



A Mixed Use Waterfront Master Planned Community
Development Proposal - Waterfront Units - to be leased

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THE COVE INTRODUCTION

The Cove project has been six years in the making and is in a position to start construction in the Spring of 2015 . We have two approved apartment communities within the Master Plan: 244 Garden Apartments and 195 Waterfront Units - to be leased. These will be developed in two Phases - planned to start simultaneously or independently. The 244 Garden apartments will be independently developed by others.

One of the exceptional benefits of this project is our Disposition and Development Agreement with the Oregon City Urban Renewal Agency (URA) - that:

1. Grants us the right to purchase the URA land (site of the 195 Waterfront Units) for Ten Dollars (\$10.00).
2. The URA has also Granted \$3,000,000 to be invested in the project – this was not a loan and there is not a repayment obligation. This is made up of the following:

Expended to date:

Master Plan Work – consultants & management	\$1,176,799
Purchase of Minor parcels to create assemblage:	
Glacier Property – within Waterfront Project area	500,000
Parker Property – within Waterfront Project area	<u>1,323,201</u>
Total spent to-date	<u>\$3,000,000</u>

3. The balance of the Master Plan: 58,400 sf Mixed Use Building on 4 acres, 80,000 sf Office / Hotel site on 1 acre to be built subject to market conditions. Two Marinas are approved - to be built subject to market.

EXECUTIVE SUMMARY

Clackamette Cove will be a master planned, mixed use, waterfront village in Oregon City, Oregon. The site consists of approx. 89 acres, which includes the lake, or Cove at approx. 33 acres. The focal point is the lake, and the Clackamas River. The name Clackamette derives from the fact that the property is near the confluence of the Willamette River and the Clackamas River. This property is a unique opportunity because of its waterfront location and because it is located within the Oregon City Urban Renewal District. The City of Oregon City, and particularly the Urban Renewal Agency, is looking forward to having this property developed for two reasons. First, a well planned community with a waterfront village which includes a number of public facilities will be an asset to the City and its residents. Second, the City will derive significant financial rewards from the new tax base within the Urban Renewal District.

PROJECT DEVELOPER -The principals of Pacific Property Search, LLC have completed a variety of successful real estate developments, including many which are recognized as the premier projects in the Pacific Northwest. Specializing in waterfront development, the award winning communities include

Oswego Pointe and Riverbend on the Willamette River in Lake Oswego; Tidewater Cove on the Columbia River in Vancouver Washington; and Southshore, in Newport on the Pacific Ocean and the Eastside and the Park in Bellevue, WA. Developments exceed over \$1 billion. **LOCATION** - The subject property is located in the City of Oregon City, Oregon. The property surrounds the lake known as Clackamette Cove, which is adjacent to the Clackamas River. The Clackamas River provides a natural circulation of fresh water into the lake. A channel connecting the river and the Cove providing boaters access to the Willamette River just 500 yards down the Clackamas River, and the lake creates a safe harbor for marina development. Surrounding uses include the Clackamas River to the North; the public Clackamette Rivers park to the West; a shopping mall to the Southwest; a planned new apartment community to the South; Interstate 205 to the South and Southeast with good visibility to the site. The location is excellent in that it provides easy access to a wide variety of shops, services, as well as immediate freeway access to I-205 and E 99 leading directly to downtown Portland. The I-5 corridor is just 9 miles to the East.

ACCESS TO EMPLOYERS – With direct access to I-205 at the Willamette River, the site has equally good access to employment concentrations on the East and West sides of the Portland area. On the West Side, I-205 connects with I-5 and provides access to West Linn, Wilsonville, Tigard, Tualatin, Beaverton and Portland. On the East Side, I-205 provides access to the Clackamas area, and via I-84 and 99E to Portland. The site is only 18 minutes away from Portland International Airport (PDX) via I-205.

SITE ANALYSIS – The site consists of approximately 89 acres, including the 33 acre lake. The site ranges in elevation from 10 to 60 feet. On the North side of the parcel, a thin peninsula separates The Cove from the Clackamas River. Most of the developable portions of the site are relatively flat. Historically, the site was used for sand and gravel mining via a dredge. There are no known historically significant structures, no threatened or endangered species, no areas of archeological significance, and no hazardous materials on site. Civil engineering has defined the scope of the earthwork and the site has been designed to accommodate The Cove.

EXEC. SUMMARY 2

EXECUTIVE SUMMARY - cont'd

PROJECT DESCRIPTION – The Cove will be an exciting, vibrant, alive new village, unlike anything that currently exists in the Portland Area. The excitement comes from the waterfront, and the variety of activities and uses, both public and private that will take place in this new master planned, mixed use village. There will be opportunities for new waterfront restaurants, which will provide the public with interesting new dining opportunities. New public parks, in both the Northwest and Northeast corners of the property will dramatically enhance the public's access the waterways. The new public park on the Northwest corner will provide both passive and active opportunities to enjoy the river, including an amphitheater for outdoor waterfront concerts and performing arts events. The parks and restaurants will be connected by a new pathway system which will encourage pedestrians, runners, cyclists, skaters and strollers to discover all the new activities.

A new dock could be the homeport for an excursion boat, which would take passengers to the Willamette falls area, the locks, and portions of the Willamette River. A new hotel / Inn could be located on the Western side of the site. Two new office buildings will provide employment opportunities for local businesses. New

and private marinas will provide boaters with a great place to harbor their boats, and will enhance the views from the waterfront residence and waterfront restaurants. There will be variety of residential opportunities such as: apartments; waterfront residences. Strict architectural standards and design rules will insure that the project will have an exciting yet homogenous design character. The Waterfront Residences will be located on the East edge of the lake, facing West so that they may enjoy the evening sunsets. The Waterfront units have been designed to provide an open / covered corridor with elevator service to each floor . The primary living area and dining area expand across approx. 26 feet of glass looking out to the lake and the greenbelt beyond. Design detail is an important element in a successful planned development. Certain key design features, such as street lights, pathway lights, marina ramp lighting, colorful banners, hanging flower baskets will all work together to create a cohesive design theme throughout the village. The materials and colors will be compatible with each other. Without being too repetitious, the design details will add to the “village” feeling, and will create a cohesive design theme of a Waterfront Village.

ENTITLEMENTS – This property is owned by the Redevelopment Agency of the City of Oregon City and with this proposal they will be able to fulfill one of the stated Economic Goals - provide new a tax base and provide new public amenities to the community.

The existing zoning allows for mixed-use developments. The Masster Plan has been approved and the 195 Waterfront units have been approved. The following is a list of the remaining entitlements that need to be accomplished, all of which are a Type II administrative review by one person in the planning department:

1. *Master Plan - minor revision.*
2. *Detailed Development Plan (DDP) - application prepared & ready for submission.*
3. *Natural Resource Overlay District - submitted pending approval.*
4. *Geologic Hazards Report - submitted pending approval.*
5. *Flood Management overlay District - submitted pending approval.*

EXECUTIVE SUMMARY - cont'd

MARKET SUMMARY - FINANCIAL

The market for rental housing has been very strong for the last couple of years. Land on which to develop has become increasingly scarce. Waterfront is one of the most valued amenities in real estate, and the major portion of The Cove will be on and oriented to the water. Attached in a separate book is the market survey that has recently been updated. The market area has been split into two defined areas - The Westside and the Eastside with the Willamette River running North and South that separates the two areas. The rental rates for the Waterfront units are based on the comparable rents and thereafter adding on a premium for the Waterfront location, view amenity and the security nature of the building design. A separate book presents:

1. Proforma / Rental rates
2. Cost
3. Financing / Valuation
4. Westside rent comparables
5. Eastside rent comparables
6. Westside comparables map
7. Eastside comparables map

THE COVE PROJECT DESCRIPTION

PROPERTY:

Master Planned Area

Project Components:

Phase 1 - 244 Garden Apts. - 11 acres - with a small component of office space within 2 apartment bldgs. - leasing office / exercise / pool. This project is to be developed by others.

