



Foothills District Framework Plan BACKGROUND and FAQ's

Project Background

The Foothills District is envisioned as Lake Oswego's next great neighborhood. The 107 acre district sits between downtown Lake Oswego and the Willamette River, and provides a unique opportunity to connect downtown with its public waterfront – Foothills Park, Roehr Park, and Tryon Cove. Over time, the district can be redeveloped in a manner that retains Lake Oswego's unique character and is complementary to its emerging Downtown.

In order to establish a viable vision for the Foothills District and move redevelopment efforts in the area from dream to reality, the City began working with a group of industrial property owners beginning in 2003 to identify the planning issues present in the District and to explore potential approaches to District redevelopment. In late 2008, the owners hired a Development Manager – Williams, Dame & White ("WDW") to assist them in their efforts, and together the Owners and WDW worked with the City to establish a Predevelopment Agreement to kick start planning efforts in the District. An initial Vision Booklet was prepared to provide a broad vision for the direction of Foothills and to generate discussion about redevelopment opportunities.

On June 15, 2010, the Lake Oswego City Council approved a Predevelopment Agreement with Foothills Road Redevelopment LLC and Williams, Dame & White – Lake Oswego LLC. The Predevelopment Agreement calls for the creation of a Framework Plan for the 107 acre Foothills District, consistent with the Planning Principles adopted by City Council. At the end of this process, the correct regulatory tools will be in place to allow for redevelopment in the district to proceed, consistent with the vision approved by the City Council.

The Predevelopment Agreement includes a detailed Work Plan, Schedule and Budget that will guide the work of the project team, and work products are clearly identified. As part of the overall work, the project team, led by WDW, will pursue a meaningful public involvement strategy that will incorporate or address community ideas, issues, and concerns related to the project.

Frequently Asked Questions

What is the goal of the project? Why do the plan now?

The primary goal of the Foothills District Framework Plan is to establish a broadly supported vision for redevelopment of the District and to put in place the regulatory elements that are necessary in order to implement that vision. At the end of this process, the City envisions that the District will be "shovel-ready" for development – in other words, there should be no regulatory impediment to development and, economic conditions allowing, a property owner or developer should be able to immediately begin the development process.

The importance of doing this work now cannot be understated. Until and unless some of the significant development barriers are removed – such as industrial zoning, floodplain designations, or lack of adequate infrastructure – the District will fail to attract investment due to the lack of certainty about its

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future. This situation is reinforced by the lack of activity in the area over the last ten years, when real estate investment avoided the area despite a booming real estate economy elsewhere in the City and region. By planning now, and removing the current barriers to development, the District will be poised to attract investment at the earliest possible date.

I have some ideas or concerns about the project - how do I get involved?

Send an email to info@wdwlo.com with your name and address and we will add you to the mailing list for future newsletters, event notifications, meeting notices, and other project communication. In addition, the Foothills District Citizens Advisory Committee (CAC) meets monthly to help guide the project. CAC meetings are generally on the third Thursday of every month, 5:00 – 7:00 p.m., in the City Hall Council Chambers, 380 A Avenue. (Note: The April and May 2011 CAC meetings will be on the fourth Thursday of the month.)

Will new development in Foothills compete with Downtown businesses?

The aim of redevelopment efforts in Foothills is to create the City's next great neighborhood that is complementary to and supportive of downtown Lake Oswego. By increasing the number of Foothills District residents and ensuring that new retail development in Foothills is neighborhood supportive and complementary to Downtown, new development in Foothills will help improve the viability of downtown Lake Oswego and strengthen the downtown area over time.

Why are we talking about developing in a floodplain? Isn't that risky?

Of the 107 acre Foothills District, 41.5 acres are in what is considered to be the 100 year floodplain. Of the 41.5 acres, 23 are already developed for industrial or commercial uses, and the remainder of the floodplain is in natural areas or parks that are not proposed to be redeveloped. The focus of the floodplain planning efforts will be on these 23 acres of already developed area, with an eye to removing the flood hazard from these areas. Future redevelopment of the industrial area will require intensive analysis of the floodplain related issues, including balanced cut and fill to ensure that flood impacts are not increased through redevelopment and potential impacts on wildlife, habitat, and endangered species are addressed. These types of issues are not unique to Foothills, and there are clearly identified regulatory pathways through which these issues will be pursued.

Is the City going to condemn private property and hand it over to developers?

The City is not interested in taking property from one owner and selling it to another in order to encourage redevelopment activity. For example, the City and the project team consider the Oswego Pointe Condos as "off-limits" to redevelopment efforts, primarily because it is assumed that the condo owners are content in their current situation and that redevelopment of the property is not possible unless all of the owners wanted to sell their property – a highly unlikely scenario.

Doesn't the current economy make it impossible to think about real estate development in Foothills?

The Foothills District Framework Plan is a long term (twenty year+) vision for district redevelopment. The current economic climate makes it difficult to think about starting a development project this year, or maybe even next. However, it is important to "set the table" for redevelopment when the economy recovers to the point where new development efforts are financially viable. Removing regulatory barriers (e.g., improper zoning, floodplain regulations, etc.) will establish a shovel-ready environment in Foothills and advance the time frame for development to the earliest date possible.

How much does the current planning process cost, and how is it being funded?

The total budget associated with the Foothills District Predevelopment Agreement is \$1,300,000. Project funding is being provided through the following sources:

- \$800,000 – City of Lake Oswego
- \$130,000 – Foothills Industrial Property Owners
- \$295,000 – Metro (Construction Excise Tax Grant Program)
- \$75,000 – TriMet

The \$130,000 property owner contribution is being paid by six industrial property owners in the northern portion of the District who control approximately 10% of the District area (hence, they are contributing 10% of the overall budget). This contribution is being structured as a loan by the City, secured against the subject properties, and the loan will be repaid with interest within five years of completion of the Framework Plan.

In addition to the \$1,300,000 budget, the City has also set aside \$200,000 to retain a financial consultant to provide a third-party analysis of the economic impact of the Foothills District plan, including overall development value, public revenue generation, return on public investment, and overall financial viability.

How does the proposed Streetcar option affect the development of Foothills? Are the two projects dependent on one another?

The current Lake Oswego to Portland Transit Study is contemplating, among other options, a Streetcar connection along the Willamette Shoreline rail alignment, linking the Foothills District with Johns Landing and South Waterfront in Portland. The Streetcar option provides an opportunity to explore development scenarios for Foothills that incorporate transit as a central element of the District, potentially reducing parking and traffic impacts and increasing residential density.

How will future costs in Foothills be paid for?

It is too early to determine what the future costs for Foothills redevelopment will be, or how those costs will be paid for. As the plan progresses, the financial viability of the District will be continuously analyzed to determine the proper course of action and provide realistic projections of development costs and potential funding sources. It is anticipated that a combination of public and private investment will be required in order to catalyze development activity in Foothills. The level of public investment must ultimately be measured against the public benefit delivered and the return on investment that the public can expect.

Are Foothills District Property Owners supportive of the project?

In addition to the six industrial property owners that are helping to fund the planning effort, there are a number of other significant property owners in the District. Three of these ownership groups – Terramar Retail Centers, owner of Oswego Village Shopping Center; Prime Group, owner of Oswego Pointe Apartments; and the Oswego Pointe Condominium Association – represent the bulk of the District’s developable acreage, and are active participants on the CAC. Each has expressed a positive interest in moving the planning process forward and exploring the possibilities of Foothills District redevelopment. The project team will continue to work with all property owners in the District to ensure that their issues and concerns are addressed.