FIRST STREET NORTH ANCHOR
STATUS REPORT
July 2011
## Milestones to Date

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>East End Plan Adopted: includes Project H – First Street North Anchor Project at 1st and B</td>
</tr>
<tr>
<td>October 2010</td>
<td>Phase 1 Feasibility Study Report: library-based project</td>
</tr>
<tr>
<td>March 2011</td>
<td>Feasibility update: four options; cost estimates; potential funding sources</td>
</tr>
<tr>
<td></td>
<td>LORA Board authorizes development and implementation of Phase II work plan, including property acquisition</td>
</tr>
<tr>
<td>May 2011</td>
<td>LORA Board approves North Anchor Property Acquisition Plan</td>
</tr>
<tr>
<td>Current</td>
<td>Property acquisition initiated</td>
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</table>
Phase 1 Feasibility Study Questions

- Does Lake Oswego need a new library?
- Should the library be located downtown?
- What will it cost?
- Can Lake Oswego’s library provide a sufficient anchor for the North End?
- How can it help revitalize downtown?
Project Goals

Address the community’s demand for new, interesting, and exciting components that will draw Lake Oswego residents to the downtown area.

Build upon a strong sense of place and community within the downtown.

Help strengthen retail along State, 1st, and 2nd Streets.

Establish a gateway to the future development of the Foothills project.

Expand community services by offering a high-quality, state of the art library and meeting facilities downtown.
Study Area
Feasibility Study Findings

**Process:** Multi-disciplinary technical analysis lead by Leland Consulting Group, stakeholder interviews, Stakeholder Advisory Committee

**Findings:**
- Library is needed
- Library is needed downtown
- Mixed-use project would serve as a strong anchor to 1st and A
- Library development will not require major traffic infrastructure improvements
- Civil/utilities not a barrier
- Library visitors will spend in downtown
- Library helps to attract downtown housing and more retail
Library Need

“A Library is an anchor store that won’t go out of business, no matter how bad the economy gets. In fact, the worse it gets, the more traffic we see.”

–James LaRue, Director of the Douglas County Libraries

Why Lake Oswego needs a new library:
– Current facility is too small at 27,100 SF

– Very high visitor count and circulation (1,000 visitors/day); highest per capital circulation and visitation in the state

– Eight studies support need for larger library. 2006 and 2008 studies recommended 66,000 SF.

– Current challenges with access, parking, roof, space, minimal meeting spaces

– Research supports that libraries are on the rise
North Anchor Concept
Phase I: Development Program
Phase 1: Development Program
Phase 1: Development Concept
Feasibility Update: OPTION A
DEVELOPMENT PROGRAM: OPTION A

Block 1:
- **Library**: two levels, 60,000 Square Feet
- **Housing Above the Library**: 50,600 square feet, three levels
- **Roof Terrace**: 11,000 square feet
- **Retail**: 1,500 square feet

Block 2:
- **Townhomes/ Flat Housing**: 10,800 square feet total, five levels
- **Retail**: 5,000 square feet (along base)
- **Restaurant**: 7,300 square feet (along base)
- **Parking**: 66,000 square feet total (200 stalls)
Block 1:

- **Library**: 2 Levels, 60,000 sf total
- **Underground parking**: 60,000 sf total (180 stalls)
- **Green Roof (above library)**: 30,000 sf
Block 1:

- **Library**: 2 Levels, 60,000 sf total
- **Above Ground Parking**: 32,000 sf total (96 stalls)
- **Green Roof (above library)**: 6,400 sf
- **Retail along State Street**: 3,200 sf
DEVELOPMENT PROGRAM: OPTION D

Blocks 1 and 2:

- Restaurant (along base): 7,300 sf
- Library 2 Levels (plus ground level lobby and meeting room): 60,000 sf total
- Housing (above library): 49,500 sf total, 3 Levels
- Dedicated Parking for housing (one floor above grade/one below grade): 16,800 sf (50 stalls)

Block 3:

- Retail (along base): 11,000 sf
- Public Parking: 76,000 sf total (228 stalls), 3 Levels

Block 4:

- Retail (along base): 11,200 sf
- Housing: 45,000 sf total (45 units), 3 Levels
- Surface Parking: 45 stalls
**PRELIMINARY COST ESTIMATES – March 2011**