Phase 2 - 195 Waterfront Units to be leased - 8 acres
with a small component office space in each bldg.

2 Restaurants - leasing office / exercise / pool.

Phase 3 or 4 - 58,400 Mixed Use Building-Waterfrt. - 4 acres

Phase 3 or 4 - 80,000 Office / Hotel Site - Waterfrt. - 1 acre

Phase 5 - Two Marinas, Water Sports Center

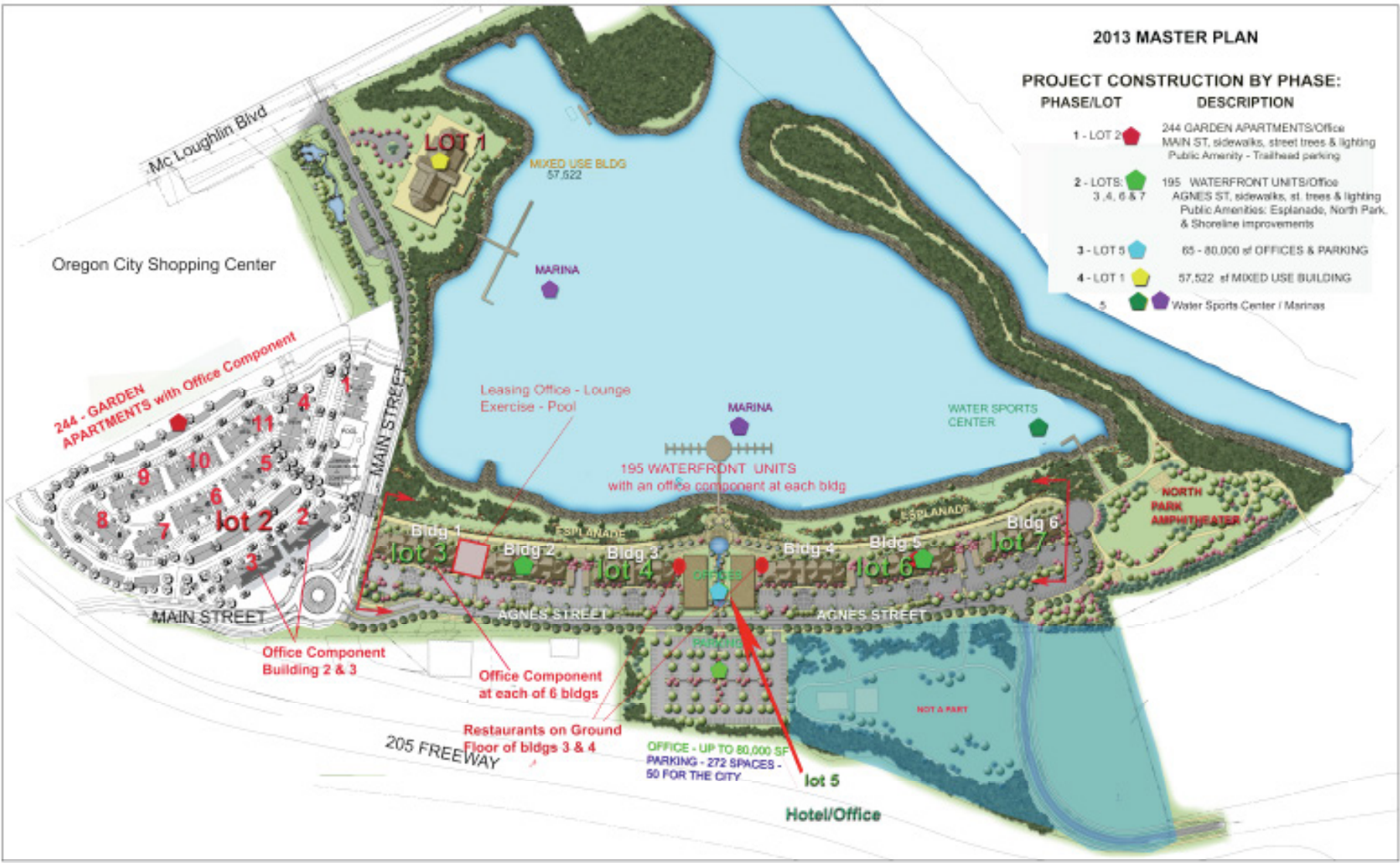
LOCATION: Northwest border of Oregon City on the Clackamas River

MARKET COMPARABLES - Eastside of the Willamette River
Westside of the Willamette River

2013 MASTER PLAN

**PROJECT CONSTRUCTION BY PHASE:
PHASE/LOT DESCRIPTION**

- 1 - LOT 2  244 GARDEN APARTMENTS/Office
MAIN ST, sidewalks, street trees & lighting
Public Amenity - Trailhead parking
- 2 - LOTS:  3, 4, 6 & 7 195 WATERFRONT UNITS/Office
AGNES ST, sidewalks, st. trees & lighting
Public Amenities: Esplanade, North Park,
& Shoreline improvements
- 3 - LOT 5  65 - 80,000 of OFFICES & PARKING
- 4 - LOT 1  57,522 of MIXED USE BUILDING
- 5  Water Sports Center / Marinas





4 miles – 7 mins.

