articulation of middle floors, and a distinctive roofline.



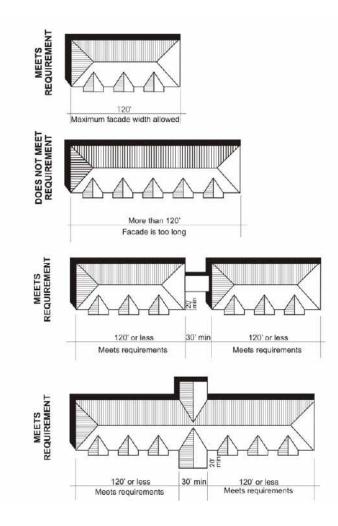


This multifamily building uses a combination of horizontal and vertical modulation, roofline modulation, distinctive window patterns, and older articulation of the building's top, middle, and bottom to the building to the product of the production and the state of the production and the p

Response: As shown on the building elevations provided herein, all proposed buildings feature both horizontal and vertical variations in material, projections and recesses, as well as varying rooflines to break up the building massing.

5. Maximum facades width. Buildings visible from the street must use design techniques to break up long continuous building walls, reduce the architectural scale of the building, and add visual interest. Buildings exceeding one hundred twenty feet in width along the street front shall be divided by a thirty-foot wide modulation of the exterior wall, so that the maximum length of a particular facade is one hundred twenty feet. Such modulation must be at least twenty feet or deeper and extend through all

floors. Decks and roof overhangs may encroach up to three feet (per side) into the modulation. The director will consider other design methods that are effective at reducing the perceived width of the building. Examples could include a combination of vertical and/or horizontal building modulation with a change in building materials or finishes, a clear change in building articulation and/or fenestration technique.



Response: The building facades along Agnes Street are greater than one hundred and twenty feet in length. Therefore, the wall planes for these elevations feature both projections and recesses to break up the building plane and massing.

Roofline standards.

Response: As shown on the attached elevations and plans, all facades will have sloped roofs with a variation of hip and gable ends and change of roof direction and eave height to break up the facade appearance.

H. Diversity of building types. Multi-building developments of four or more buildings shall be required to provide different architectural designs to provide interest and variety. This is particularly important where multiple buildings front on the same

street. Simple changes in building colors or reversal of basic facade designs are not sufficient to comply with this standard. Consider changes in vertical and/or horizontal articulation, fenestration, building materials, architectural style, and/or roof design.

Response:

There are a total of six buildings within the Waterfront Residences. These six buildings are separated in the middle with a distinctively different commercial building – the Office component of approximate 70,000 sq ft. There are only 3 building that are contiguous.

I. Diversity of unit types. Multifamily buildings with more than twenty-five units are required to provide a diversity of housing types to allow for a range of households and age groups. Unit types are defined as the following:

Studio, one-bedroom, two-bedroom and three-bedroom units or an ADA accessible master bedroom and bathroom (ground floor or elevator access).

- 1. Developments of twenty-five to fifty units must provide two unit types representing a minimum of ten percent of the total units per unit type.
- 2. Developments of fifty-one to seventy-five units must provide three unit types representing a minimum of ten percent of the total units per unit type.
- 3. Developments of seventy-six units and above must provide four unit types representing a minimum of ten percent of the total units per unit type.

Response:

There are 195-proposed units condominiums for lease offering 1, 2, and 3-bedroom units. A majority of the units are 2-bedroom with a smaller portion as 1 and 3-bedroom. As shown on the ARCH Sheets A103 – A128. All the units are ADA accessible given that all the units above the first floor are elevator accessible. Given that these units are ultimately planned as "for sale" units it is necessary to request a modification of the required ratios to allow for market conditions that do not require one bedroom units and the expense of larger 3 bedroom units also needs to be reduced to be acceptable in the "for sale" market.

K. Building Materials.

All multifamily buildings shall be enhanced with appropriate details. Each of the types of details listed below is worth one point. Multifamily buildings must achieve the equivalent of five points worth of architectural details.

- Decorative porch design with distinct design and use of materials.
- 2. Decorative treatment of windows and doors, such as decorative molding/framing details around all ground floor windows and doors, bay windows, decorative glazing, or door designs, and/or unique window designs.
- 3. Landscaped trellises or other decorative element that incorporates landscaping near the building entry or entries.
- 4. Decorative light fixtures with a diffuse visible light source, such as a globe or "acorn" that is non-glaring or a decorative shade or mounting for each building entry on the facade.
- 5. Brick or stonework covering more than fifteen percent of the facade.
- 6. Decorative building materials that add visual interest, including:
 - a. Individualized patterns or continuous wood details.

- b. Decorative moldings, brackets, wave trim or lattice work.
- c. Other materials with decorative or textural qualities as approved by the director. The applicant must submit architectural drawings and material samples for approval.
- 7. Decorative roofline design, including multiple gables and/or dormers, decorative parapet or other design that adds distinct visual interest.
- 8. Decorative railings, grill work, or terraced landscape beds integrated along the facade of the building.
- 9. Other details that meet the intent of the guidelines as approved by the director.

The multi-family buildings will feature decorative landscaping near the building entries; light fixtures designed at a pedestrian scale to create a sense of place and safety; building entries are distinctively designed; decorative building materials that add visual interest; a decorative roofline design with varying features and roof angles to add distinct visual interest.

L. Window Design.

- Transparent windows or doors facing the street are required. To meet this
 requirement, at least fifteen percent of the facade must be transparent.
 Transparency is measured at the first floor only.
- 2. All windows on all elevations shall recess or project individual windows at least two inches from the facade and incorporate window trim at least four inches in width that features color that contrasts with the base building color. Exceptions will be considered by the community development director where buildings employ other distinctive window or facade treatment that adds visual interest to the building.

Response:

As shown on the building elevations, windows along the first floor of the street facing façade comprise over 50% of the elevation as represented by the non-residential use. The upper windows on the front elevation are partially obscured by architectural projections that add, variety and interest to the total elevation. These projections also add diversity to the roof elevations by breaking up the façade.

17.62.065 Outdoor lighting.

Response:

Proposed outdoor lighting locations are shown on Civil C16 plan. Lighting for parking is provided by a combination of 18' high pole mounted and building wall mounted fixtures. Fixtures utilize LED technology providing approximately 70% energy savings vs. equivalent metal halide fixtures. Fixture placement is designed to provide the required light levels while minimizing light spill to abutting property. The lighting is adequate for safety and convenience for both vehicle and pedestrian-scale. Lighting is also show for the Esplanade on CIVIL Sheets C25-C28.

17.62.085 Refuse and recycling standards for commercial, industrial, and multifamily developments.

The purpose and intent of these provisions are to provide an efficient, safe and convenient refuse and recycling enclosure for the public as well as the local collection firm. All new development, change in property use, expansions or exterior alterations to

uses other than single-family or duplex residences shall include a refuse and recycling enclosure. The area(s) shall be:

- A. Sized appropriately to meet the needs of current and expected tenants, including an expansion area if necessary;
- B. Designed with sturdy materials, which are compatible to the primary structure(s);
- C. Fully enclosed and visually screened;
- D. Located in a manner easily and safely accessible by collection vehicles;
- E. Located in a manner so as not to hinder travel lanes, walkways, streets or adjacent properties;
- F. On a level, hard surface designed to discharge surface water runoff and avoid ponding;
- G. Maintained by the property owner;
- H. Used only for purposes of storing solid waste and recyclable materials;
- I. Designed in accordance with applicable sections of the Oregon City Municipal Code (including Chapter 8.20—Solid Waste Collection and Disposal) and City adopted policies.

Response:

A trash enclosure is shown on CIVIL Sheet C14. The enclosure is located adjacent to the emergency access route to the Oregon City Shopping Center, also adjacent to the maintenance building. The enclosure includes (1) 6-yard comingle recycling bin and (2) separate recycle bins – one at each bldg.

