



Recommendation and Considerations

Main Street Courthouse RFEI Selection Advisory Committee

April 14, 2025

Background

Committee Charge

The Main Street Courthouse Request for Expressions of Interest (RFEI) Selection Advisory Committee was formed in April 2025 to evaluate the proposals received under the RFEI and make a recommendation to the Board of County Commissioners.

Committee Composition

To ensure that the recommendations reflected the views of the downtown Oregon City area, the advisory committee included members from the Oregon City Chamber of Commerce, the Downtown Oregon City Association, the Oregon City Business Alliance, the City of Oregon City, and city and county Economic Development staff.

We would like to thank the members for their participation:

Juliana Allen, Downtown Oregon City Alliance
Victoria Meinig, Oregon City Chamber of Commerce
Jeff Shaffer, Oregon City Business Alliance
James Graham, City of Oregon City
Laura Edmonds, Clackamas County
Nancy Bush, Clackamas County
Daniel Robertson, Clackamas County
Ron Wierenga, Water Environment Services
Chery Bell, Clackamas County
Katie Rott, Two Rivers Neighborhood Association

Executive Summary

The Selection Advisory Committee met on April 14, 2025, to consider the proposals received through the RFEI. In advance of the meeting, members were asked to review the RFEI documents and the one proposal received. Discussion largely centered around the proposals alignment with the criteria laid out in the RFEI, with some discussion about the mechanics of implementing the development if the County were to move forward. In general, committee members felt that the proposal addressed the RFEI and met the desires of their various stakeholder groups for a redevelopment of the courthouse parcel.

For context, the proposal is a redevelopment of the parcel that would involve demolition of the existing courthouse building and construction of a new 5-story mixed-use building that would respect the historical context of its surroundings, with 84 residential units and 1 commercial space, retention of Liberty Plaza (and ultimately dedication to the city), basement-level parking and additional surface-level parking spaces where the existing addition to the courthouse is located.

Financial Capacity to Acquire the Property and Implement the Proposal

While the proposal necessarily lacks the detail of a proforma, the proposer does respond to this item outlining their experience assembling development funding. As proposed, the building will cost approximately \$26MM to construct, with \$9.3MM coming through private investment and the balance through traditional construction lending. No public funding would be required, beyond potential grants to fund improvements to Liberty Plaza. Indirectly, the public investment in this development will be through the Opportunity Zone federal tax abatement for qualified investors and the Vertical Housing Development Zone that abates a portion of property taxes for residential floors above a qualifying ground floor.

While the proposer has only secured an initial \$3.1MM investment to fund the predevelopment work, their proposal indicates a successful history of assembling funding packages like the one proposed. Obtaining further investment would be predicated on negotiation of terms for a disposition of the property that the proposer could take to potential investors and traditional lending entities to secure the balance of the required investment.

Agency and Management Experience Delivering Similar Proposals

The lead agency, Level Development NW, has a long history of projects similar to the proposal and has worked with many of the cooperating entities on similar projects. The proposed architect, Ankrom Moisan, has worked in the space since 1983, and the proposed contractor, Lease Crutcher Lewis, was founded in 1886. The named principals for each entity have 15+ years of experience in this arena. Assuming that the core team remains the same throughout the construction period, the committee believes that this team and these agencies have the experience required to deliver the proposal.

Contribution to the Economic Vitality of the Downtown Oregon City Area

This factor has been identified as throughline in conversations with all interested parties, from the City of Oregon City to the Downtown Oregon City Association. The proposal would deliver a mix of residential housing needed from studio to two-bedroom apartments in an area of the city that is sorely lacking any housing. With a target rental rate of 80-100% Area Median Income, the demographics of the building would ideally consist of a community that is interested in and capable of engaging with the downtown Oregon City area as an area to live, work, and play. The proposed development would have limited on-site amenities to encourage residents to engage with the city.

