Tigard Transit Center Development Potential

Final Presentation Compilation
Spring 2018 • ARCH 407/507 • College of Design

Ian Carlton • Instructor

UNIVERSITY OF OREGON
TRIMET
SCI Sustainable Cities Initiative
SCYP Sustainable City Year Program

Acknowledgements

The work presented here could not have been accomplished alone. We would like to acknowledge and thank TriMet and city of Tigard staff for their valuable insight and input.

Jeb Doran, TriMet

Gary Pagenstecher, City of Tigard

About SCI

The Sustainable Cities Initiative (SCI) is a cross-disciplinary organization at the University of Oregon that promotes education, service, public outreach, and research on the design and development of sustainable cities. We are redefining higher education for the public good and catalyzing community change toward sustainability. Our work addresses sustainability at multiple scales and emerges from the conviction that creating the sustainable city cannot happen within any single discipline. SCI is grounded in cross-disciplinary engagement as the key strategy for improving community sustainability. Our work connects student energy, faculty experience, and community needs to produce innovative, tangible solutions for the creation of a sustainable society.

About SCYP

The Sustainable City Year Program (SCYP) is a year-long partnership between SCI and a partner in Oregon, in which students and faculty in courses from across the university collaborate with a public entity on sustainability and livability projects. SCYP faculty and students work in collaboration with staff from the partner agency through a variety of studio projects and service-learning courses to provide students with real world projects to investigate. Students bring energy, enthusiasm, and innovative approaches to difficult, persistent problems. SCYP's primary value derives from collaborations resulting in on-the-ground impact and expanded conversations for a community ready to transition to a more sustainable and livable future.

SCI Directors and Staff

Marc Schlossberg, SCI Co-Director, and Professor of Planning, Public Policy, and Management, University of Oregon

Nico Larco, SCI Co-Director, and Associate Professor of Architecture, University of Oregon

Megan Banks, SCYP Manager, University of Oregon

About TriMet

The Tri-County Metropolitan Transportation District of Oregon was created by the Oregon Legislature in 1969 to operate and oversee mass transit in the Portland Metropolitan region. This public entity was formed by the legislature as a municipal corporation to replace the multiple private interest mass transit companies that previously operated in Multnomah County, Clackamas County, and Washington County; the counties that make up TriMet.

In addition to operating bus lines, light rail, and paratransit in the defined Tri-Metropolitan district, TriMet also connects to external mass transit services to provide wider blanket coverage for the region. TriMet's nationally recognized transit system provides more than 100 million rides annually, and carries 45% of rush hour commuters going into the downtown Portland area. TriMet not only moves people, but helps build sustainable cities by improving public health; creating vibrant, walkable communities; supporting economic growth; and working to enhance the region's livability.

Several civic leaders have been highlighted as key Figures in the creation, establishment, and ultimate success of TriMet. Governor Tom McCall is credited with the initial call for the creation of the public corporation; other key contributors include Congressman Earl Blumenauer, Rick Gustafson, Dick Feeney, and Mayor Neil Goldschmidt. All were instrumental in shaping the organization itself, as well as the land use, civic development, and transformation policies that make TriMet the success that it is today.

The vision and efforts of these individuals and countless others have borne fruit. Recently, TriMet celebrated the second anniversary of the opening of its most recent light rail line. Since its inauguration the 7.3-mile MAX Orange Line has experienced continued growth, having a six percent year-to-year increase in ridership. Illustrating the holistic approach that has been a part of TriMet from its inception, there have been wider community benefits such as a positive impact on employment and a focus on sustainable practices such as bio-swales, eco-roofs, a first-in-the-nation eco-track segment, solar paneling, and regenerative energy systems.

TriMet is a key partner in the region's Southwest Corridor Plan and Shared Investment Strategy. Eleven partner agencies are participating in planning for a new 12-mile light rail line in southwest Portland and southeast Washington County that will also include bicycle, pedestrian, and roadway projects to improve safety and access to light rail stations. Southwest Corridor stakeholders include Metro (the regional government), Washington County, Oregon Department of Transportation, and the cities of Beaverton, Durham, King City, Portland, Sherwood, Tigard, and Tualatin. This collaborative approach strives to align local, regional, and state policies and investments in the Corridor, and will implement and support adopted regional and local plans. These initiatives and outcomes from participation with the UO's Sustainable City Year Program will help develop ideas that are cost effective to build and operate, provide safe and convenient access, and achieve sustainability goals while supporting the corridor's projected growth in population and employment.