CHAPTER 17.65 - MASTER PLANS

- C. Approval Criteria for a General Development Plan. The planning commission shall approve an application for general development plan approval only upon finding that the following approval criteria are met.
 - 1. The proposed General Development Plan is consistent with the purposes of Section 17.65.
 - 2. Development shall demonstrate compliance with Chapter 12.04, Streets, Sidewalks and Public Places.
 - 3. Public services for water supply, police, fire, sanitary waste disposal, and storm-water disposal are capable of serving the proposed development, or will be made capable by the time each phase of the development is completed.
 - 4. The proposed General Development Plan protects any inventoried Goal 5 natural, historic or cultural resources within the proposed development boundary consistent with the provisions of applicable overlay districts.
 - 5. The proposed General Development Plan, including development standards and impact mitigation thresholds and improvements adequately mitigates identified impacts from each phase of development. For needed housing, as defined in ORS 197.303(1), the development standards and mitigation thresholds shall contain clear and objective standards.
 - 6. The proposed general development plan is consistent with the Oregon City Comprehensive Plan and its ancillary documents.

Response: The proposed CDP submitted earlier represents an update to the original 2008 CDP. The proposed CDP is consistent with the applicable code sections as addressed within this narrative.

- B. Approval Criteria. The community development director shall approve an application for detailed development plan approval only upon findings that:
 - 1. All development standards and impact mitigation meet the requirements of the approved general development plan, including conditions of approval.
 - 2. Any other applicable zoning regulations that are not addressed in the general development plan are met, unless an adjustment to those regulations has been applied for and is approved. The approval standards applicable to adjustments required as part of a master plan are contained in Section 17.65.070.
 - 3. The detailed development plan conforms with the standards contained in Chapter 17.62, unless adjusted as provided in Section 17.65.070.
- C. Duration of Detailed Development Plan. Unless substantial expenditures have been made to implement the approved detailed development plan, defined as the submittal to the city of engineered plans for approval, a detailed development plan shall expire twenty-four months from the notice of decision date. The date of final approval includes the resolution of all appeals. Upon the receipt from the applicant of a written request and payment of the required fee prior to the expiration dated of the detailed development plan, the community development director may, on a one-time basis, grant a twelve-month extension.

17.65.070 - Adjustments to development standards.

Response:

The applicant is requesting an adjustment to Section 17.62.055 - Commercial first floor frontage to allow first floor heights of 10-feet (floor to floor) instead of 14-feet. In addition to this adjustment, the following adjustments have been approved with previous CDP reviews and remain valid.

17.62 & 17.34 Maximum Building Setbacks

No maximum setbacks shall apply to the Concept Development Plan boundary provided that actual development substantially conforms to the Concept Development Plan.

17.49.050.H.5.c Water quality resource area standards.

A walkway or bike path shall not exceed twenty (20) feet in width.

17.52.015 Planning commission adjustment of parking standards.

LIVE / WORK SPACE: The non-residential component that was included as part of the Vertical Housing requirement is expected to be utilized primarily as live / work space utilized primarily by the residents within the Waterfront units. A reduction of 50% is requested for this use. The requirement of a minimum of 23 spaces would be reduced to 13 spaces.

The adjustment to these standards was approved to allow for development of the site as proposed within the plan. 17.62.055.F Institutional and commercial building standards.

The adjustment to these standards was approved to allow for development of the site as proposed within the plans included with the original Master Plan submittal.

- D. Approval Criteria. A request for an adjustment to one or more applicable development regulations under this section shall be approved if the review body finds that the applicant has shown the following criteria to be met.
 - 1. Granting the adjustment will equally or better meet the purpose of the regulation to be modified;

Response:

The purpose of Section 17.62.055(F) is to provide adequate height on the first floor of structures to function for commercial uses which could include retail, restaurants and/or office uses. Along Agnes Street and within the Waterfront Residence project, each of the Buildings contain spaces that would be approximately 1,452 square feet in area. It is anticipated that these spaces would likely be office units that would offer live-work opportunities for residents. Allowing floor to floor heights of 10-feet in this area will still maintain flexibility for future tenancy of these types of uses, which typically do not require 14-feet of floor to floor height for proper function and market viability.

2. If more than one adjustment is being requested, the cumulative effect of the adjustments results in a project that is still consistent with the overall purpose of the zone;

Response:

In combination with the adjustments already approved for The Cove, the proposed reduction in the finished floor height of the ground floor of buildings to 10-feet will not create a situation in which the cumulative adjustments are inconsistent with the purposes of the MUD zone. Provisions in OCMC 17.34.010 state that the MUD district is intended to provide "A mix of high-density residential, office and retail uses are encouraged in this district, with retail and service uses on the ground floor and office and residential uses on the upper floors. The emphasis is on those uses that encourage pedestrian and transit use." The Cove project provides for an appropriate mix of land uses with ground floor office and retail uses in each of the six (6) buildings. Limiting the height of the first floor on these sites will not preclude the ability to provide a mix of uses with ground floor uses that engage the pedestrian. It is not anticipated that any of the other approved adjustments, in combination with the requested adjustment, would preclude consistency with the purpose of the zone to encourage mixed uses, and pedestrian and transit access.

3. City-designated Goal 5 resources are protected to the extent otherwise required by Title 17;

Response: No City-designated Goal 5 resources are impacted by the proposed adjustment.

4. Any impacts resulting from the adjustment are mitigated; and

Response:

By designing compact ground floor building areas, a reduction in the size and amount of HVAC ductwork can be achieved when compared to larger retail spaces reducing the need for a taller floor to floor height. By reducing the scale of the ground floor uses, any adverse impact from the shorter floor to floor height is mitigated.

5. In an environmental zone, the proposal has as few significant detrimental environmental impacts on the resource and resource values as is practicable. (Ord. 03-1014, Att. B3 (part), 2003)

Response: The proposed adjustment is not within an environmental zone. Therefore there are no environmental impacts associated with the adjustment.

6. The proposed adjustment is consistent with the Oregon City Comprehensive Plan and ancillary documents.

Response: The proposed adjustment are consistent with the Oregon City Comprehensive Plan and ancillary documents as the desired mix of uses in the MUD zone will not be affected by the proposed adjustment.

17.65.80 - Amendments to approved plans.

A. When Required. An amendment to an approved General Development Plan or detailed development plan is required for any use or development that is not in conformance with the applicable plan, as provided below. The approval criteria contained in Section 17.65.050 will apply to general development plan amendments, the approval criteria contained in Section 17.65.060 will apply to detailed development plan amendments. The thresholds and procedures for amendments are stated below.

Response: This proposed amendment to the original 2008 CDP and the amended 2009 CDP addresses all applicable development code sections. Also, the detailed development plan amendments outlined under 17.65.060 are addressed above.

III. CONCLUSION

As demonstrated by the responses provided in this narrative and the supporting exhibits, the proposed CDP amendment previously submitted by Grand Cove, LLC and DDP for the Waterfront Residence, NROD and Geologic Hazard applications conform to the applicable standards and review criteria necessary for City approvals and authorizations. The applicant therefore respectfully requests City approval of the attached land use application package.



