

Exhibit D. Background Information and Required Deliverables

The site's dynamic location immediately adjacent to Willamette Falls and the Oregon City bluffs and its notable role in Oregon's history make this property a truly unique and statewide-significant development opportunity. In early 2011, after over 100 years of paper manufacturing on the site, the Blue Heron Paper Company ceased operations and permanently closed its paper manufacturing facility on the site. Since that time, the property has gone into receivership and is currently for sale. It is being managed by the Blue Heron Bankruptcy Trustee. The City of Oregon City, Metro, Clackamas County and the State of Oregon have deemed the site to be a "legacy opportunity" due to the extraordinary opportunity to transform not only downtown Oregon City but this entire part of the metropolitan Portland region.

Oregon City will lead a public visioning, master planning and rezoning process designed to help transform a former paper mill alongside Willamette Falls into a regionally significant economic redevelopment project and visitor destination. The 23-acre site will reconnect Oregonians with the second-largest waterfall in North America for the first time in more than a century. Further, the sites represents not only one of the state's most significant natural and scenic resources, but also one of its most historic for its role in Native American history through the "End of the Oregon Trail" era and the sawmill/papermill industrial era and now into the new economies of the 21st century.

With support from state agencies, Metro and Oregon City evaluated the site and conducted extensive investigations during the past two years to assess opportunities and risks. Results of environmental investigations are promising; they indicate that conditions are manageable, and aren't as significant as feared. The public collaboration also gained a clearer understanding of the possibilities for reusing historical structures and the significant costs necessary to stabilize the site.

The Site Stabilization and Building Assessment Report is included in Exhibit E and will be accessible to firms submitting a Request for Proposal. The assessment did not identify any one particular issue that would prohibit future redevelopment of the site. However, it did identify stabilization and redevelopment costs for numerous development scenarios, thus contributing to a better understanding of the interrelationship of the buildings to the site. The redevelopment scenarios were created as an exercise to understand the short and long-term costs associated with the site, they should not be construed as a preferred development model.

At this point, the public partners do not have the resources needed to purchase, redevelop and operate the entire site. However, the partnership remains committed to being a catalyst for its transformation, working toward four core values: economic redevelopment, public access, cultural interpretation and habitat restoration.

As the local governing body of the site, Oregon City is the leader for the master planning phase of the project. The city is collaborating with the property's trustee, while Metro, the State of Oregon and Clackamas County remain active partners.

The resulting vision will facilitate rezoning, preparing a portion of the site for economic redevelopment and a portion as an outdoor habitat restoration and public access destination. These future uses should be not only compatible but synergistic, taking full advantage of the transformational opportunity that access to and viewing of the majestic Willamette Falls can provide. The partners believe that planning for the property will create an opportunity for public purchase of the portion necessary to let visitors experience the falls, offer cultural and historical interpretation, and restore habitat along the Willamette River. Meanwhile, by eliminating

uncertainty, this work will prepare the rest of the site for private investment. Throughout the planning process, the property will remain on the market.

Four Guiding Values

The future of the Willamette Falls site will be shaped by four shared values: public access, economic development, habitat restoration and cultural interpretation. These values were initiated by the Oregon City City Commission and have been used as the framework/lenses for all project decisions since the spring of 2011.

Public access: Visitors will get a front-row seat to experience the majestic and truly extraordinary Willamette Falls. Cut off from public enjoyment and effectively removed from the public consciousness for more than 150 years, the falls are one of the most scenic places along the Willamette River. They also provide an important opportunity for Oregonians to connect with the river, which is isolated from many of the communities along its route.

Economic redevelopment: The Willamette Falls property will carry on a tradition of economic development along the riverfront, where mills thrived for more than a century. With the closure of the Blue Heron Paper Co., Oregon City lost 175 jobs – a blow that must be made up through redevelopment. Returning part of the site to private developers, the partners will ensure the transformation supports Oregon City’s vision for the future and reinvigorates the downtown as a hub of employment, shopping, business and tourism.