<table>
<thead>
<tr>
<th>Costs</th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
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</thead>
<tbody>
<tr>
<td>Site Acquisition *</td>
<td>$2,706,574</td>
<td>$1,870,758</td>
<td>$1,870,758</td>
<td>$1,716,690</td>
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<tr>
<td>Site Development</td>
<td>$2,035,469</td>
<td>$1,672,338</td>
<td>$1,672,338</td>
<td>$3,689,606</td>
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<tr>
<td>Library</td>
<td>$28,350,000</td>
<td>$28,350,000</td>
<td>$28,350,000</td>
<td>$31,185,000</td>
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<tr>
<td>Public Parking Structure</td>
<td>$5,692,500</td>
<td>$7,245,000</td>
<td>$2,760,000</td>
<td>$6,555,000</td>
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<tr>
<td>Private Parking (Housing)</td>
<td></td>
<td></td>
<td>$1,014,300</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>$11,668,750</td>
<td></td>
<td></td>
<td>$17,128,125</td>
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<tr>
<td>Retail</td>
<td>$284,625</td>
<td></td>
<td>$552,000</td>
<td>$4,212,450</td>
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<tr>
<td>Restaurant</td>
<td>$1,511,100</td>
<td></td>
<td></td>
<td>$1,511,100</td>
</tr>
<tr>
<td>Rooftop Terrace</td>
<td>$316,250</td>
<td>$862,500</td>
<td>$184,000</td>
<td></td>
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<tr>
<td>Canopy over 1st Street</td>
<td>$644,000</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total Hard and Soft Costs</td>
<td>$53,209,268</td>
<td>$40,000,596</td>
<td>$35,389,096</td>
<td>$67,012,271</td>
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<tr>
<td>Contingency (10%)</td>
<td>$5,320,927</td>
<td>$4,000,060</td>
<td>$3,538,910</td>
<td>$6,701,227</td>
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<tr>
<td><strong>Total Costs</strong></td>
<td><strong>$58,530,195</strong></td>
<td><strong>$44,000,655</strong></td>
<td><strong>$38,928,005</strong></td>
<td><strong>$73,713,498</strong></td>
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<tr>
<td>Public Cost</td>
<td>$37,811,740</td>
<td>$44,000,655</td>
<td>$38,928,005</td>
<td>$40,970,452</td>
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<td>Private Costs</td>
<td>$20,718,455</td>
<td>$0</td>
<td>$0</td>
<td>$32,743,046</td>
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</table>

* Source: Leland Consulting Group, Architectural Cost Consultants, Myhre Group Architects, City of Lake Oswego

* Since acquisition costs cannot be estimated at this time, for the purposes of this analysis, Leland Consulting Group used assessor real market values.
<table>
<thead>
<tr>
<th>OPTIONS</th>
<th>A1</th>
<th>A2</th>
<th>B</th>
<th>C</th>
<th>D1</th>
<th>D2</th>
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<tbody>
<tr>
<td>Tax Increment generated</td>
<td>$199k</td>
<td>$178k</td>
<td>($22k)</td>
<td>($22k)</td>
<td>$380k</td>
<td>$386k</td>
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<tr>
<td>Associated debt capacity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- FFCO</td>
<td>$2.9 M</td>
<td>$2.6 M</td>
<td>($0.3 M)</td>
<td>($0.3 M)</td>
<td>$5.6 M</td>
<td>$5.7 M</td>
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<tr>
<td>Associated debt capacity</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- Revenue</td>
<td>$2.1 M</td>
<td>$1.9 M</td>
<td>($0.2 M)</td>
<td>($0.2 M)</td>
<td>$4.1 M</td>
<td>$4.1 M</td>
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POTENTIAL FUNDING SOURCES

- LORA funding
- Clackamas County Library District capital funds
- General obligation bonds
- Retail/restaurant/housing sources (rent or sale of property in the mixed use project in a public-private partnership)
- Endowments and donations
- Sale of existing library property
- Private funding
**POTENTIAL DEVELOPMENT TIMELINE**

- Site Assembly: June 2011 - Oct 2011
- Plan refinement and financing plan: Nov 2011 - April 2012
- Library Bond Campaign*: May 2012 – Nov 2012
- Construction: Jan 2014 – June 2015

* If Library Bond in financing plan. Election could be November 2012 or May 2013, with corresponding schedule adjustment
Public Participation and Community Partnership

- Stakeholder Advisory Group
- Library Advisory Board
- Friends of the Library
- Neighborhood Outreach
- Community-wide Outreach
OUTCOMES

- Anchor north end of downtown; add vitality
- Better serve the public of Lake Oswego with an appropriately sized library
- Provide public parking to serve library and other downtown uses
- Stimulate redevelopment along First Street between A and B
- Leverage private capital with public capital
For more information

Jane Blackstone
Department of Economic and Capital Development
503-635-0243

Bill Baars
Library Director
503-697-6584