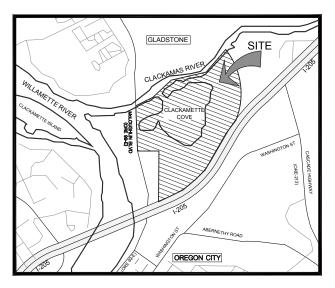
The Cove

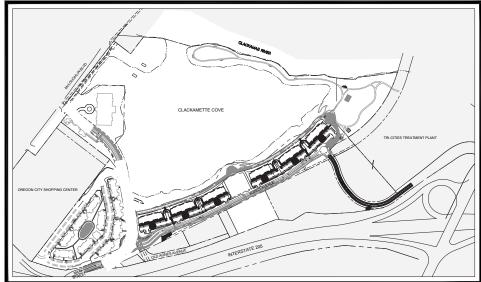
CDP & DDP

_ Cardno[®]
Shaping the Future

THE COVE DETAILED DEVELOPMENT PLAN

PHASE 2 - WATERFRONT RESIDENCES A PACIFIC PROPERTY SEARCH DEVELOPMENT **ARCHITECTURE**





TREE PRESERVATION PLAN NOTE

BENCHMARK

PUBLISHED NGVD 29 ELEV.=56.117 FEET CONVERTED TO NAVD 88 ELEV.=59.587 FEET

SITE INFORMATION

MAP -2S2E29 TAX LOTS - 100, 1500A, 1500B, 1502, 1503, 1505 1508, 1600, 1601 ONING - MUD-MIXED USE DOWNTON

VICINITY MAP

NOT TO SCALE INDEX OF SHEETS

C1 - COVER SHEET C2 - OVERALL EXISTING CONDITIONS

C3 - INFRAST. PHASING - TRANSPORTATION & SITE DEV.

C4- PHASE 2 USES

C5 - PHASE 2 FLOODPLAIN SUMMARY

C6 - TAX LOTS AND PLAN NOS.

A101 - SITEPLAN

A102 PLAT OVERLAY C7 - SITE PLAN NORTH

C8 - SITE PLAN SOUTH C9 - SITE CIRCULATION NORTH

C10 - SITE CIRCULATION SOUTH

C11 - SITE PLAN - SOUTH

C12 - SITE PLAN - NORTH

A103 - BUILDING ELEVATIONS A104 - BUILDING ELEVATIONS - RENDERING

SITE MAP



INDEX OF SHEETS A122 - BUILDING 5 - 1 FLOOR A123 - BUILDING 5 - 2, 3 & 4 FLOOR

A124 - BUILDING 5 - ROOF A125 - BUILDING 6 - GOUND FLOOR A126 - BUILDING 6 - 2 & 3 FLOOR

A127 - BUILDING 6 - 4 FLOOR

A128 - BUILDING 6 - ROOF

A129 - EXTERIOR SPECIFICATIONS

A130 - LEASING OFFICE / EXERCISE / POOL

A131 - RESTAURANTS - EACHE SIDE OF BLDG 3 & 4

 $\mbox{A132}$ - FUTURE OFFICE - RESTAURANTS EACH SIDE OF LOT 5

A119 - BUILDING 3 & 4 - 4 FLOOR & LOFT ACCESS A120 - BUILDING 3 & 4 5 FLOOR / LOFT A121 - BUILDING 4 - ROOF

A116 - BUILDING 3 ROOF

INDEX OF SHEETS

A105 - BUILDING 1 - GROUND FLOOR

A108 - BUILDING 1 - ROOF A109 - BUILDING 2 - GROUNG FLOOR

A112 - BUILDING 3 - GROUND FLOOR A113 - BUILDING 3 - 2 & 3 FLOOR

A115 - BUILDING 3 & 4 5 FLOOR /LOFT

A117 - BUILDING 4 GROUND FLOOR

A118 - BUILDING 4 - 2 & 3 FLOOR

A114 - BUILDING 3 & 4 FLOOR & LOFT ACCESS

A106 - BUILDING 1 - 2 & 3 FLOOR

A110 - BUILDING 2 - 3 & 4 FLOOR

A107 - BUILDING 1 - 4 FLOOR

A111 - BUILDING 2 - ROOF

PLANNING

PACIFIC PROPERTY SEARCH, LLC ATTR: RANDY TYLER 6205 SW MERIDIAN WAY TUALATIN, OREGON 97062 (503) 697-6000 (503) 697-1630 (FAX)

LANDSCAPE ARCHITECT

SURVEYOR CARDNO WRG ATTN: SAMANTHA BIANCO 5415 SW WESTGATE DR., SUITE 100 PORTLAND, 97221 (503) 419-2500 (503) 419-2500 (FAX)

GEOTECHNICAL ENGINEER

WETLAND BIOLOGIST

GENERAL COVER SHEET

THE COVE - PHASE 2

PACIFIC PROPERTY SEARCH
OREGON CITY, OREGON

PROJECT TEAM

DEVELOPER

PACIFIC PROPERTY SEARCH, LLC ATTN: ED DARROW / RANDY TYLER 6205 SW MERIDIAN WAY TUALATIN, OREGON 97062 (503) 638-0709

CIVIL ENGINEER

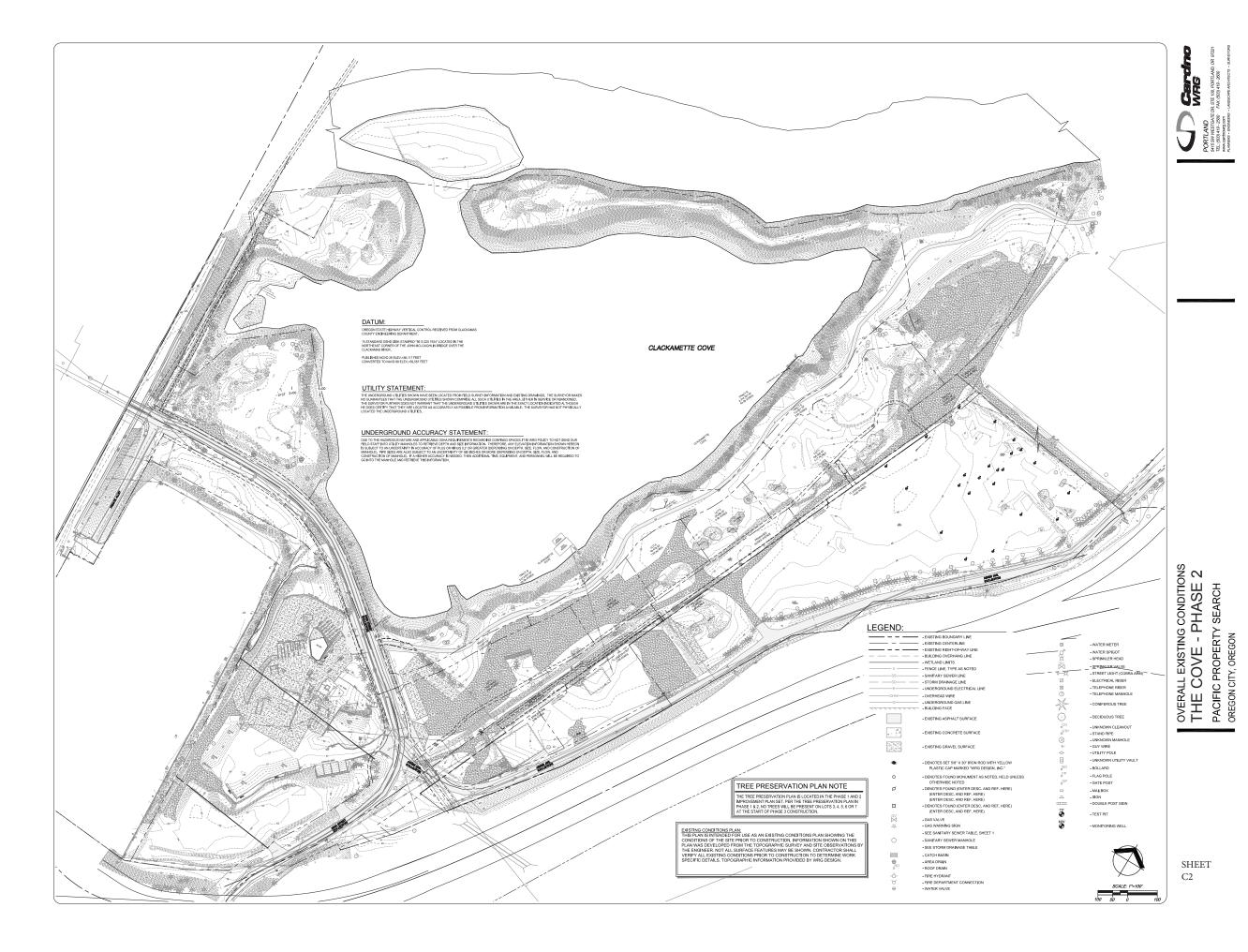
CARDNO WRG
ATTN: CEDOMIR JESIC
5415 SW WESTGATE DR., SUITE 100
PORTLAND, 97221
(503) 419-2500
(503) 419-2600 (FAX)

