

Question: Shall the library construction agreement with Clackamas County be authorized?

Caption: Charter authorization to construct a new library

Summary:

Charter section 49 requires the City to seek voter approval if it wishes to use more than \$1,000,000 of City funds to construct—or have another party construct—a public building. Charter section 50 requires voter approval before the City may lease City-owned park property.

Last fall, the City and Clackamas County settled litigation related to library funding by agreeing on a method to provide library services to their collective patrons. Under the agreement, the City must lease City-owned park property to the County and expend City funds on library services.

If approved, this measure would provide the required Charter approvals. If approved, the City would lease the property occupied by City Hall for \$1 per year for at least 20 years to Clackamas County for the County’s construction of a new library and contribute approximately \$200,000 per year to support library services. Clackamas County will also construct a new library in the Oak Lodge area and jointly operate both libraries to realize efficiencies.

Explanatory Statement:

Gladstone City Charter section 49 requires the City to seek voter approval if the City wishes to use more than \$1,000,000 of City funds to finance a public building constructed by or for the City. Charter section 50 requires voter approval before the City may lease City-owned park property.

Last fall, the City and Clackamas County settled litigation related to library funding by agreeing on a method to provide library services to their collective patrons. Under the agreement, the City must lease City-owned property to the County and expend City funds on library services. In exchange, Clackamas County will construct an approximately 6,000 square foot library in Gladstone at 525 Portland Avenue, the location currently occupied by Gladstone City Hall (“Gladstone library”). Clackamas County will also construct a second library located in unincorporated Clackamas County within the Oak Lodge library service area (“Oak Lodge library”). Although patrons may use the library of their choice, the Gladstone library is designed to primarily serve Gladstone residents. Clackamas County will jointly operate both libraries to realize efficiencies.

Section 50 of the Charter requires voter approval for leasing City-owned park property. The Charter’s definition of “park” includes the current Gladstone City Hall property. If approved by Gladstone voters, this referral authorizes the Gladstone City Council to lease the property currently occupied by Gladstone City Hall to Clackamas County for the purposes of constructing and operating the Gladstone library at a rate of \$1 per year. The lease term would be for a period at least as long as the debt associated with constructing the library, currently estimated at 20 years.

Section 49 of the Charter requires the City to seek voter approval if the City wishes to use more than \$1,000,000 of City funds to finance a public building constructed by or for the City. In calculating whether the project will involve the actual or reasonably projected expenditure of \$1,000,000 or more, the City must include the fair market value of any real estate to be utilized or committed to the project. Under the agreement with the County, the City is obligated to continue to contribute approximately \$200,000 annually for library operating expenses, with increases indexed to the annual rate of increase of the City's property tax revenue, and to lease the City Hall property for \$1 per year for at least 20 years. These expenditures are reasonably projected to be \$1,000,000 or more over the term of the agreement.

Clackamas County will construct the Gladstone Library using currently accumulated Clackamas County Library District ("District") reserves and a future revenue bond. The District will continue to fund the majority of the Library's operating costs, currently \$700,159 annually.

There will be no new taxes associated with this ballot measure.

If this referral is not approved by voters, the City would have no guarantee of County support in constructing a new library.