6 miles – 10 mins

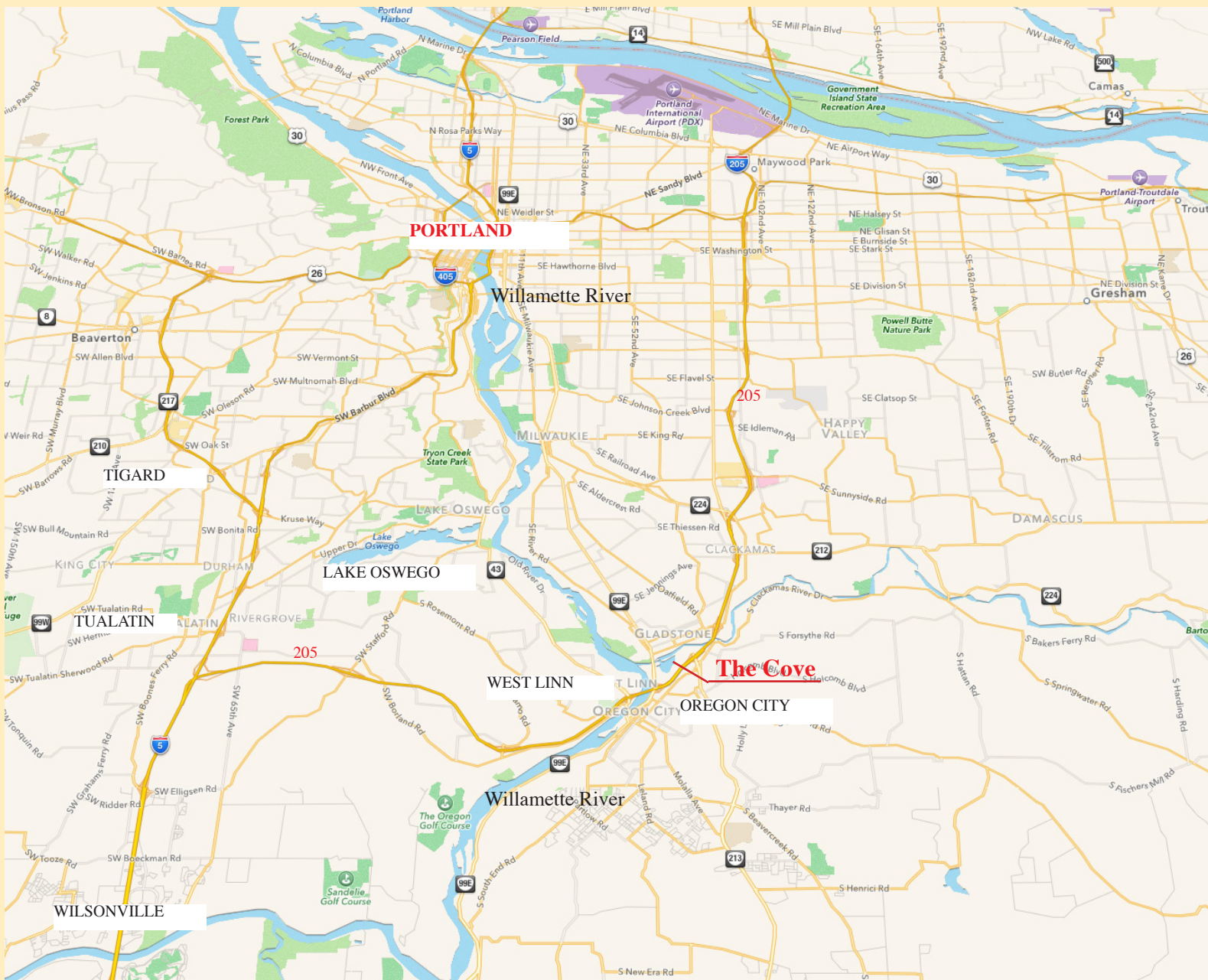
8 miles – 14 mins

10 miles – 18 mins



The Cove

AERIAL VIEW 8



MAP 9

The Cove

THE COVE MASTER PLANNED COMMUNITY

The Developer, Clackamette Cove, LLC (CCLLC) with Pacific Property Search, LLC as managing member has to date invested substantial capital to fully entitle the Master Plan and the component projects within. We are currently making minor revisions to the plans. The project is scheduled to break ground spring of 2015.

The property is within the Oregon City Redevelopment District and CCLLC and the Urgan Renewal Agency (URA) have signed a Disposition and Development Agreement (DDA). The highlights are as follows:

DEVELOPMENT GRANT / SPECIAL ZONING:

- * \$3,000,000 Grant to acquire minor contiguous parcels & design work on the project - paid to date.
- * The City will reimburse up to \$745,000 for the cost of the infrastructure and there is a potential for reimbursement for oversizing
- * Waterfront property for the 195 units is to be acquired from the URA . CCLLC and the URA agreed that if CCLLC would invest the time and captial necessary to convert the URA's blighted property into a viable project they would sell the property to CCLLC for a minimal amount. CCLLC invested several million dollars into concepting and designing a Master Planned Mixed Use Community that was well received by the URA and the community at large. The URA has agreed (in the DDA) to sell the property to CCLLC for Ten Dollars (\$10.00)
- * The City has placed a "Vertical Housing Zone" on the property. This will allow the developer of Phase 1 to receive a 60% tax abatement for 10 years and Phase 2 - **Waterfront Units to receive a 80% tax abatement for 10 years - approved.**

APPROVALS:

MASTER PLAN - Approved. - each project within the Master Plan Approved.
Infrastructure Plans - final plans 98% complete.
195 Waterfront Units - Approved. Final plans to be submitted
244 Garden Apts. - Approved, Final plans to be submitted.
Tax Abatements for both projects.

DEVELOPMENT OPPORTUNITY

READY FOR CONSTRUCTION - Spring 2015

INFRASTRUCTURE - Final civil construction drawings are 98% complete and are to be revised per City redlines. See page 13 for infrastructure work area.

FIRST PHASE:

PHASE 1 - VERTICAL

244 GARDEN APARTMENTS - Developed by others.

SECOND PHASE:

PHASE 2 - VERTICAL

195 WATERFRONT UNITS - Minor changes need an administratvie approval. CD's to be completed.

The Cove Phasing

The phasing of the Cove Apartment Community has been designed to present two non-competing products to the market simultaneously. Construction is scheduled for Spring of 2015.

PHASE 1: By others

The Garden Apartments - a park like setting with interior gardens.

244 Garden Apartments, leasing office and recreation center / pool / spa

Design Characteristics:

1. Garden setting with surrounding landscaping.
2. Main living spaces oriented to the landscaped grounds.
3. Direct access to The Cove for a variety water sports activities. Direct access to the Clackamas River. Trail system.

PHASE 2:

The Waterfront Units - setting on the waters edge with a westerly sunset view.

195 units all with an unobstructed view of The Cove.

Design characteristics:

1. Security entrance - keyed and gated main entry into the courtyard of each building.
2. Elevator service to each floor.
3. View orientation to the landscaped waters edge, esplanade and the lake beyond.
4. Direct access to The Cove for a variety of water sports activities. Direct access to the Clackamas River and just beyond to the Willamette River.
5. Single loaded buildings with all units facing The Cove.

The Cove Infrastructure

The Urban Renewal Agency of Oregon City has granted CCLLC \$3,000,000 for the development of The Cove. The URA funded \$3,000,000 to acquire two contiguous parcels and to pay for consultants work on the project.

Subject to fianl approval the URA will fund \$745,000 toward the cost of the infrastructure and where appropriate the City will reimburse each project for “oversizing” of various components of each project.

2013 MASTER PLAN page 2
 INFRASTRUCTURE PHASING

- PHASE 1 
- PHASE 2 
- MAIN ST**  PHASE 1 Main st, sidewalk, street trees & lighting
 All Utilities stubbed out to Lot 2 - Public Amenity:
 Trailhead parking, roundabout
- AGNES**  PHASE 2 Agnes st, sidewalks, street trees & lighting
 All Utilities stubbed out to building lots-Public
 Amenities: Esplanade, North Park & Shoreline
 Improvements



The Cove Waterfront Residences - 195 Units

WATERFRONT APARTMENTS - 195 UNITS: CCLLC will build and operate the project.

LAND: 7.8 acres- Lots 3, 4, 6, & 7 - see Plat Map - page 33. To be contributed by Developer.

ENTITLEMENTS: Minor changes to the approved plans to be processed.

CONTRACT DOCUMENTS: Design Dev. Complete. Construction Documents to be completed.

LAND: The Waterfront property for the 195 units is to be acquired from the URA pursuant to the DDA. The Purchase price is Ten Dollars (\$10.00). This concession from the URA to CCLLC is for the extensive work previously completed and the capital investment made towards developing The Cove and as an incentive to bring more jobs and tax base to the community.

TAX ABATEMENT: The City has placed a Vertical Housing Zone overlay on the total Master Planned Site. Subject to compliance with the rules this will allow an abatement of the taxes for a ten year period and for the Waterfront Units it will yield a 80% tax abatement. This abatement has been approved.