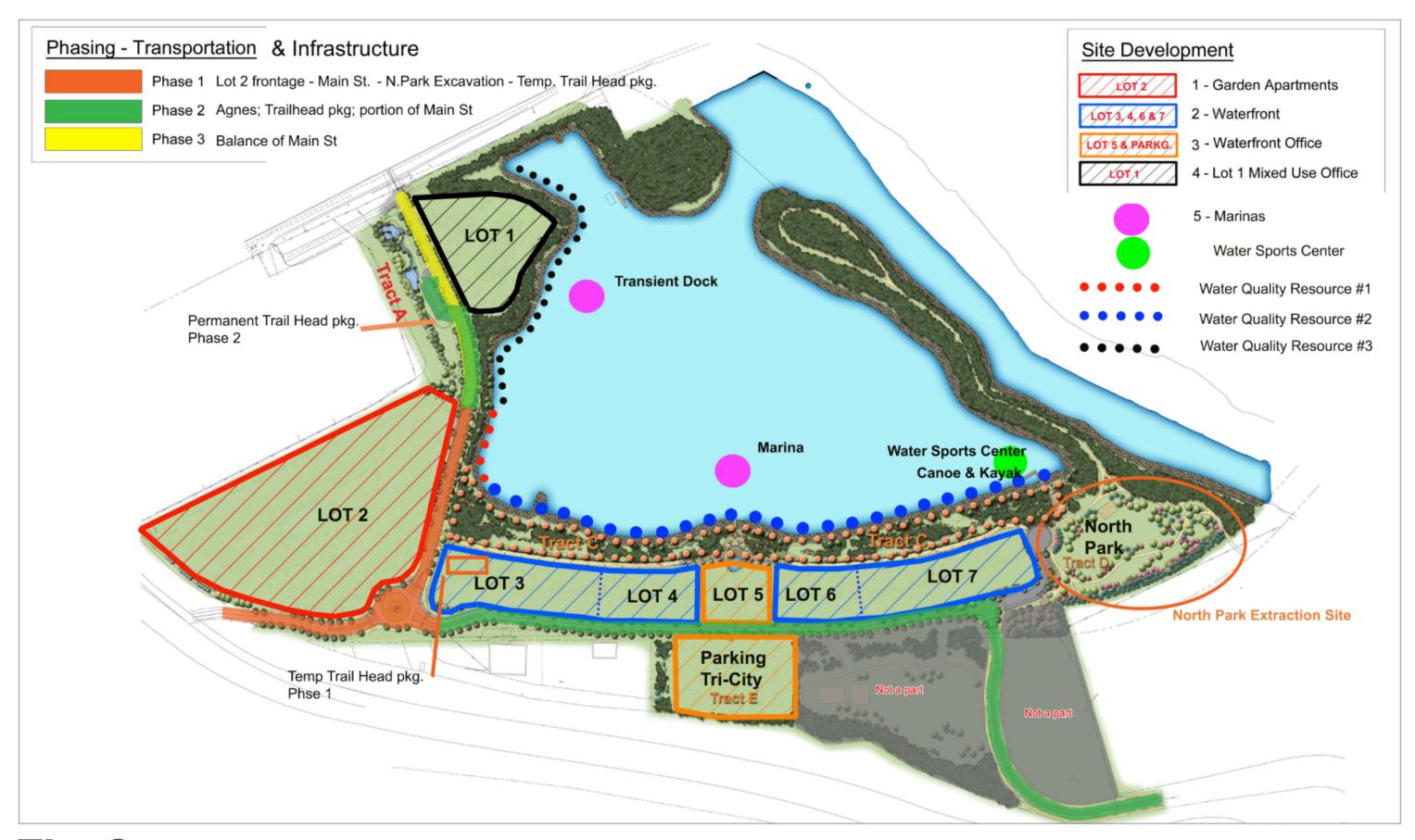
HILL ARCHITECTS ATTN: LLOYD HILL 1914 WILLAMETTE FALLS DR., SUITE 280 WEST LINN, OR 97068 (503) 305-8033 (503) 305-8034 (FAX)

ARCHITECT

ASH CREEK ASSOCIATES ATTN: STUART ALBRIGHT 9615 SW ALLEN BLVD., SUITE 106 PORTLAND, OR. 97005-4814 (503) 924-4704 (503) 924-4707 (FAX)

PACIFIC HABITAT SERVICES, INC. ATTN: JOHN VAN STAVEREN 9450 SW COMMERCE CIRCLE, SUITE 180 WILSONVILLE, OREGON 97070 (503) 570-0800 (503) 570-0855 (FAX)









