LAKE OSWEGO REDEVELOPMENT AGENCY

NORTH ANCHOR PROPERTY ACQUISITION PLAN

Approved by the LORA Board
May 16, 2011

INTRODUCTION

On March 28, 2011, after consideration of the Phase IA First Street North Anchor Feasibility Study, the Lake Oswego Redevelopment Agency (LORA) directed staff to proceed with a Phase II work plan for development of a library-based, mixed-use project in the vicinity of First Street and B Avenue in downtown Lake Oswego. One element of the Phase II work plan is property acquisition.

This property acquisition plan responds to the March 28, 2011 LORA Board direction as well as the Board’s 2011 goal to approve a plan for targeted property acquisition by May 31, 2011. The plan summarizes LORA’s authority to acquire property, potential North Anchor acquisitions, relocation requirements, and a proposed approach to the property acquisition process.

AUTHORITY TO ACQUIRE PROPERTY

Section 900 of the 2004 East End Redevelopment Plan authorizes LORA to acquire specified properties to accomplish projects, and states that no additional property shall be acquired without a plan amendment. Section 1000 states that identification of additional property for acquisition pursuant to projects, activities or programs specified in the Plan for public use or for private redevelopment would be considered a minor plan amendment. Minor plan amendments can be approved by a resolution of the LORA Board.

POTENTIAL PROPERTY ACQUISITIONS

The Phase IA North Anchor Feasibility Study identified four concepts for configuring a project that would include a 60,000 square foot public library and public parking to support both library and general downtown public parking needs. Two of the four concept options also incorporated a mix of public and private uses, including retail and housing. It is possible that a refined project concept might combine elements of two or more options.

Regardless of the final project design, development of a North Anchor Project in the vicinity of 1st and B would require acquisition of privately-owned properties. An adequate project site could be assembled from some or all of the six properties identified on the attached parcel map. Two of the properties are
vacant as of May 1, 2011 (the former Lacey’s restaurant property on the northwest corner 1st and B and the former vet clinic property at 545 1st Street). The remaining four properties are currently tenanted (530 1st Street, 525 1st Street, 41 B Avenue, and the property on the northwest corner of State and B).

Properties identified in the 2004 East End Redevelopment Plan:

- Tax lots 300/300A1, 400, 500 and 1200 of Tax Map T2S R1E 03DD

To provide more flexibility to configure a mixed use project, two additional properties could be added to the list of potential acquisitions. Acquisition of these properties would require a minor amendment to the 2004 East End Redevelopment Plan, through a resolution of the LORA Board:

- Tax lots 600 and 1100 of Tax Map T2S R1E 03DD

**RELOCATION REQUIREMENTS**

An essential part of the acquisition process is to work with tenants to find relocation options, with the goal of retaining businesses in Lake Oswego. Depending on the specific properties acquired for the North Anchor Project, up to approximately 17 business tenants could be displaced.

Section 800 of the 2004 Plan states that LORA will assist persons or businesses displaced as a result of project-related property acquisition with relocation pursuant to LORA Relocation Policies (last updated in 1989). All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 through 281.105 and all other applicable laws or regulations, including the Uniform Relocation and Real Property Act of 1970, as amended; Federal Law 91.646; the Code of Federal Regulations (CFR Volume 49, Part 24); and Oregon Revised Statutes (ORS 35.500 to 35.530).

To ensure compliance with applicable relocation policy and regulation, it is recommended that LORA engage a contractor with expertise in public relocation policy and practice to update the LORA Relocation Policies as needed, and assist with planning and execution of tenant relocations.

**ACQUISITION PROCESS**

The following actions would commence immediately and proceed until a feasible North Anchor site is assembled. Staff will provide updates to the LORA Board at least quarterly, or as needed to maintain progress. The LORA Board adopted a goal of September 30, 2011 for presentation of a refined North Anchor concept plan, in order to meet this goal, the North Anchor site will need to be defined.

1. **Contract with acquisition advisors.** Assembling multiple sites to accommodate a public-private mixed-use library project will require technical expertise to assist staff in real estate negotiation, property valuation and formal appraisal, tenant/owner relocation, and real estate law.
Environmental analysis may also be necessary.  Architectural and site design expertise will be required to consider the feasibility of various site configurations, and property management will be required until redevelopment commences.

2. **Analyze potential acquisitions.** Evaluate use, condition, occupancy and general value of parcels.

3. **Meet with property owners.** Discuss project, property/tenancies, potential site needs and the public acquisition and relocation process.

4. **Structure acquisition offer.** Based on project needs and discussion with property owners, structure proposed offers.

5. **Obtain LORA Board authorization.** All acquisitions are subject to LORA Board authorization. It will be necessary for the Board to meet in Executive Session to discuss real estate negotiations.

6. **Complete due diligence and close.** As needed, complete appraisal, environmental analysis and other diligence. Assuming satisfactory completion of diligence, close transaction.

7. **Manage properties.** Manage leases and maintain properties pending redevelopment.

8. **Relocate tenants.** Plan and implement required tenant relocation assistance.

**LORA BOARD POLICY ACTIONS**

These actions could be scheduled for a LORA Board meeting in the June-July 2011 timeframe.

1. **Adopt minor plan amendment.** To add the properties not identified for acquisition in the 2004 East End Redevelopment Plan, the LORA Board will need to adopt a resolution approving a minor amendment.

2. **Adopt updated LORA Relocation Policy.** To ensure compliance with current law and regulation, staff will propose updates to the LORA Relocation Policy for LORA Board adoption prior to commencement of relocation discussions.