

This Project is partially funded by a grant from the Transportation and Growth Management (TGM) Program, a joint program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. This TGM grant is financed, in part, by federal Moving Ahead for Progress in the 21st Century (MAP-21), local government, and the State of Oregon funds.

The contents of this document do not necessarily reflect views or policies of the State of Oregon.

ACKNOWLEDGMENTS

Special thanks to members of the Project Management Team, City of Roseburg, and the public who helped shape and drive the Downtown Plaza and Transit Center Design Project.

Project Management Team

Bill Holmstrom, *TGM Program, Oregon Department of Land Conservation & Development*

Paul Hintz, *City of Roseburg*

Alice Krull, *Oregon Department of Transportation*

Josh LeBombard, *Oregon Department of Land Conservation & Development*

Jeff Hosea, *SERA Architects*

Consultant Design Team

Dan Jenkins, *SERA Architects*

Allison Wildman, *SERA Architects*

Jerry Johnson, *Johnson Reid*

Chris Blakney, *Johnson Reid*

City of Roseburg

Lance Colley, *City of Roseburg*

Brian Davis, *City of Roseburg*

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Under-used commercial space (such as this empty storefront at the Washington/Jackson corner of the site), can be better used as open space, plazas, and other public amenities. Image: Google Streetview



The proposed plaza site, bound by SE Rose St., Se Washington Ave., SE Jackson St., and SE Douglas Ave., lies at the northern edge of the downtown core and is occupied by an out-of-business Rite Aid and several other small retailers. Image: Google Maps

PROJECT OVERVIEW

The Roseburg Downtown Plaza and Transit Station Project originally was intended to develop a final schematic design solution on a potential site for the develop of a downtown plaza: a vacant building at 464 SE Jackson (“former Rite Aid”). An initial public open house and stakeholder meeting process was conducted in early February to validate the site location and determine the preferred activities and program elements for the site. Funding for acquisition and plaza implementation was to be provided through the City of Roseburg’s Urban Renewal Program. Input at the initial meetings resulted in the revising the study to consider additional sites and analyze the potential for private development that could supplement the plaza construction cost and maintenance.



A second public workshop and open house was conducted in May of 2013 to finalize the site selection. Key exhibits developed were a program and economic development suitability matrix and resulting memo summarizing the site most compatible with the proposed uses. Out of seven potential sites the existing Rite Aid site was selected due to illustrating the most appropriate development opportunities, adjacency to downtown and the potential to provide the greatest economic impact to the downtown core.

Subsequent to the second public workshop three concepts were developed for the Rite Aid site incorporating the preferred plaza uses and various development scenarios. In addition, economic development pro-formas were developed for each concept to understand the financial benefit and potential to fund plaza improvements.

Option #2 presented the most feasible economic development scenario with the proforma indicating the plaza improvements would be mostly funded by the surrounding development. The cost of the plaza was not included in any of the proforma studies. Other attributes shown in option #2 include the adjacency of the west facing retail to Jackson St. to increase storefront visibility and on site tuck-under parking under the west retail building. The size of the small plaza in option #2 is appropriate for downtown Roseburg as all of the features fit within the 14,000 SF. As a comparison, Pioneer Courthouse Square in downtown Portland is approximately 40,000 SF.

Key questions moving forward for the City of Roseburg include determining if the perceived public benefit of the plaza is in line with the cost of land acquisition, what level of programming and maintenance will be necessary to create a successful plaza and forecast how additional retail may either hurt or benefit existing businesses in the downtown area.

PUBLIC COMMENTS

During the Downtown Roseburg Plaza Open House in early February 2013, participants were asked to identify activities and features they would like to see in a new downtown open space. They were also asked to express their concerns about this type of space, either generally or to a particular site or design feature. The top ten items mentioned for each category are listed below. The rankings are based on the number of times they were mentioned or reinforced.

Activities

1. Farmers Market
2. Live music (bands, school events)
3. Commercial/retail presence
4. Movies
5. Arts events
6. Plays
7. Seasonal crafts markets
8. Family-friendly activities
9. Activity generators
10. Historic interpretation info

Features

1. Water feature / fountain / pool
2. Public restrooms
3. Trees and landscaping / green areas
4. Variety of seating options
5. Amphitheater
6. Bicycle parking
7. Public wifi
8. Children's play area / kid activities
9. Covered areas
10. Public areas

Concerns

1. Transients
2. Vandalism
3. Pedestrian safety
4. Improperly designed space
5. Improperly maintained
6. Air and noise pollution
7. Loose dogs
8. Loitering
9. Plaza project diverting resources from other vital Downtown needs
10. Plaza won't spur revitalization

*A summary of the February 2013 open house is available in Appendix A

Plaza Program

The plaza designs were developed to incorporate the activities and features identified during the open house in early February 2013. The general feeling among open house participants was they would prefer to see a vibrant space developed near the downtown retail core that provides a permanent location for the local Farmers market and space for moderately-sized art and entertainment events. Ideally, the space would include trees, landscaping, a variety of places to sit, space for the Farmers Market and performances, and a central water feature or spray pad. Many people expressed a desire for active uses surrounding or spilling into the plaza.

The development improvements surrounding the plaza were developed in response to stakeholder and open house input to supplement the plaza construction and operation costs with outside private funding. The developments illustrated represent a range of retail, office or housing options that could incorporate a central plaza as part of the overall design.

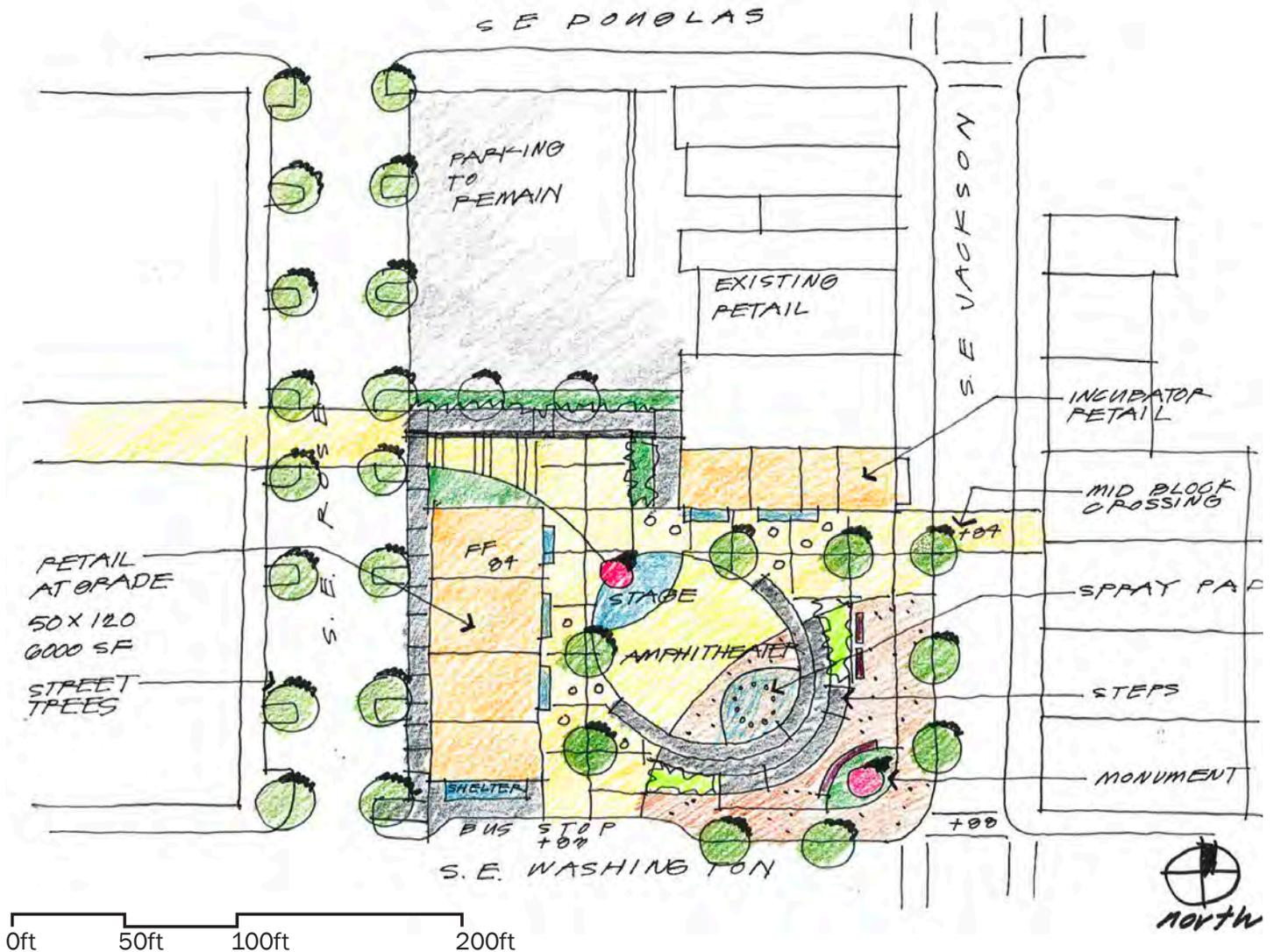
Plaza Designs

All plaza designs will incorporate a central lawn space, spray pad or water feature, planters, sculpture, café tables, event area as well as an improved bus stop along S.E. Washington with a transit shelter. Plaza sizes vary with regard to the amount of surrounding development and site grading strategies. Development on all sites will include retail development on the north and west edges that will front the plaza and provide opportunities for café dining and gathering spaces. Various housing and commercial office improvements will be developed above the west retail shell.

Plaza Option #1

Plaza option #1 combines the largest of the three plazas with the least amount of development. The plaza size is 160 x 120 ft. for a total of 19,000 SF. The plaza program includes amphitheater seat steps, large oval lawn event area, formal stage for performances and pedestrian access to the Safeway site to the west. No on-site parking will be included with the option. This plaza will conform to the existing grade and use the amphitheater seat steps as a means to reconcile the slope yet provide a plaza amenity.

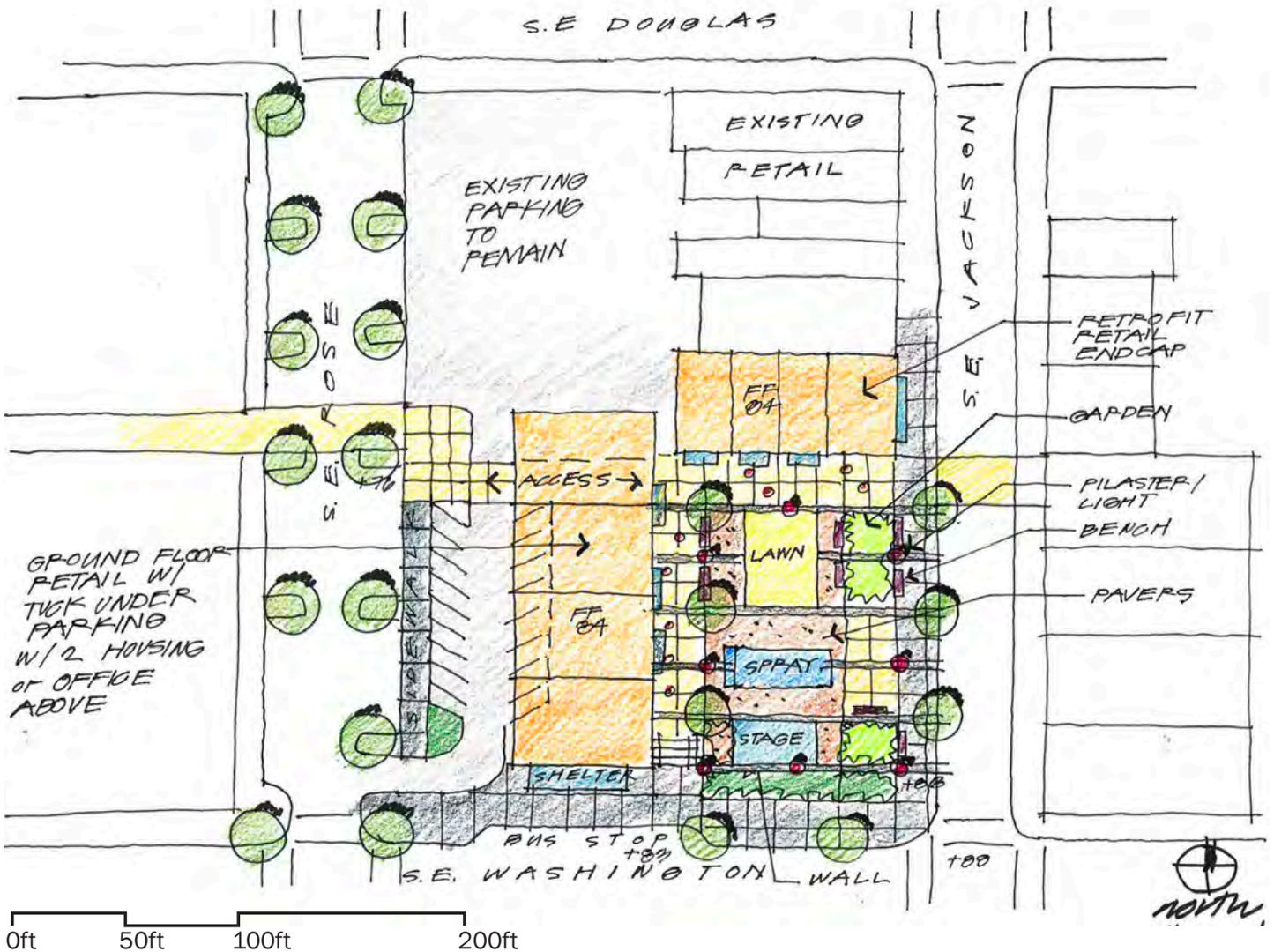
Development improvements will include 2250 SF of incubator retail space to the north that will consist of simple shell construction with garage door access. Along the southwest edge 6000 SF of single story retail will be constructed at finish floor elevation 82. The northwest quadrant will remain as existing surface parking.



Plaza Option #2

Plaza option #2 combines the smallest sized plaza with the middle level of development. The plaza size is 100 x 140 ft. for a total of 14,000 SF. In addition to the common improvements the plaza includes a small rectangular lawn event area, informal stage for performances. Pedestrian access to the Safeway site to the west is not provided. This plaza will be developed level with the intersection of Washington and Jackson which will allow one bay of parking to be provided beneath the proposed retail development to the west.

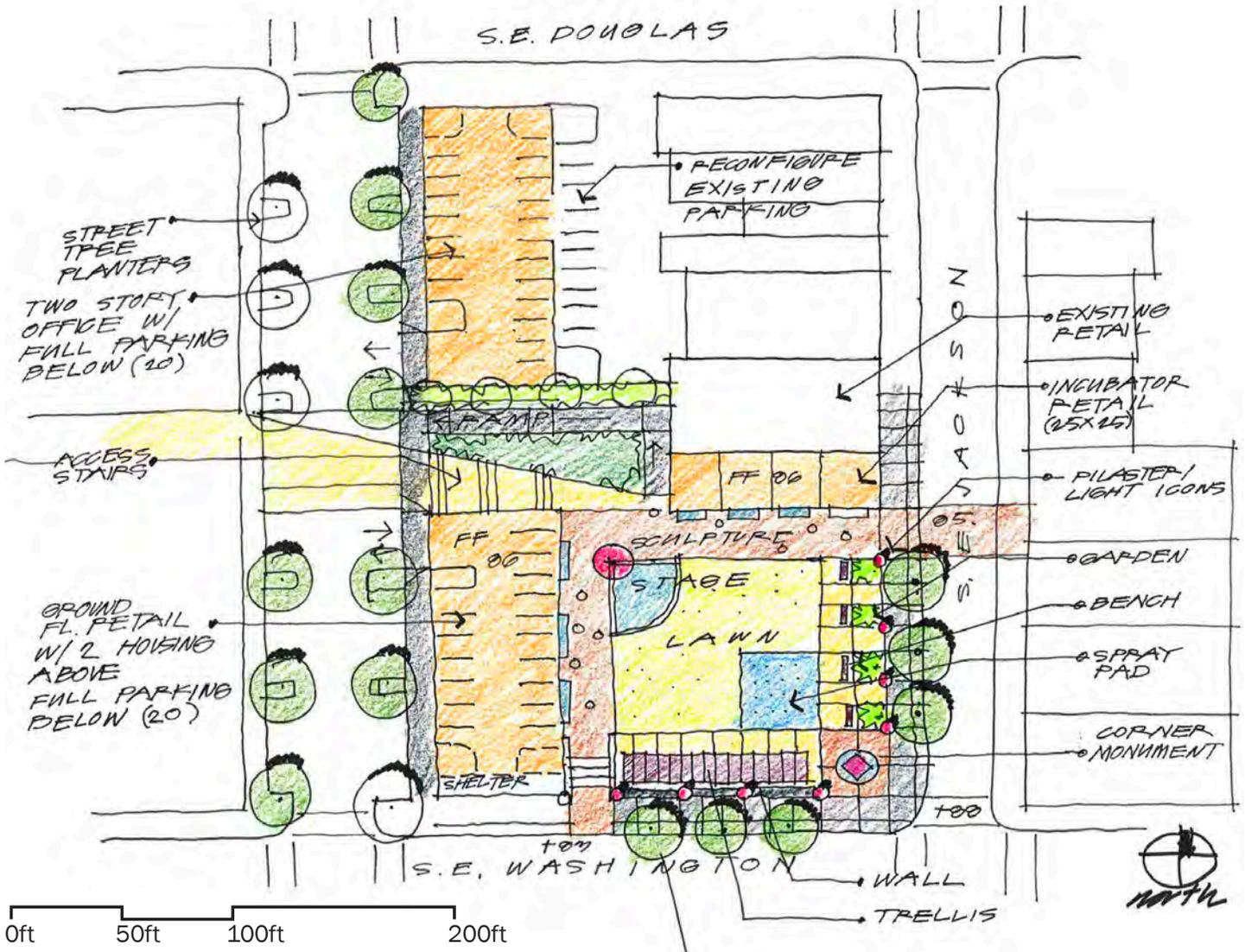
Development improvements will include 2250 SF of incubator retail space within the existing retail end cap with garage door access. Along the southwest edge 6000 SF of plaza level retail will be constructed with 8500 SF of office space above. 18 spaces of on-site parking will be provided. The northwest quadrant will remain as existing surface parking.