The Cove - Phase 2 Floodplain Summary

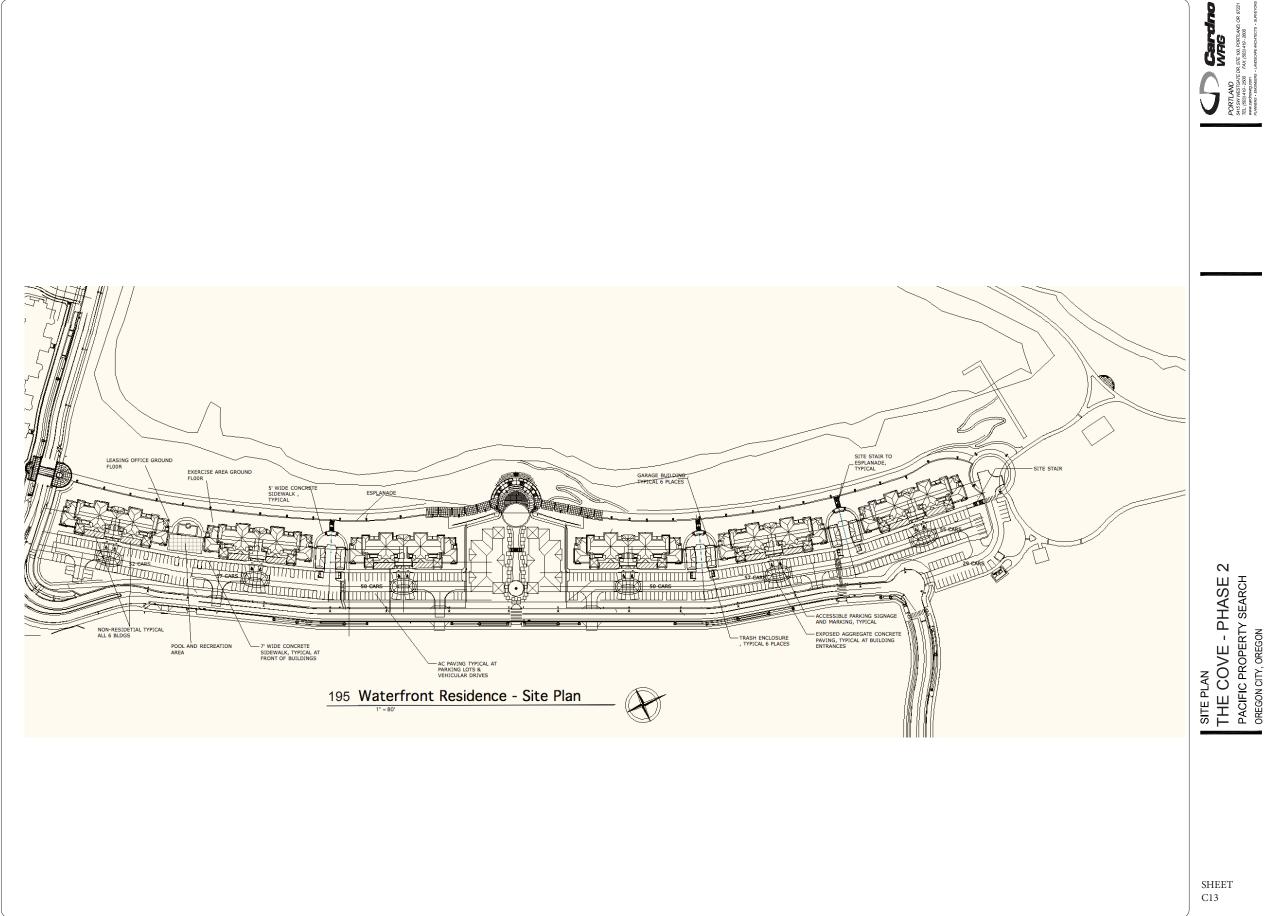




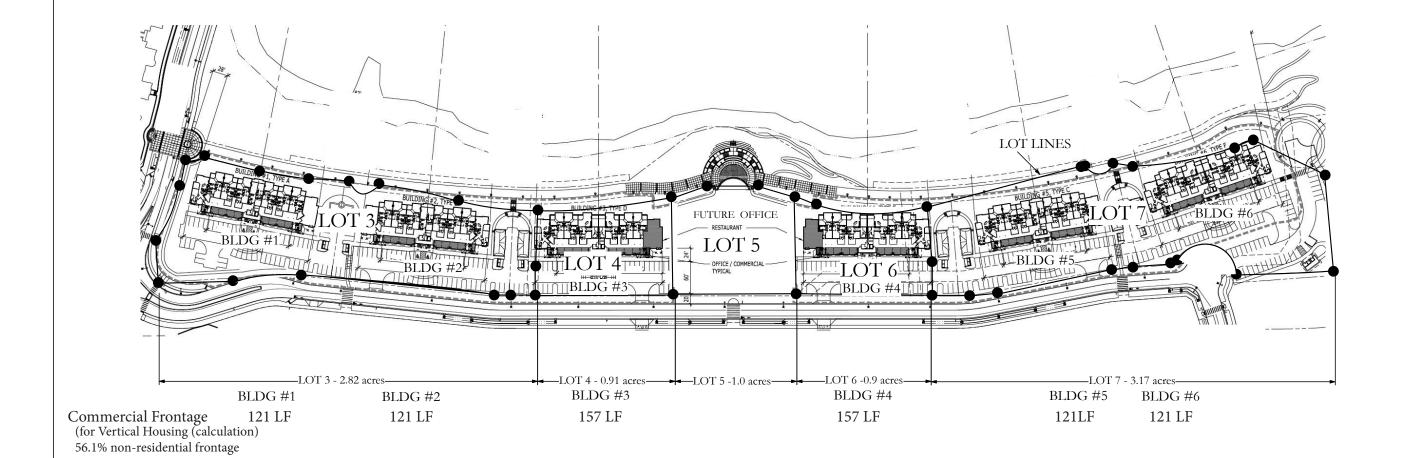
DDP OTAX LOT# PLAT LOT#

Oregon City, Oregon

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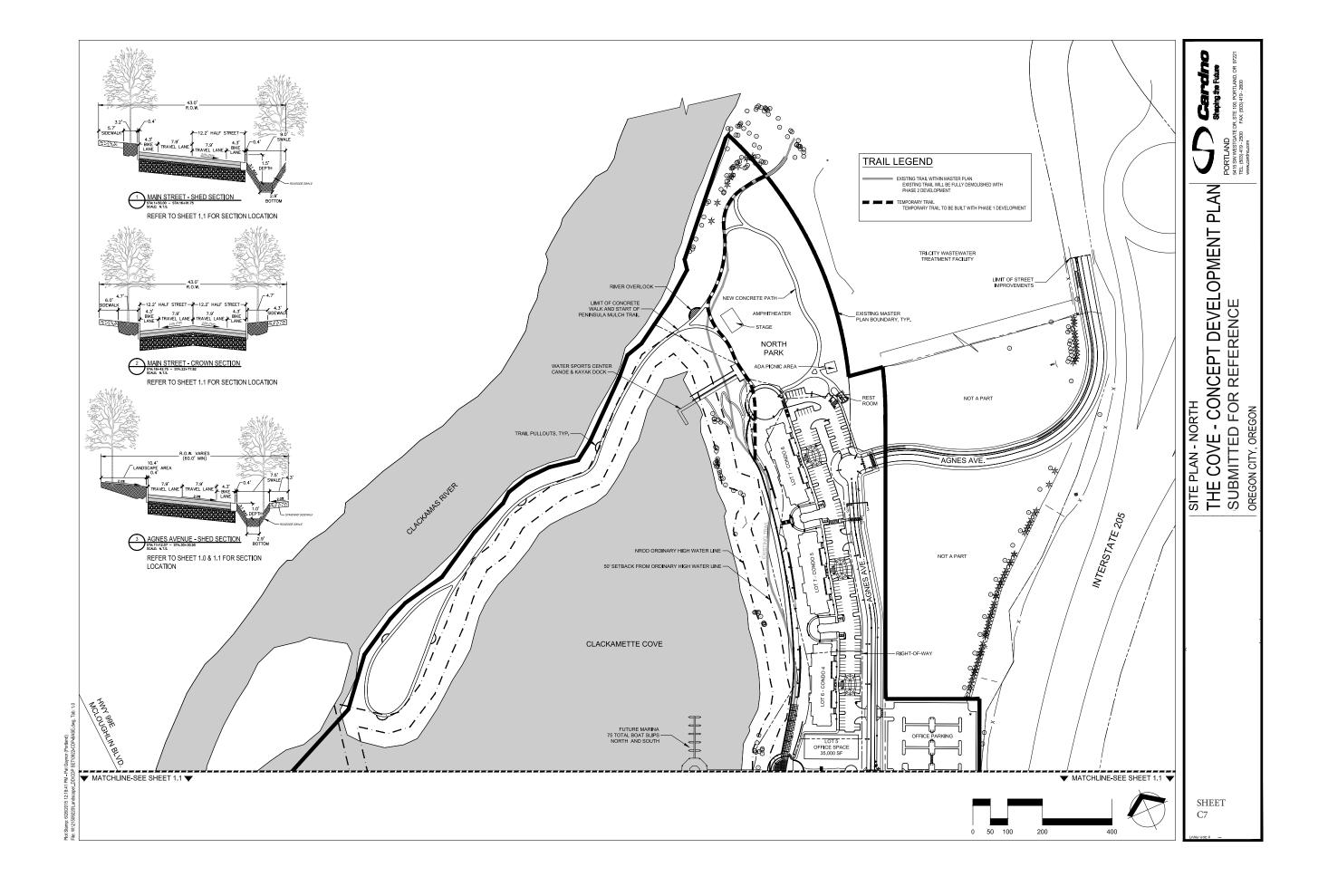
WATERFRONT LOTS - PLAT OVERLAY

