

# Request for Developer Proposals

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**First Street North Anchor Mixed-Use Development Opportunity  
Lake Oswego, Oregon**

DATE ISSUED: July 15, 2015

RESPONSES DUE: August 31, 2015



**Lake Oswego Redevelopment Agency  
PO Box 369  
380 A Avenue  
Lake Oswego, OR 97034**

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## **FIRST STREET NORTH ANCHOR REDEVELOPMENT REQUEST FOR PROPOSALS (RFP)**

The Lake Oswego Redevelopment Agency, the urban renewal agency of the City of Lake Oswego, Oregon, is seeking statements of qualifications and intent from developers interested in pursuing redevelopment of the First Street North Anchor site in downtown Lake Oswego. The Agency intends to seek proposals from qualified developers and then to select a developer to enter into an agreement regarding disposition and development of the site consistent with Agency goals and objectives.

***Responses to this Request for Proposals (RFP) are due by 2:00 pm on August 31, 2015 to:***

***Mail to:***

Lake Oswego Redevelopment Agency  
ATTN: Brant Williams  
PO Box 369  
380 A Avenue  
Lake Oswego, OR 97034

***Or email in Adobe Acrobat (.pdf) or Microsoft Word (.doc) format to:***

***[bwilliams@ci.oswego.or.us](mailto:bwilliams@ci.oswego.or.us)***

***[Confirmation of receipt is required for verification of delivery]***

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## **1. LAKE OSWEGO CONTEXT**

### **Lake Oswego Community**

With a population of 37,000 and more than 2,100 businesses, the City of Lake Oswego is the largest city in Clackamas County, Oregon. Located 8 miles south of Portland between the Willamette River and I-5, the City has a convenient location, strong demographics, outstanding schools and community amenities, and a beautiful setting. It encompasses the Kruse Way office submarket, with more than 2 million square feet of office space and a significant cluster of financial, real estate, insurance and other professional services firms. Major private-sector employers include Biotronik, Microsystems Engineering, Waggener Edstrom, NavEx Global (EthicsPoint), Autodesk and Marylhurst University.

The First Street North Anchor site is in downtown Lake Oswego. Downtown is located on the easterly end of Lake Oswego with direct access to Highway 43/State Street. The area is serviced by regular TriMet bus service. Downtown offers shopping, dining, housing, office uses, groceries and services in a compact grid surrounded by attractive walkable neighborhoods. Amenities include Millennium and Sundeleaf Plaza parks, Headlee Walkway along Lakewood Bay, the Gallery Without Walls outdoor sculpture gallery, the Lakewood Center for the Arts, the newly renovated Lake Theater and Café, and City Hall. Downtown is also in close proximity to the Lake Oswego Public Library, and Foothills and George Rogers Parks both on the Willamette River.

### **Lake Oswego Redevelopment Agency**

The Lake Oswego City Council created the Lake Oswego Redevelopment Agency (Agency) in 1979, for the purpose of revitalizing downtown. In 1986, the Council adopted the first East End Redevelopment Plan, and by 1989, the Agency began investing in downtown projects including parks, street improvements, infrastructure, parking, and property acquisition. In 2004, a revised East End Redevelopment Plan was adopted by City Council (see Appendix A). The Plan, most recently amended in February 2015, includes First Street North Anchor as Project H in Section 300 – Updated Project List.

The Agency has a successful track record of public-private partnership, exemplified by Lake View Village, a vibrant 100,000 SF retail and office project with a 365-space public parking garage at the corner of First Street and A Avenue. The Agency assembled the project site, relocated tenants, and entered into a disposition and development agreement with the developer. Other projects completed by the Agency include Upper and Lower Millennium Plaza Parks, Sundeleaf Plaza Park, First Street and Second Street Streetscape Improvements and the Headlee Walkway. The Agency continues to implement capital improvement projects in the community and is currently working on two other public-private projects: the Block 137 (Wizer block) redevelopment project and the State Street Pedestrian Improvements between A and B avenues.

In 2012, the Council expanded the responsibilities of the Agency by adopting the Lake Grove Village Center Urban Renewal Plan, for the purpose of funding Boones Ferry Road and parking improvements in the Lake Grove business district of Lake Oswego.

