

DATE: September 2, 2014

ECO Project #: 21631

TO: Advisory Committee

FROM: Lorelei Juntunen

SUBJECT: SUMMARY OF ARCH BRIDGE DEVELOPER ROUNDTABLE DISCUSSION

On August 13, 2014, the Arch Bridge Project team held a roundtable with a number of development professionals to: (1) share City's vision for redevelopment; (2) test market analysis assumptions and vision for feasibility; and (3) gain additional insight into development options. This memorandum summarizes key findings from the discussion. Attendees for the roundtable were:

John Kovash	Mayor of West Linn
Sara Javoronok	City of West Linn
Chris Kerr	City of West Linn
Matt Brown	EB5 Global LLC
Barry Cain	Gramor Development
Jodi L. Enos	Northwest Housing Alternatives
Kira Cador	Rembold
Leah Greenwood	REACH
Matthew Dalla Corte	Mill Creek Development
Dwight Unti	Tokola Properties
Ian Dunlap and Brian Konen	Mill Property Manager and Owner
Gail Curtis	ODOT
George Diamond	Real Estate Investment Group
John Olivier	Williams and Dame Development
Lorelei Juntunen	ECONorthwest
Abe Farkas	ECONorthwest
Mark Hinshaw	LMN Architects
Rafa Murillo	LMN Architects

General comments

Participants stressed that having good connections to what is happening on the other side of the Willamette River (downtown Oregon City and the redevelopment at Blue Heron Paper Mill) will help to create a successful development. They also emphasized that as a small area, the Arch Bridge redevelopment area would need to play off of its connections to the river and to Oregon City and that the market for many uses extended all the way up Highway 43. The group acknowledged that to achieve density and use goals the City would need to create viable incentives in addition to having an accommodating regulatory environment.

ECO conducted follow-up conversations with several developers. In the roundtable and in follow-ups, several expressed interest in the site and in development in West Linn in general. However, they also expressed a desire to better understand the package of incentives that might be available to support urban development on the site.

Comments on uses

Participants generally felt that this area was desirable for multi-family residential uses and that the concept should have more residential uses, including condominiums or market-rate rentals.

One person thought the concept could accommodate higher densities than were planned. To enable flexibility and encourage development, the City should keep zoning fairly open in this area and let density dictate itself by providing only a minimum. Several participants saw this as a great opportunity for affordable housing, but wanted to better understand the City's affordability goals for the area. To accommodate affordable housing, the group was open to a range of incentive tools, and recognized that having City-owned land could be a key asset. The group discussed senior housing, but concluded that the location might not be ideal. Preferably, senior housing should be closer to a hospital and grocery store, and take advantage of convenient mass transit and shared parking.

The group also discussed construction costs and parking requirements for residential uses:

- The market does not support podium construction if it is self-parked.
- Podium parking is at least \$25,000 - \$30,000 per stall. Need around \$2 / sq ft in residential rents to do podium. For reference, one developer highlighted that Bridgeport Village is achieving \$1.55 / sq ft in the current market. Underground parking would be considerably more expensive.
- One developer usually develops 45–60 units with tuck-under parking (not podium). In this location, that developer wouldn't go less than 1.5 spaces per unit (because there is limited transit access here).

There was some discussion on whether a hotel makes sense on the West Linn side of the river, given the potential infrastructure needs and automobile traffic it would generate. One developer felt that a hotel might be more viable on the Oregon City side of the river closer to the falls.

Participants generally agreed that the area, even if more densely developed, could only support the limited amount of retail needed to complement residential uses. The more desirable and abundant retail will continue to be in Oregon City's downtown just across an easy to navigate bridge. There is not enough critical mass in the West Linn area alone. Retail uses that might benefit the area include a smaller-format grocery store, restaurants, and neighborhood-serving retail. The group questioned the need to recreate a main street retail feel when one already exists so nearby in Oregon City.

Comments on infrastructure and amenities

Developers had several thoughts about urban design and infrastructure. Participants mentioned "amping up the pedestrian orientation" of the area and suggested reducing setbacks to incorporate a more "Orenco-esque" design with a mixed land use so there's more street level activity. Another participant thought there was an excess of open space and that open space should orient toward the river and away from major intersections and the freeway. Participants suggested that the design should double load the street to reduce infrastructure finance costs.

More broadly, participants suggested that the team think extensively about phasing, anchor tenants, and how incentives can support development in this area over time.

Barriers

Participants mentioned a few key barriers including:

- Maintaining a functional access to the mill
- Establishing public investment goals for this area, since it will need the focused attention of many partners to achieve its goals.
- The perception of this area as a mainly suburban place (“West Linn = good schools and big single family houses”)
- Rents unlikely able to support costs of new desired development without incentives