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Executive Summary

TriMet's Southwest Corridor project proposes a 12-mile light rail line that will fill current service gaps and address future transportation demands in the rapidly growing areas of Beaverton, Durham, King City, Portland, Sherwood, Tigard, Tualatin, and Washington County.

The need for a Southwest Corridor light rail line is clear, with Interstate 5 travel times projected to increase 17% by 2035 and average speeds slowing to 20 mph (TriMet). The proposed light rail line will also serve a population that is expected to grow by about 75,000 residents and 60,000 jobs by 2040 (TriMet).

The Southwest Corridor will include a major transit stop in Tigard. This light rail transit center will expand upon the existing downtown Tigard transit center that serves area residents as they arrive and depart on the existing bus lines and WES commuter rail, as well as be a destination. Anticipated to be located adjacent to downtown Tigard, it has the potential to stimulate real estate development in the vicinity. Students in Ian Carlton's Real Estate Development Seminar (ARCH 407/507) evaluated and analyzed the development potential of the Tigard Transit Center area, looking at mixed use development in an urban infill area.

Students first evaluated the current real estate market in the vicinity of the future Tigard station, including:

- Documenting existing buildings and land uses
- Exploring plans for future public and private investments in the area
- Gathering information on current rents and sales prices
- Reviewing costs for various construction typologies in this submarket
- Identifying regional case studies related to development near transit and implications for Tigard's Transit Center
- Examining the relative demand for rail-served locations in the region

Students also developed pro forma financial analyses of speculative development projects, including:

- Documenting assumptions about land and construction costs, who would provide infrastructure, local market demand, parking needs, and other critical factors
- Students considered mixed-use development strategies
- Students calculated the return on cost, net present value, and internal rate of return of different development alternatives

For their final project, students were asked to identify development sites around one of two potential future station locations and envision developments in the vicinity of the new light rail facility. Students did robust work examining development options on individual sites, including:

- Identifying existing conditions
- Reviewing costs for comparable properties in the area
- Identifying problems, variables, and potential solutions
- Identified potential land use types such as residential, commercial, industrial, etc.
- Created a vision for the area, including the character of their development sites
- Developed a program for the site, including building square footages, land uses, amount of parking, etc.

- Proposed phasing of the hypothetical development
- Conducted a financial feasibility analysis of their proposals and evaluated key metrics
- Made adjustments that would enhance the financial feasibility of their proposals
- Identified other adjustments to their development proposals that could enhance the feasibility even further
- Reported their findings in PowerPoint presentations to the SCYP clients, including staff from TriMet and the City of Tigard, and their classmates

This document includes the final presentations of each group project, which include descriptions of their approaches, preliminary designs, and financial evaluations.

In summary, the student groups found the following:

- Tigard and TriMet will need to be proactive partners in fostering transit-oriented development (TOD) in this proposed station area.

Market Demand

- Today's local real estate market demand does not support market-rate real estate development at the four to six story scale typically considered to be TOD. Auto-oriented low-rise developments performed the best, though they may not be allowed by zoning in some parts of the station area. Subsidies or avoided costs were expected to help TOD pencil.
- The Atwell housing development off Main Street was an oft-cited comparable project in the area. It was the class's understanding that the project was financially feasible because it relied on the purchase of a sizable city-owned site and received a partial waiver of system development charges.
- Given the current investment climate, residential uses were expected to financially outperform retail and office uses in most cases. That said, most groups chose to include a mix of uses in their programs in light of the TOD location.

