

Centers case study

Hollywood Library and Bookmark Apartments

Location

4040 N.E. Tillamook St.
in Portland's Hollywood district

Project description

Located in the Hollywood commercial district, this award-winning mixed use project is the new home for Multnomah County's largest circulation branch library (13,000 sf), a locally owned coffee shop (815 sf), and 47 affordable and market rate apartments (44,000 sf). The handsome brick building has tall, recessed windows and other high-quality architectural features appropriate for a civic building and proportioned to complement the surrounding area. As the first mixed-use project of its kind in the nation, a new development model for public-private condominium projects was created.

Awards

2002 Governor's Livability Award
PGE Earth Advantage (entire building)
PGE Earth Smart (library)

Project team

Owners: Multnomah County and Sockeye Hollywood LLC

Public agency contact: June Mikkelsen,
Multnomah County Library 503.988.3644

Developer: Sockeye Hollywood LLC
(an affiliate of Shiels Obletz Johnsen)
503.242.0084

Lead Architects: Thomas Hacker Architects
503.227.1254

Residential Architects: GBD Architects
503.224.9656

General Contractor: Walsh Construction Co.
503.222.4375

Sustainability Advisors: PGE and PacifiCorp

Property Management: Guardian
Management, LLC 503.335.8400

Retail Tenant: Café Uno

Timeline

- 1996** Voters approve library bond measure
- 1997** Library pre-design study completed
- 1998** Properties purchased and assembled
- 1999** County adopts mixed-use development policy; feasibility study completed; RFP awarded
- 2000** Agreements negotiated and development rights sold
- 2001** Construction started
- 2002** Grand opening



In Portland, the city with the most library cardholders per capita in the U.S., love of books is nearly universal – perhaps equaled only by our love of good coffee. It's no wonder the Bookmark Apartments gets marketing benefits from its location over the new Hollywood Library and a locally-owned coffee shop. This innovative mixed-use project is widely praised as a win-win: it is a landmark building that performs well operationally and financially.

Hollywood has become the busiest branch library in the U.S., lending over one million items each year. June Mikkelsen of the Multnomah County Library reports, "Mixed use has worked well. Noise is not a problem in the library and safety is enhanced by the presence of residents who naturally keep an eye on things."

Seizing the opportunity

During the 1990s, as the parallel planning processes for the Metro 2040 Growth Concept Plan, Multnomah County Libraries, and the city of Portland's Hollywood and Sandy plan evolved, stakeholders built relationships and developed a shared vision for revitalization of the Hollywood commercial district. The county completed site assembly for a stand-alone library in the fall of 1998. Realizing that the opportunity to incorporate affordable rental housing into the project might slip away, advocates approached county commissioners directly. Responding to this and further encouragement from city elected officials and staff, in early 1999 county commissioners adopted a new policy supporting the concept of mixed-use development at branch libraries, and specifically directing that a feasibility study be completed for mixed use at the Hollywood Library site. Developers and affordable housing advocates were soon competing for the chance to participate in the project.

Attracting the best minds and creative talent

Knowing that the library's highly regarded management team would maintain the public sector lead on this project attracted other strong partners. Four well-respected local development teams responded to the county's RFP and Sockeye Hollywood, LLC was selected as the turnkey developer for the entire project. City elected officials and bureaus put their best people on the project: the Portland Development Commission (PDC) provided financing tools; planning staff refined new zoning standards to support compact, mixed-use development that respected the site's proximity to smaller commercial and residential structures; and city development services staff helped resolve permitting issues as they arose. Thomas Hacker Architects designed the structure and library interior; GBD Architects designed the residential floors. PGE and PacifiCorp contributed expert advisors on green building; Walsh Construction was the general contractor. As library project manager Mike Harrington observed, "It simply would not have been possible without a strong team – and we had it."

Setting a high standard

Everyone involved wanted this project to set a good example for mixed-use development. "One of the key elements was to make sure the design of the housing components rose to the level of importance of this civic building," says Francesca Gambetti, development manager for Shiels Obletz Johnsen. The result is a handsome building with a laid brick exterior (rarely found in West Coast housing), tall recessed windows and other high-quality architectural features appropriate for a civic landmark. Using green building methods, it features low-toxic water-based paints, energy efficient appliances, lighting and roofing, and landscaped bioswales to catch water runoff and filter out pollutants. Affordable housing was integrated into the project with 19 of the units reserved for households earning up to 60% of the area median family income.

