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July 21, 2022

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a revised Amendment to the Library Construction and Operation
Intergovernmental Agreement between
Clackamas County and the City of Gladstone.

Purpose/Outcome	Approve an Amendment to the Library Construction and Operation Intergovernmental Agreement between Clackamas County and the City of Gladstone.
Dollar Amount and Fiscal Impact	Clackamas County receives the City of Gladstone's annual Library District distributions, as well approximately \$212,180 from the City of Gladstone's general fund for FY22-23.
Funding Source	Gladstone Library District distributions and general fund contributions.
Duration	Effective July 7, 2022 and automatically renew annually, unless otherwise terminated.
Previous Board Action/Review	Approval of a Library Construction and Operation Intergovernmental Agreement between Clackamas County and the City of Gladstone, November 14, 2019. Approval of Amendment without November 23, 2021 Policy Session Materials attached on July 7, 2022
Strategic Plan Alignment	Building public trust through good government. Ensure safe, healthy and secure communities.
Counsel Review	This Revised IGA Amendment has been reviewed and approved by County Counsel on 7-137-22. JM
Procurement Review	No, because this is item is an IGA amendment.
Contact Person	Cindy Becker, County Admin., 503- 930-6894 Jeffrey Munns, Assistant County Counsel, 503-742-5984
Contract No.	N/A

BACKGROUND:

In November of 2019 the County and the City of Gladstone approved Library Construction and Operation Intergovernmental Agreement (IGA). This IGA implemented the October 2017 Settlement Agreement that concluded litigation between the parties.

The present Amendment to the IGA is necessary due to escalating construction costs. Following meetings and negotiations between the parties it is desired to extend the time for performance to construct the new Gladstone Library for 12 months to determine if prices will stabilize and how best to move forward with the project.

On July 7, 2022 this Board approved an Amendment to the Construction IGA. On July 12, 2022 The Gladstone City Council approved the same amendment with slightly different wording and the November 23, 2021 Policy Session Worksheet which was the basis of the "November 2021 estimate" attached. The added language and policy session materials do not change the substance of the Amendment. However, it requires that the Board sign what the City approved or the City sign what the Board approved to complete this contract amendment.

RECOMMENDATION:

Staff respectfully recommends the Board approve the version of the Amendment to the Library Construction and Operation Intergovernmental Agreement between Clackamas County and the City of Gladstone as approved by the City on July 12, 2022. County Counsel has reviewed and approved the attached revised Amendment.

Respectfully submitted,



Jeffrey D. Munns
Assistant County Counsel

AMENDMENT #1
TO THE LIBRARY CONSTRUCTION AND OPERATION
INTERGOVERNMENTAL AGREEMENT BETWEEN CLACKAMAS COUNTY AND
THE CITY OF GLADSTONE

This Amendment #1 is entered into between the City of Gladstone ("Gladstone") and Clackamas County ("County") and shall become part of the Intergovernmental Agreement documents entered into between both parties on November 14, 2019 ("Construction IGA").

The Purpose of this Amendment #1 is to make the following changes to the IGA:

1. Section 1. **Obligations of the County**, Subsection G. Extensions is hereby replaced in its entirety as follows:

The County is allowed an extension to complete milestone # 4 until no later than twelve (12) months from execution of this amendment. County will complete demolition of the former City Hall building by November 1, 2022 and install a sign indicating the new facility is in progress. The City may, at its discretion, impose a penalty for any additional extension beyond the extension granted by this section as amended. This extension and all extensions previously approved shall be treated as the initial six (6) extensions as described in 1.H below. All requests for extension must be for thirty (30) day increments. Penalties for milestone #5 shall be incorporated into the eventual contract with a Contractor, and any contractual penalties imposed on Contractor related to missed milestones on the New Gladstone Library Branch construction schedule shall be split equally between the County and the City.