Development Costs

- The higher cost of denser TOD inhibited development feasibility. Some groups found that low-density development could be viable serving a niche market, potentially acting as an interim land use.
- Groups found that project feasibility could be improved when developments were not fully burdened with current development costs. Potential levers for reducing costs included:
    - Land (e.g., public contribution of land to developments)
    - Parking (e.g., public decks address parking demand/requirements)
    - SDC fees (e.g., Tigard adjusts fees in the station area or provides partial waivers to TODs)
    - Horizontal infrastructure (e.g., Tigard or TriMet would construct development-ready pads when realigning SW Hall Boulevard, extending streets, or developing the transit facilities)
- Tigard could also provide tax abatements, subsides from the TIF fund, or low-rate loans to help offset the high costs of developing TOD.

Parking

- •It was anticipated that transit commuters and additional retail would drive parking demand in the area. Parking revenues—for both tenants, guests, and transit patrons—could contribute to the overall financial viability of projects that met parking requirements on-site. Students cited the need for Tigard to begin charging more for on-street parking to make on-site parking charges viable.
- Given the location within the region, groups did not believe it was possible to build parking-free developments and achieve viable rents. Groups anticipated that parking demand could wane over time but city officials, tenants, lenders, and investors would all demand parking provision near-term. Tigard could adjust, eliminate, or develop performance-based parking requirements in the area, allowing developments to scale parking to the need.
- The most viable parking solution, which was used by some groups, was meeting parking demand in offsite garages provided by the public sector. Overbuilding the transit station garage and leasing stalls to private developers to meet their parking requirements was one such strategy.

The Belt Blocks

Nate Carden • Douglas Greene • Cole Knight

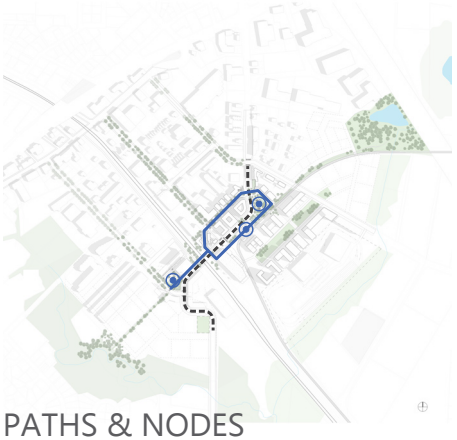
THE BELT BLOCKS

Nate Carden
Doug Greene
Cole Knight

A VISION FOR DEVELOPMENT & TRANSIT INTEGRATION IN DOWNTOWN TIGARD, OR

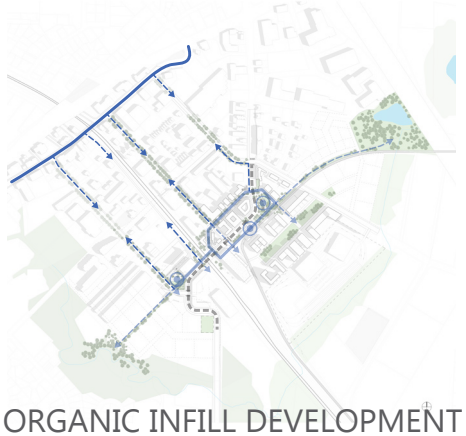
PROJECT VISION

PROJECT INTERVENTION



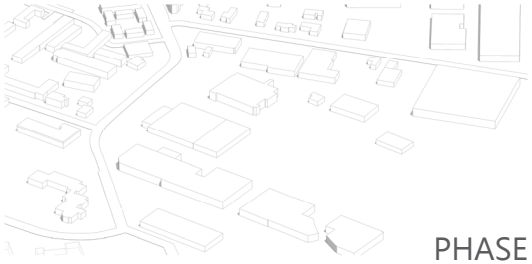
PATHS & NODES

CRITICAL CONNECTIONS



ORGANIC INFILL DEVELOPMENT

PROJECT SCOPE W& PHASING



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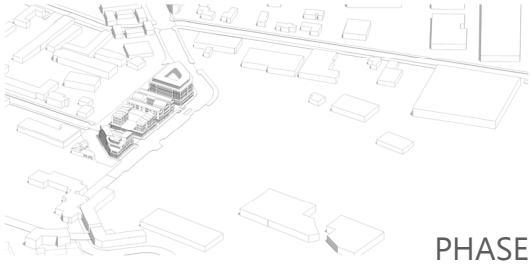
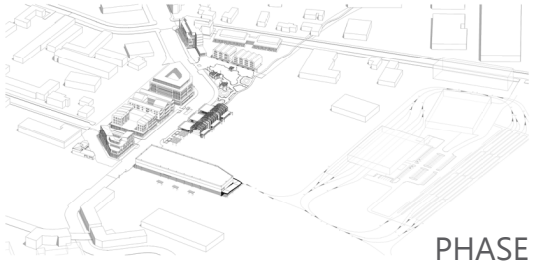