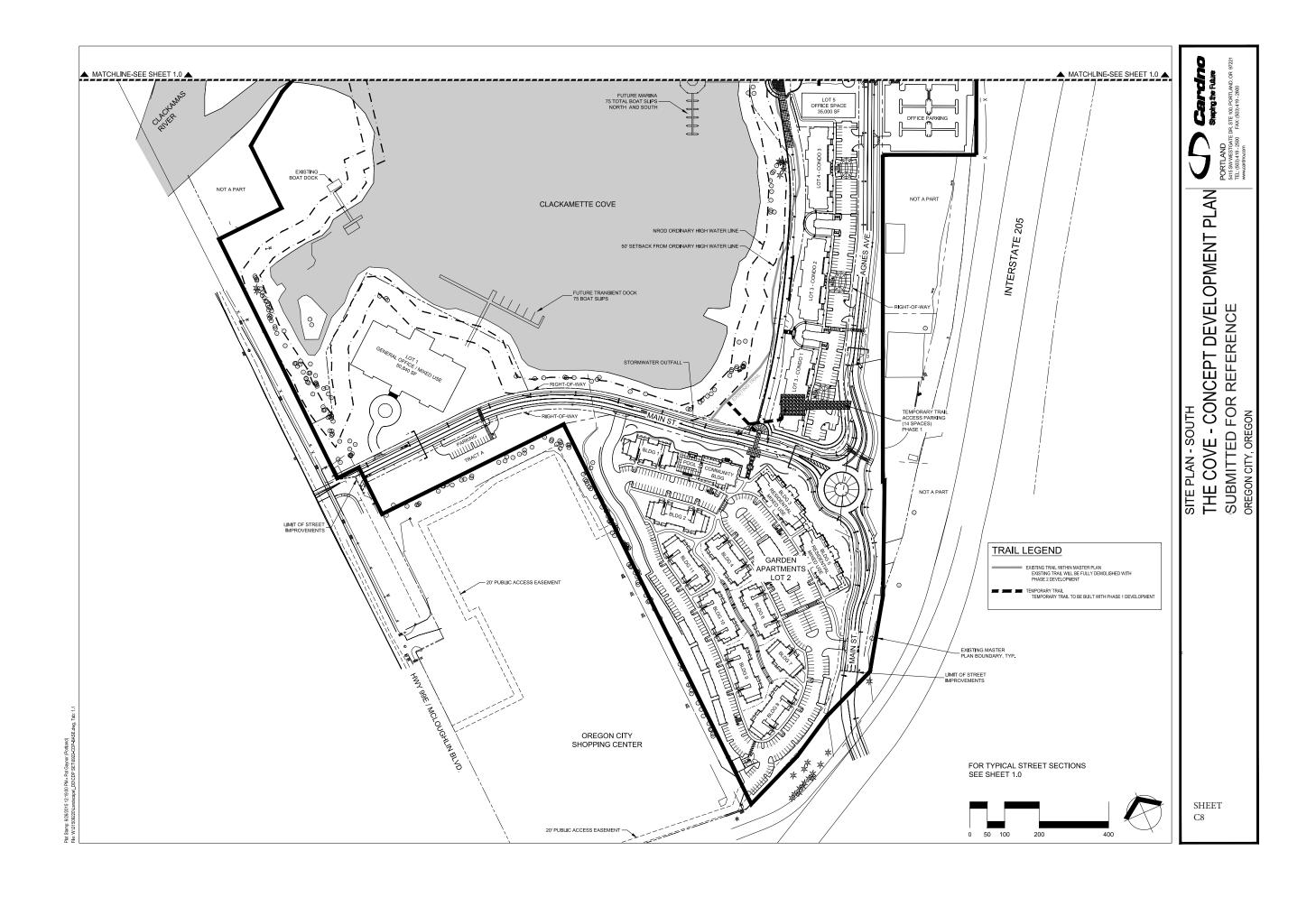
SCALE: 1' = 80'