However, the County shall update its cost estimates with the engaged contractor ("Cost Estimate") to determine the current cost estimate at nine (9) months after execution of this amendment. The County shall forward the Cost Estimate to the City for review. If this Cost Estimate at nine (9) month mark is equivalent to the November 2021 estimate (attached and incorporated into this Amendment) or less, the County shall complete milestone #4 within one hundred twenty (120) days of receiving the cost estimate. If the County seeks an additional extension request, such request will be retreated as Extension #7 pursuant to 1.H. Additional requests will progress from Extension #7 as outlined in the schedule in Section 1.H.


Except as expressly amended above, all other terms and conditions of the Contract shall remain in full force and effect. By signature below, the parties agree to this Amendment #1, effective upon the date of the last signature below.

Clackamas County

Chair, Board of County Commissioners

Printed Name

City of Gladstone



Mayor,

Date

7/12/22

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 11/23/21 **Approx. Start Time:** 2:00 **Approx. Length:** 30 minutes

Presentation Title: Gladstone Library

Department: Business & Community Services

Presenters: Sarah Eckman, BCS Interim Director and Cindy Becker, County Administration

Other Invitees: Mitzi Olson, Gladstone and Oak Lodge Library Manager; Jason Varga, Oak Lodge/Gladstone Community Project Project Manager; Mindy Garlington, Gladstone City Councilor; Jacque Betz, Gladstone City Administrator

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

We are requesting approval from the Board to address a funding gap and to approve proceeding with construction of the Gladstone Library.

EXECUTIVE SUMMARY:

This library is a new 6,000-square foot building at the site of the former Gladstone City Hall. The project includes meeting space, dedicated areas for children and teens, book drop with exterior access, self-checkouts, public computer access, staff workrooms and public restrooms.



This Policy Session is the culmination of previous communications and meetings regarding this project. At an Executive Session in August, 2021, the BCC agreed to delay both the Gladstone and Oak Lodge projects in order to obtain current cost estimates from the Construction Manager/General Contractor (CMGC) firm that was being engaged for the Project. (A construction delay of four months has been approved by the City of Gladstone.)

The chart below compares budget projections including the CMGC estimate (with and without Value Engineering (VE))

Original	July Estimate	CMGC \$	CMGC w/ VE
\$6.0 million	\$7.4 million	\$7.7 million	\$7.0 million

Funding available for this project is as follows:

State ARPA Funds	\$0.5M
Gladstone Beginning Fund Balance	\$0.3M
General Fund (100) Portion of Revenue Bond*	\$3.9M (Payment=\$281,856/year)
Library Budget Portion of Revenue Bond*	<u>\$2.1M</u> (Payment= \$151,884/year)
Total	\$6.8M

*Bond rate calculated for 20 years @3%

There is a \$200,000 shortfall between the available funding (\$6.8 million) and project budget (\$7.0 million)

Once this shortfall is addressed, the project is ready to proceed (see options) .

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? X YES NO

What is the cost? \$ 7.0 million

What is the funding source? County backed Revenue Bonds, Library Funds, ARPA

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
This aligns with the BCS strategic result of preserving, improving, and enhancing the quality and capacity of managed properties and facilities. The construction of the new libraries supports the Oak Lodge and Gladstone Library program so the public can access publically funded diverse materials and services to achieve their individual goals.
- How does this item align with the County's Performance Clackamas goals?
This project aligns with the Vibrant Economy Goal: It provides economic development, public spaces, and community enrichment services to residents, businesses, visitors, and partners so they can thrive and prosper in healthy and vibrant communities.

LEGAL/POLICY REQUIREMENTS:

There is an IGA between County and City of Gladstone in which the County agreed to construct and manage two libraries: Gladstone and Oak Lodge.

PUBLIC/GOVERNMENTAL PARTICIPATION:

A number of public outreach strategies were initiated to reach the widest audience. Public input ranged from in-person interviews with teens, residents and staff, to an on-line open house. Project information and events were advertised via multiple methods, with a dedicated project website to share information, surveys and updates.

A dedicated Planning Task Force was created which included residents of the Gladstone Library Service area, members from the Gladstone Library Advisory Board, Gladstone Library Foundation Advisory Board and Clackamas County Library Board of Trustees. The Task Force met numerous times with design consultants and County staff to create a Master Plan, review options/changes and provide input throughout the process.