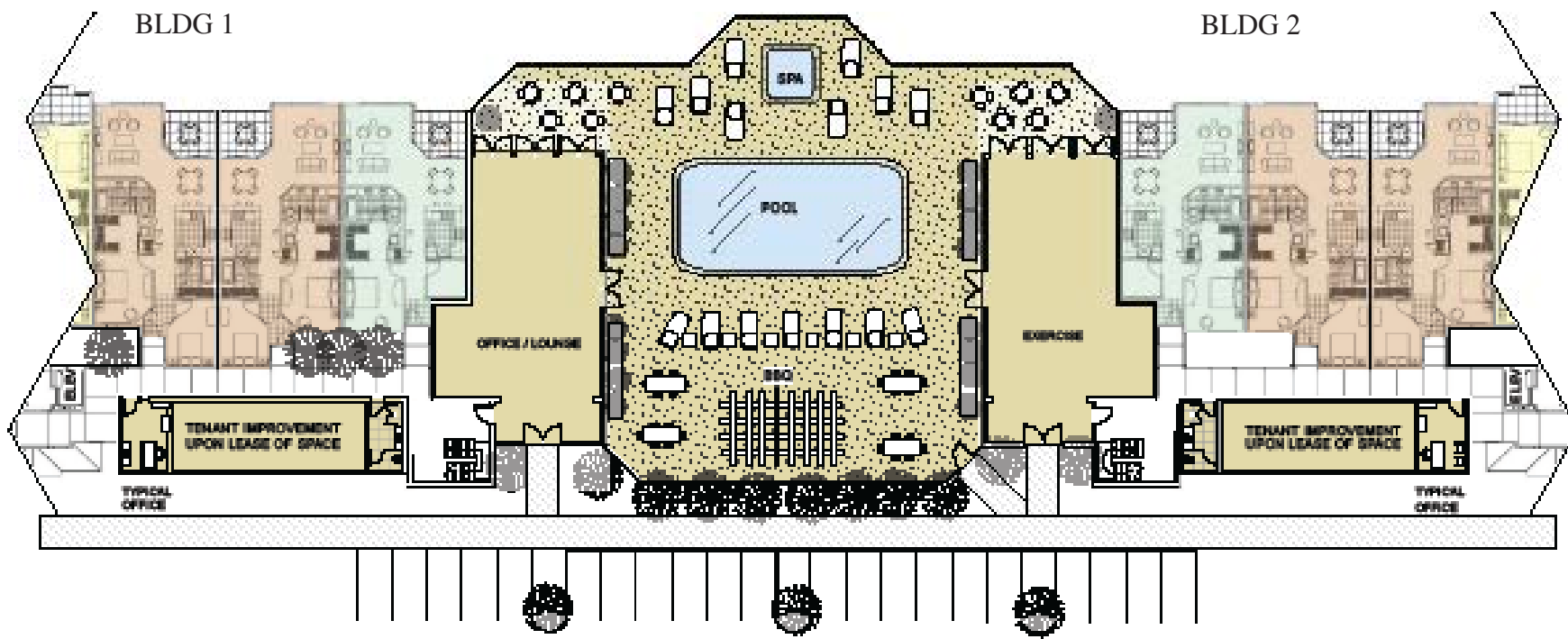




ALL BLDGS FOUR STORY

BLDG 1 - 33 UNITS with Leasing Office (pool in between bldg 1 & 2)
 BLDG 2 - 35 UNITS with Exercise
 BLDG 3 - 30 UNITS + RESTAURANT