Plaza Option #3

Plaza option #3 combines a middle sized plaza along with the greatest level of development. The plaza size is 140 x 120 ft. for a total of 16,800 SF. In addition to the common improvements the plaza program includes a large square lawn event area, formal stage for performances and pedestrian access to the Safeway site. This plaza will be developed level with the intersection of Washington and Jackson which will allow for ground level under parking to be provided beneath the proposed retail development to the west.

Development improvements will include 2250 SF of incubator retail space to the north that will consist of simple shell construction with garage door access. Along the southwest edge of the plaza 6000 SF of retail will be developed with full parking (18 spaces) underneath and two levels of housing above. The northwest quadrant will also be developed with two story commercial office with full parking (18 spaces) underneath.





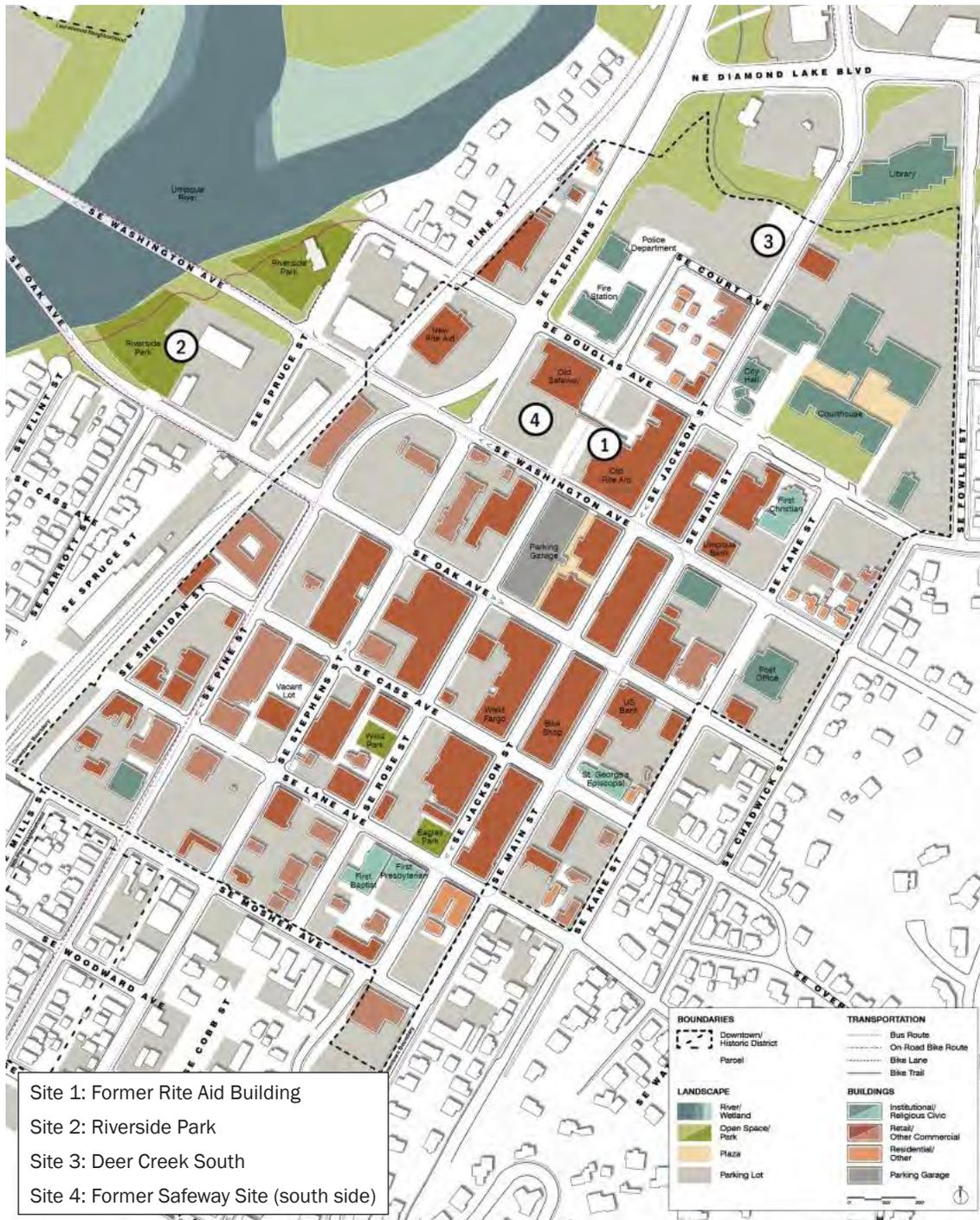
The plaza with help generate foot traffic through the area, drawing more people to frequent local shops and restaurants such as these on SE Jackson near the intersection with SE Douglas. Image: Google Streetview

SITE EXISTING CONDITIONS AND OPPORTUNITIES & CONSTRAINTS

Site Selection

The TGM Roseburg Downtown Plaza and Transit Station Project originally included a single potential site for the development of a downtown plaza: a vacant building at 464 SE Jackson (“former Rite Aid”). The project’s scope of work was expanded in March 2013 to include a suitability assessment of six additional potential sites in the downtown area. Four of the potential plaza sites were moved forward for additional study as a result of this assessment.

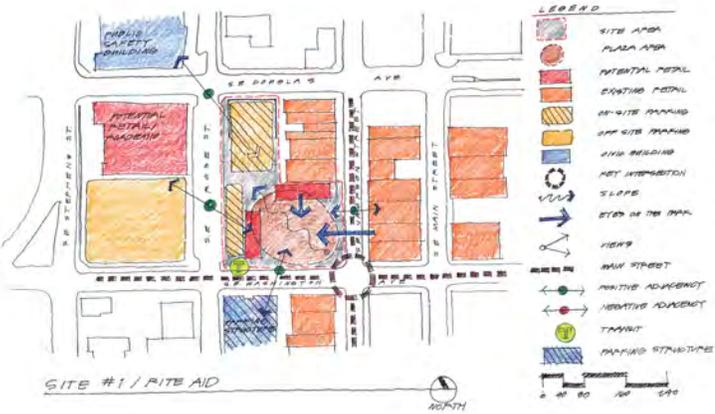
(Additional site information available in Appendix X and public comments listed in Appendix X))



SITE DESCRIPTIONS

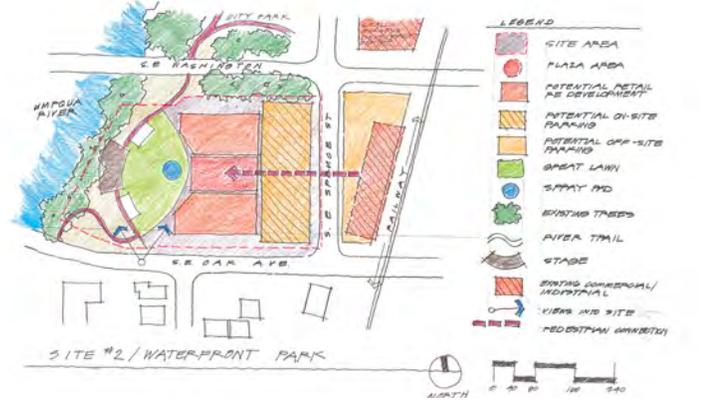
Site 1: Rite Aid

This .87 acre parcel has a two-story, 38,000 SF building that comprises most of the taxlot area. The site also includes an adjacent vacant .25 acre parcel separated by a 20-foot alley on the east and south sides. The parcels are bounded by Jackson, Washington, Rose, and (partially), Douglas. The parcels are privately owned and currently available for sale.



Site 2: Waterfront Park

A plaza was proposed in the adopted Waterfront Master Plan (2009), between Riverside Park and a proposed commercial development on Spruce Street between Washington and Oak. Two of the three taxlots identified in the area are held in trust for the Cow Creek Band of the Umpqua Tribe by the US Government; the remaining parcel is owned by the American Legion.



Site 3: Deer Creek South

This vacant 0.5 acre parcel immediately adjacent to Deer Creek and SE Jackson Street is currently owned by the City of Roseburg's Urban Renewal Agency and is available for sale. The parcel is located completely within the AE flood zone (100-year floodplain).



Site 4: Safeway Site

This 1.5 acre site in the heart of downtown includes a 23,000 SF commercial building (single level bow truss construction) and a large surface parking lot. This site is adjacent to the former Rite Aid building and owned by the same property owner. Existing deed restrictions have prevented the site from being redeveloped as another grocery store (lease restrictions expire in November 2013).



FINANCIAL ANALYSIS OF POTENTIAL DEVELOPMENT

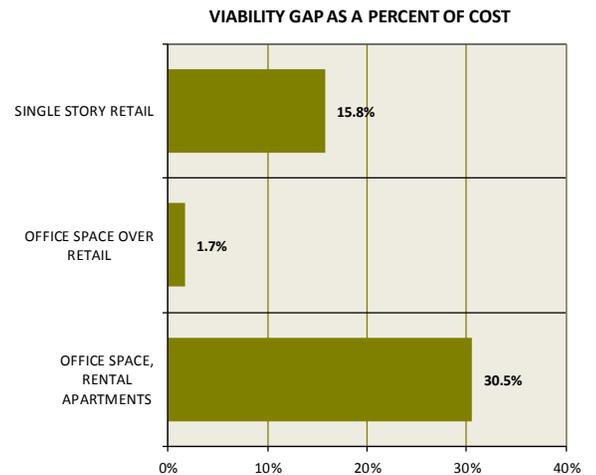
The three site concepts were analyzed for financial and economic feasibility. These analyses assume a range of uses, including traditional retail space, incubator retail space, speculative office space and rental apartments. A series of pro forma financial analyses were run for these development programs, which evaluate the characteristics of the developments from an investment perspective. This memorandum and the attached pro formas summarize our findings with respect to the financial characteristics of the development programs evaluated.

Construction cost estimates were based on recent experience in similar projects, and should be considered highly speculative. As the project may involve utilization of existing structures, more reliable cost estimates would require a detailed analysis. The costs included plaza improvements, based on estimates from SERA. Income and financial variables were provided by JOHNSON REID. Cost estimates used are based on typical product types, while lease rates and sales prices are based on professional opinion.

Key Conclusions

Based on the assumptions utilized in our analysis it would appear that some of the projects are close to viable but unlikely to support an acquisition of the existing property without some level of public partnership. Options one and two do have the ability to partially offset the cost of the new plaza. The “calculated viability gap” under each scenario reflects the estimated cost to the City to obtain the plaza and associated program.

Downtown Roseburg provides some amenities that are highly marketable to a limited range of prospective tenants, but the area’s amenity base will likely increase over time and support higher achievable pricing. As a potential catalyst site, the plaza and surrounding development can serve to increase the general attractiveness of the area if successfully tenanted. The local real estate market is weak though, and the limited pricing and tenant availability will make development of the income components of the program challenging.



The scenarios evaluated varied in their indicated level of viability. Calculated returns were matched against targeted returns, and a “viability gap” was calculated. This “gap” reflects the extent to which the development under the assumptions utilized met threshold return requirements, and can be used to indicate the degree of assistance the project would require to deliver the targeted return.

APPENDIX A: STAKEHOLDER MEETING SUMMARIES

Memorandum



Date February 20, 2013
Project Name Roseburg Downtown Plaza and Transit Station Project
Project Number 1201089
Attention Project Management Team

Subject Stakeholder Meeting Summaries - DRAFT

Remarks Per Task 1.4 of the SOW, the following memo summarizes topics discussed with various stakeholders conducted on February 6 and 7, 2013 in Roseburg, and via telephone conference on February 14, 2013.

Downtown Roseburg Association

- The DRA presented their aspirations for revitalizing Downtown Roseburg and their vision for a town center plaza in the downtown core. The group discussed their preferred location for the plaza, the various activities they would like programmed in the plaza, and the general look and feel of the open space. They view the plaza as a vehicle for revitalization as an outdoor arts venue and expressed a willingness to participate with financing, fundraising, and long-term maintenance of the space. There was some disagreement amongst members about the appropriate size of the open space. Some of the additional topic areas discussed include the need for public restrooms, public art, the alley between Jackson and Rose providing access to existing buildings, and the benefits to downtown business.

Bob Cotterell, City Councilor

- The Councilor expressed concern about investing in a new Downtown park or plaza, but would entertain a public-private partnership if a private group purchased and developed the site and then gifted it to the City. Other topics discussed include Downtown homeless, the high cost and maintenance troubles with public water features, and downtown parking problems.

UTrans

- The group reviewed the physical and programmatic needs and desires of the transit agency. The group discussed existing bus routes, potential modifications to bus and shuttle routes, shelter needs, public restrooms, loading and unloading, layover space, and the need for an information kiosk. Ridership has grown from 98,000 to 189,000.

Tom Ryan, Marty Katz, Steve Kaser, Ken Averett, City Councilors

- There was discussion amongst the councilors about the need for downtown revitalization, but that a plaza may not be the solution to more systemic economic issues. The councilors had concerns about maintenance and long-term upkeep of a Downtown plaza, the prevalence of homeless hanging around and their impacts on the plaza, and financing and funding the space. The group mentioned that the former City

administration had “promised” the Downtown Roseburg Association the remaining urban renewal funds if they supported the finance and construction of the Public Safety Center.

City of Roseburg Staff

- There is a concern from city staff about developing a plaza on the old Rite Aid site because it is the largest retail space in Downtown Roseburg. Staff believes that it should be preserved as viable retail space for when the downtown retail market demand returns. While open to a smaller public plaza developed as part of a larger private redevelopment, City staff remains concerned about the purpose of the space, the success of the space, and the capacity for long-term maintenance and programming. They are also concerned about the long-term feasibility of a public-private partnership, but are open to exploring opportunities with the Downtown Roseburg Association if financial commitments are made by the DRA.

Marilyn Carter, Alex Nielson, Mickey Beach, Dan Seitz, Brad Byrd

- There were a variety of topics discussed with these stakeholders including: the plaza’s “return on investment” (or substantiated evidence that building a plaza will provide the redevelopment stimulus needed for Downtown), providing a plaza as part of a larger private redevelopment and not removing any existing viable retail space, and that if a space was created, to locate it in the heart of Downtown and not on the waterfront. Additional topics of discussion included public health and accessibility to and in Downtown, parking, development adjacencies, and the plaza being part of a series of redevelopment actions – but not a “silver bullet” for revitalization.

Alex Campbell, Rex Price, Mike Hilton

- Topics discussed with this stakeholder group included a plaza only being viable as part of a larger private redevelopment, concerns about pulling energy from the Downtown Core if the waterfront site or Eagles Park sites are selected, that a new plaza not compete with Stewart Park’s music venue, poor bicycle and pedestrian connections to Downtown, and keeping the space an appropriate size. There was concern about the space being too large. Other topics include the Roseburg demographic and the lack of overall community support for an urban open space, Port Townsend as a successful revitalization model, and community gardens.

ODOT

- The team discussed the impending OR 138 improvements and how Downtown will be accessed. Topics of discussion included the Spruce Street intersection realignment, the proposed left turn lane at Douglas (not favorable to ODOT), and the changes that will occur with the signal improvements.