PHASE 1



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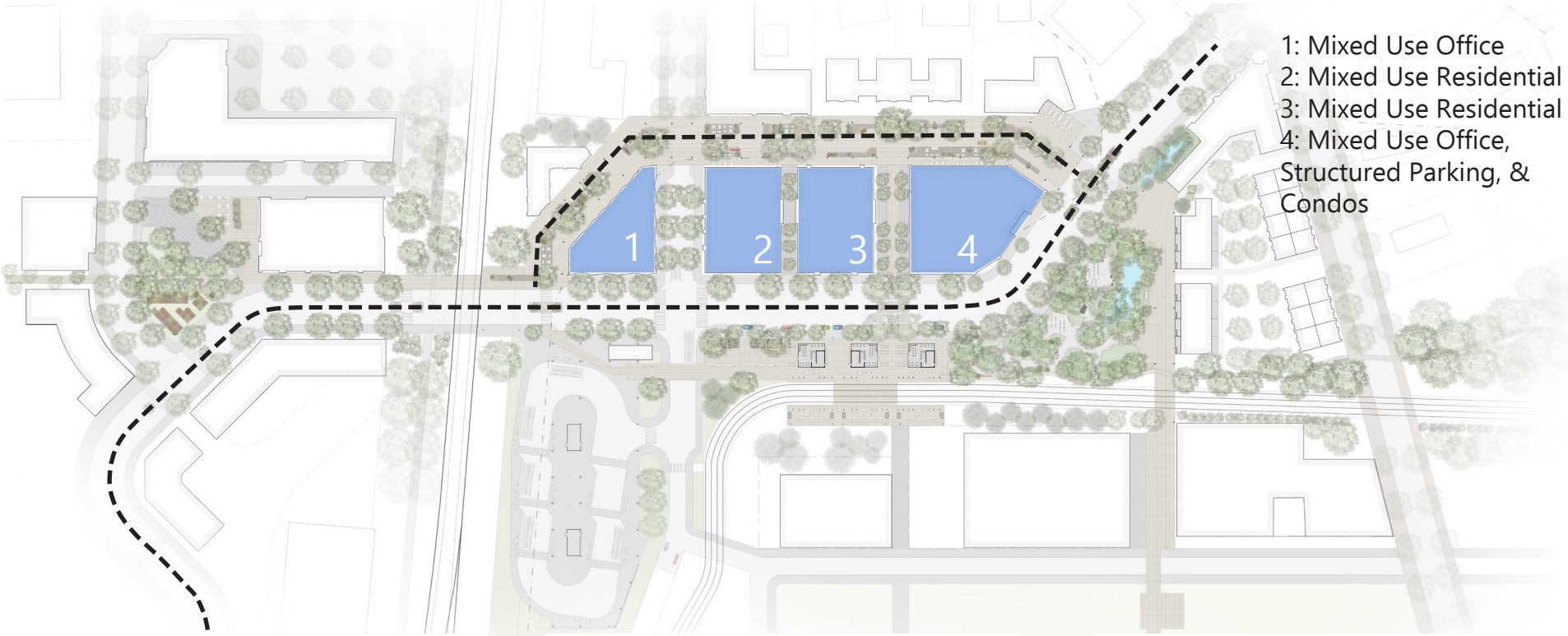
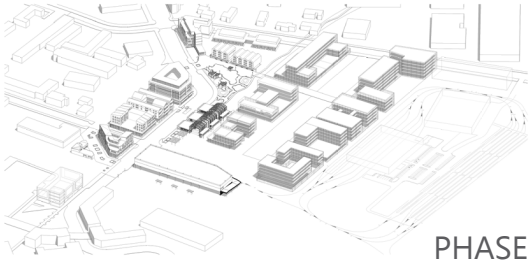