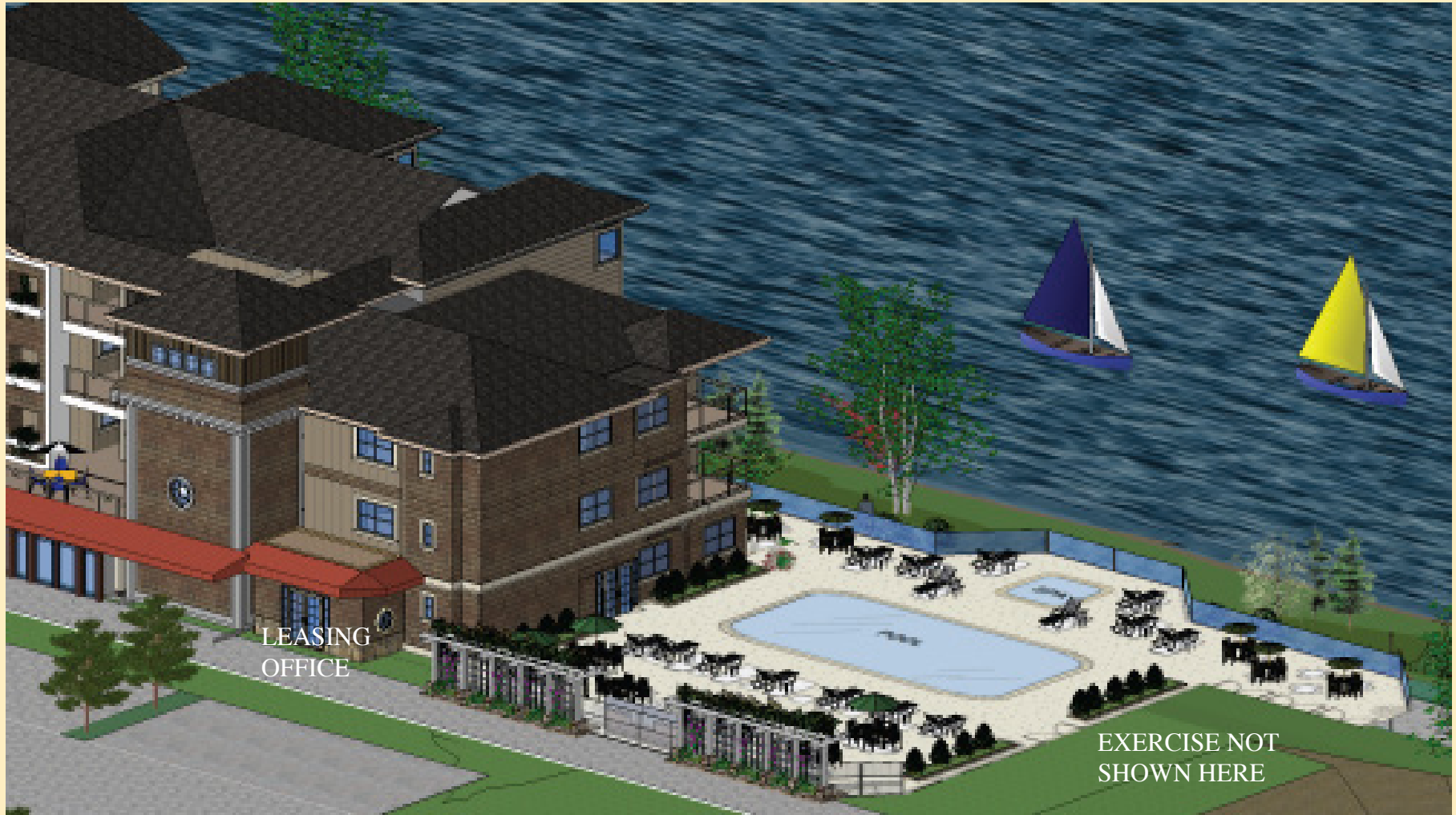
BLDG 4 - 30 UNITS + RESTAURANT
 BLDG 5 - 36 UNITS
 BLDG 6 - 31 UNITS



THE WATERFRONT COMMUNITY CENTER



LEASING OFFICE - BLDG 1 - POOL
EXERCISE - BLDG 2

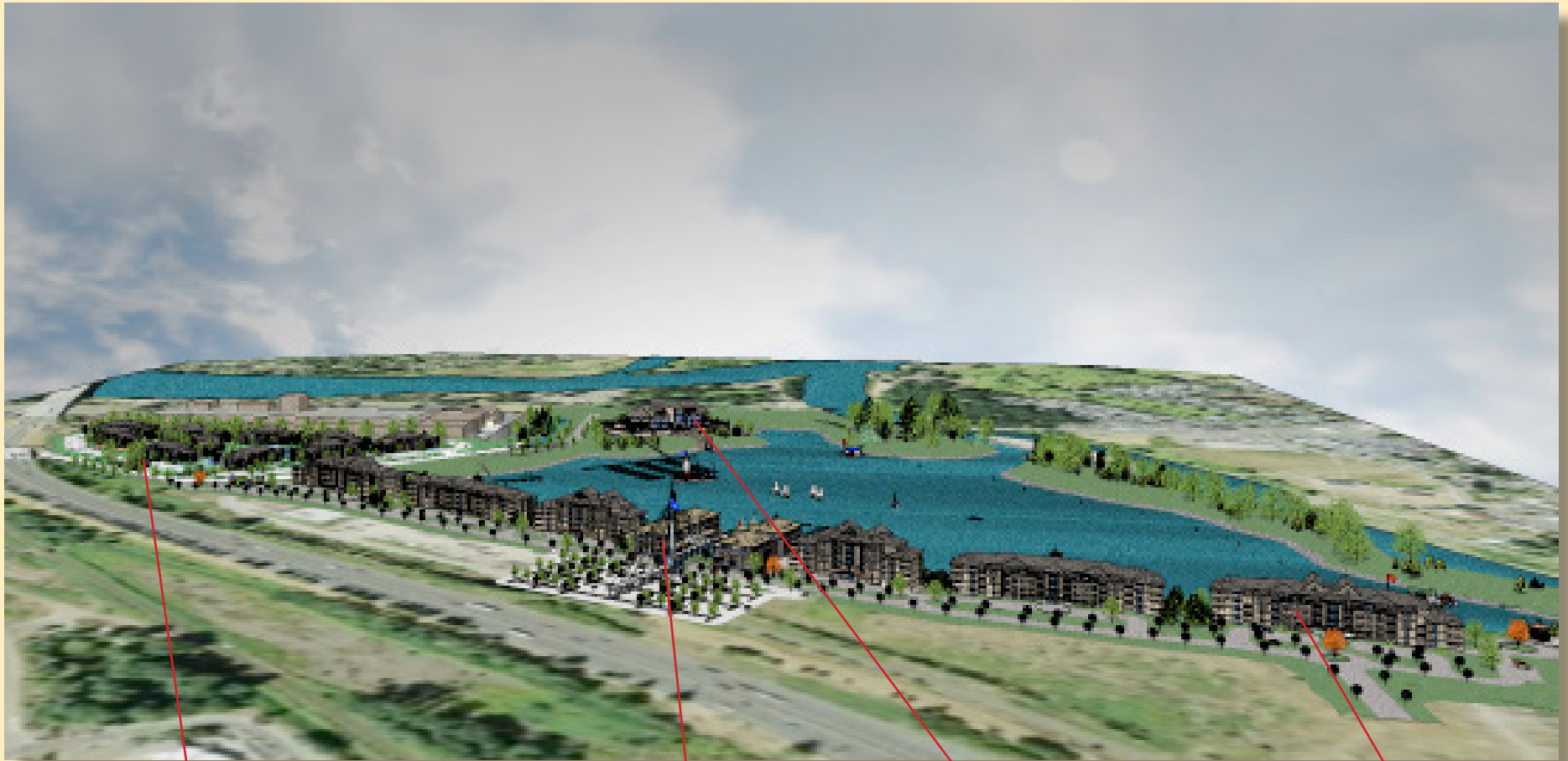


LEASING
OFFICE

EXERCISE NOT
SHOWN HERE

LEASING OFFICE / LOUNGE - BLDG 1 - POOL 19

The Cove



244 GARDEN UNITS

FUTURE OFFICE / HOTEL

FUTURE MIXED USE BLDG

195-WATERFRONT UNITS

AERIAL VIEW - NORTH 20

The Cove

BLDG 4 - WATERFRONT UNITS

BLDG 3 - WATERFRONT UNITS



LOT 5 - FUTURE OFFICE or HOTEL
(between BLDG 3 and BLDG 4 of the WATERFRONT UNITS) 21

The Cove



The Cove

195 FRONT ELEVATION 22



OFFICE COMPONENT - LIVE WORK
ON EACH SIDE OF MAIN ENTRY



The Cove

195 BACK ELEVATION 24

RESTAURANTS



RESTAURANTS (2) - 1625 sq ft ea
BLDGS 3 & 4 EACH SIDE OF HOTEL / OFFICE 25

The Cove



LOT 5 FUTURE
HOTEL or OFFICE

RESTAURANTS (2)

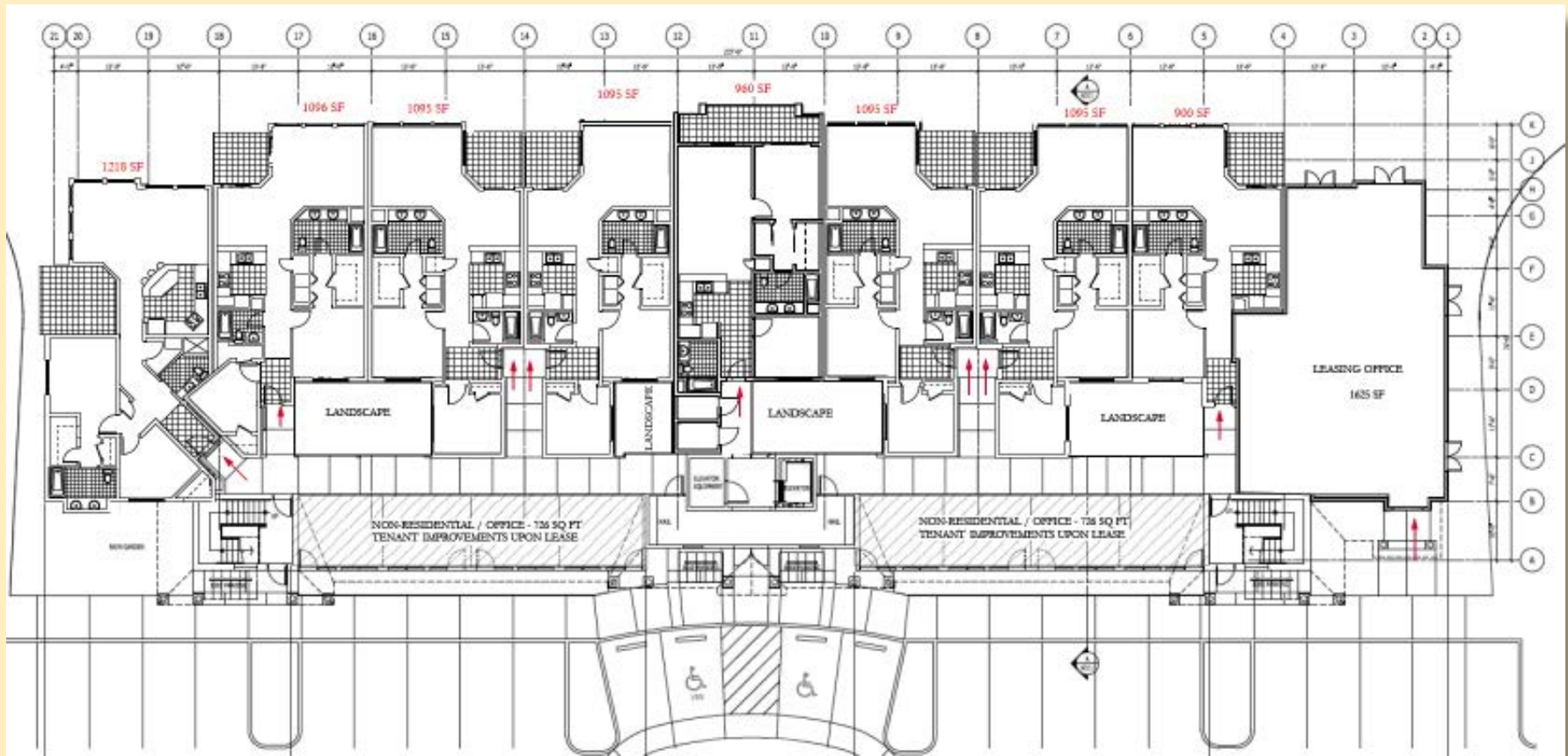
BLDGS 3 & 4 EACH SIDE OF HOTEL / OFFICE 26