## **2. PROJECT INFORMATION**

### **Project Site**

The First Street North Anchor site includes two developable properties on the east and west sides of First Street just north of B Avenue (see Appendix B – Site Map). The property on the west side at 500 and 520 First Street is 16,800 square feet. The property on the east side includes two parcels at 525 First Street and 33-41 B Avenue that total 18,000 square feet. Additional parcels adjacent to these properties could be purchased by the developer or the Agency later on to increase the size of the project site.

### **Previous Planning Efforts**

In 2010-11 the Leland Consulting Group analyzed the feasibility of a library-based First Street North Anchor project in the area of First Street and B Avenue in downtown Lake Oswego (see Appendix C). Based on the positive findings of this analysis, the Agency began to assemble a site and the City Council placed a library bond measure on the November 2012 ballot. However, the bond measure failed. In April 2013, the Agency Board directed the issuance of this RFP for a mixed-use project without a library component. Additional general information about the Lake Oswego retail market and population can be found in Appendices D and E.

The Mayor, City Council, and City Manager have stated their desire for community support for the First Street North Anchor project. With that intent, on January 31, 2015, the Agency Board in partnership with First Addition-Forest Hills and Evergreen Neighborhood Associations and the Lake Oswego Chamber of Commerce hosted a public forum to receive input on specific uses for the First Street North Anchor project prior to moving forward with this RFP. Over 75 people attended the forum. Attendees were most interested in a mix of uses including restaurants, housing and small scale specialty retail stores. Other favorable uses included an art gallery, a hotel, public meeting rooms, public outdoor space, green space and possibly public parking. A complete summary of the results from the forum is found in Appendix F.

More recently, the First Addition/Forest Hills Neighborhood Association conducted a survey that included questions specific to the First Street North Anchor project. This survey was sent to all residential and business addresses in the neighborhood. The results of this survey are found in Appendix G.

### **Development Objectives**

The East End Redevelopment Plan lists general and specific objectives for redevelopment within the East End District (see Section 600 of the Plan). First Street North Anchor is identified as Project H in the Plan and is intended to “anchor” the First Street retail corridor with active uses, complementing Lake View Village at the south end and encouraging more pedestrian activity within this core retail area of downtown.

A successful project will require broad community support with key stakeholder groups including the First Addition/Forest Hills Neighborhood Association, the Chamber of Commerce, and the adjacent Evergreen Neighborhood Association.

The project also must meet the minimum design and development standards defined in the Lake Oswego Community Development Code – Downtown Redevelopment Design District (see Appendix H – LOC 50.05.004).

The Agency is open to consideration of developer proposals for a project concept that would meet the following objectives:

1. Retail Vibrancy – Ground floor retail to strengthen the downtown shopping and dining experience.
2. Mix of Uses – Besides ground floor retail, incorporate other uses consistent with those recommended by community members attending the January 2015 public forum and that would be supported by the market (see Appendix F).
3. Design Excellence – Building and site design and construction demonstrating environmental sustainability, high quality materials, and an “anchor” presence at the north end of the First Street retail corridor.
4. Community Support – A process during the project development phase that ensures that the mix of uses and final design have broad support by the community and key stakeholder groups.
5. Return on Public Investment – Transaction terms that provide a reasonable return on the Agency’s investment in assembling the project site, and a mix of private and public uses that both increase assessed property values and tax revenues and provide public amenities for downtown and the community.

### **Tax Lots/Map**

The First Street North Anchor properties includes:

1. 500-520 First Street – Tax Lot 21E03DD01200
2. 525 First Street – Tax Lot 21E03DD00500
3. 33-41 B Avenue – Tax Lot 21E03DD00400

### **Ownership Status**

The Agency owns all three parcels at 500-520 First Street, 525 First Street, and 33-41 B Avenue. All properties were acquired through voluntary sales.

### **Size**

The total area of the three combined properties is 34,800 sf. The site is bisected by First Street with 16,800 square feet is available on the west side of First Street and approximately 18,000 square feet is available on the east side.

### **Topography**

The site slopes down from west to east and north to south.

## **Floodplain Status**

The site is outside of FEMA flood hazard zones.

## **Zoning**

The site is zoned East End General Commercial (EC). It is located within the Downtown Redevelopment Design District (LOC 50.05.004).