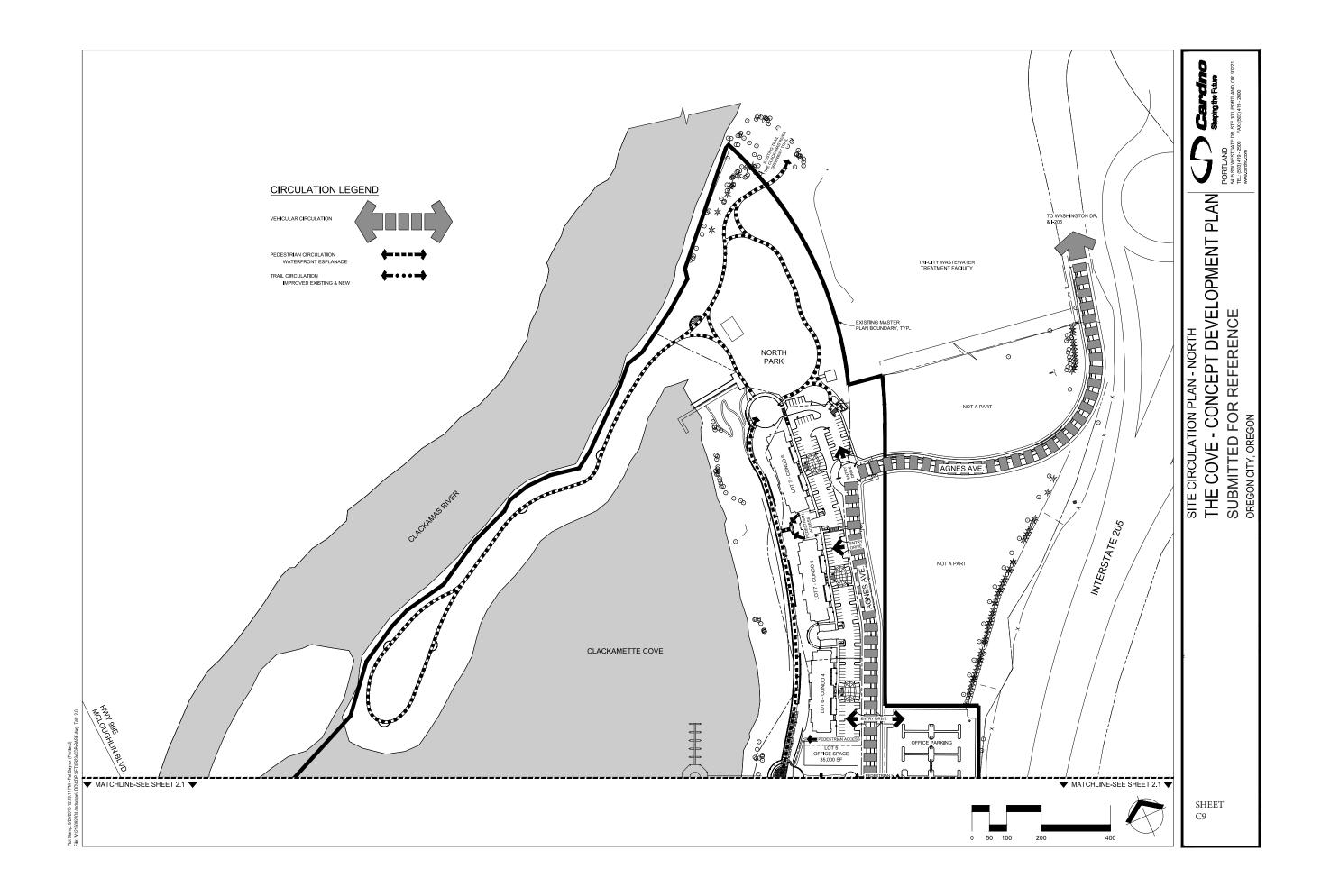
THE PLAT OF CLACKAMETTE COVE

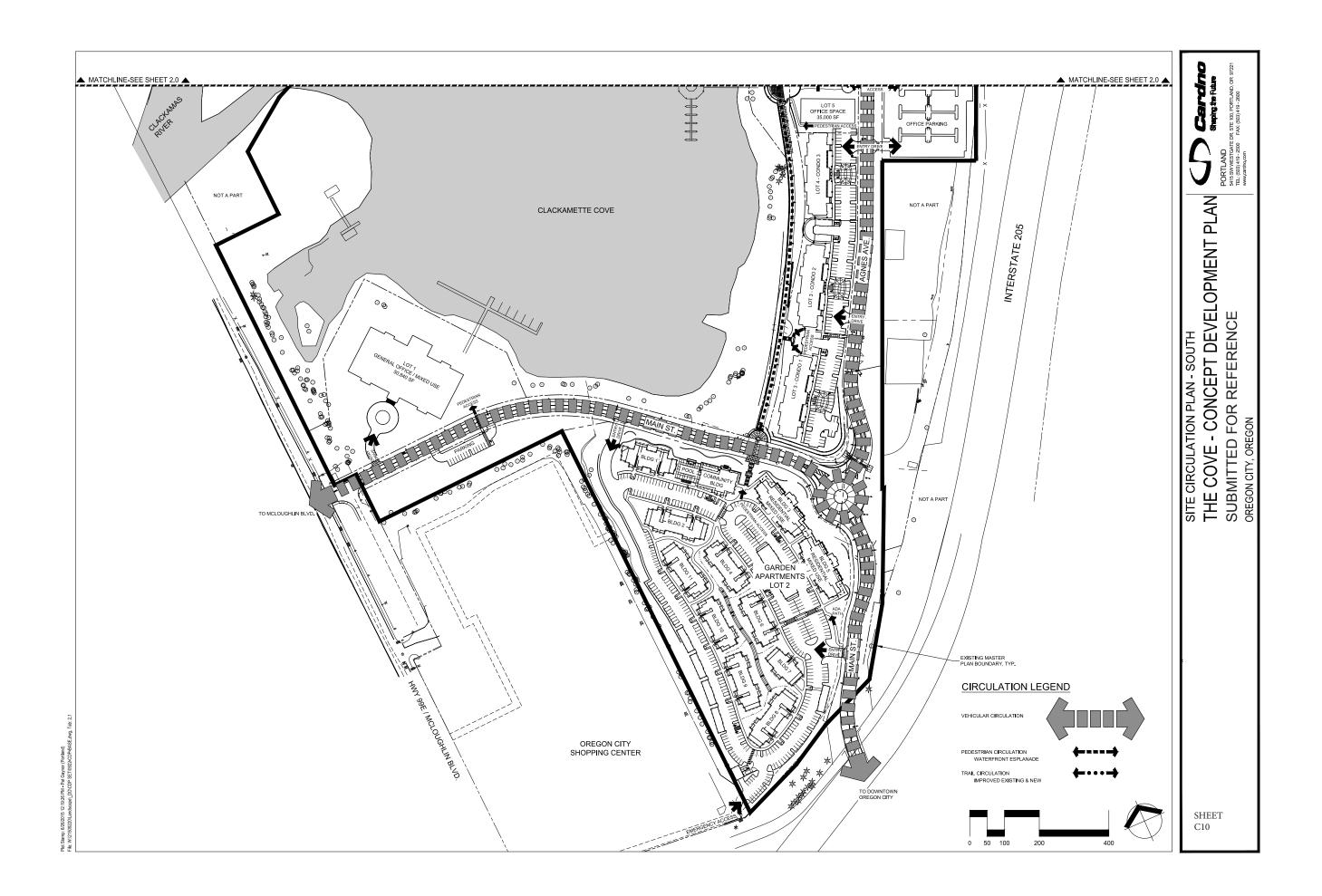
LOCATED IN THE SOUTHWEST ONE-QUARTER AND NORTHWEST ONE-QUARTER OF SECTION 29, THE SOUTHWEST ONE-QUARTER OF SECTION 20, THE SOUTHEAST ONE-QUARTER OF SECTION 19, AND THE NODRTHEAST ONE-QUADRTER OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 2 EAST, W.M.,