Cost-saving shared parking

Negotiating an upfront agreement for the library, café and apartments to share 28 parking spaces was not easy, but it paid off. Higher density development was possible and costs were reduced by the low (0.6) parking ratio. Building occupants report the sharing plan is working well and that it does encourage people to walk, bike or use transit.

Many residential amenities

All residents have access to a generous landscaped courtyard on the south side of the building and many have French doors opening to private courtyards or a large deck. Oversized windows and French balconies provide fantastic views of downtown Portland, Mt. Hood, Alameda Ridge and Mt. Tabor. Apartments have 9' ceilings, great layouts and high-speed internet. Shared laundry facilities are on each floor; two bedroom and loft units have private washer/dryer units. A community room is equipped with a kitchen, bathroom and large screen television.

Challenges

The regional rental market has been weak, particularly for higher end units, since the Bookmark Apartments went on the market in 2002. Bookmark has been able to maintain a 95% occupancy level but rental rates have been stagnant. The rental market is just now getting back to the point where properties can compete on product, not just price. The project timeline was extended by about two years because of the decision to switch to this unprecedented mixed-use approach. It took about a year to resolve the various legal and risk management concerns. Additional expenses were incurred for legal counsel and for structural protections such as a waterproof membrane in the library ceiling to protect against water leaks from the apartments above. Design compromises were required: the library ceiling height dropped from 30' to 20'; natural lighting was reduced in the library; and the apartments needed to carry the costs of a civic-building quality façade. The finished product is an extraordinarily attractive landmark building in which the whole community takes pride.

Lessons learned

- Library, café, and apartment users have proven to be good neighbors and co-location allows cost-saving shared parking.
- Strong partners in the development team were crucial in working out the various public policy, legal and technical development issues that arose in this first-of-its-type commercial condominium development involving a public library.
- The entire project needed to meet the high design and construction quality standards expected of a civic building. This goal was challenging to achieve for the residential portion given the amount of revenue that can be generated from rental housing in the Hollywood neighborhood to support the project debt.
- Risk management and other legal concerns complicate condominium ownership relationships involving both public and private sector entities.

Project profile

Site size: 30,000 sf (0.7 acres)

Building footprint: 16,000 sf

Space allocation: Ground floor:

Library 13,000 sf; Café 815 sf

Second – fourth floors: Residential 44,000 sf for 47 units

Density: FAR 1.93; 68 dwelling units per acre

Construction type: Three residential floors of wood frame construction built on a post-tension concrete deck over concrete reinforced ground floor.

Building materials: Laid brick façade; deeply recessed windows with concrete sills; green building materials; energy efficient appliances and lighting.

Parking spaces: 37 surface parking spaces are onsite: 28 are shared by the apartments and library; 9 spaces are reserved exclusively by Dania Furniture, which previously owned part of the land.

Distance to transit: 5 blocks to the Hollywood Transit Center and 42nd Ave. MAX station; 2 blocks to Sandy Blvd. frequent bus service route.

Residential amenities

Views; landscaped courtyard; French doors; balconies; 9' ceilings; high-speed internet and cable access; community room; library and café downstairs; shopping and transit within walking distance.

Units	Affordable	Market Rate	Combined
Studio	1	-	1
One BR	18	15	33
Loft	-	2	2
Two BR	-	11	11
Totals	19	28	47

Financial summary

Total development costs (TDC)

TDC : Library \$4.65m; Housing & café \$6.63m;

Combined \$11.28m

TDC per sf: Library \$358; Housing and café \$148;

Weighted average \$195

Percent soft costs: Library 16%; Housing and Café 27% ; Weighted average 23%

Funding tools

Library bonds- voter approved in 1996

Tax-exempt housing bonds

PDC low interest loans

4% low income housing tax credits

TOD property tax exemption - expires 2012

Deferred developer fee

Income

Monthly rents: \$550 - \$1350

Per sf: Affordable \$1.02; Market \$1.27; Average \$1.17

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