Habitat restoration: Historically, the falls were surrounded by unique plants because of microclimates from the mist. Protecting the site provides an opportunity to reestablish native plant communities, enhancing this ecologically diverse stretch of the upper reaches of the Willamette. Many rare plants thrive on river islands, in the Willamette Narrows and along Canemah Bluff. This land is also critical for water quality – every fish and lamprey that travels the river passes through or around the falls.

Historic preservation and cultural interpretation: Future visitors will learn about the rich history of the Oregon City riverfront. Much like Celilo Falls in the Columbia River George, Willamette Falls served as an important cultural site for native tribes. The falls also tell the story of the area’s industrial development – John McLoughlin built the Pacific Northwest’s first lumber mill here. And, in 1844, Oregon City became the first incorporated city west of the Rocky Mountains. As the End of the Oregon Trail and the birthplace of Oregon, it served as a launching point for thousands of new Oregonians.

Willamette Falls Visioning/Master Plan Process

Objective

The purpose of this Request for Proposal is to select a Consulting Team to assist the City of Oregon City, in cooperation with the bankruptcy trustee, in completing a Master Plan and Rezoning of the former Blue Heron Paper Mill Site and adjacent falls area. This planning project will create a vision for the site through a robust public process that respects the history and nature of the land and provides needed certainty to the private and non-profit development community by removing existing and perceived barriers to site redevelopment.

The site is currently zoned G-1 General Industrial and per Policy 2.2.12 of the Oregon City Comprehensive Plan, is required to undergo a master planning process prior to obtaining a Zone Change and Comprehensive Plan amendment. Understanding the value of gaining land entitlements for the site, the bankruptcy trustee has given initial support to sign off on any needed land use applications while the site remains in bankruptcy.

Oregon City will act as the lead agency in the visioning and master planning process. The visioning and master plan process will look at further refining and expanding on the four shared values (Public Access, Economic Development, Cultural Interpretation, and Habitat Restoration) and the existing due diligence documentation that has been performed to date.

Staff Support

Oregon City has dedicated approximately 1.5 FTE to support this project over the next year. The complexity of the site, substantial interest of the project by the public and the need to coordinate communications between the Partnership, will require that the Project Manager, along with key Oregon City staff will be more involved in the day to day coordination of the project. It is anticipated that the Project Manager will attend all weekly consultant meetings and will be available for light administrative duties. Metro staff will also be on hand to support the project through technical review and will be available to assist the project team with TPR compliance discussions with ODOT.

Visioning /Community Engagement Plan

A major component of the plan will be the implementation of a stakeholder and public engagement process that aims to bring a broad base of interests into a vibrant visioning process. The mill site is not just an Oregon City redevelopment concern. It is located along almost a mile of the Willamette River shoreline on land that can arguably be called the birthplace of Oregon and the industrial expansion of the West. This site elicits local, regional and statewide passion, and potentially national and international recognition. The public outreach plan aims to engage a diversity of groups to create a long-range multi-phased plan that fully embraces the four shared values, yet understands the market forces in Oregon City and financing needed to make the vision a reality.

This process will capitalize on existing involvement frameworks used by the City and Metro; and the ongoing public outreach created for the surrounding Willamette Falls Heritage Area application. The plan shall establish public involvement objectives; identify all project stakeholders and their aspirations, values and concerns; describe the array of tools and activities best suited to inform and engage Oregon City, regional residents, businesses, regional and statewide elective officials and other stakeholders (e.g. environmental, historic advocacy groups, tribal interests); establish a schedule for implementation; and incorporate measures to evaluate success. Above all, the visioning and engagement plan should also be structured to inspire and create an environment that allows for the creation of champions for the project. The Consultant team will need to effectively communicate with the public on how their input will be used in this and/or future planning efforts onsite.