Another area of concern for the downtown Oregon City area is the lack of parking. While relocation of the courthouse will reduce demand for parking (and ideally the reduced demand will encourage people who currently bypass Oregon City due to lack of parking to reconsider), the proposer recognizes that providing zero parking as allowed would not meet the needs of the community. The proposed parking mix would provide 45+ spaces for residential parking and the balance for public parking, both in the surface-level lot on 9th Street and the conversion of the currently reserved parking on 8th Street to public parking.

Additionally, the proposal offers improvements to Liberty Plaza and potential dedication of the plaza and a number of surface lot parking spaces to Oregon City, which would only serve to enhance programming such as the First City Celebration and events like the annual tree lighting and holiday celebrations.

Preservation of the Historical Significance of the Building and its Environs

Another throughline in all conversations that committee members had is the recognition of the historical significance of the Main Street Courthouse. The building was constructed in 1935-1937 through a Works Progress Administration program, with significant use of local materials in the construction, and represents a good example of the Art Deco style. There have been two major renovations over the years, adding an additional floor and constructing an addition that provided an extra courtroom and inmate detention facilities, and a number of minor renovations over the years as interior spaces have been reconfigured to meet the needs of the occupants.

In an ideal world, the committee would prefer to see the building rehabilitated, however, the committee notes that no other entities have approached the county about this property. It is the committee's understanding that this would require significant public investment and would result in additional delays and extended vacancy of the building, which would harm the economic vitality of the downtown Oregon City area. While the idea of reusing a portion of the existing building or a reconstruction within the existing façade has been floated, the committee notes that the construction of the building would not easily lend itself to such efforts.

The property is considered to be historically significant, with eligibility for the National Register of Historic Places, and this project would be considered to have an adverse effect on the property, as defined by the State Historic Preservation Office. The committee anticipates that the State Historic Preservation Office will expect some mitigation to address the impact, and County staff would work with the proposer to finalize the mitigation plan.

To address the impact, the proposal seeks to retain a number of architectural features from the current building for re-use in the new building and Liberty Plaza, including the oak exterior doors, bronze trim work, carvings and figures from the exterior of the building, and decorative details such as the brickwork patterns that separate the floors.

Retention Of the Portion of the Site Known as Liberty Plaza

The proposer and the committee recognize the importance of Liberty Plaza to the downtown area, and the current proposal would at least retain, if not improve, the plaza in its present size with an expansion to the west with the shifting of the building footprint. Assuming there is interest from the City of Oregon City, the project team would pursue grant funding opportunities for improvements to the plaza in consultation with the Oregon City Parks and Recreation Advisory committee, and ultimately, dedicate the plaza to Oregon City. In concert with this effort, the project team would consider including a number of surface-level parking spaces in the lot line adjustment for the city to manage as public parking in return for credit toward required System Development Charges.

Almost as important as retention is access, and as proposed, the plaza would only be inaccessible in January/February 2026, when there are no events traditionally scheduled, and any grant-funded improvements would occur during months when there are no events scheduled to minimize impact. The improvements would provide additional shade and seating currently lacking in the space, and no matter what, a marker would be constructed in the plaza to memorialize the historic significance of the courthouse.

Project Timelines and Anticipated Opening Date

The proposer offers a rapid timeline, with negotiations and due diligence that would target a closing date of January 1, 2026, followed by demolition and abatement of the existing building and its hazardous materials by March 2026. Concurrently and following this effort, the proposer would work to design the building and with Oregon City to obtain entitlements and permitting required for construction, with construction starting in May 2027 and ideally completed by September 2028. This timeline could change, but the timeframes seem reasonable, and the proposer has worked with Oregon City in the past.

Recommendation

The committee recommends that the Board enter into negotiations with the proposer.

Considerations

The committee raised a concern around ensuring that the proposer completes the project in a form substantially similar to the proposal on a reasonable timeline. Members of the committee noted that the principals are heavily involved in the community and that substantial deviation or delay would likely lead to issues of credibility and other indirect effects, and a substantially modified or incomplete project would have significant impact to the downtown Oregon City area. The committee encourages the county to enter into a Disposition and Development Agreement with the proposer or otherwise contractually obligate the proposer to complete the development in a form substantially similar to the proposal in a manner that retains the county's control over the parcel if the proposer defaults on their obligations.