## **Structures**

The site contains four structures totaling approximately 17,000 square feet. The Agency anticipates that the selected developer will raze the site for redevelopment.

## **Tenancies**

The Agency purchased the North Anchor properties subject to existing tenancies, and is responsible for negotiating early lease terminations and providing relocation assistance to tenants. There currently are twelve tenants: Seven with month-to-month leases; four with leases expiring in 2015; and one with a lease that expires in 2017. Tenants have been given notice of their eligibility for relocation assistance.

## **Utilities**

Appendix C includes an analysis of existing utilities prepared by the design engineering firm, KPFF Consulting Engineers, in 2010. This assumed a mixed-use First Street North Anchor project including a 60,000 square-foot library, hotel, residential and retail land uses. (Again, the library will not be a part of the project.)

## **Transportation and Access**

Appendix C includes a link to a traffic analysis prepared by the traffic engineering firm, DKS Associates, in 2010. The 2010 analysis assumed development of a mixed-use First Street North Anchor project including a 60,000 square foot library (no longer included), hotel, residential and retail land uses.

## **Environmental Conditions**

The Agency conducted the following environmental analysis prior to acquisition of all North Anchor properties (see Appendix I).

1. Phase I Environmental Site Assessment (ESA) for each acquired property.
2. Limited Phase II soil vapor testing on the 41 B Avenue property, due to current and historic uses of adjacent property.

## **Purchase Price**

The Agency paid a total of \$5,430,000 for the site. The land price to the selected developer will be determined in the context of a disposition and development agreement (DDA) outlining public and private obligations. A long term ground lease is another option that could be considered.

### **3. DEVELOPER QUALIFICATIONS, SUBMISSION AND EVALUATION PROCESS**

#### **Developer Qualifications**

The Agency seeks a North Anchor developer with the experience to design, construct and maintain a quality project that will benefit the Lake Oswego community. Developer qualifications are based on:

1. Experience in developing high-quality, successful infill projects.
2. Experience in delivering sustainable, LEED-certified projects.
3. Ability in having secured financing for similar projects.
4. Demonstrated ability to build public support for development projects.
5. Experience in successfully working with public agencies on similar projects.

#### **Submission Requirements**

Please provide a succinct response to the following requirements. Submittals shall not exceed 25 pages, excluding appendices.

##### **1. Cover Letter**

Please outline why your firm is interested in this opportunity, and how it is best qualified to meet the above Development Objectives.

##### **2. Developer Team and Statement of Qualifications**

- a. Identify development team members and roles. Provide resumes for key team members.
- b. Describe qualifications and experience in developing high-quality, successful infill projects. Please include projects that have characteristics similar to what you may be thinking about for the Anchor site, and provide photos and descriptions of up to 5 referenced projects.
- c. Describe experience with designing and constructing sustainable, green buildings.
- d. Describe public outreach experience.
- e. Describe experience working with public agencies on similar projects.

##### **3. Development Concept**

Outline a preliminary development concept for the First Street North Anchor Site and how it responds to the above Development Objectives. Proposers should not provide detailed plans or illustrations; however, materials submitted should sufficiently convey the preliminary development concept.

##### **4. Funding Plan and Financial Capability**

Provide the general framework for funding the project including a concept for public and private participation. Provide evidence of financial condition and ability to secure

financing for the project. Describe potential sources of debt and equity, as well as any public resources you may be contemplating. (Please see conditions regarding confidentiality of submitted material in Conditions for Request for Proposals below.)

#### **5. Public Outreach Plan**

Describe a general approach to building public support for the suggested development concept.

#### **6. Proposed Development Schedule**

Provide a schedule outlining the firm's expected project timeline beginning with notification that you been selected as the site's developer. Please include key milestones such as initiation of due diligence, the execution of a DDA with the Agency, a initiating construction and anticipated occupancy.

#### **7. References**

Provide contact information for references. References will be contacted and considered during the submittal review.

### **Submittal Instructions and Agency Contact**

See page 1 for deadline and method of submittal. Questions regarding this RFP (including any objections to the qualification specifications) should be emailed to Brant Williams (mail to: [bwilliams@ci.oswego.or.us](mailto:bwilliams@ci.oswego.or.us)) no later than seven days prior to the submittal deadline. All material changes or clarifications of any information in this RFP will be published as a written addendum on the Agency's website: <https://www.ci.oswego.or.us/lora>. The Agency will also attempt to provide updates to parties who identify themselves as interested parties, but the Agency is under no obligation to do so.