Cow Creek Tribe (Mike Rondeau, Dan Courtney, Ron Doan)

- The group talked via teleconference about the potential for a plaza in conjunction with a new waterfront redevelopment on Cow Creek tribe lands

between Oak and Washington. The stakeholders are interested in a long-term plan to redevelop the site, but recognized that they do not have the financial capacity to redevelop the site, that the land is reservation property and held in trust by the US government, adjacent to the American Legion property (which cannot be sold, only traded), and that the market will not support any redevelopment in the foreseeable future. Other topics discussed included downtown revitalization generally, the perception of safety and comfort downtown, the downtown businesses not responding to modern retail practices (being open after 6PM and on weekends), and parking. An additional site was identified for redevelopment with a public open space: the library.

From Allison Wildman
cc TGM-Roseburg PMT; file

APPENDIX B: OPEN HOUSE - PROGRAM SUMMARY

Memorandum



Date March 7, 2013
Project Name Roseburg Downtown Plaza and Transit Station Project
Project Number 1201089
Attention Project Management Team

Subject Downtown Roseburg Plaza Open House – Program Summary

Remarks During the Downtown Roseburg Plaza Open House in early February 2013, participants were asked to identify activities and features they would like to see in a new downtown open space. They were also asked to express their concerns about this type of space, either generally or to a particular site or design feature. The top ten items mentioned for each category are listed below. The rankings are based on the number of times they were mentioned or reinforced. A comprehensive list of noted activities, features and concerns are attached as a separate page.

The general feeling amongst open house participants was that -- of those who support a new open space in Downtown Roseburg -- they would like to see a vibrant space developed near the Downtown retail core that provides a permanent location for the local Farmers Market and space for moderately-sized arts and entertainment events. Ideally, the space would include trees, landscaping, a variety of places to sit, space for the Farmers Market and performances, and a central water feature. Many people expressed a desire for active uses surrounding or spilling into the space. The top most concern addressed transient loitering and vandalism. There were also significant concerns about pedestrian safety and access, the ability for the City or other entity to fund long-term maintenance, and designing the space so that it encourages active, positive 24-hour use.

Activities (Top 10)

1. Farmers Market
2. Live music (e.g., choir, bands, school events)
3. Commercial / retail presence (e.g., coffee shop, stores)
4. Movies
5. Art events
6. Plays
7. Seasonal craft markets
8. Family-friendly activities
9. Anything that generates activity throughout the day/evening
10. Historic interpretation of area

Features (Top 10)

1. Water feature / fountain / pond
2. Public restrooms
3. Trees and landscaping / green areas
4. Variety of seating options
5. Amphitheater

6. Bicycle parking
7. Public wifi
8. Children's play area / kid activities
9. Covered areas
10. Public art

Concerns (Top 10)

1. Transients
2. Vandalism
3. Pedestrian safety
4. That the space won't be designed properly
5. Maintenance (lack of)
6. Air and noise pollution
7. Loose dogs
8. Loitering
9. That this project will divert resources and energy from other needed Downtown projects.
10. That the park isn't the project that downtown needs for revitalization.



From

Allison Wildman

cc

File; PMT

Comments from February Public Open House - Rosel

Activites		Features	
Farmers Market		Trees	
live music		Public restroom	
Retail / Commercial building (coffee, bakery, etc.)		Variety of outdoor seating	
Movies		Amphitheater/Infrastructure for music & events	
Choir/Band/School outdoor events		Play structure	
Special Events Market - Christmas Market		Bike parking	
Shakespeare in the park		Vegetation/landscaping/garden area/native plants	
Art events for kids		Artwork/Art exhibits	
A homage to our area's agricultural history		Water feature	
Evening life/activity		Local food	
Family friendly		Public wi-fi	
Wine tasting		A pond	
Arts and crafts		Art feature	
DC library story time and activities		Mixed-use buildings next to a plaza	
Poetry readings		People!	
Food carts		Water park	
Pop up markets		Wildlife/Safari/Animal Displays	
Public education seminars		Covered breeze-way	
		Hotel	
		Free speech	
		Rose garden	
		Connection to walking and bike paths (new and existing)	
		A merry-go-round	
		Aquarium	
		Central meeting place	
		Community Center	
		community solar electirc system (shared ownership)	
		Deer Creek	
		Diagonal Parking	
		Direction map	
		Food carts	
		A creek	
		Interactive fountain with colorful lights @ night	
		Kiosk featuring the Applegate Trail	
		More cowbell	
		Natural systems (Tanner Springs Park)	
		Picnic area	
		restaurants with outdoor seating	
		Town Green (take out a whole block or two)	
		The slide & concrete climbers @ Murase Park	
		skateboard/blade area	
		Transit center	
		Use local materials/labor & natural materials	
		Wheelchair/ADA Accessible	
		Increase visibility and approachability	
		All one-way streets	
		A nice destination	
		Ice skating rink	
		Recycling bins	
		Wayfinding signs	
		Whole Foods (grocery store)	
		A parking garage	

APPENDIX C: SITE SUITABILITY, EXISTING CONDITIONS, AND OPPORTUNITIES & CONSTRAINTS

Memorandum



Date April 16, 2013
Project Name Roseburg Downtown Plaza and Transit Station Project
Project Number 1201089
Attention Project Management Team

Subject Potential Downtown Plaza Sites: Site Suitability Matrix, Existing Conditions, Opportunities and Constraints

The TGM Roseburg Downtown Plaza and Transit Station Project originally included a single potential site for the development of a downtown plaza: a vacant building at 464 SE Jackson (“former Rite Aid”). The project’s scope of work was expanded in March 2013 to include a suitability assessment of six *additional* potential sites in the downtown area. The Downtown Plaza Site Suitability Matrix (Attachment A) addresses the top activities and features identified during the community open house in February 2013 (Memo – Program Summary, March 2013). The suitability of each activity or feature is determined for all seven potential locations. The matrix assigns a *yes*, *maybe* or *no* value to each category with accompanying notes as necessary. The sites receiving the most positive attributes have the greatest potential to meet the community criteria. Four of the potential plaza sites were moved forward for additional study as a result of this assessment.

The four sites with the most compatibility to the community program are further analyzed in this memo (Figure 1). They include:

- Site 1. Former Rite Aid Building
- Site 2. Riverside Park
- Site 3. Deer Creek South
- Site 4. Former Safeway Site (south side)

In addition to each of the four site’s existing conditions and opportunities and constraints, these four sites were also studied through a series of site diagrams that graphically identified the plaza context within Roseburg by addressing location, adjacent uses, available on and off-site parking, positive and negative attributes, views and other critical site features (Attachments B, C, D, E). Considerations about public or private ownership, adjacency to the downtown core, size, available parking, topography, adjacent uses, access and safety were examined.

1. Former Rite Aid Building

This .87 acre parcel has a two-story, 38,000 SF building that comprises most of the taxlot area. The site also includes an adjacent vacant .25 acre parcel separated by a 20-foot alley on the east and south sides. The parcels are bounded by Jackson, Washington, Rose, and (partially), Douglas. The parcels are privately owned and currently available for sale.

Opportunities

- Property is currently for sale
- Centrally-located in the retail and civic core of Downtown
- Adjacent to parking structure
- Site is large enough to accommodate a flexible development program (both buildings and open space)
- Property is adjacent to existing transit routes; location of regional transit “hub”

Constraints

- Property is privately owned
- Topography will require extensive grading and design for ADA-accessible access (21-foot grade change from high point to low point)
- Vacant building is one of the largest retail spaces in Downtown
- Requires building demolition; limited opportunity for adaptive reuse
- Lacks active edges
- Southwestern exposure (very warm space in the summer)
- Difficult to access with existing traffic patterns; limited bicycle connectivity
- Alley must be retained for access to existing buildings

2. Riverside Park and Adjacent Parcels

A plaza was proposed in the adopted Waterfront Master Plan (2009), between Riverside Park and a proposed commercial development on Spruce Street between Washington and Oak. Two of the three taxlots identified in the area are held in trust for the Cow Creek Band of the Umpqua Tribe by the US Government; the remaining parcel is owned by the American Legion.

Opportunities

- Prominent Downtown gateway location on the Umpqua River
- Linked by multi-use trail to the Visitors Center and Riverfront Park
- Could help strengthen the link between Downtown and the river
- Identified in the Waterfront master Plan (adopted) as a redevelopment site

Constraints

- Complicated land ownership
- Difficult to access (local access on Spruce only); limited parking
- Lacks active edges
- May divert focus and energy from the Downtown core if sited in this location

3. Deer Creek South

This vacant 0.5 acre parcel immediately adjacent to Deer Creek and SE Jackson Street is currently owned by the City of Roseburg's Urban Renewal Agency and is available for sale. The parcel is located completely within the AE flood zone (100-year floodplain).

Opportunities

- Site is publically owned
- Flat site next to an attractive creek and natural area
- Trail connection, parking, and open space improvements have been recently made as part of the Public Safety Center development
- Plaza / open space development is compatible with floodplain restrictions
- Shared parking opportunities
- Close to the Public Safety Center, City Hall and Douglas County facilities
- Good access from Jackson Street (two-way travel)

Constraints

- Development restrictions due to location in the floodplain
- Adjacent to the County Jail (perceived safety and security issues)
- Lacks active edges; tucked out of the way
- Removed from the retail section of the Downtown Core

4. Former Safeway Site

This 1.5 acre site in the heart of downtown includes a 23,000 SF commercial building (single level bow truss construction) and a large surface parking lot. This site is adjacent to the former Rite Aid building and owned by the same property owner. Existing deed restrictions have prevented the site from being redeveloped as another grocery store (lease restrictions expire in November 2013).

Opportunities

- Close to retail and civic core of Downtown
- Adjacent to parking structure
- Site is large enough to accommodate a flexible development program (both reusing the existing building and creating new open space), especially if the Safeway building is repurposed as a day-time use (shared parking potential).
- Next to existing transit routes; location of regional transit "hub"
- Opportunity to use parking lot as overflow space for public space (temporary expansion area) and/or include the Rose Street ROW as part of the design

Constraints

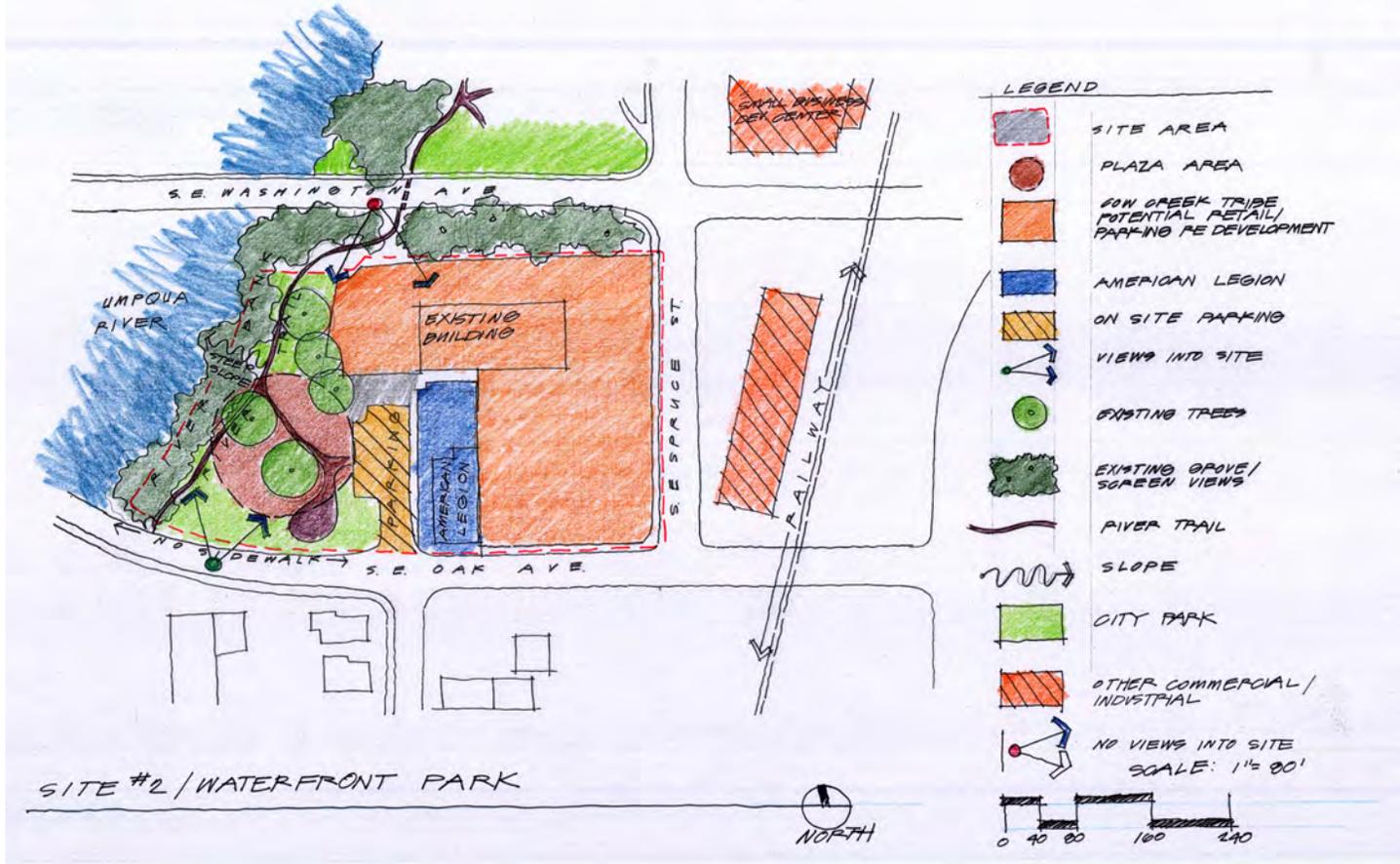
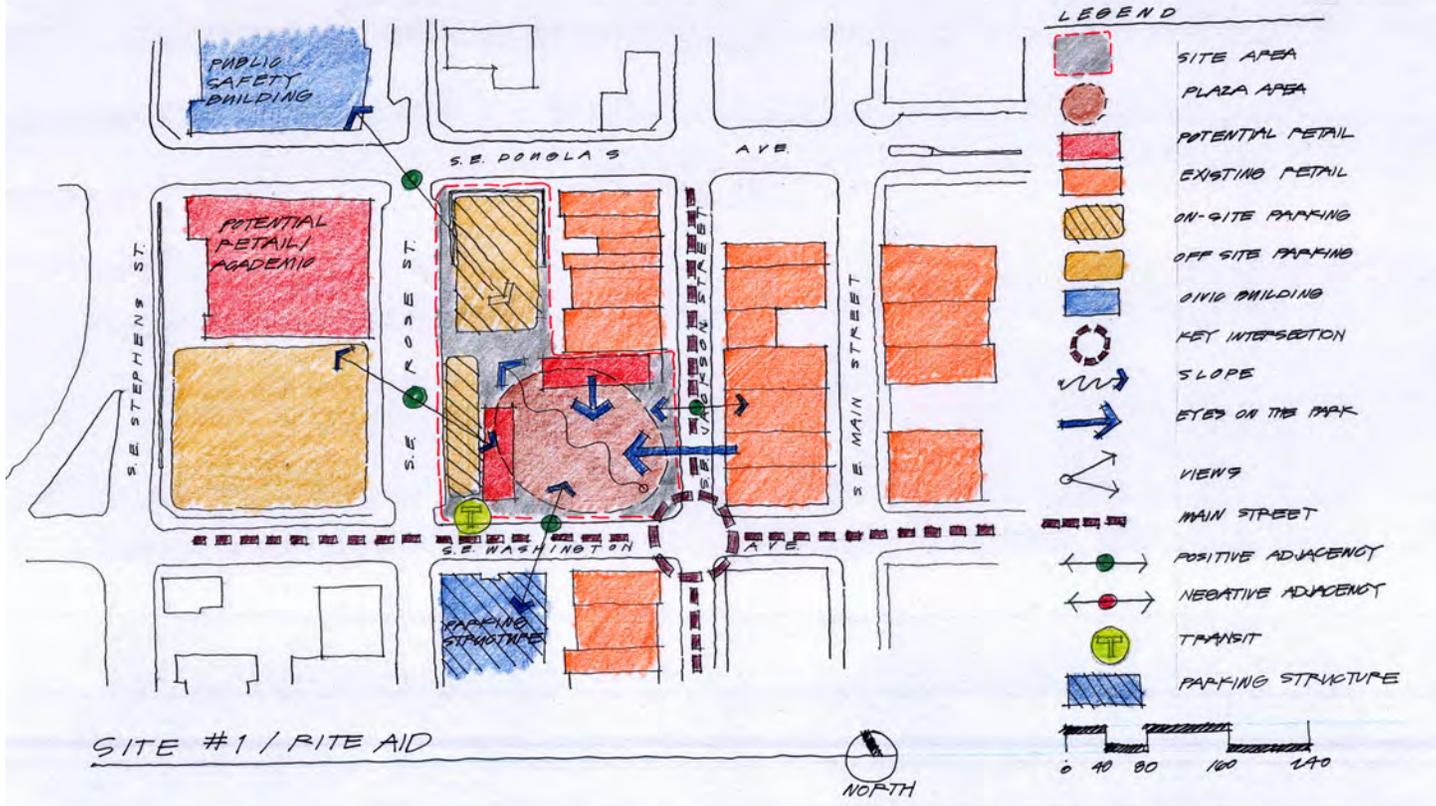
- Restricted vehicle access from OR 138, Douglas, and Washington.
- Vacant building is one of the largest retail spaces in Downtown
- Lacks active edges
- Adjacent to OR 138 (noise and traffic)
- Southwestern exposure (very warm space in the summer)
- Difficult to access with existing traffic patterns; limited bicycle connectivity

