

# Lake Grove Business Association

*Serving the business community since 1986*

**RECEIVED**

FEB 4 2009

CITY OF LAKE OSWEGO

January 30, 2009

4040 Douglas Way  
Lake Oswego, OR 97035  
503/635-9393  
503/635-1526

Officers  
&  
Directors

2008-2009

Chuck O'Leary  
President

Jack Lundeen  
Secretary

Sid Smither  
Treasurer

Dan Work  
Director

George Psihogios  
Director

Vic Keeler  
Director

Mike Buck  
Director

Deanna Bitar  
Director

Adelle Jenike  
Director

Nancy LaBonte  
Director

Mayor Hoffman and the  
City Council of Lake Oswego  
City of Lake Oswego  
380 A Avenue  
Lake Oswego, OR 97034

Re: City Facilities

On behalf of the Board of the Lake Grove Business Association, I would like to provide the following thoughts and recommendations regarding the short and long term future of two key City properties.

The West End Building (formerly known as the Safeco Building). We strongly believe the purchase of this building and property was a wise, prudent and visionary decision, which will benefit our community for generations to come.

The key issue is not if the property has any immediate or long term uses but to the contrary: which, of so many possible uses, should it be put to now and in the future. The majority of us believe that long term, much of this property should be used to develop a Community Center that ultimately includes most, if not all, of the amenities recommended by the citizen's Steering Committee in 2007. However with so many large and costly major civic improvement projects underway now, and in light of the current economic recession, we believe the Community Center project should not be implemented until these major projects are completed and our general economy recovers.

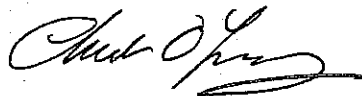
At present, our City Hall is not only undersized; it possesses serious siding and structural deficiencies. Notwithstanding the presence of mold; continued water penetration issues; a sub-standard heating and air conditioning system; and roofing material failures, in our opinion the new seismic standards render this building unsuitable for civic use. We strongly believe it would be ill-advised to wait until further deterioration of the structure causes serious health and safety issues for our City Staff and the general public.

In light of the above, City Hall offices should be relocated. The question is where and for how long. The only buildings large enough to accommodate City Hall would be either the WEB which we own, or lease space in one (or more) of the commercial buildings in Kruse Way. At current lease rates, it would appear it would cost Lake Oswego taxpayers more to rent 50,000 square feet in Kruse Way (at \$28 sq. ft = \$1.4 million per year), than to service the current debt on our over 90,000 square foot West End Building. In addition substantial and expensive tenant improvements will be required. If we leased the required space, much of this cost would be added to the lease rate unless we committed to a very long term lease. We do not believe it is fiscally prudent spend tax dollars improving property we do not own, nor for that matter to lease space for permanent City staff and services.

As such, we would advocate City offices be relocated to the West End Building. As to the property site City Hall now occupies, this site could be sold with the proceeds used to fund the improvements needed to accommodate City offices in the WEB, and any remainder used to retire part of the current debt on the WEB. We would recommend that the City seek a developer and project for the old City Hall site that would develop a mixed use project that would provide an economic driver to downtown Lake Oswego businesses that is at least equal to, if not greater, than its present contribution.

Thank you for your continued community outreach on these issues, and the opportunity to share our views with you.

Sincerely;



Chuck O'Leary  
President  
Lake Grove Business Association