1: Mixed Use Office
2: Mixed Use Residential
3: Mixed Use Residential
4: Mixed Use Office, Structured Parking, & Condos



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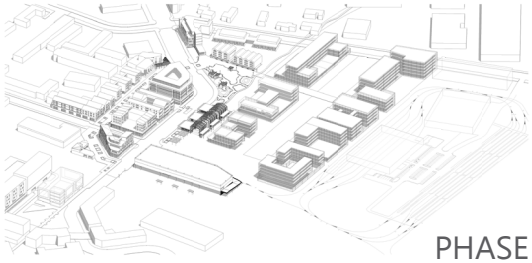

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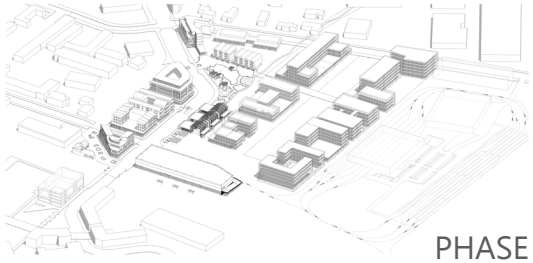
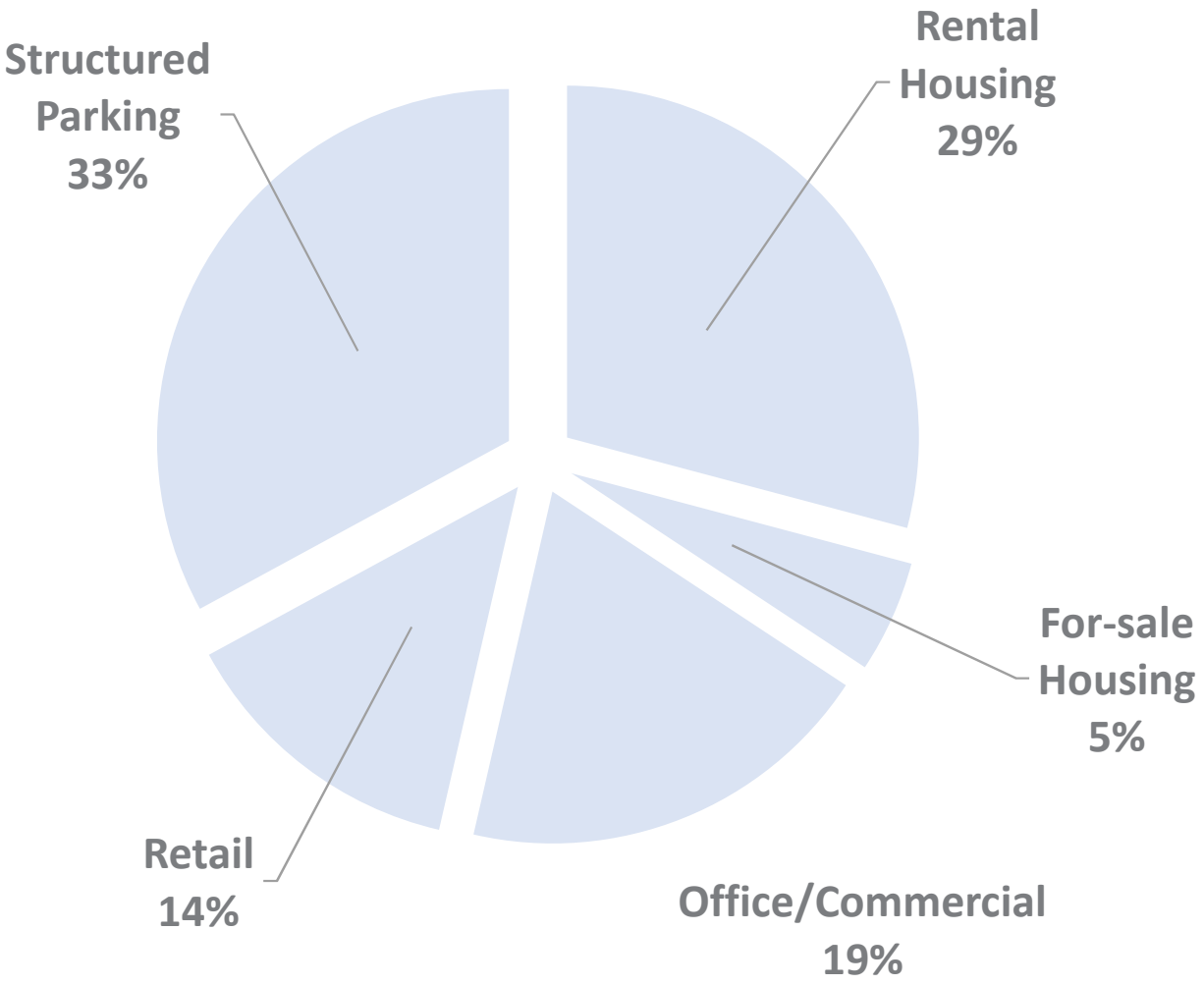