County staff - and Commissioner Savas - met with the Planning Task Force on 11/15/21 to provide an update on the library project. Members had the following comments and concerns:

- Frustration with moving timelines – folks really want to see progress
- Interest in tearing down the existing city hall structure sooner than later
- Interest in more frequent communication. (Note: The Project Manager agreed to send monthly email updates with the next meeting likely to be in February)

- Need to remember that this is one project with two sites.
- Time to re-engage the Arts Subcommittee - determine meeting frequency so participants can identify ways to engage the community

FUNDING GAP OPTIONS:

The following options are presented to address the funding gap

1. Reduce construction/design and owner contingencies by \$200,000 which would still leave \$700,000 in contingency
2. Increase County General Fund portion of revenue bond by \$200,000 (adds \$14,616/year)
3. Utilize \$200,000 from ARPA funds distributed to the County

FUNDING GAP RECOMMENDATION:

3. Utilize \$200,000 from ARPA funds distributed to the County

REQUEST TO PROCEED OPTIONS

1. Proceed with building the library
2. Delay building the library
3. End the project

REQUEST TO PROCEED RECOMMENDATION

1. Proceed with building the library.

ATTACHMENTS: PPT

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval *Sarah Edelman*
 County Administrator Approval _____

For information on this issue or copies of attachments, please contact Jason Varga @ 503-351-4012



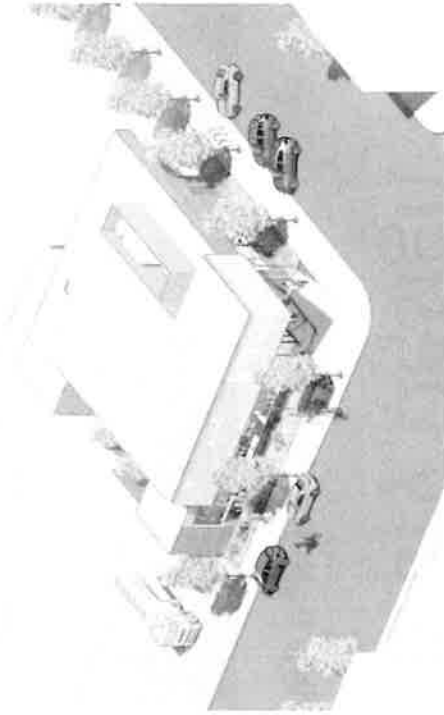
Gladstone Library

Board of County Commissioners Policy Session
November 23, 2021

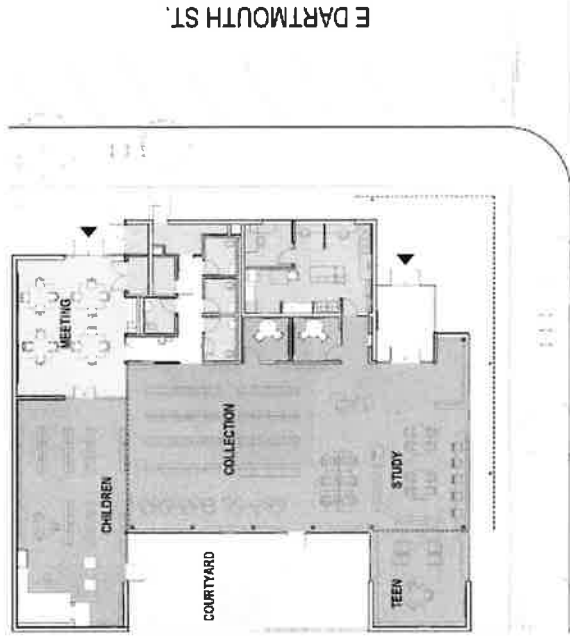


Library Design

Overhead View



Interior View



Library Design

View from Portland Ave



View from Dartmouth St



Inside Looking West



What's Included

- Meeting room with outside entrance for after hour use
- Children's materials and play area
- Adult lounging and materials
- Teen lounging and materials
- Study rooms
- Public internet and duplicating services
- Staff area
- Outside courtyard for programs or lounging
- Bathrooms
- Area for holds
- Foundation book sale area