The Cove



NORTH END OF ESPLANADE 27

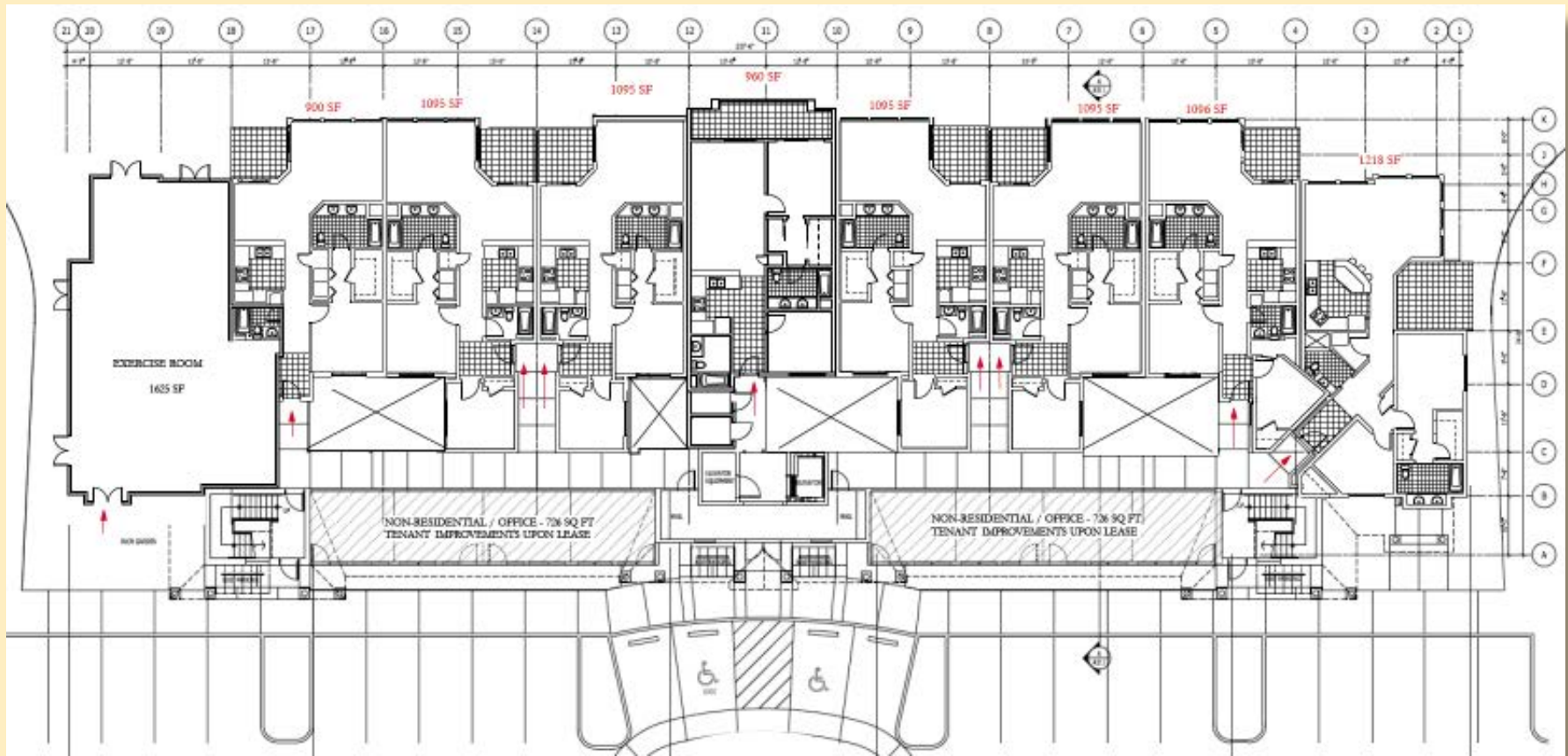
The Cove



Type:	1bd+1ba	1bd+ ba+den	1bd+1ba+den	2bd+2ba	2bd+2ba	2bd+2ba	2bd+2ba	2ba+2ba	3bd+2ba+Loft	Total
Size:	900sf	978sf	980sf	960sf	1095sf	1096sf	1218sf	1447sf	1750sf	
Qty:	1		2	4	16	5	5	0	0	= 33 units

BLDG 1 - Four story - 33 UNITS

Ground Floor (See Plan book for all flrs)

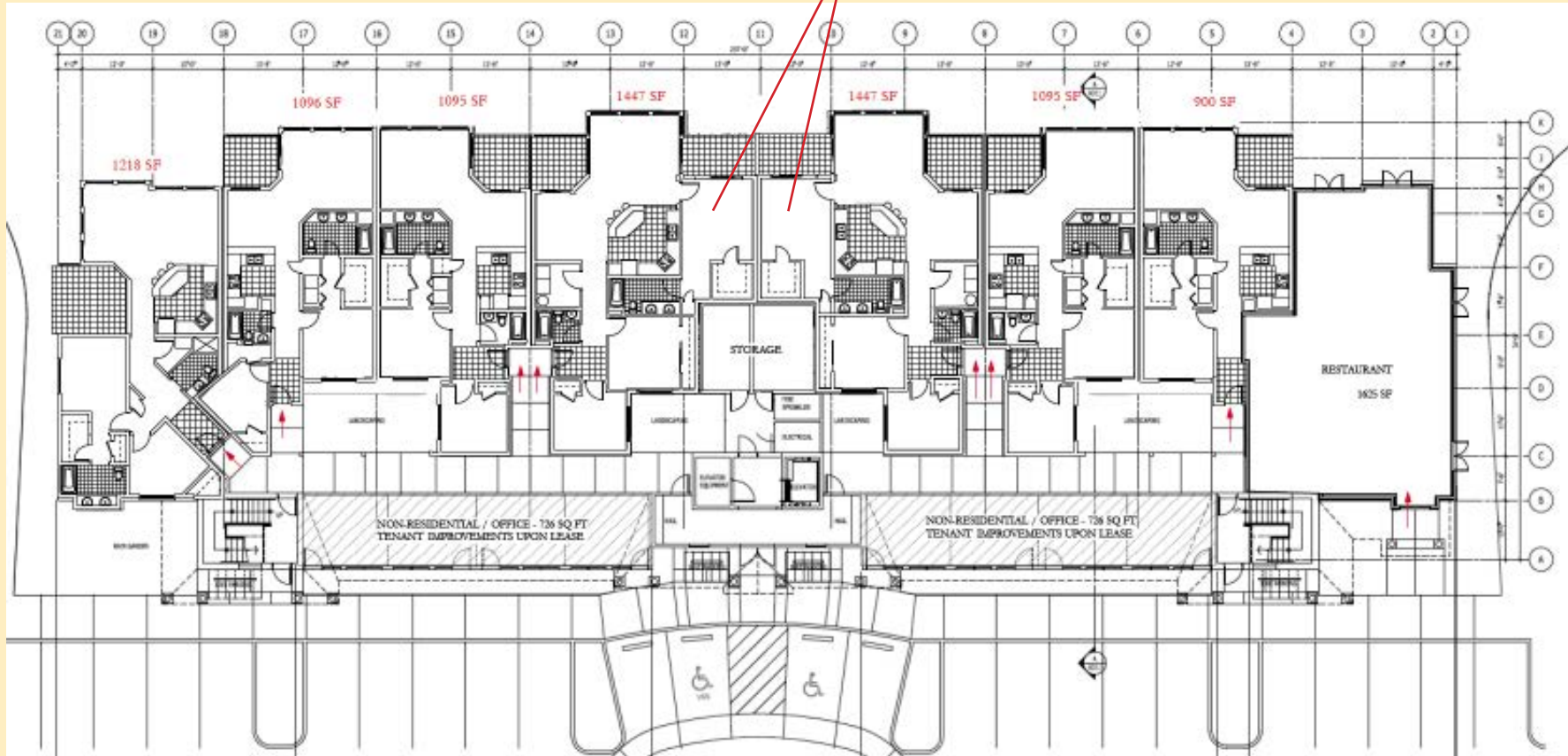


Type:	1bd+1ba	1bd+ ba+den	1bd+1ba+den	2bd+2ba	2bd+2ba	2bd+2ba	2bd+2ba	2ba+2ba	3bd+2ba+Loft	Total
Size:	900sf	978sf	980sf	960sf	1095sf	1096sf	1218sf	1447sf	1750sf	
Qty:	1	0	0	4	16	7	7	0	0	= 35 units