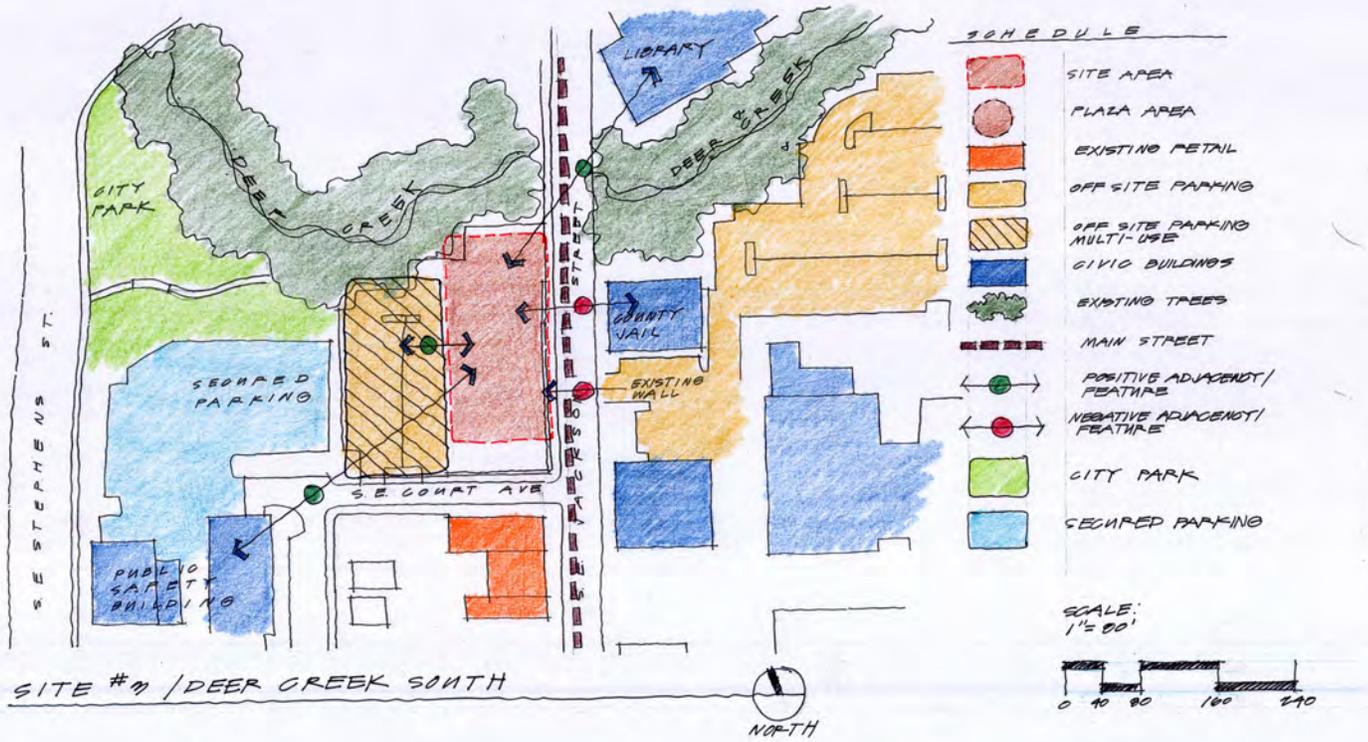
Attachment A. Downtown Plaza Site Suitability Matrix

Downtown Roseburg Plaza Site Suitability Matrix

Site / Location	Farmers/Craft Market	Live Music, Performances	Commercial/Retail	Water Feature and/or Spray Pad	Public Restrooms	Amphitheater
Site #1/Rite Aid	Yes	Yes	Yes <i>Yes - new buildings or portion of existing building</i>	Yes	Yes	Yes <i>South-southwest exposure</i>
Site #2/Waterfront Park	No <i>The publically-owned portion of the site is not large enough; requires off site land for parking</i>	Maybe <i>Noise from freeway, adjacent streets</i>	Maybe <i>Requires coordination with Cow Creek Tribes property and American Legion property</i>	Yes <i>Will require off-site area for parking</i>	Yes <i>Required for spray pad; may be able to use facilities at the Visitor's Center</i>	Maybe <i>Will face the afternoon sun, need to remove existing mature trees; small</i>
Site #3/Deer Creek South	Yes <i>Requires use of shared parking lot</i>	Yes <i>Requires use of shared parking lot</i>	No	Maybe <i>Lack of active uses surrounding the area</i>	Maybe <i>Required for spray pad, need utilities</i>	No <i>Site in floodplain; limited ability to excavate to create grade change</i>
Site #4/Safeway Site (south)	Maybe <i>Required shared parking arrangement with future building uses</i>	Yes <i>Required shared parking arrangement with future building uses</i>	Yes <i>Yes- redeveloped Safeway building</i>	No <i>Close proximity to SE Washington</i>	Yes <i>Need utilities</i>	No
Site #5/Deer Creek North	Yes <i>Yes</i>	Maybe <i>On a busy corner (OR 99 and 138)</i>	Maybe <i>Potential</i>	Maybe <i>Lack of parking, no utilities</i>	Maybe <i>Lack of Utilities, safety</i>	No <i>Site in floodplain; limited ability to excavate to create grade change</i>
Site #6/Courthouse Lawn	Maybe <i>Lack of parking and surfacing</i>	Maybe <i>Lack of parking and surfacing</i>	No	Maybe <i>No utilities</i>	Yes <i>Re-open City Hall public restrooms</i>	No
Site #7/Eagles Park	No <i>Site is too small</i>	No <i>Site is too small for gatherings</i>	No	Maybe <i>Lack of Parking, Utilities</i>	Maybe <i>Lack of Utilities</i>	No

Site / Location	Landscaping	Childrens Play Area	Historic Interpretation	Seating options	Public Art	Covered Areas	General Comments
Site #1/Rite Aid	Yes	Maybe <i>Lacks adjacent compatible uses (e.g., residential, library, school, etc)</i>	Yes	Yes	Yes	Yes	<i>Private ownership - one owner; must acquire and demolish existing building(s) to accommodate desired site features and activities.</i>
Site #2/Waterfront Park	Yes <i>Nice existing mature trees and river views</i>	Maybe <i>Lacks active edges for safety; requires use of off site land for parking</i>	Yes	Yes	Yes	Yes	<i>Site is in the 100-year floodplain, which will restrict development; redevelopment of adjacent parcels dependant upon Cow Creek Tribe and American Legion. Disconnected from Downtown Core.</i>
Site #3/Deer Creek South	Yes <i>Creekside riparian area</i>	Maybe <i>Lacks active edges for safety; requires use of off site land for parking</i>	Maybe	Yes	Yes	Yes	<i>Site is in the 100-year floodplain, which will restrict development; adjacent to county jail. URA would like to see a ROI on the site.</i>
Site #4/Safeway Site (south)	Yes <i>As part of streetscape</i>	No <i>Close proximety to SE Washington</i>	Yes	Yes	Yes	Yes	<i>Private ownership - one owner. ADA conformance will be difficult to achieve with 5% slope adjacent to curb at streetscape.</i>
Site #5/Deer Creek North	Yes <i>Creekside riparian area</i>	Maybe <i>Close to public library but on a busy road with no adjacent active uses</i>	Maybe	Yes	Yes	Yes	<i>Private ownership - multiple owners; portions of the site are in 100-year floodplain, will require paving to accommodate active uses; site not in Downtown Historic District</i>
Site #6/Courthouse Lawn	Yes	No <i>Incompatible use</i>	Yes	Yes	Yes	Yes	<i>Property owned by Douglas County</i>
Site #7/Eagles Park	Yes	Yes <i>Limited by space</i>	Yes	Yes	Yes	Yes	<i>Site is publically-owned but small and located at the far end of Downtown</i>





APPENDIX D: PUBLIC MEETING #2 SUMMARY

Memorandum



Date June 25, 2013
Project Name Roseburg Downtown Plaza and Transit Station Project
Project Number 1201089
Attention Project Management Team

Subject Public Meeting #2 Summary - DRAFT

Remarks The following memo summarizes comments received at the second public meeting open house conducted on June 3rd, 2013 in Roseburg via comment boards and conversations.

Site #1 Rite Aid

Positive

1. 12 green dots
2. Rite Aid site makes most sense
3. Love the proximity to the main downtown and its potential to aid revitalization efforts
4. Make Rite Aid plaza with Safeway area as City Park
5. Create walking district
6. Needed for close exposure to downtown
7. Could help drive traffic to other retailers
8. Could this site accommodate a farmers market
9. Need play structure and restrooms
10. This looks like the best area close to downtown! Buildings empty
11. Plaza must contain at least a couple of tenant spaces to keep eyes on the plaza when no large function is going on.
12. Site #1 should include the plaza area.

Negative

1. Develop as a theater
2. Way too small for the intended use

Site #2 Waterfront

Positive

1. One green dot
2. Easy on off access to freeway

Negative

1. Too far from downtown
2. Love the idea of the waterfront but feel it falls short with respect to revitalization efforts
3. Would add no value to downtown already on waterfront plan for development
4. No economic advantage in using this site
5. Does not provide the draw of the Downtown businesses
6. Too far from Downtown core

Site #3 Deer Creek South

Positive

1. One green dot

2. Move city parking to Rite Aid to free up this site
3. Incorporate existing park area. Expand site into parking area and move parking to Rite Aid site moving parking adjacent to downtown.
4. Rite Aid parking connection to downtown

Negative

1. What a joke-why bother
2. Seems far away from downtown and too constrained
3. Is the best use of the money?
4. Too small, no draw, too secluded
5. Too far from downtown
6. This site is too far from downtown

Site #4 Safeway Site

Positive

1. One green dot
2. Redevelop Safeway Site otherwise downtown will not appear revitalized
3. Makes more sense for creating attractive downtown and interest and economy
4. Like the proximity to the main downtown area
5. Like the potential growth with site #1
6. Redevelop north and east w/plaza in the middle
7. Could be a single site/develop plaza adjacent to Rite Aid site
8. Use for retirement housing or corporate headquarters

Negative

1. No Value toward objective (option b)
2. Safeway should stay retail and Rite Aid should be a plaza
3. Safeway site should be just for businesses
4. One-way streets and wayfinding an issue, traffic re-routing may be needed
5. Requires another huge money outlay to purchase possible retail space

Miscellaneous

1. Fishing, Hunting
2. Take advantage of recreational opportunities on the Umpqua w/ Roseburg as base camp. This is untapped resource

From Dan Jenkins

cc TGM-Roseburg PMT; file

APPENDIX E: FINANCIAL ANALYSIS OF POTENTIAL DEVELOPMENT PROGRAMS



JOHNSON REID
LAND USE ECONOMICS

MEMORANDUM

DATE: July 29, 2013

TO: Dan Jenkins
SERA ARCHITECTS

FROM: Jerry Johnson
JOHNSON REID LLC

SUBJECT: Financial Analysis of Potential Development Programs Associated with a New Urban Plaza in Roseburg, Oregon

Johnson Reid was retained to evaluate the financial characteristics of a range of prospective development programs associated with a new urban plaza in Roseburg, Oregon. A total of three redevelopment scenarios are summarized in this memo, at a highly schematic level. The scenarios assume a range of uses, including traditional retail space, incubator retail space, speculative office space and rental apartments. A series of pro forma financial analyses were run for these development programs, which evaluate the characteristics of the developments from an investment perspective. This memorandum and the attached pro formas summarize our findings with respect to the financial characteristics of the development programs evaluated.

Construction cost estimates were based on recent experience in similar projects, and should be considered highly speculative. As the project may involve utilization of existing structures, more reliable cost estimates would require a detailed analysis. The costs included plaza improvements, based on estimates from SERA. Income and financial variables were provided by JOHNSON REID. Cost estimates used are based on typical product types, while lease rates and sales prices are based on professional opinion.

This memorandum summarizes the general conclusions of our analysis, with the detailed pro formas made available as an appendix.

I. KEY CONCLUSIONS

Three general development scenarios were evaluated as part of this exercise. Based on the assumptions utilized in our analysis it would appear that some of the projects are close to viable but unlikely to support an acquisition of the existing property without some level of public partnership. Options one and two do have the ability to partially offset the cost of the new plaza. The “calculated viability gap” under each scenario reflects the estimated cost to the City to obtain the plaza and associated program.

When interpreting the results of this analysis, a number of factors must be considered. The pro formas represent an inherently static assessment of viability. We try to address this by evaluating a range of achievable pricing assumptions, but pricing is only one relevant factor. Within a planning horizon, a number of key variables are considered likely to change substantively. As a result, the viability of uses and development forms will shift over time. Key variables include the following:



- *Achievable Pricing – As achievable pricing increases in real terms, the viability of higher density development forms increases as well.¹*
- *Threshold Returns – The return on investment necessary to induce development can change quickly, and reflects broad financial trends as well as a more localized assessment of risk. Reducing the threshold returns necessary can significantly increase viability, while an increase in those same rates would decrease viability.*

Downtown Roseburg provides some amenities that are highly marketable to a limited range of prospective tenants, but the area's amenity base will likely increase over time and support higher achievable pricing. As a potential catalyst site, the plaza and surrounding development can serve to increase the general attractiveness of the area if successfully tenanted. The local real estate market is weak though, and the limited pricing and tenant availability will make development of the income components of the program challenging.

II. BASIC ASSUMPTIONS

Each development scenario was modeled using a pro forma evaluation, with components evaluated using a ten-year cash flow, with a reversion value at the end of the period.² The scenarios assumed fee simple ownership of the property by the developer and conventional financing.

Planning level estimates of construction costs were based on previous experience. The cost of construction has been unusually volatile in the last few years. Actual cost may vary substantively, depending upon variations in design and finish quality. In addition, available capacity in the construction trades can also have a substantial impact on costs. Acquisition cost for the property was assumed at \$700,000, which is consistent with our findings of supportable land values. The existing structures were viewed as adding no value to the property, as none of the scenarios utilized the structures. The analysis solves for a residual property value associated with each set of development assumptions, but this value understates the value of the property as the cost of plaza improvements are included in the calculations. The residual property value determination is independent of the assumed acquisition price.

Financial assumptions were made with respect to lending terms based on recent experience. The following is a brief summary of financial assumptions common throughout the analysis:

¹ Real rent increase reflect increases above and beyond the underlying rate of inflation.

² An estimated sales price at the end of the period.



Variable	Assumption
Capitalization Rate:	
<i>Rental Apartments</i>	6.50%
<i>Retail Space</i>	7.50%
<i>Office Space</i>	7.50%
Minimum Debt Coverage Ratio	1.25
Loan to Value Ratio Max	75%
Construction Loan Interest Rate	6.50%
Points on Construction Loan	1.00%
Permanent Loan Interest Rate	6.50%
Threshold Return on Cost/Income	
<i>Single Story Retail</i>	9.00%
<i>Office and Retail</i>	9.00%
<i>Apartments and Office</i>	7.80%

The capitalization rate and interest rates assumed are considered to be reflective of current and short term future conditions, but are historically quite low. Institutional and investor interest in rental apartments have contributed to low capitalization rates, as have low interest rates. The Roseburg market is seen as a tertiary market though, with only minimal impact from larger institutional investors.