Planning Task Force

At-large members

Lisa O-Brien, Chair
Todd Anslow
Deborah Bokowski
Kristi Haller-Shaffer

Lauren McClintock, Vice-chair
Nancy Turner
Mei-Chen

Gladstone Library Advisory Board Members

Margaret Bertalan
Natalie Smith

Nancy Eichsteadt
Libby Spencer

Gladstone Library Foundation Advisory Board Members

Beverly Chase

Lani Saunders

Clackamas County Library Board of Trustees Member

Leslie Shirk

Gladstone Community Library Planning Task Force first met on January 29, 2019.

Members of both Task Forces selected the design team led by Opsis.

Members unanimously voted to recommend BCC accept Master Plan on November 10, 2020.

Members approved VE changes.

Community Engagement

The design team held a variety of activities to obtain feedback throughout the process.

SUMMER 2019

- In-person/phone stakeholder interviews

FALL 2019

- In-person open house with opportunities to inform and gather input
- Online public survey in both English and Spanish
- Targeted outreach to identified underserved communities

WINTER 2020

- In-person design workshop for each project area
- Targeted outreach to identified underserved communities

SUMMER 2020

- Online public survey (provided in English and Spanish)
- Targeted outreach to identified underserved communities



BCC Engagement

Issues/updates: Task Force Planning

- November 2018
- January 2019
- November 2021

Policy Sessions: Task Force planning and project updates

- March 2018-November 2021

Business Meetings:

- October 2017 –Settlement Agreement between City of Gladstone and Clackamas County
- October 2019 –Approved contract with Opsis Architecture LLP to create a Master Plan and conduct public outreach
- November 2019 –Approved library construction and operation Intergovernmental Agreement between Clackamas County and the City of Gladstone
- January 2021 –Approved Gladstone Master Plan
- June 2021 – Approved bid exemption to use Construction Manager/General Contractor procurement methodology

Budget & Funding

Original Budget	July 2021 Estimate	Construction Manager/General Contractor (CMGC) Estimate	CMGC w/ Value Engineering (VE) Estimate
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\$6.0 million \$7.4 million \$7.7 million \$7.0 million

Available Funding

State ARPA* Funds \$0.5 million

Beginning Fund Balance \$0.3 million

General Fund Portion of Revenue Bond** (\$281,856/year)

Library Budget Portion of Revenue Bond** \$2.1 million (\$151,884/year)

Total **\$6.8 million**

*American Rescue Plan Act

**Bond rate calculated for 20 years @3%

Budget Shortfall

Budget	\$7.0 million
Available Funding	\$6.8 million
Budget Shortfall	\$200,000

Potential solutions to address shortfall:

- Reduce construction/design and owner contingencies by \$200,000; would still leave \$700,000 in contingency *OR*
- Increase general fund portion of revenue bond by \$200,000 (adds \$14,616 per year)
- Use \$200,000 from ARPA funding from County

Task Force Feedback

County staff and Commissioner Savas met with the Planning Task Force on 11/15/21 to provide an update on the library project. Members had the following comments and concerns:

- Frustration with moving timelines – folks really want to see progress
- Interest in tearing down the existing city hall structure sooner than later
- Interest in more frequent communication. (Staff agreed to send monthly email updates with the next meeting likely to be in February)
- Need to remember that this is one project with two sites
- It's time to re-engage the Arts Subcommittee

Status (2021)

- **October:** City of Gladstone agreed to extend the IGA by 4 months to allow more for project cost estimates.
- **Nov. 9:** Board of Commissioners updated on Gladstone Library
- **Nov. 15:** Gladstone Task Force update
- **Nov. 18:** Library Board meeting
- **Nov. 23:** Board of Commissioners Policy Session
- **December:** Proceed to next phase of design and then construction, based on decision made by the Board

Updated Gladstone Project Timeline