Potential community engagement tools and activities include, but are not limited to:

- Recognizable look or logo included on all project-related materials.
- Informative, accessible and interactive website led by City staff. The consultant will provide consultation and site content, including photos and narrative that describes the status of the project, upcoming meetings, video updates, other opportunities for involvement, and draft and final work products.

- Communications language that will ensure the project is understandable in common terms, not only “plannereze.”
- Facebook page to be created and administered by City staff. The Consultant will provide content for updates, photos, community activities, etc.
- 1-3 Open Houses as appropriate.
- Community conversations (30-40) as early in the process as possible that engage in two-way communications with stakeholders. These conversations should be held in venues that are familiar and comfortable to the various stakeholders, (standing meetings at stakeholder locations, religious buildings, schools, senior centers, farmers markets, existing community celebrations, libraries, businesses and/or business organizations)
- Activities tailored to engage the area’s youth, minority, elderly, non-English speaking and disenfranchised groups.
- Community surveys (2-3) with a potential to utilize the Metro’s Opt In survey which 18,000 citizens participate in, Newsletters, flyers, FAQs and other outreach materials that provide project information and publicize community forums and other activities.
- Media releases, short films, advertisements and content for potential stories in local and regional publications.
- Guided site tours and facilitated conversations in conjunction with city staff.
- Summaries of public input delivered in a timely fashion to decision-makers preceding project milestones.
- Final report summarizing public input and recommendations for using the information gained in future planning phases (e.g. open space planning)

Master Plan

Based on the outcome of the visioning process, the city will, in concert with the Blue Heron Bankruptcy Trustee’, embark on a simplified general development master plan (OCMC 17.65) that will lead to the needed entitlements for the site, a major step for the development community. This plan will provide a balance of certainty and flexibility which will incorporate the core values of the visioning process, but provide enough fluidity for the plan to adapt to changing market forces.

The Master Plan is intended to be a **framework document**, rather than a fleshed out redevelopment plan, but it should provide a high level aspirational vision for the future of the site. It is anticipated that future property development will further refine the document as development occurs.

The Master Plan process will provide the following final outputs/deliverables:

1. The Consultant team is responsible for writing and submitting the Quasi-Judicial Land Use application for the master plan on behalf of the applicant. Representatives of the consultant team are expected to attend all public hearings related to this project (4-7). The application shall be submitted in time to be heard at the **April 24, 2014 Planning Commission Hearing**. This is part of an agreement with the City and the Trustee. The chosen team will frame all scopes of work to meet this timeline. This date can only be amended with approval by the Trustee.
2. Rezoned and amended Comprehensive Plan from GI-Industrial to MUD- Mixed Use Downtown (or equivalent) on the property. *A new district or zoning designation or a hybrid*

MUD zone with additional text amendments may be utilized if it better implements the Master Plan.

3. Clarification of the flood plain boundary (based on hydrology studies)
4. Identification of off-site impacts and mitigation projects necessary to address the identified impacts.
5. Infrastructure improvement estimates and financial framework plan
6. Compliance to the Regional Transportation Plan (RTP) and Transportation Planning Rule (TPR) and adoption of a Multimodal Mixed-use Area (MMA) from the Oregon Department of Land Conservation and Development, if necessary
7. Identification of lands available for open space, public access and development
8. Allowance for a partition of open space/public access parcel, if applicable.
9. Strategy for general public access from the North to South end of the property and identified opportunities to connect the site to surrounding pedestrian amenities on both land and water
10. Market study and financial implementation and strategy plan that will guide and educate elected officials and the general public on the fiscal and political approach needed to implement the vision.
11. Identification / incorporation of innovative design approaches and strategies appropriate for the site

Concerns , Aspirations, and Hurdles For the Project

This is a very dynamic site with amazing opportunities and challenging complexities. At its heart, the master plan will need to balance a lot of competing interests with a goal to adopt a plan that will put the site on a firm institutional, political, financial and physical foundation for site development.