Income assumptions were based upon the professional opinion of Johnson Reid, and necessarily assume a fairly generic product. These included the following:

Product Type	Income Assumption
Rental Apartments	
<i>Lease Rate/S.F./Month</i>	\$1.00 per square foot
Retail Space	
<i>Net Lease Rate/S.F.</i>	\$17-18.00 per square foot NNN
Office Space	
<i>Net Lease Rate/S.F.</i>	\$17.00 per square foot NNN

The analysis assumed threshold requirements in terms of a minimum return necessary for development to occur. This was set at a 20% premium over the assumed capitalization rate, as an example 9.00% in the case of retail space. Return on cost is defined as the net operating income (NOI) during the first stabilized year divided by the total project cost. This rate was seen as consistent with a traditional speculative developer, but a lower rate may be acceptable to the property owner.

III. SUMMARY OF FINDINGS

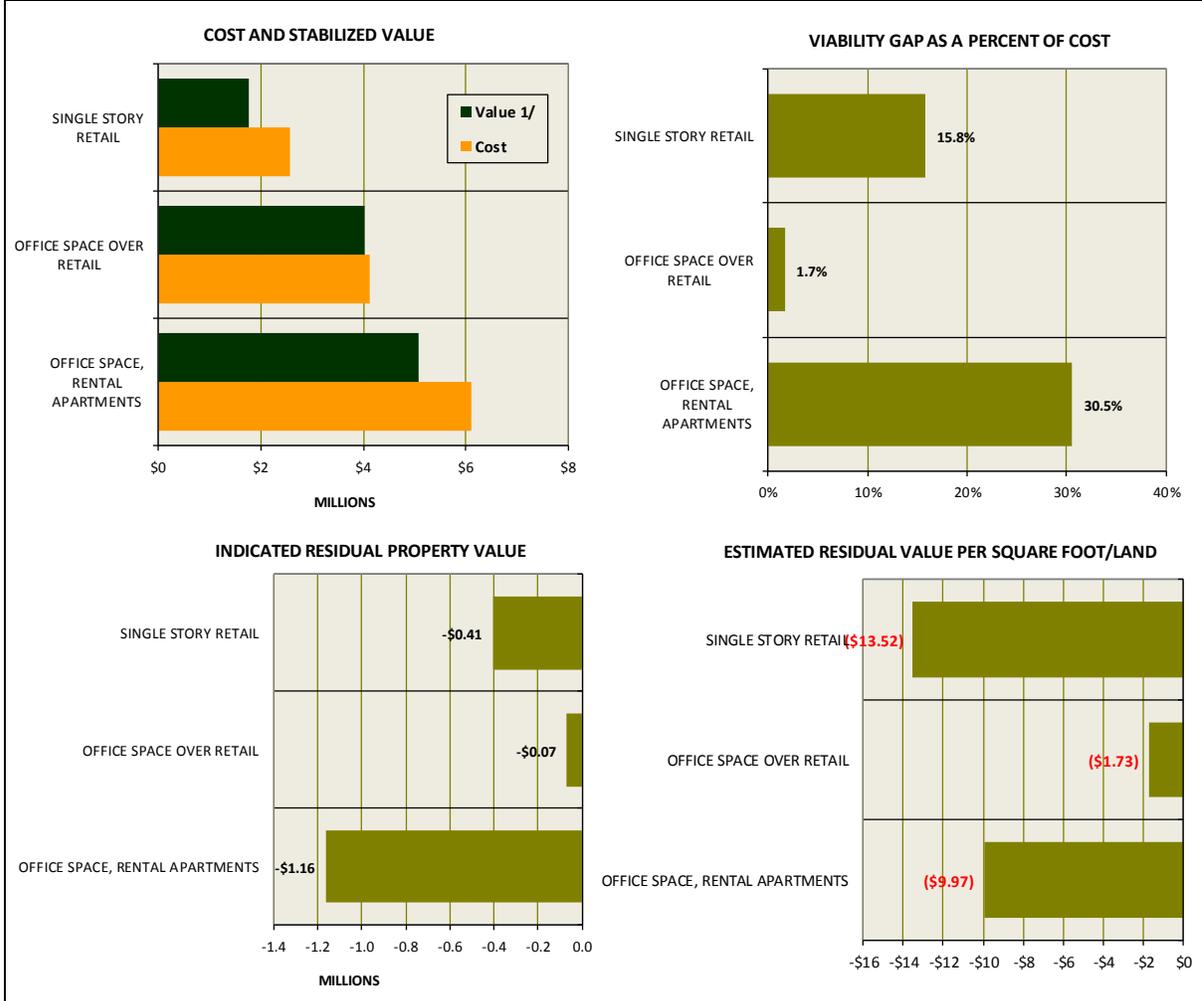
The scenarios evaluated varied in their indicated level of viability. Calculated returns were matched against targeted returns, and a “viability gap” was calculated. This “gap” reflects the extent to which the development under the assumptions utilized met threshold return requirements, and can be used to indicate the degree of assistance the project would require to deliver the targeted return.



The following table summarizes the overall development costs and the calculated financing gap associated with each of the development programs evaluated:

SUMMARY OF DEVELOPMENT SCENARIOS ROSEBURG DOWNTOWN PLAZA

OPTION DESCRIPTION	Program			Cost of Development	Indicated Value 1/	Value/ Cost	Calculated Viability Gap		Indicated Residual Value
	Res. Units	Retail S.F.	Office S.F.				Total 2/	% of Cost	
SINGLE STORY RETAIL	0	8,500	0	\$2,574,303	\$1,762,412	68%	\$1,105,626	42.9%	(\$405,626)
OFFICE SPACE OVER RETAIL	0	11,000	8,500	\$4,131,358	\$4,034,366	98%	\$769,386	18.6%	(\$69,386)
OFFICE SPACE, RENTAL APARTMENTS	16	8,500	8,500	\$6,102,661	\$5,086,211	83%	\$1,864,151	30.5%	(\$1,164,151)



1/ Reflects capitalized value at first stabilized year. Not intended as a legal representation of value.
2/ Based on the assumptions outlined in the detailed pro formas included as an Appendix to this report.

The following sections will review in more detail the program and indicated financial performance of the assumed development programs on the sites.



OPTION ONE: SINGLE STORY RETAIL WITH INCUBATOR SPACE

Under this scenario, single story retail space is developed to the west of the plaza, while a row of pre-fabricated retail spaces (incubator retail) is developed at the northern edge of the plaza. The surface lot at the northwest corner of the property remains as surface parking.

Project development is estimated to cost just under \$2.6 million as designed, inclusive of land acquisition and plaza improvements. At stabilization, the project is projected to have a value of less than \$1.8 million, reflecting 68% of cost. As with all projects evaluated, inclusion of the plaza improvements into the development costs significantly erodes the return on investment for the income producing portion. The project as envisioned would be horizontal mixed use, and could be developed as independent phases. The following is a summary of the sources and uses for the individual components.

SOURCES AND USES

SOURCES:	
Equity	\$569,213
Equity (Land)	\$700,000
Debt	\$1,305,090
Total	\$2,574,303
USES	
Acquisition	\$700,000
Hard Costs	\$1,568,175
Soft Costs	\$306,128
Total	\$2,574,303
RETURN	
Net Operating Income	\$132,181
Return on Cost	5.13%

The program as modeled would yield a return well below the targeted rate, indicating a limited ability to support property acquisition costs.

MEASURES OF RETURN:	
Indicated Value @ Stabilization	\$1,762,412
Value/Cost	68%
Return on Cost (ROC)	5.1%
Internal Rate of Return	2.7%
Modified Internal Rate of Return @ 6% Reinvestment	3.3%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Cost (ROC)	9.0%
Calculated Gap-Income Components	\$1,105,626
Overall Gap as % of Development Cost	42.9%

As modeled, the project has an estimated viability gap of over \$1.1 million, or 42.9% of estimated development costs. The project under these assumptions would not appear to represent a viable program, although through refinement of the plan and refinement of variables the program’s viability could be improved. Plaza costs are estimated at \$778,000 in this scenario, and without loading these costs in the program would be capable of supporting itself as well as some land acquisition costs.



OPTION TWO: OFFICE SPACE OVER GROUND FLOOR RETAIL WITH RETROFIT OF ADJACENT BUILDING

This scenario envisions a traditional wood frame office building at the western edge of the plaza, with partial tuck under parking on the SE Rose frontage. The building adjacent to the plaza to the north would be retrofitted, to orient retail space frontages towards the plaza.

The development costs for this scenario are estimated at \$4.1 million, while the indicated value at stabilization is estimated at just over \$4.0 million.

SOURCES AND USES

SOURCES:	
Equity	\$193,856
Equity (Land)	\$950,000
Debt	\$2,987,502
Total	\$4,131,358
USES	
Acquisition	\$950,000
Hard Costs	\$2,661,750
Soft Costs	\$519,608
Total	\$4,131,358
RETURN	
Net Operating Income	\$302,577
Return on Cost	7.32%

The return on cost at 7.3% is under the targeted return on cost of 9.0%, yielding an indicated viability gap of just less than \$770,000, or 18.6% of cost.

MEASURES OF RETURN:	
Indicated Value @ Stabilization	\$4,034,366
Value/Cost	98%
Return on Cost (ROC)	7.3%
Internal Rate of Return	14.2%
Modified Internal Rate of Return @ 6% Reinvestment	12.4%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Cost (ROC)	9.0%
Calculated Gap-Income Components	\$769,386
Overall Gap as % of Development Cost	18.6%

As with the previous analysis, this project assumes site acquisition costs of \$700,000, as well as \$250,000 for the adjacent building to the north.



OPTION THREE: OFFICE SPACE, RENTAL APARTMENTS, RETAIL AND INCUBATOR RETAIL

This scenario has three distinct improvements in addition to the plaza. To the north of the plaza, incubator retail space is developed. To the west, the southern portion of the site has ground floor retail space with rental apartments above and podium parking. To the north of that structure, a two story office building is constructed on top of a ground floor parking podium.

Project development is estimated to cost \$6.1 million as designed, exclusive of land acquisition. At stabilization, the project is projected to have a value of less than \$5.1 million, reflecting 83% of cost. As with other options, the program could be built as independent phases. The following is a summary of the sources and uses for the individual components.

SOURCES AND USES

SOURCES:	
Equity	\$2,138,441
Equity (Land)	\$700,000
Debt	\$3,264,220
Total	\$6,102,661
USES	
Acquisition	\$700,000
Hard Costs	\$4,520,250
Soft Costs	\$882,411
Total	\$6,102,661
RETURN	
Net Operating Income	\$330,604
Return on Cost	5.42%

The program as modeled would yield a return well below the targeted rate, indicating a limited ability to support property acquisition costs. The estimated achievable pricing in the Roseburg area is not considered adequate to support a podium parking solution, which has considerable cost.

MEASURES OF RETURN:	
Indicated Value @ Stabilization	\$5,086,211
Value/Cost	83%
Return on Cost (ROC)	5.4%
Internal Rate of Return	5.9%
Modified Internal Rate of Return @ 6% Reinvestment	5.9%
ESTIMATION OF VIABILITY GAP	
Targeted Return on Cost (ROC)	7.8%
Calculated Gap-Income Components	\$1,864,151
Overall Gap as % of Development Cost	30.5%

As modeled, the project has an estimated viability gap of almost \$1.9 million, or 30.5% of estimated development costs. Plaza costs are estimated at \$840,000 in this scenario, and without loading these costs in the program's viability gap would be less but still significant.



APPENDIX A: GLOSSARY OF TERMS

Capitalization Rate or Cap Rate – The rate of return used to derive the capital value of an income stream. The value of a real estate asset is commonly set on the basis of dividing net operating income (NOI) by a capitalization rate.

Debt Coverage Ratio – Defined as net operating income divided by annual debt service. This measure is often used as underwriting criteria for income property mortgage loans, and limits the amount of debt that can be borrowed. Standard minimum debt coverage ratios would be in the 1.20 to 1.30 range. A debt coverage ratio of 1.20 indicates that in your first year of stabilized occupancy, your net operating income (NOI, gross income less expenses) is equal to 120% of your debt service requirements (principal and interest).

Equity – The interest or value that the owner has in real estate over and above the liens held against it.

Internal Rate of Return (IRR) – The true annual rate of earnings on an investment. Equates the value of cash returns with cash invested, considering the application of compound interest factors.

Modified Internal Rate of Return (MIRR) – Similar to an IRR, the MIRR considers both the cost of the investment and the interest received on reinvestment of cash. This measure of return recognizes that cash flows are reinvested at an alternative rate.

Net Operating Income (NOI) – Income from property after operating expenses have been deducted, but before deducting income taxes and financing expenses.

Residual Value – The realized value of a fixed asset after costs associated with the sale. In this analysis, the residual value represents the capitalized value of the development at the end of the period less sales costs.

Return on Cost (ROC) – Net operating income in the initial year, divided by total project cost. This measure is also commonly referred to as the going-in cap rate.

Return on Equity or Equity Yield Rate – The rate of return on the equity portion of an investment, taking into account periodic cash flow. In this analysis, the return on equity represents the initial rate of return, and is defined as the net cash flow after interest costs divided by the developer equity.

Return on Sales – Defined as net profit as a percent of net sales. This measure is most commonly used with for-sale development such as condominiums.

Triple-Net Lease – A lease in which the tenant is to pay all operating expenses of the property, the landlord receives a *net* rent. Operating expenses include taxes, utilities, insurance, repairs, janitorial services and license fees.



APPENDIX B: PRO FORMAS

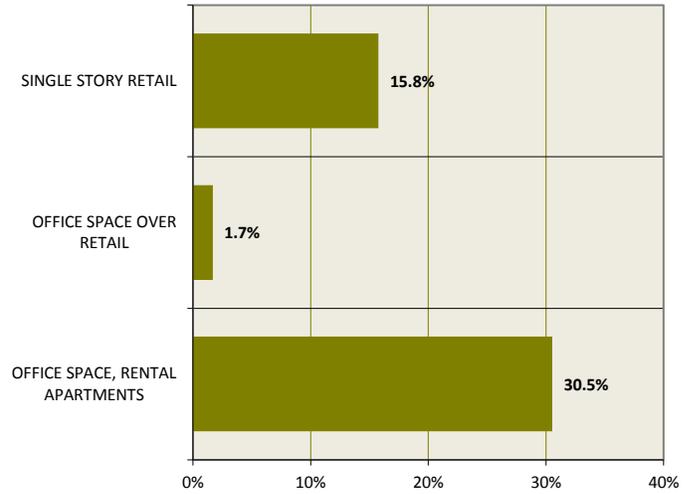
SUMMARY OF DEVELOPMENT SCENARIOS ROSEBURG DOWNTOWN PLAZA

OPTION DESCRIPTION	Program			Cost of Development	Indicated Value 1/	Value/ Cost	Calculated Viability Gap		Indicated Residual Value
	Res. Units	Retail S.F.	Office S.F.				Total 2/	% of Cost	
SINGLE STORY RETAIL	0	8,500	0	\$2,574,303	\$1,762,412	68%	\$1,105,626	42.9%	(\$405,626)
OFFICE SPACE OVER RETAIL	0	11,000	8,500	\$4,131,358	\$4,034,366	98%	\$769,386	18.6%	(\$69,386)
OFFICE SPACE, RENTAL APARTMENTS	16	8,500	8,500	\$6,102,661	\$5,086,211	83%	\$1,864,151	30.5%	(\$1,164,151)

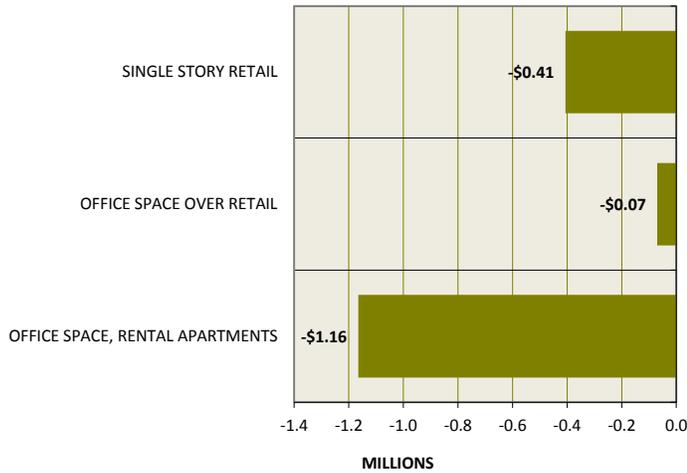
COST AND STABILIZED VALUE



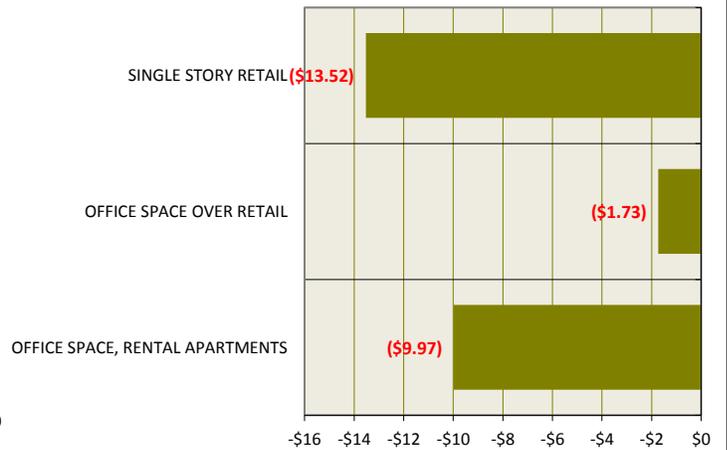
VIABILITY GAP AS A PERCENT OF COST



INDICATED RESIDUAL PROPERTY VALUE



ESTIMATED RESIDUAL VALUE PER SQUARE FOOT/LAND



1/ Reflects capitalized value at first stabilized year. Not intended as a legal representation of value.