BLDG 2 - Four story - 35 UNITS

Ground Floor (See Plan book for all flrs)

LOFT ABOVE BDRM
4TH FLR ONLY
HERE



Type:	1bd+1ba	1bd+ ba+den	1bd+1ba+den	2bd+2ba	2bd+2ba	2bd+2ba	2bd+2ba	2ba+2ba	3bd+2ba+Loft	Total
Size:	900sf	978sf	980sf	960sf	1095sf	1096sf	1218sf	1447sf	1750sf	
Qty:	1	1	0	0	8	6	6	6	2	= 30 units

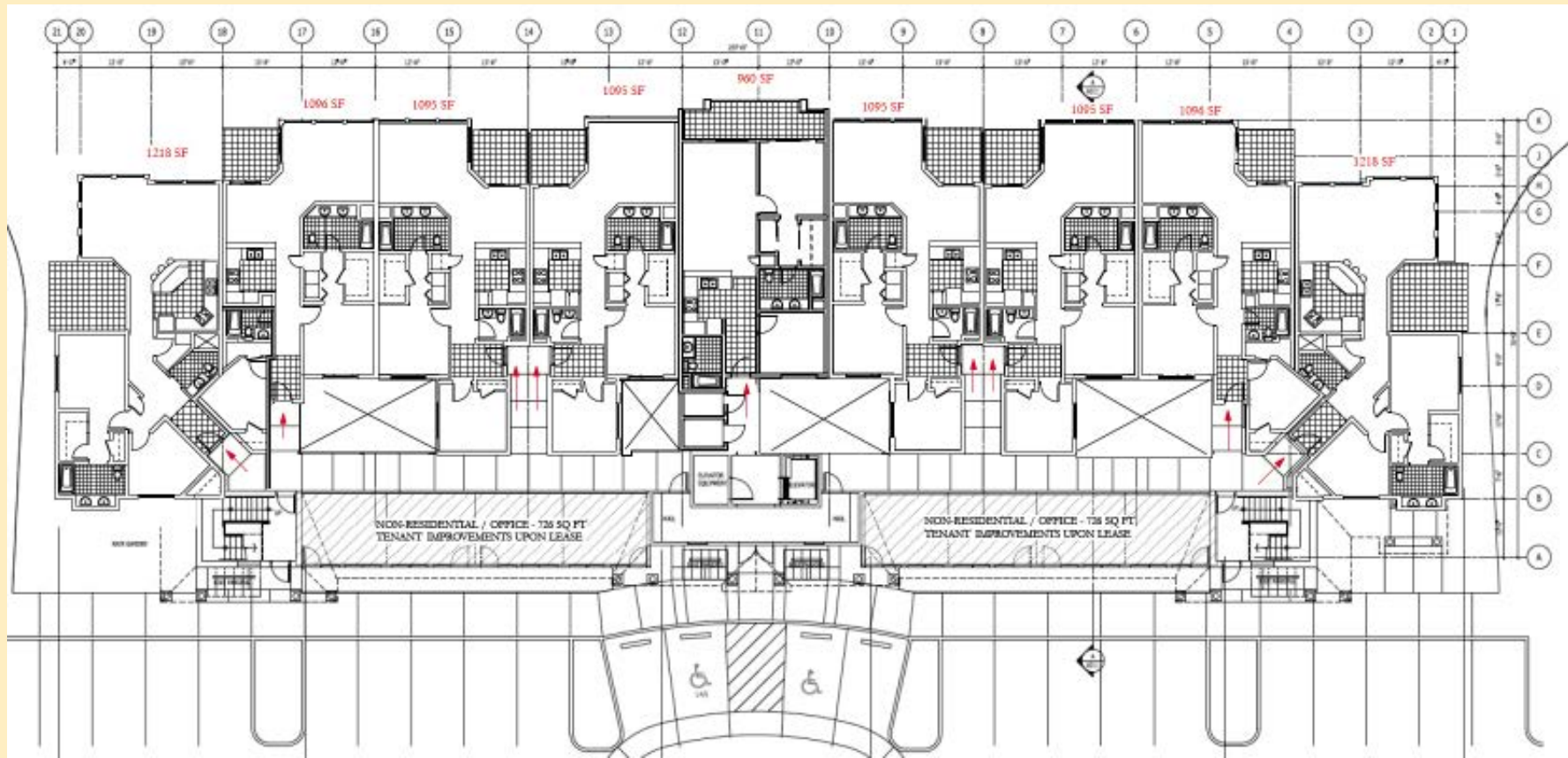
BLDG 3 & 4 - Four story - 30 UNITS EACH

BLDG 4 (plan reversed horizontally)

Ground Floor (See Plan book for all flrs)