### **Evaluation Criteria**

All complete submissions will be reviewed by an evaluation committee for:

1. Demonstrated success of assigned team members in development and tenanting of high-quality mixed-use development projects. (Maximum 30 points)
2. Development concept and funding plan that responds to the Development Objectives found in Section of this RFP. (Maximum 25 points)
3. Experience in securing financing and ability to secure financing for this project. (Maximum 20 points)
4. Demonstrated ability to work with public agencies, neighborhood groups and business organizations to develop broad public support for development projects. (Maximum 15 points)
5. Project schedule. (Maximum 5 points)
6. References. (Maximum 10 points)

The evaluation committee will rank firms based upon the points awarded. Interviews will be held with the top three proposers and all other proposers within 10 points of the third best proposer. The purpose of the interviews is to provide firms with an opportunity to further explain and clarify aspects of their written proposals as well as address questions from members of the evaluation committee. The committee may award up to an additional 50 points based upon the interview responses.

### **Selection Process**

The following is a tentative schedule for the selection process:

Release of the RFP	July 15, 2015
Submissions due	August 31, 2015
Submittal evaluation and interviews	September 2015
Agency Board authorization to negotiate	October 2015
DDA negotiations and execution	Fall 2015/Winter 2016

#### 4. CONDITIONS FOR REQUEST FOR PROPOSALS

The following are specific conditions for the RFP:

- This RFP is not a request for competitive proposals and is not subject to the Oregon Public Contracting Code (ORS Ch. 279A or ORS 279B).
- The Agency reserves the right in its sole discretion to accept or reject responses to this RFP, without cause.
- The Agency reserves the right to modify the selection process outlined in this RFP and will publish any modification on the Agency's website: <https://www.ci.oswego.or.us/lora/north-anchor-project>; the Agency may also attempt to notify those who indicate intent to submit a response, but is under no obligation to do so.
- No representation or warranty is made to the accuracy of information provided in or linked to this RFP.
- RFP respondents are advised not to contact members of the Lake Oswego Redevelopment Agency Board (who are also members of the City Council) regarding this RFP.
- All submissions will become the property of the Agency and will be subject to public inspection according to the Oregon Public Records Law. If a respondent believes that a specific portion of its submission constitutes a "trade secret" or "confidential information" under Oregon Public Records Law, and is therefore exempt from disclosure, that portion should be clearly identified as a "trade secret." Such identification does not necessarily mean that the information will be exempt from disclosure. If a request for disclosure of material that is marked "trade secret" or "confidential," the Agency will notify the proposer of the request and may tender defense of the request to the proposer. If tendered, the proposer shall indemnify the Agency from any costs and or attorneys fees awarded against the Agency.
- The Agency makes no representation that a project developed in response to this RFP will or will not be considered a "public improvement" project or "public works" project, for purposes of compliance with public contracting requirements or prevailing wage laws.
- The Agency will not pay any third-party brokerage fees on transactions that result from this RFP.
- All press releases regarding the RFP shall be approved by the Agency prior to release.

## 5. APPENDICES

- A. [East End Redevelopment Plan](#) (Updated 18<sup>th</sup> Amendment, effective 2/24/15)
- B. [North Anchor Project Site Map](#)
- C. [2010 North Anchor Feasibility Study](#) Reports:
  - i. Market and Demographic Research
  - ii. Transportation Systems Analysis
  - iii. Utilities
- D. [Lake Oswego Retail Market Analysis](#) (January 2013)
- E. [Lake Oswego Baseline Population Analysis](#) (August 2010)
- F. [North Anchor Public Forum Results](#) (January 2015)
- G. [First Addition/Forest Hills Neighborhood Association 2015 Neighborhood Survey](#)
- H. [Lake Oswego Community Development Code – Downtown Redevelopment Design District](#) (50.05.004)
- I. Environmental Site Assessments:
  - a. [500 First Street Phase I ESA Report](#)
  - b. [525 First Street Phase I ESA Report](#)
  - c. [33-41 B Ave Phase I ESA Report](#)
  - d. [33-41 B Ave Limited Phase II ESA Report](#)