PHASE 5

DEVELOPMENT PROGRAM



PROGRAM	Sq Ft
Rental Housing @ 1000 sq ft	113,033
10 Condos @ 2000 sq ft	19,986
Office	74,916
Retail	52,258
Parking	127,725
Total	387,918

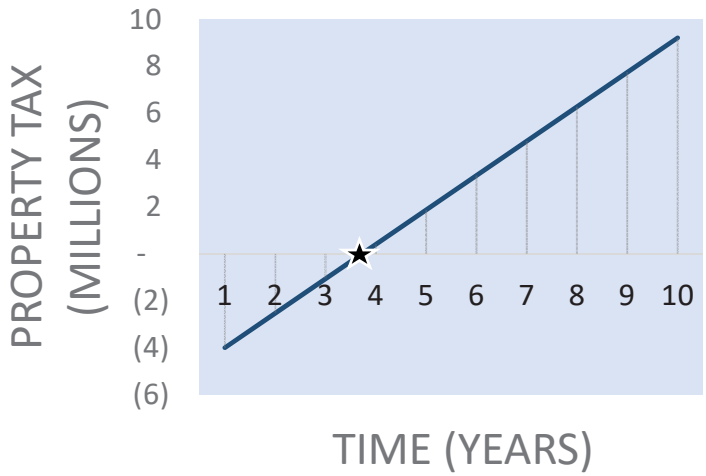
DEVELOPMENT PROGRAM

Key Variables	Proforma 1	Proforma 2	Proforma 3
infrastructure costs	developer pays for streetscapes	developer pays for streetscapes	develop gives $2M to park funds
grants/subsidies	no subsidies/grants	$4M subsidies & $1M grants	$4M subsidies & $1M grants
development costs	cheap construction only option	medium quality core and shell	higher soft costs and construction costs
parking requirements	100% city parking req's	50% city parking req's	50% city req's
operating costs	higher operating expenses	moderated operating costs	sustainable construction techniques
rents	Tigard rents today (Atwells)	Tigard rents today	6% higher rents than Tigard today

Key Outcomes	Proforma 1	Proforma 2	Proforma 3
IRR	**6.5%**	**18.4%**	**17.5%**
Asset Value	$ 114,000,000	$ 133,000,000	$ 143,000,000
Annual Property Tax	$ 1,338,360	$ 1,561,420	$ 1,678,820
Subsidy Payback (years)		2.6	2.4

Tax Revenue Payback Period

(From Project Completion)



Project Take-Aways

Current estimated rents and project construction costs do not support the feasibility of the Belt Block vision of compact development, Hall Blvd. realignment, and improved streetscapes.

Given the current market conditions, private/public partnerships, and diminished parking requirements may facilitate feasibility for the Belt Block vision

If market rents rise in the future, private/public partnerships could support the development of high quality, sustainable buildings, and compact urban development.

Property taxes generated by the project could repay the city's initial $4 million investment in less than for years post project completion.