30

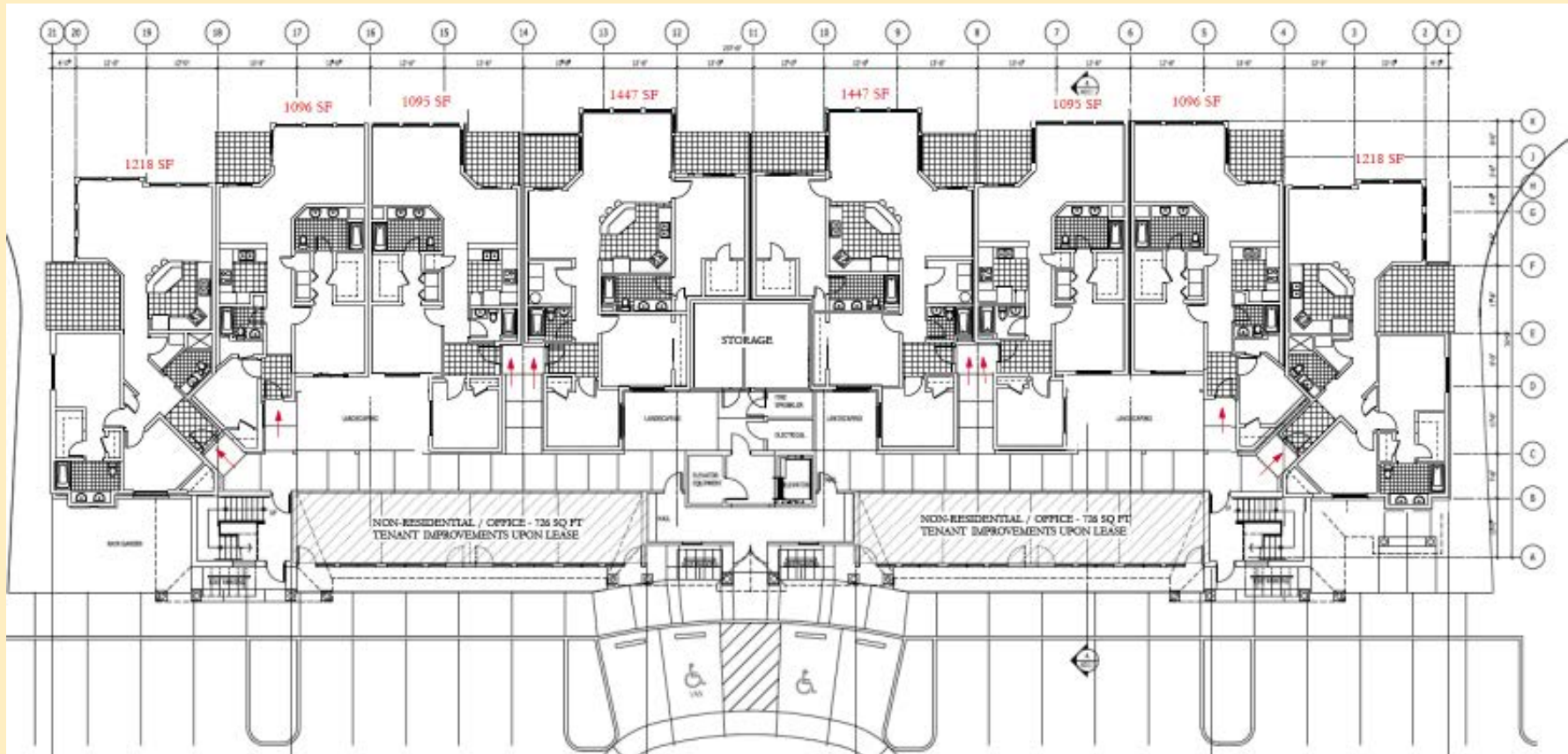
The Cove



Type:	1bd+1ba	1bd+ ba+den	1bd+1ba+den	2bd+2ba	2bd+2ba	2bd+2ba	2bd+2ba	2ba+2ba	3bd+2ba+Loft	Total
Size:	900sf	978sf	980sf	960sf	1095sf	1096sf	1218sf	1447sf	1750sf	
Qty:	0	0	0	4	16	8	8	0	0	= 36 units

BLDG 5 - Four story - 36 UNITS

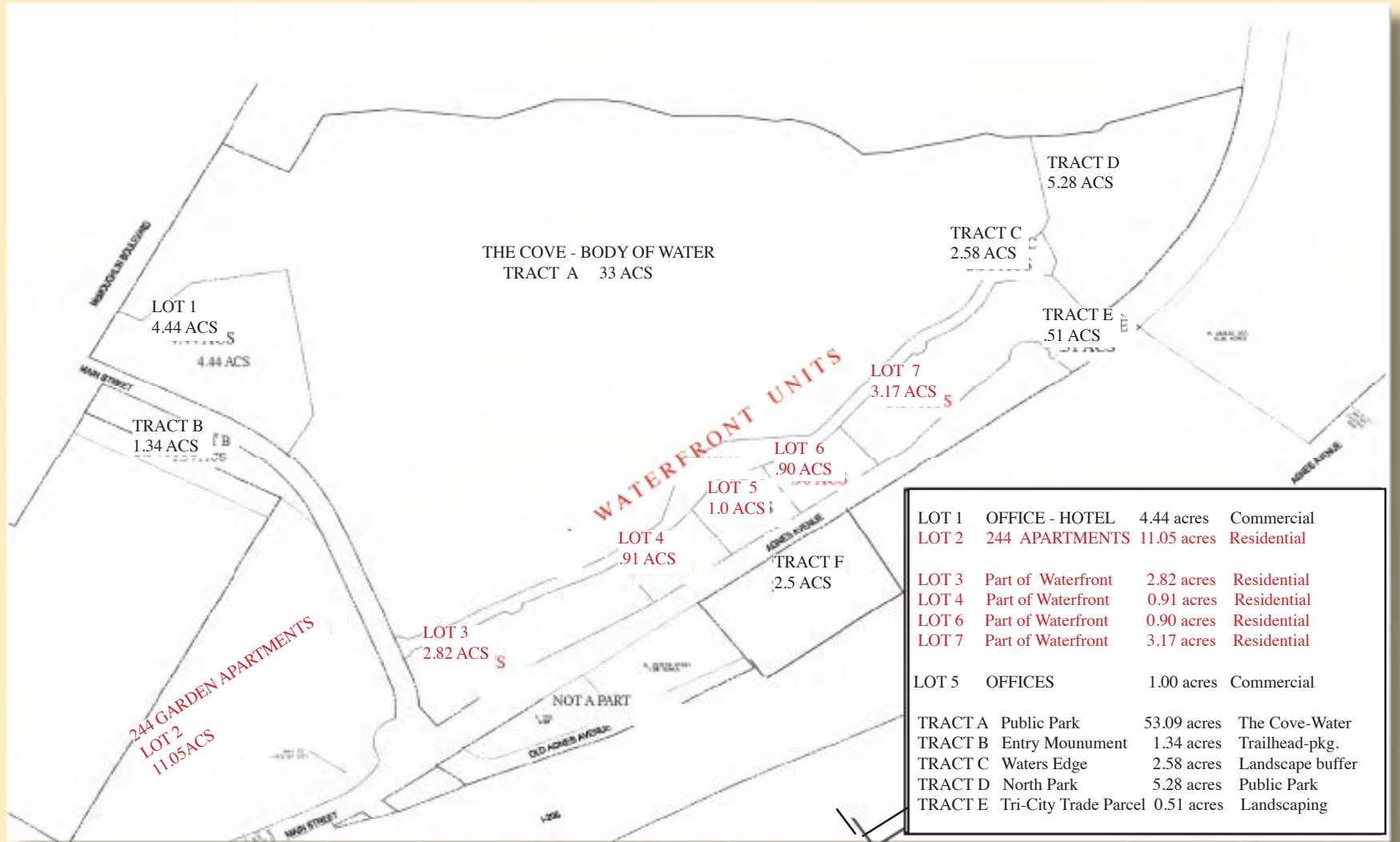
Ground Floor (See Plan book for all flrs)



Type:	1bd+1ba	1bd+ ba+den	1bd+1ba+den	2bd+2ba	2bd+2ba	2bd+2ba	2bd+2ba	2ba+2ba	3bd+2ba+Loft	Total
Size:	900sf	978sf	980sf	960sf	1095sf	1096sf	1218sf	1447sf	1750sf	
Qty:	0	0	0	0	8	7	8	8	0	= 31 units

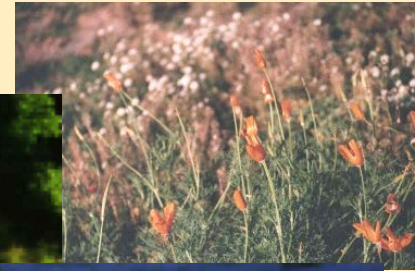
BLDG 6 - Four story - 31 UNITS

Ground Floor (See Plan book for all flrs)

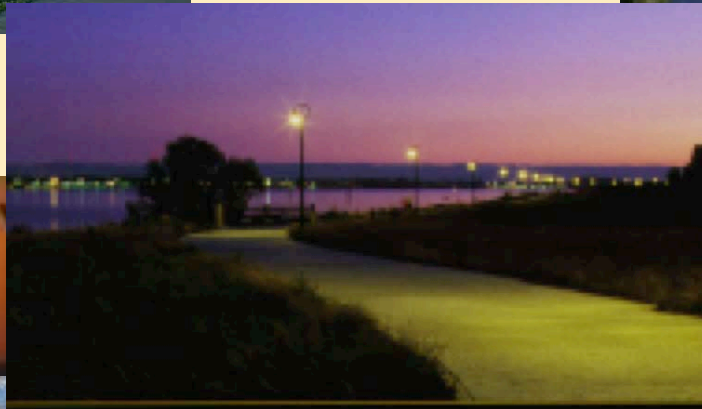




RIPARIAN ENHANCEMENT



ECOSYSTEM PRESERVATION



STEWARDSHIP VALUES



CREATION OF NEW WETLAND HABITAT

*We've Changed The Environment
We've Made It Better*