This master plan will, in no particular order, need to:

- Elevate the site into a regional amenity by providing development and open space opportunities to ensure that the site will be a four- season destination location.
- Validate the work and stories of the former Blue Heron employees within the existing public involvement process
- Take advantage of and leverage redevelopment and revitalization efforts of nearby downtown Oregon City.
- Successfully articulate the public roles, private roles, the general re-development model to be followed and who will manage and govern implementation.
- Provide clear communication and direction to the public on how the master plan and rezoning fits within the larger visioning process.
- Find a way to create a master plan and development model that will be financially viable with a firm understanding of the existing Oregon City and regional real estate market.
- Inspire regional, state and national political support for future phases of the project and hopefully clearly identify a near term catalyst project that can keep the momentum moving.
- Balance the desires of the bankruptcy trustee and the public without a clear understanding of the needs and wants of a future owner or developer.

- Incorporate innovative and green approaches to redevelopment that encourages rather than deters private investment.
- Take advantage of regional access provided by I-205 while tempering the barrier effect of McLoughlin Boulevard (Highway 99E) which separates the site from downtown Oregon City.

Specialties and Sub-Consultants

The specialties and sub-consultants listed below will be needed to adequately assess the site, engage the public and provide the desired information for the entitlement process. The specialties/products will most likely be amended upon selection of the chosen consultant team and are listed below for informational purposes.

The consultant is encouraged to review the existing information in Exhibit E to determine what existing work products can be utilized by the consultant team, the amount of additional work needed for each specialty/deliverable, and if additional specialties will be needed for this project. The City of Oregon City encourages the consultant teams to build on existing information as much as practicable and avoid duplicating documents unless there is sufficient cause. Utilizing consultants that have multiple skills sets can also help keep costs within budget.

The total budget shall not exceed **\$500,000**.

SPECIALTIES	PRODUCTS
Lead Consultant	Co-ordinate Master Plan/Outreach/Strategy
Urban Designer / Planner	Develop Urban Design Options, Prepare and submit Master Plan Land Use application.
Preservation Architect	Identify and explore adaptive reuse and historic rehabilitation options for buildings.
Hydraulic Engineer or Water Resource Engineer	Review base flood elevations, hydraulic modeling. Look at the potential for altering existing flood plain boundaries if certain buildings are removed/constructed.
Landscape Architect, Biologist	Develop conceptual site design options for open space, habitat conservation/restoration and streetscapes as appropriate to secure public buy in.
Commercial Real Estate Advisor	Establish value of development options
Economic Advisor / Studies	Market studies to (1) guide potential uses; (2) guide current and future investment; (3) development feasibility studies to test market viability and; (4) recommendations to seed near and far term development and provide strategies for next steps and implementation (5) financial implementation plan, with cost breakdown of funding gaps.

Pre-Construction Services	Consult team on proposed development options, cost estimates, constructability.
Transportation Planner	Identify multimodal transportation issues and alternate transportation design approaches for entitlement process.
Transportation/ access study	Reduce trans. impact requirements for development Oregon City to formally adopt Regional Center Plan (Regional Center Compliance) to meet ODOT TPR reqs. Provide support for obtaining MMA if necessary
Engineering Services	Provide further work on stormwater and infrastructure improvements and timing, with a look at implementing a shared systems approach to the site.
Illustrator / Graphics	Provide illustrations and graphic support for final report
Outreach / Visioning/Public Engagement Plan	Engage public, stakeholders and other agencies meaningfully in the process with a view to collective support of the final framework master plan, sufficient to support re-zoning . Link public input to decision-making milestones.
Cultural/ Historic Landscape Inventory/Archaeology	Establish a common cultural understanding of the site as a baseline for the Visioning process. Utilize existing work products and augment as needed. Archeological issues white paper and creation of an inadvertent discovery plan for future development may be warranted.
	Total \$500,000

Visioning and Master Planning Timeline