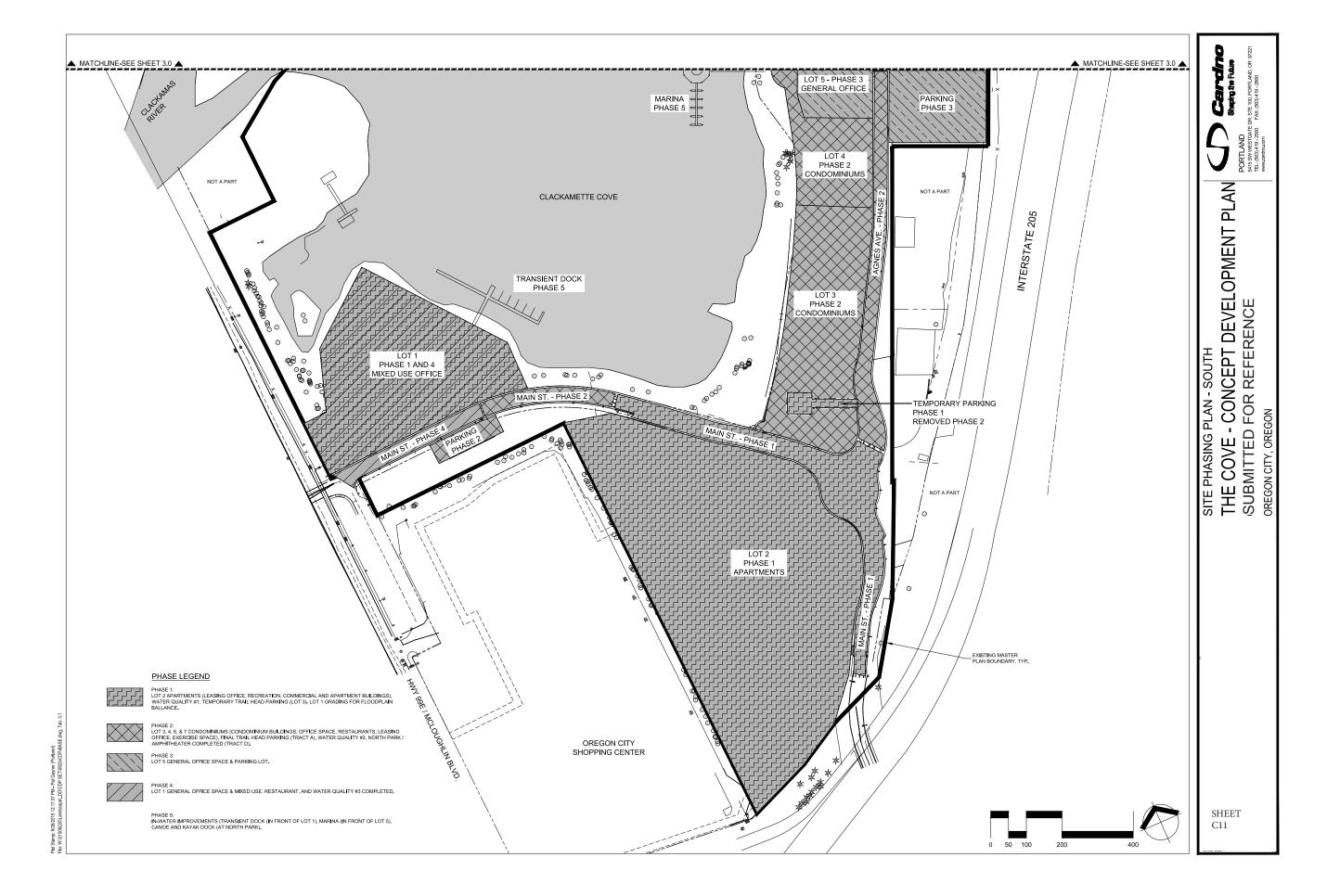
CITY OF OREGON CITY, CLACKAMAS COUNTY OREGON

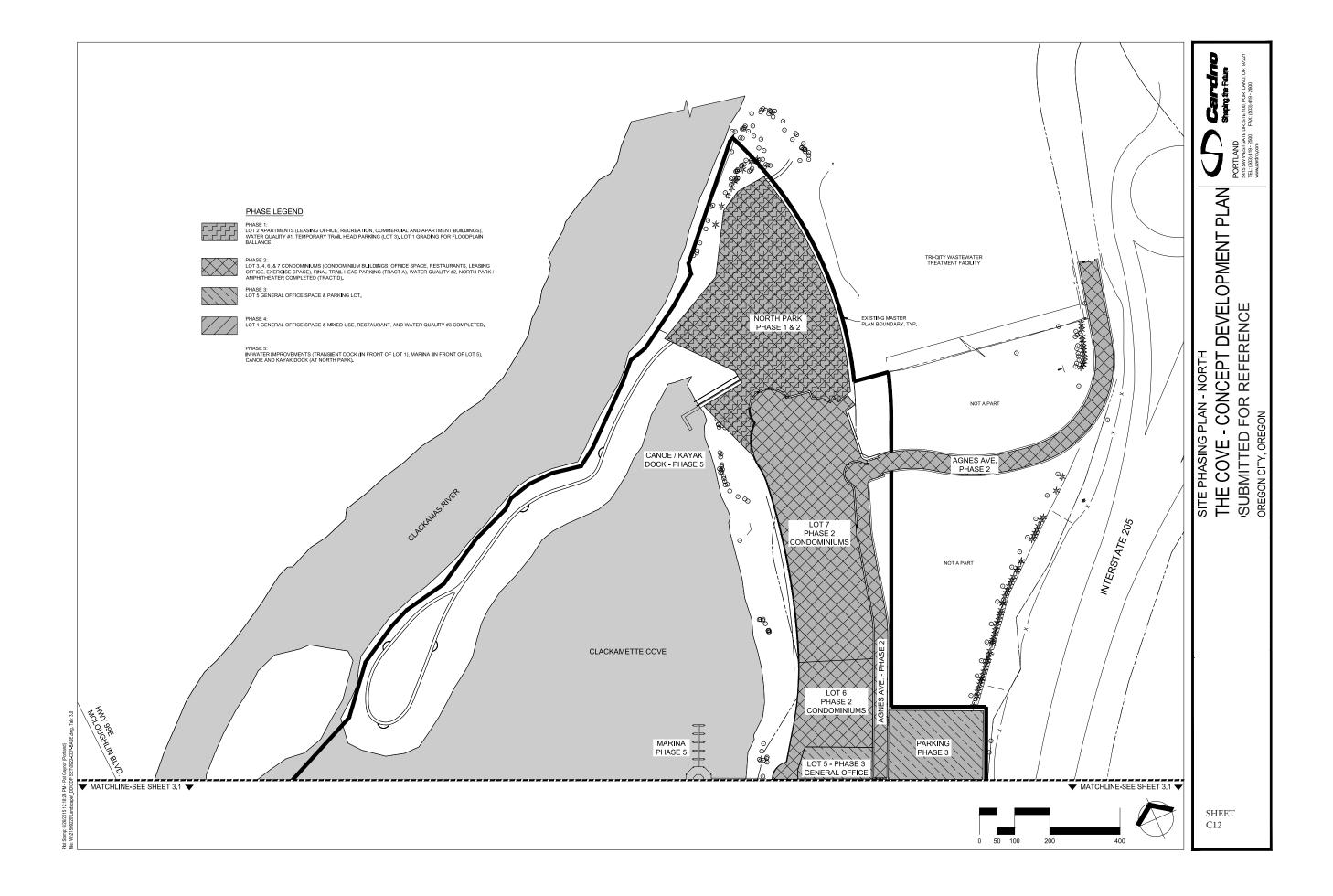


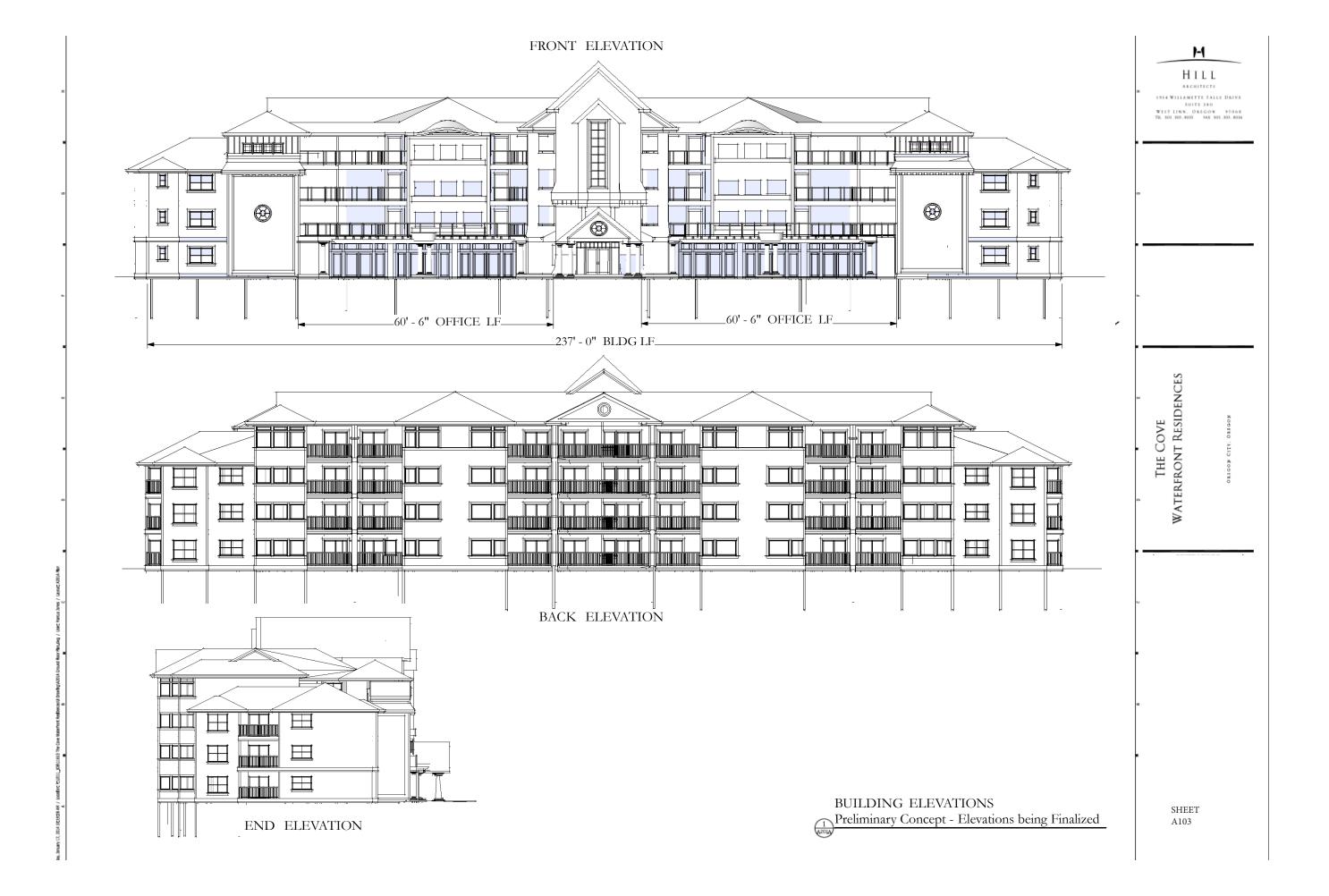












FRONT RENDERING

HILL

1914 WILLAMETTE FALLS DRIVE SUITE 280 WEST LINN. OREGON 97068 TE 503.305.8033 FAX 503.305.8034

THE COVE WATERFRONT RESIDENCES

BACK RENDERING

NON-RESIDENTIAL - GROUND FLOOR

BUILDING RENDERINGS

Preliminary Concept - Elevations being Finalized

SHEET A104