**OPTION ONE
SINGLE STORY RETAIL
W/INCUBATOR SPACE
SUMMARY INFORMATION**

July 29, 2013

AREA SUMMARY:		CONSTRUCTION LOAN ASSUMPTIONS:	
Land Area (SF)	40,000	Construction Loan Amount	\$1,305,090
Building Size (SF)	8,500	Interest Rate	7.00%
Efficiency Ratio	100%	Term (months)	18
Saleable and Leasable Area/Residential (SF)	0	Drawdown Factor	1.08
Saleable and Leasable Area/Commercial (SF)	8,500	Construction Interest	\$142,136
Residential Units	0	Construction Loan Fee (%)	1.00%
		Construction Loan Fee (\$)	\$13,051
INCOME SUMMARY:		PERMANENT FINANCING ASSUMPTIONS:	
	Total		DCR
	SF		LTV
Rental Apartments	0	Interest Rate	6.50%
Offices	0	Term (Years)	25
Incubator Retail	2,500	Debt-Coverage Ratio	1.25
Traditional Retail	6,000	Loan-to-Value	75%
Vacancy/Collection Loss 1/	(\$14,700)	Stabilized NOI (Year 2)	\$132,181
TOTAL	\$132,300	CAP Rate	7.50%
		Supportable Mortgage	\$1,321,809
		Annual Debt Service	\$105,745
COST SUMMARY:		MEASURES OF RETURN:	
	Per SF		
Acquisition Cost	\$82.35	Indicated Value @ Stabilization	\$1,762,412
Direct Construction Cost	\$184.49	Value/Cost	68%
Soft Costs	\$36.02	Return on Cost (ROC)	5.1%
TOTAL	\$302.86	Internal Rate of Return	2.7%
		Modified Internal Rate of Return @ 6% Reinvestment	3.3%
EQUITY ASSUMPTIONS:		ESTIMATION OF VIABILITY GAP	
Total Development Cost	\$2,574,303	Targeted Return on Cost (ROC)	9.0%
(-) Permanent Loan	(1,305,090)	Calculated Gap-Income Components	\$1,105,626
Net Permanent Loan Equity Required	49.3%	Overall Gap as % of Development Cost	42.9%

1/ Reflects 5% rate on apartments, and 10% rate on commercial space

**OPTION ONE
SINGLE STORY RETAIL
W/INCUBATOR SPACE
INCOME ASSUMPTIONS**

RENTAL APARTMENTS					
	NO. OF UNITS	LEASABLE SF	RENT/ SF	ANNUAL RENT/SF	ANNUAL GROSS
Studio	0	0	\$1.05	\$12.60	\$0
One Bedroom	0	0	\$0.95	\$11.40	\$0
TOTAL	0	0	\$0.00	\$0.00	\$0
OFFICE SPACE					
	SQUARE FOOTAGE	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Offices	0	0		\$16.50	\$0
TOTAL	0	0		\$0.00	\$0
RETAIL					
	SQUARE FOOTAGE	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Incubator Retail	2,500	2,500		\$18.00	\$45,000
Traditional Retail	6,000	6,000		\$17.00	\$102,000
TOTAL	8,500	8,500		\$17.29	\$147,000

**OPTION ONE
SINGLE STORY RETAIL
W/INCUBATOR SPACE
DEVELOPMENT COST ESTIMATE**

	Area/ Basis	Unit	Cost	Total Cost
Acquisition Cost:	48,000	\$14.58	\$700,000	\$700,000
Construction Costs:				
Costs				
<i>Demolition/Site Work</i>			\$201,000	
<i>Hardscape</i>	19,200	\$9.74	\$187,000	
<i>Site Amenities</i>			\$205,000	
<i>Landscape</i>			\$58,000	
<i>Incubator Retail</i>	2,500	\$55.00	\$137,500	
<i>Traditional Retail</i>	6,000	\$75.00	\$450,000	
<i>Parking</i>	10,000	\$7.50	\$75,000	
<i>Tenant Improvements</i>	6,000	\$30.00	\$180,000	
Contingency		5.0%	\$74,675	
TOTAL				\$1,568,175
Soft Costs				
Architecture/Engineering Studies		1.0%	\$15,682	
Developer Fee		5.0%	\$78,409	
Architecture/Engineering/Interior Design		6.0%	\$94,091	
City Permit/Fee Allowance		1.0%	\$15,682	
System Development Charge Allowance		3.0%	\$47,045	
Pre-Opening & Working Capital		3.5%	\$55,220	
Subtotal				\$306,128
Total Soft Costs				\$306,128
TOTAL DEVELOPMENT COSTS				\$2,574,303
SOFT COSTS %				19.5%

**OPTION TWO
OFFICE SPACE OVER RETAIL
W/RETROFIT OF RETAIL
SUMMARY INFORMATION**

July 29, 2013

AREA SUMMARY:				CONSTRUCTION LOAN ASSUMPTIONS:		
Land Area (SF)	40,000			Construction Loan Amount		\$2,987,502
Building Size (SF)	21,000			Interest Rate		7.00%
Efficiency Ratio	93%			Term (months)		18
Saleable and Leasable Area/Residential (SF)	0			Drawdown Factor		0.76
Saleable and Leasable Area/Commercial (SF)	19,500			Construction Interest		\$228,058
Residential Units	0			Construction Loan Fee (%)		1.00%
				Construction Loan Fee (\$)		\$29,875
INCOME SUMMARY:				PERMANENT FINANCING ASSUMPTIONS:		
	Total SF	Average Rent/SF	Gross Income	Interest Rate	DCR	LTV
Rental Apartments	0	\$0.00	\$0	6.50%		6.50%
Offices	8,500	\$17.00	\$144,500	Term (Years)	25	25
Retrofit Retail	5,000	\$18.00	\$90,000	Debt-Coverage Ratio	1.25	
Traditional Retail	6,000	\$17.00	\$102,000	Loan-to-Value		75%
Vacancy/Collection Loss 1/		10.0%	(\$33,650)	Stabilized NOI (Year 2)	\$302,577	\$302,577
TOTAL	19,500	\$15.53	\$302,850	CAP Rate		7.50%
				Supportable Mortgage	\$2,987,502	\$3,025,774
				Annual Debt Service	\$242,062	\$245,163
COST SUMMARY:				MEASURES OF RETURN:		
	Per SF		Total	Indicated Value @ Stabilization		\$4,034,366
Acquisition Cost	\$45.24		\$950,000	Value/Cost		98%
Direct Construction Cost	\$126.75		\$2,661,750	Return on Cost (ROC)		7.3%
Soft Costs	\$24.74		\$519,608	Internal Rate of Return		14.2%
TOTAL	\$196.73		\$4,131,358	Modified Internal Rate of Return @ 6% Reinvestment		12.4%
EQUITY ASSUMPTIONS:				ESTIMATION OF VIABILITY GAP		
Total Development Cost			\$4,131,358	Targeted Return on Cost (ROC)		9.0%
(-) Permanent Loan			(2,987,502)	Calculated Gap-Income Components		\$769,386
Net Permanent Loan Equity Required	27.7%		\$1,143,856	Overall Gap as % of Development Cost		18.6%

1/ Reflects 5% rate on apartments, and 10% rate on commercial space

**OPTION TWO
OFFICE SPACE OVER RETAIL
W/RETROFIT OF RETAIL
INCOME ASSUMPTIONS**

RENTAL APARTMENTS					
	NO. OF UNITS	LEASABLE SF	RENT/ SF	ANNUAL RENT/SF	ANNUAL GROSS
Studio	0	0	\$1.05	\$12.60	\$0
One Bedroom	0	0	\$0.95	\$11.40	\$0
TOTAL	0	0	\$0.00	\$0.00	\$0
OFFICE SPACE					
	SQUARE FOOTAGE	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Offices	10,000	8,500		\$17.00	\$144,500
TOTAL	10,000	8,500		\$17.00	\$144,500
RETAIL					
	SQUARE FOOTAGE	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retrofit Retail	5,000	5,000		\$18.00	\$90,000
Traditional Retail	6,000	6,000		\$17.00	\$102,000
TOTAL	11,000	11,000		\$17.45	\$192,000

**OPTION TWO
OFFICE SPACE OVER RETAIL
W/RETROFIT OF RETAIL
DEVELOPMENT COST ESTIMATE**

	Area/ Basis	Unit	Cost	Total Cost
Acquisition Cost:				
Land	40,000	\$0.00	\$700,000	
Property (Retrofit Retail Building)	5,000	\$50.00	\$250,000	
TOTAL				\$950,000
Construction Costs:				
Costs				
<i>Demolition/Site Work</i>			\$213,000	
<i>Hardscape</i>	14,000	\$10.36	\$145,000	
<i>Site Amenities</i>			\$200,000	
<i>Landscape</i>			\$29,000	
<i>Retrofit Retail</i>	5,000	\$30.00	\$150,000	
<i>Traditional Retail</i>	6,000	\$65.00	\$390,000	
<i>Office Space</i>	10,000	\$90.00	\$900,000	
<i>Parking</i>	12,000	\$14.83	\$178,000	
<i>Tenant Improvements</i>	11,000	\$30.00	\$330,000	
Contingency		5.0%	\$126,750	
TOTAL				\$2,661,750
Soft Costs				
Architecture/Engineering Studies		1.0%	\$26,618	
Developer Fee		5.0%	\$133,088	
Architecture/Engineering/Interior Design		6.0%	\$159,705	
City Permit/Fee Allowance		1.0%	\$26,618	
System Development Charge Allowance		3.0%	\$79,853	
Pre-Opening & Working Capital		3.5%	\$93,728	
Subtotal				\$519,608
Total Soft Costs				\$519,608
TOTAL DEVELOPMENT COSTS				\$4,131,358
SOFT COSTS %				19.5%

**OPTION TWO
OFFICE SPACE OVER RETAIL
W/RETROFIT OF RETAIL
TEN-YEAR CASH FLOW - INCOME PROPERTY COMPONENTS**

	YEAR									
	Lease-up YEAR 1	Stabilized YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
GROSS INCOME										
Rental Apartments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Offices	\$144,500	148,835	153,300	157,899	162,636	167,515	172,541	177,717	183,048	188,540
Retrofit Retail	\$90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430
Traditional Retail	\$102,000	105,060	108,212	111,458	114,802	118,246	121,793	125,447	129,211	133,087
Vacancy/Collection Loss 1/	(185,075)	(34,660)	(35,699)	(36,770)	(37,873)	(39,010)	(40,180)	(41,385)	(42,627)	(43,906)
EFFECTIVE GROSS INCOME	\$151,425	\$311,936	\$321,294	\$330,932	\$340,860	\$351,086	\$361,619	\$372,467	\$383,641	\$395,151
(-) Operating Expenses - Apartments	0	0	0	0	0	0	0	0	0	0
(-) Operating Expenses - Commercial	(9,086)	(9,358)	(9,639)	(9,928)	(10,226)	(10,533)	(10,849)	(11,174)	(11,509)	(11,855)
NET OPERATING INCOME	\$142,340	\$302,577	\$311,655	\$321,004	\$330,635	\$340,554	\$350,770	\$361,293	\$372,132	\$383,296
(-) Annual Debt Service	0	(242,062)	(242,062)	(242,062)	(242,062)	(242,062)	(242,062)	(242,062)	(242,062)	(242,062)
CASH FLOW (PRE-TAX)	\$142,340	\$60,515	\$69,593	\$78,942	\$88,573	\$98,492	\$108,708	\$119,231	\$130,070	\$141,234
Total Developer Cash Flow	\$142,340	\$60,515	\$69,593	\$78,942	\$88,573	\$98,492	\$108,708	\$119,231	\$130,070	\$141,234
Return on Equity	12.44%	5.29%	6.08%	6.90%	7.74%	8.61%	9.50%	10.42%	11.37%	12.35%
Present Value	\$1,897,860	\$4,034,366	\$4,155,397	\$4,280,059	\$4,408,460	\$4,540,714	\$4,676,936	\$4,817,244	\$4,961,761	\$5,110,614
Cap Rate										
Primary Debt Coverage Ratio		1.25	1.29	1.33	1.37	1.41	1.45	1.49	1.54	1.58
Return on Investment (NOI)/Cost		7.32%	7.54%	7.77%	8.00%	8.24%	8.49%	8.75%	9.01%	9.28%
Assumed Rent and Cost Escalator										
										3.0%

**OPTION THREE
OFFICE SPACE, RENTAL APARTMENTS
W/GROUND FLOOR RETAIL
SUMMARY INFORMATION**

July 29, 2013

AREA SUMMARY:				CONSTRUCTION LOAN ASSUMPTIONS:		
Land Area (SF)	40,000			Construction Loan Amount		\$3,264,220
Building Size (SF)	18,516			Interest Rate		7.00%
Efficiency Ratio	138%			Term (months)		18
Saleable and Leasable Area/Residential (SF)	8,500			Drawdown Factor		0.75
Saleable and Leasable Area/Commercial (SF)	17,000			Construction Interest		\$242,908
Residential Units	16			Construction Loan Fee (%)		1.00%
				Construction Loan Fee (\$)		\$32,642
INCOME SUMMARY:				PERMANENT FINANCING ASSUMPTIONS:		
	Total SF	Average Rent/SF	Gross Income	Interest Rate	DCR	LTV
Rental Apartments	8,500	\$12.04	\$102,300	6.50%	6.50%	6.50%
Offices	8,500	\$17.00	\$144,500	Term (Years)	25	25
Incubator Retail	2,500	\$18.00	\$45,000	Debt-Coverage Ratio	1.25	
Traditional Retail	6,000	\$17.00	\$102,000	Loan-to-Value		75%
Vacancy/Collection Loss 1/		8.7%	(\$34,265)	Stabilized NOI (Year 2)	\$330,604	\$330,604
TOTAL	25,500	\$14.10	\$359,535	CAP Rate		6.50%
				Supportable Mortgage	\$3,264,220	\$3,814,658
COST SUMMARY:				Annual Debt Service		
	Per SF		Total	\$264,483	\$264,483	\$309,082
Acquisition Cost	\$37.81		\$700,000	MEASURES OF RETURN:		
Direct Construction Cost	\$244.13		\$4,520,250	Indicated Value @ Stabilization		\$5,086,211
Soft Costs	\$47.66		\$882,411	Value/Cost		83%
TOTAL	\$329.59		\$6,102,661	Return on Cost (ROC)		5.4%
				Internal Rate of Return		5.9%
				Modified Internal Rate of Return @ 6% Reinvestment		5.9%
EQUITY ASSUMPTIONS:				ESTIMATION OF VIABILITY GAP		
Total Development Cost			\$6,102,661	Targeted Return on Cost (ROC)		7.8%
(-) Permanent Loan			(3,264,220)	Calculated Gap-Income Components		\$1,864,151
Net Permanent Loan Equity Required		46.5%	\$2,838,441	Overall Gap as % of Development Cost		30.5%

1/ Reflects 5% rate on apartments, and 10% rate on commercial space

**OPTION THREE
OFFICE SPACE, RENTAL APARTMENTS
W/GROUND FLOOR RETAIL
INCOME ASSUMPTIONS**

RENTAL APARTMENTS					
	NO. OF UNITS	LEASABLE SF	RENT/ SF	ANNUAL RENT/SF	ANNUAL GROSS
Studio	10	4,500	\$1.05	\$12.60	\$56,700
One Bedroom	6	4,000	\$0.95	\$11.40	\$45,600
TOTAL	16	8,500	\$1.00	\$12.04	\$102,300
OFFICE SPACE					
	SQUARE FOOTAGE	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Offices	10,000	8,500		\$17.00	\$144,500
TOTAL	10,000	8,500		\$17.00	\$144,500
RETAIL					
	SQUARE FOOTAGE	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Incubator Retail	2,500	2,500		\$18.00	\$45,000
Traditional Retail	6,000	6,000		\$17.00	\$102,000
TOTAL	8,500	8,500		\$17.29	\$147,000

