TO:  Jack Hoffman, Chair  
Members of the Redevelopment Agency  
David Donaldson, Executive Director

FROM:  Brant Williams, Director  
Economic and Capital Development Department

SUBJECT:  Lake Oswego Redevelopment Agency Project Updates

DATE:  March 1, 2012

ACTION

The following updates are intended to keep Board members apprised of ongoing LORA projects and programs.  No action is required.

PROJECT UPDATES (EXCERPT)

First Street North Anchor (Project H)

Status
The current focus of the North Anchor Project is on site assembly.  As authorized by the LORA Board on February 7, 2012, staff notified 500 First Street LLC of LORA’s intent to exercise its option to purchase 500 First Street.  The sale is expected to close by March 9, 2012.  Staff is also working toward the Board-authorized execution of a land sale agreement to acquire 525 First Street.  On a parallel track, staff is pursuing the acquisition of four additional properties pursuant to the North Anchor Property Acquisition Plan approved by the LORA Board in May 2011.  Board consideration of specific transactions is scheduled for discussion in Executive Session on March 6.

Library Location

The North Anchor Feasibility Study, developed with community input and presented to the LORA Board in October 2010 and March 2011, concluded that the North Anchor site at First Street and B Avenue is a feasible location for a library-based, mixed-use project that would include taxable value, serve as a strong anchor to strengthen the First Street retail corridor and add to downtown vitality.  With more than a thousand visitors a day, a North Anchor library would be a significant civic and cultural asset and add to downtown foot traffic and economic vitality.  After considering the Feasibility Study and economic benefit of a downtown library location, the LORA
Board authorized staff to develop and implement a work plan for a library-based mixed-use project at First and B, and begin assembling a project site.

Library location has been a longstanding question in the community. Several recent citizen letters have suggested that the library should be more centrally located and that the West End Building might be a lower cost location. A new library was originally considered as part of the 2007 Community Center proposal for the West End property. Based on estimated remodeling unit costs provided by BOORA Architects (inflated from 2007 to 2011), the design and construction of a 60,000 square-foot library at the WEB would cost approximately $17 million. Assuming a proportional amount of site development, parking and acquisition costs, the total cost for a new library at the WEB could approach $30 million. It should be noted that the proposal to move the library from its current location to the West End site met with significant resistance from the public as part of the Community Center planning process. As a result, the library portion of the Community Center Plan was deferred indefinitely.

While the total cost of a WEB-based library is lower than that of a new downtown library, available funding is more limited. Preliminary funding projections for the Downtown North Anchor site identify $26 million of urban renewal funding that could be used for the project. This funding, of course, would not be available for a library at the West End site.

**500-520 First Street Leases**
LORA has leased the retail bays of the 500 First Street property (510 and 520 First Street) to the Arts Council through August 2013. The Arts Council will relocate their office from City Hall into the 520 space and use the 510 space for arts programming. The Council will not pay rent, but will share potential revenues from programming of the space to offset utility costs.