**OPTION THREE
OFFICE SPACE, RENTAL APARTMENTS
W/GROUND FLOOR RETAIL
DEVELOPMENT COST ESTIMATE**

	Area/ Basis	Unit	Cost	Total Cost
Acquisition Cost:				
Land	40,000	\$0.00	\$700,000	
TOTAL				\$700,000
Construction Costs:				
Costs				
<i>Demolition/Site Work</i>			\$268,000	
<i>Hardscape</i>	16,800	\$10.95	\$184,000	
<i>Site Amenities</i>			\$200,000	
<i>Landscape</i>			\$50,000	
<i>Incubator Retail</i>	2,500	\$30.00	\$75,000	
<i>Traditional Retail</i>	6,000	\$65.00	\$390,000	
<i>Rental Apartments</i>	10,000	\$105.00	\$1,050,000	
<i>Office Space</i>	10,000	\$95.00	\$950,000	
<i>Parking</i>	18,000	\$36.56	\$658,000	
<i>Tenant Improvements</i>	16,000	\$30.00	\$480,000	
Contingency		5.0%	\$215,250	
TOTAL				\$4,520,250
Soft Costs				
Architecture/Engineering Studies		1.0%	\$45,203	
Developer Fee		5.0%	\$226,013	
Architecture/Engineering/Interior Design		6.0%	\$271,215	
City Permit/Fee Allowance		1.0%	\$45,203	
System Development Charge Allowance		3.0%	\$135,608	
Pre-Opening & Working Capital		3.5%	\$159,171	
Subtotal				\$882,411
Total Soft Costs				\$882,411
TOTAL DEVELOPMENT COSTS				\$6,102,661
SOFT COSTS %				19.5%

**OPTION THREE
OFFICE SPACE, RENTAL APARTMENTS
W/GROUND FLOOR RETAIL
TEN-YEAR CASH FLOW - INCOME PROPERTY COMPONENTS**

	YEAR									
	Lease-up YEAR 1	Stabilized								YEAR 10
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
GROSS INCOME										
Rental Apartments	\$102,300	\$105,369	\$108,530	\$111,786	\$115,140	\$118,594	\$122,152	\$125,816	\$129,591	\$133,478
Offices	\$144,500	148,835	153,300	157,899	162,636	167,515	172,541	177,717	183,048	188,540
Incubator Retail	\$45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715
Traditional Retail	\$102,000	105,060	108,212	111,458	114,802	118,246	121,793	125,447	129,211	133,087
Vacancy/Collection Loss 1/	(216,590)	(35,293)	(36,352)	(37,442)	(38,566)	(39,723)	(40,914)	(42,142)	(43,406)	(44,708)
EFFECTIVE GROSS INCOME	\$177,210	\$370,321	\$381,431	\$392,874	\$404,660	\$416,800	\$429,304	\$442,183	\$455,448	\$469,112
(-) Operating Expenses - Apartments	(30,690)	(31,611)	(32,559)	(33,536)	(34,542)	(35,578)	(36,645)	(37,745)	(38,877)	(40,043)
(-) Operating Expenses - Commercial	(7,871)	(8,107)	(8,350)	(8,600)	(8,858)	(9,124)	(9,398)	(9,680)	(9,970)	(10,269)
NET OPERATING INCOME	\$138,650	\$330,604	\$340,522	\$350,738	\$361,260	\$372,097	\$383,260	\$394,758	\$406,601	\$418,799
(-) Annual Debt Service	0	(264,483)	(264,483)	(264,483)	(264,483)	(264,483)	(264,483)	(264,483)	(264,483)	(264,483)
CASH FLOW (PRE-TAX)	\$138,650	\$66,121	\$76,039	\$86,255	\$96,777	\$107,614	\$118,777	\$130,275	\$142,118	\$154,316
Total Developer Cash Flow	\$138,650	\$66,121	\$76,039	\$86,255	\$96,777	\$107,614	\$118,777	\$130,275	\$142,118	\$154,316
Return on Equity	4.88%	2.33%	2.68%	3.04%	3.41%	3.79%	4.18%	4.59%	5.01%	5.44%
Present Value	\$2,133,069	\$5,086,211	\$5,238,798	\$5,395,962	\$5,557,840	\$5,724,576	\$5,896,313	\$6,073,202	\$6,255,398	\$6,443,060
Cap Rate										
Primary Debt Coverage Ratio		1.25	1.29	1.33	1.37	1.41	1.45	1.49	1.54	1.58
Return on Investment (NOI/Cost)		5.42%	5.58%	5.75%	5.92%	6.10%	6.28%	6.47%	6.66%	6.86%
Assumed Rent and Cost Escalator										
										3.0%

APPENDIX F: PLAZA CONCEPTS COST ESTIMATES



ROSEBURG ODOT QUICK RESPONSE PLAZA CONCEPT #1 COST ESTIMATE

CONCEPTUAL COST ESTIMATE

July 22, 2013

ITEM #	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT
	Erosion and Sediment Control Measures	LS	1	\$ 5,000.00	\$ 5,000
	Utility Connections / Stormwater Treatment	LS	1	\$ 30,000.00	\$ 30,000
	Demo (Building/Site)	SF	30,000	\$ 1.00	\$ 30,000
	Frontage Improvements	LF	550	\$ 200.00	\$ 110,000
	Embankment and Finish Grading	CY	1,000	\$ 30.00	\$ 30,000
	Construction Surveying	LS	1		\$ 6,000
	HARDSCAPE				
	Concrete Paving	SF	10,000	\$ 8.00	\$ 80,000
	Enhanced Paving	SF	3,000	\$ 12.00	\$ 36,000
	Speciality Features	LS	1	\$ 50,000.00	\$ 50,000
	Seatsteps	LF	300	\$ 70.00	\$ 21,000
	Ramps and Stairs	LS	-	\$ -	\$ -
	SITE AMENITIES				
	Restroom	EA	1	\$ 50,000.00	\$ 50,000
	Spray Pad	EA	1	\$ 100,000.00	\$ 100,000
	Message Board	EA	1	\$ 5,000.00	\$ 5,000
	Site Furnishings	EA	1	\$ 20,000.00	\$ 20,000
	Lighting	LS	1	\$ 30,000.00	\$ 30,000
			1		\$ -
	LANDSCAPE				
	Lawn/Landscape	SF	8,000	\$ 6.00	\$ 48,000
	Trees	LS	1	\$ 10,000.00	\$ 10,000

Construction Subtotal \$ 661,000

Budget Contingency (15%) \$ 99,150

Project Total \$ 760,150

Assumptions:

Plaza size is 160 x 130 or 20800 SF

Cost Estimate does not include soft costs such as permitting and design fees



**ROSEBURG ODOT QUICK RESPONSE
PLAZA CONCEPT #2 COST ESTIMATE**
CONCEPTUAL COST ESTIMATE

July 22, 2013

Assume park is 100 x 140 or 14000 SF

ITEM #	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT
	Erosion and Sediment Control Measures	LS	1	\$ 5,000.00	\$ 5,000
	Utility Connections / Stormwater Treatment	LS	1	\$ 30,000.00	\$ 30,000
	Demo (Building/Site)	SF	30,000	\$ 1.00	\$ 30,000
	Frontage Improvements	LF	560	\$ 200.00	\$ 112,000
	Embankment and Finish Grading	CY	1,000	\$ 30.00	\$ 30,000
	Construction Surveying	LS	1		\$ 6,000
	HARDSCAPE				
	Concrete Paving	SF	6,500	\$ 8.00	\$ 52,000
	Enhanced Paving	SF	3,000	\$ 12.00	\$ 36,000
	Speciality Features	LS	1	\$ 50,000.00	\$ 50,000
	Low Walls	LF	100	\$ 70.00	\$ 7,000
	Ramps and Stairs	LS	-	\$ -	\$ -
	SITE AMENITIES				
	Restroom	EA	1	\$ 50,000.00	\$ 50,000
	Spray Pad	EA	1	\$ 100,000.00	\$ 100,000
	Message Board	EA	1	\$ 5,000.00	\$ 5,000
	Site Furnishings	EA	1	\$ 20,000.00	\$ 20,000
	Lighting	LS	1	\$ 25,000.00	\$ 25,000
					\$ -
	LANDSCAPE				
	Lawn/Landscape	SF	3,500	\$ 6.00	\$ 21,000
	Trees	LS	1	\$ 8,000.00	\$ 8,000

Construction Subtotal \$ 587,000

Budget Contingency (15%) \$ 88,050

Project Total \$ 675,050

Assumptions:

Plaza is 100 x 140 or 14,000 SF

Cost estimate does not include soft costs such as permits or design fees



**ROSEBURG ODOT QUICK RESPONSE
PLAZA CONCEPT #3 COST ESTIMATE**
CONCEPTUAL COST ESTIMATE

July 22, 2013

ITEM #	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT
	Erosion and Sediment Control Measures	LS	1	\$ 5,000.00	\$ 5,000
	Utility Connections / Stormwater Treatment	LS	1	\$ 30,000.00	\$ 30,000
	Demo (Building/Site)	SF	28,000	\$ 0.50	\$ 14,000
	Frontage Improvements	LF	560	\$ 300.00	\$ 168,000
	Embankment and Finish Grading	CY	1,500	\$ 30.00	\$ 45,000
	Construction Surveying	LS	1		\$ 6,000
	HARDSCAPE				
	Concrete Paving	SF	5,000	\$ 6.00	\$ 30,000
	Enhanced Paving	SF	6,000	\$ 12.00	\$ 72,000
	Speciality Features	LS	1	\$ 50,000.00	\$ 50,000
	Low Walls	LF	100	\$ 70.00	\$ 7,000
	Ramps and Stairs	LS	1	\$ 25,000.00	\$ 25,000
	SITE AMENITIES				
	Restroom	EA	1	\$ 50,000.00	\$ 50,000
	Spray Pad	EA	1	\$ 100,000.00	\$ 100,000
	Message Board	EA	1	\$ 5,000.00	\$ 5,000
	Site Furnishings	EA	1	\$ 20,000.00	\$ 20,000
	Lighting	LS	1	\$ 25.00	\$ 25
		EA	1		\$ -
	LANDSCAPE				
	Lawn/Landscape	SF	8,000	\$ 5.00	\$ 40,000
	Trees	LS	1	\$ 10,000.00	\$ 10,000

Construction Subtotal	\$	677,025
Budget Contingency (15%)	\$	101,554
Project Total	\$	778,579

Assumptions

Plaza is 140 x 120 or 16,800 SF
 Cost Estimate does not include soft cost such as permit
 and design fees.

APPENDIX G: MEETING AGENDAS AND NOTES

Meeting Agenda



Meeting Date January 10, 2013
Project Name TGM – Roseburg Downtown Plaza and Transit Center
Project Number 1201089

Meeting Number 001
Purpose Project Kick-Off and Site Visit Logistics
Location Conference Call

Start Time 9:00 AM

Discussion Items

1. Introductions
 - Design Team
 - Project Management Team
2. Project Overview
 - Project overview and schedule
 - Goals and outcomes
3. Site Visit #1 (2 days)
 - Proposed dates: February 6-7, 2013 or February 20-21, 2013
 - Stakeholders
 - Public meeting
4. Background information
5. Next Steps

Next meeting: TBD

End Time 10:00 AM

Meeting Agenda



Meeting Date April 23, 2013
Project Name TGM – Roseburg Downtown Plaza and Transit Center
Project Number 1201089

Meeting Number 002
Purpose Project Analysis
Location Conference Call

Start Time 8:00 AM

Discussion Items

1. Introductions
2. Discussion of Agenda
3. Review of Deliverables
 - Plaza Program Summary – Memo and Spreadsheet – 5 min
 - Plaza Site Analysis – 10 min.
 - Mixed Use Market Analysis – 20 min.
4. Public Meeting
 - Upcoming meeting- type of input desired / quantifiable or non-binding– 5 min
 - Meeting format – 5 min.
 - Message to community - how their input will be considered/ who is making the final decision- 5 min.
5. Decision Making – Community Development Department or SERA recommendation to council -5. Min.
6. Schedule / Next Steps -5 min.

Next meeting: Public Meeting TBD

End Time 9:15 AM

Meeting Notes

- Review of March 7 Program memo
- Review of matrix that helped identify the top 4 sites
- Overview of sites 1-4
 - Plaza should be a 1-5 year project if efficient
 - Look to Waterfront Plan regarding River redevelopment site and accommodating the potential trade of American Legion property
 - Cow Creek Tribe is open to waterfront redevelopment but has limited financial capacity to develop in the next several years

- Minor revisions to Deer Creek South site
 - Should we consider moving Safeway building to south side of lot?
- TASK for drawings: Redraw River property with American Legion and Tribe property being utilized (as illustrated in the Waterfront Plan)
- TASK for Matrix: include a ROM initial cost to help evaluation (\$\$\$\$ → \$ scale)
- Market analysis overview
 - Need to consider proximities
 - Urban models may be financially challenging
 - Profit from new construction may be justified but minimal
 - Make the Vision achievable by identifying needs and fiscal realities
 - Important Note: project will need private funding to be accomplished
- TASK for Market Analysis: Develop rating matrix to identify catalytic opportunities and summary of possible uses

Public Meeting targeted for week of May 20

Meeting Agenda



Meeting Date June 26, 2013
Project Name TGM – Roseburg Downtown Plaza and Transit Center
Project Number 1201089

Meeting Number 003
Purpose Project Analysis
Location Conference Call

Start Time 2:30 AM

Discussion Items

1. Discussion of Agenda
2. Review of Public Meeting #2 Comments
 - General comments
 - Exhibit comments
3. Task 3: Concept Refinement
 - Site Selection
 - Plaza Program Elements
 - Concept Cost Estimate and Financial Model
 - Public Meeting #3 Concept Cost Estimate and Financial Model
4. Schedule / Next Steps -5 min.

Next meeting: TBD

End Time 3:30 PM

Meeting Notes:

1. *Reviewed and approved agenda*
2. *Review of Public Meeting #2 Comments*
 - Discussion that level of reporting concerning the public meeting did not facilitate making a decision on site selection. It was determined that a matrix would be developed to clearly illustrate the plaza attributes and site selection criteria.
3. *Task 3: Concept Refinement*
 - Discussed various site attributes to determine site selection:
 - Safeway and RiteAid site had potential for development that could provide financial support for plaza improvements. The plaza on both of these sites would be within the downtown core. Development on these sites would be a mixed-use type with retail and potentially housing and office.
 - The RiteAid site would be a smaller scale development and attractive to a wider range of developers.

- Deer Creek South site had potential for more park-like improvements to facilitate a farmers market, special events and play area. This site is further from the downtown core.
 - Waterfront Site: This site is separated from the downtown core and potential improvements are currently addressed in the waterfront masterplan.
 - Decision was made to move forward with the RiteAid site for further concept studies.
 - Plaza Program Elements
 - Plaza program elements will be based on the preferred list developed at public meeting #1. A range of elements will be provided within the three schemes.
 - Concept Cost Estimate and Financial Model
 - The financial model will address provide a development pro-forma, identify potential financial gaps and provide a package of incentives for addressing those shortfalls.
 - Public Meeting #3
 - SERA will present at the next City Council meeting addressing the site selection criteria matrix, alternative development schemes for Site #1 and economic analysis. Both SERA and Johnson Reid will attend.
4. Schedule / Next Steps
- SERA will complete the following tasks for the next phase:
 - Develop site selection matrix
 - Develop three concepts for plaza #1 illustrating various program and development concepts. Forward preliminary concept by July 11th for review to City of Roseburg.
 - Provide pro-forma and concept cost estimate
 - Provide power point presentation on July 16th.
 - Present at Roseburg City Council on July 22nd.

End Notes

From Dan Jenkins
Cc TGM-Roseburg PMT;file

Meeting Agenda



Meeting Date July 29, 2013
Project Name TGM – Roseburg Downtown Plaza and Transit Center
Project Number 1201089

Meeting Number 004
Purpose Project Analysis
Location Conference Call

Start Time 11:00 AM

Discussion Items

1. City of Roseburg Follow-Up Comments
 - Plaza Design
 - Financial Analysis
2. Next Steps
 - Process Summary
 - Plaza Narrative
 - Financial Analysis
 - Poster
 - PMT #4 Meeting Minutes
3. Schedule
 - Submittal Dates

End Time: 12:00

Meeting Notes:

1. *Follow Up comments*
 - City council was generally positive about the presentation with regards to the plaza design and overall financial analysis
2. *Next Steps*
 - SERA Architects will compile a final report and add/revise the following items:
 - Incorporate land acquisition costs into the economic proforma
 - Address the importance of programming in the final report
 - Discuss impacts of additional plaza retail on existing downtown vacancy rate
 - Poster to be laminated not mounted
 - Correct Market Study comments and SF totals shown on Plaza powerpoint
3. *Schedule*
 - Digital version of all deliverables July31.
 -

End Notes

From Dan Jenkins
Cc TGM-Roseburg PMT;file

APPENDIX H: CITY COUNCIL PRESENTATION



Roseburg Downtown Plaza and Transit Center



Activities (Top 10)

1. Farmers Market
2. Live music (e.g., choir, bands, school events)
3. Commercial / retail presence (e.g., coffee shop, stores)
4. Movies
5. Art events
6. Plays
7. Seasonal craft markets
8. Family-friendly activities
9. Anything that generates activity throughout the day/evening
10. Historic interpretation of area



Features (Top 10)

1. Water feature / fountain / pond
2. Public restrooms
3. Trees and landscaping / green areas
4. Variety of seating options
5. Amphitheater
6. Bicycle parking
7. Public wifi
8. Children's play area / kid activities
9. Covered areas
10. Public art



Concerns (Top 10)

1. Transients
2. Vandalism
3. Pedestrian safety
4. That the space won't be designed properly
5. Maintenance (lack of)
6. Air and noise pollution
7. Loose dogs
8. Loitering
9. That this project will divert resources and energy from other needed Downtown projects.
10. That the park isn't the project that downtown needs for revitalization.

Public Meeting Input

Roseburg Downtown Plaza and Transit Center

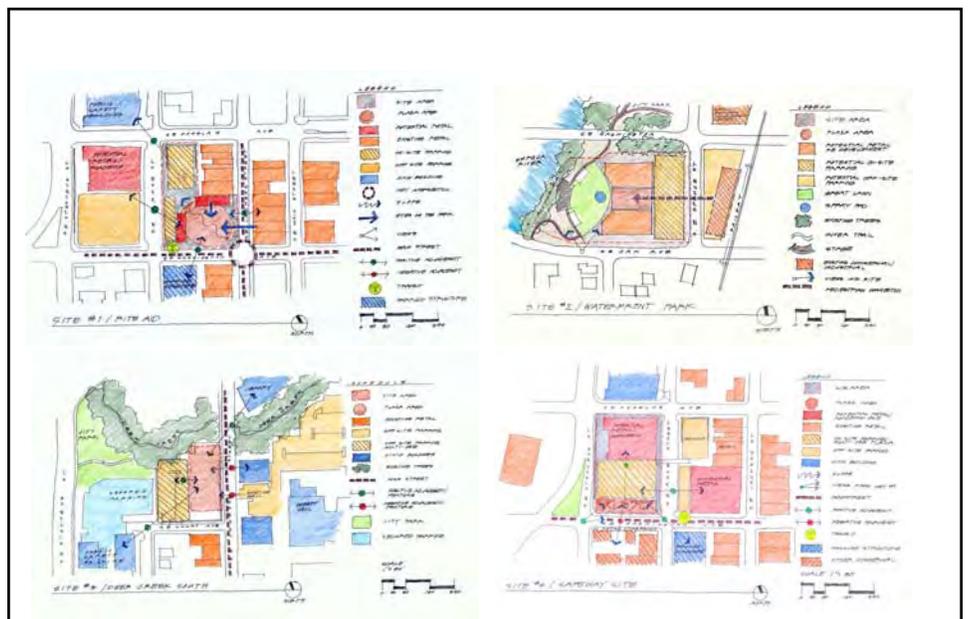


Downtown Roseburg Plaza Site Suitability Matrix

Site / Location	Corner/Corner Marker	Use Matrix Determinants	Community/Neighborhood	Water/Utilities/Power/Sewer	Public Access/Accessibility	Transportation	Landmarks	Construction/Prep Work	Historic/Archaeology	Public Safety	Other/Notes
Site #1/Rte A14	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Site #2/Waterfront Park	Yes	Maybe	Maybe	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Site #3/Deer Creek South	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Site #4/Highway Site (west)	Maybe	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Site #5/Deer Creek North	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Site #6/Courthouse Lawn	Maybe	Maybe	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Site #7/Eagle Park	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Site Suitability Matrix

Roseburg Downtown Plaza and Transit Center



Site Selection Diagrams

Roseburg Downtown Plaza and Transit Center





Precedent Plaza Images

Roseburg Downtown Plaza and Transit Center



- Plaza Size 160 x 120 = 19,200 SF
- No Parking
- Sloped Site
- Amphitheater Seating

Option 1

Roseburg Downtown Plaza and Transit Center



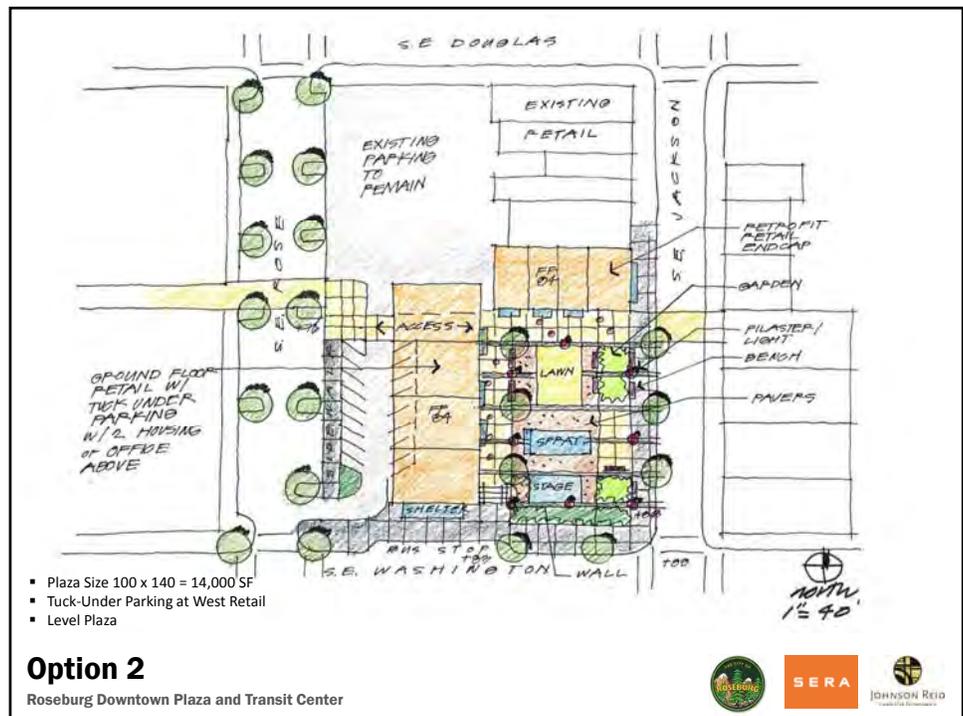
SINGLE STORY RETAIL WITH INCUBATOR SPACE

INCOME SUMMARY:				PERMANENT FINANCING ASSUMPTIONS:		
	Total SF	Average Rent/SF	Gross Income		DCR	LTV
Rental Apartments	0	\$0.00	\$0	Interest Rate	6.50%	6.50%
Offices	0	\$0.00	\$0	Term (Years)	25	25
Incubator Retail	2,500	\$18.00	\$45,000	Debt-Coverage Ratio	1.25	
Traditional Retail	6,000	\$17.00	\$102,000	Loan-to-Value		75%
Vacancy/Collection Loss 1/		10.0%	(\$14,700)	Stabilized NOI (Year 2)	\$132,181	\$132,181
TOTAL	8,500	\$15.56	\$132,300	CAP Rate		7.50%
				Supportable Mortgage	\$1,305,090	\$1,321,809
				Annual Debt Service	\$105,745	\$107,099
COST SUMMARY:				MEASURES OF RETURN:		
	Per SF		Total			
Acquisition Cost	\$0.00		\$0	Indicated Value @ Stabilization		\$1,762,412
Direct Construction Cost	\$184.49		\$1,568,175	Value/Cost		94%
Soft Costs	\$36.02		\$306,128	Return on Cost (ROC)		7.1%
TOTAL	\$220.51		\$1,874,303	Internal Rate of Return		12.4%
				Modified Internal Rate of Return @ 6% Reinvestment		11.1%
EQUITY ASSUMPTIONS:				ESTIMATION OF VIABILITY GAP		
Total Development Cost			\$1,874,303	Targeted Return on Cost (ROC)		9.0%
(-) Permanent Loan			(1,305,090)	Calculated Gap-Income Components		\$405,626
Net Permanent Loan Equity Required	30.4%		\$569,213	Overall Gap as % of Development Cost		21.6%

- Lowest cost of improvements, as well as lowest assessed value when complete
- Incubator retail has better return than traditional due to lower cost of semi-permanent structures

Option 1 Financial Analysis

Roseburg Downtown Plaza and Transit Center



Option 2

Roseburg Downtown Plaza and Transit Center



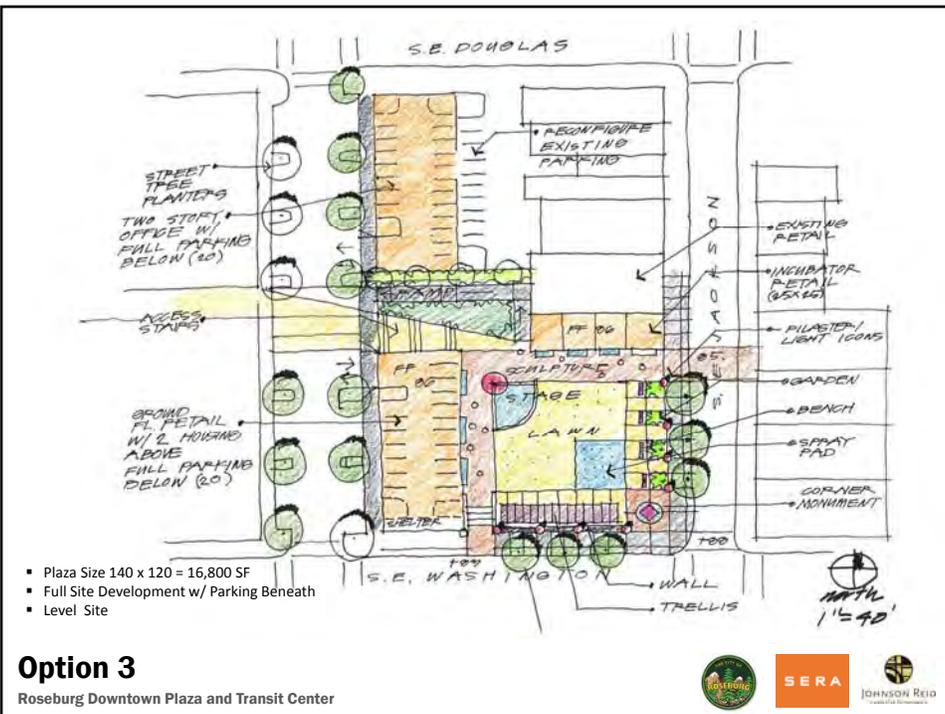
SPECULATIVE OFFICE SPACE OVER GROUND FLOOR RETAIL

INCOME SUMMARY:			PERMANENT FINANCING ASSUMPTIONS:			
	Total SF	Average Rent/SF	Gross Income		DCR	LTV
Rental Apartments	0	\$0.00	\$0	Interest Rate	6.50%	6.50%
Offices	8,500	\$17.00	\$144,500	Term (Years)	25	25
Retrofit Retail	5,000	\$18.00	\$90,000	Debt-Coverage Ratio	1.25	
Traditional Retail	6,000	\$17.00	\$102,000	Loan-to-Value		75%
Vacancy/Collection Loss 1/		10.0%	(\$33,650)	Stabilized NOI (Year 2)	\$302,577	\$302,577
TOTAL	19,500	\$15.53	\$302,850	CAP Rate		7.50%
COST SUMMARY:			MEASURES OF RETURN:			
	Per SF		Total	Indicated Value @ Stabilization		\$4,034,366
Acquisition Cost	\$11.90		\$250,000	Value/Cost		118%
Direct Construction Cost	\$126.75		\$2,661,750	Return on Cost (ROC)		8.8%
Soft Costs	\$24.74		\$519,608	Internal Rate of Return		22.7%
TOTAL	\$163.40		\$3,431,358	Modified Internal Rate of Return @ 6% Reinvestment		18.2%
EQUITY ASSUMPTIONS:			ESTIMATION OF VIABILITY GAP			
Total Development Cost			\$3,431,358	Targeted Return on Cost (ROC)		9.0%
(-) Permanent Loan			(2,745,086)	Calculated Gap-Income Components		\$69,386
Net Permanent Loan Equity Required	20.0%		\$686,272	Overall Gap as % of Development Cost		2.0%

- Best indicated return
- Office space market is high risk, and considerable pre-leasing would be required
- Can best utilize City parking structure

Option 2 Financial Analysis

Roseburg Downtown Plaza and Transit Center



- Plaza Size 140 x 120 = 16,800 SF
- Full Site Development w/ Parking Beneath
- Level Site

Option 3

Roseburg Downtown Plaza and Transit Center



SPECULATIVE OFFICE SPACE, RENTAL APARTMENTS AND RETAIL

INCOME SUMMARY:				PERMANENT FINANCING ASSUMPTIONS:		
	Total SF	Average Rent/SF	Gross Income		DCR	LTV
Rental Apartments	8,500	\$12.04	\$102,300	Interest Rate	6.50%	6.50%
Offices	8,500	\$17.00	\$144,500	Term (Years)	25	25
Incubator Retail	2,500	\$18.00	\$45,000	Debt-Coverage Ratio	1.25	
Traditional Retail	6,000	\$17.00	\$102,000	Loan-to-Value		75%
Vacancy/Collection Loss 1/		8.7%	(\$34,265)	Stabilized NOI (Year 2)	\$330,604	\$330,604
TOTAL	25,500	\$14.10	\$359,535	CAP Rate		6.50%
				Supportable Mortgage	\$3,264,220	\$3,814,658
				Annual Debt Service	\$264,483	\$309,082
COST SUMMARY:			MEASURES OF RETURN:			
	Per SF	Total				
Acquisition Cost	\$0.00	\$0	Indicated Value @ Stabilization	\$5,086,211		
Direct Construction Cost	\$244.13	\$4,520,250	Value/Cost	94%		
Soft Costs	\$47.66	\$882,411	Return on Cost (ROC)	6.1%		
TOTAL	\$291.78	\$5,402,661	Internal Rate of Return	9.2%		
			Modified Internal Rate of Return @ 6% Reinvestment	8.7%		
EQUITY ASSUMPTIONS:			ESTIMATION OF VIABILITY GAP			
Total Development Cost		\$5,402,661	Targeted Return on Cost (ROC)	7.8%		
(-) Permanent Loan		(3,264,220)	Calculated Gap-Income Components	\$1,164,151		
Net Permanent Loan Equity Required	39.6%	\$2,138,441	Overall Gap as % of Development Cost	21.5%		

- Highest site utilization, highest assessed value at completion
- Considerable "viability gap", primarily due to rental apartments
- Can be a phased development

Option 3 Financial Analysis

Roseburg Downtown Plaza and Transit Center



ALTERNATIVE DEVELOPMENT PROGRAMS

OPTION DESCRIPTION	Program			Cost of Development	Indicated Value 1/	Value/Cost	Calculated Viability Gap		Indicated Residual Value
	Res. Units	Retail S.F.	Office S.F.				Total 2/	% of Cost	
SINGLE STORY RETAIL	0	8,500	0	\$1,874,303	\$1,762,412	94%	\$405,626	21.6%	(\$405,626)
OFFICE SPACE OVER RETAIL	0	11,000	8,500	\$3,431,358	\$4,034,366	118%	\$69,386	2.0%	\$43,561
OFFICE SPACE, RENTAL APARTMENTS	16	8,500	8,500	\$5,402,661	\$5,086,211	94%	\$1,164,151	21.5%	(\$1,428,092)

COST AND STABILIZED VALUE

VIABILITY GAP AS A PERCENT OF COST

- Programs have limited viability due to weak income assumptions
- Plaza improvements are loaded into costs, reducing performance

Summary of Financial Performance

Roseburg Downtown Plaza and Transit Center





Plaza 1

- Lowest cost of improvements, as well as lowest assessed value when complete
- Incubator retail has better return than traditional due to lower cost of semi-permanent structures
- Largest Plaza Area
- No Site Parking



Plaza 2

- Best indicated return
- Office space market is high risk, and considerable pre-leasing would be required
- Can best utilize City parking structure
- Smallest Plaza Area



Plaza 3

- Highest site utilization, highest assessed value at completion
- Considerable “viability gap”, primarily due to rental apartments
- Can be a phased development

Plaza Summary

Roseburg Downtown Plaza and Transit Center