ECH2O

Sabrina Ortiz Luna • Ellen Kume

ECH$_2$O

REUNITING DOWNTOWN TIGARD TO FANNO CREEK

DEVELOPMENT STRATEGY OVERVIEW

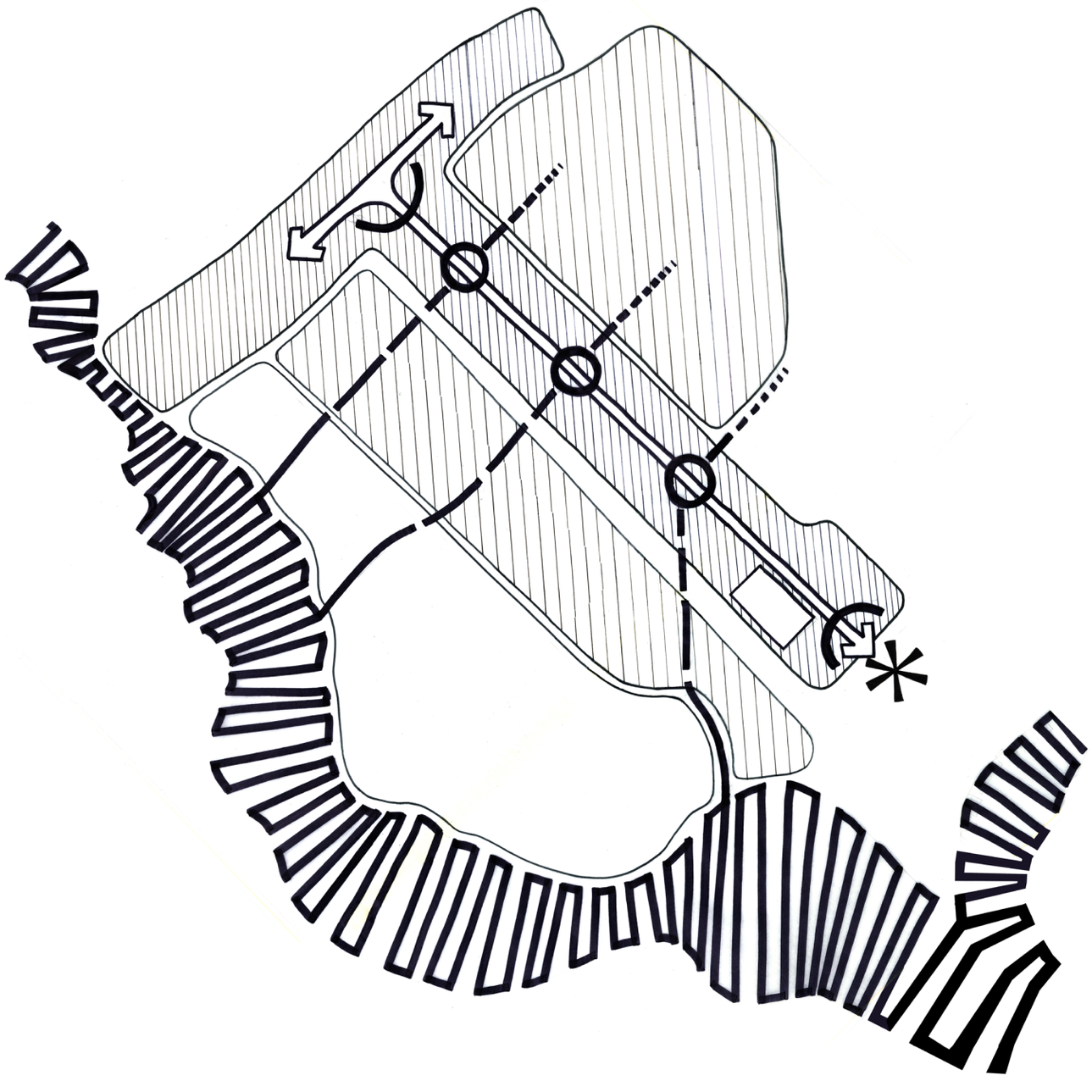
· Developing the catalytic pieces that will allow for the entire development to be successful

· One phase

· Partnership with Trimet about ownership

· Plan for affordable housing

· Shared parking garage for housing



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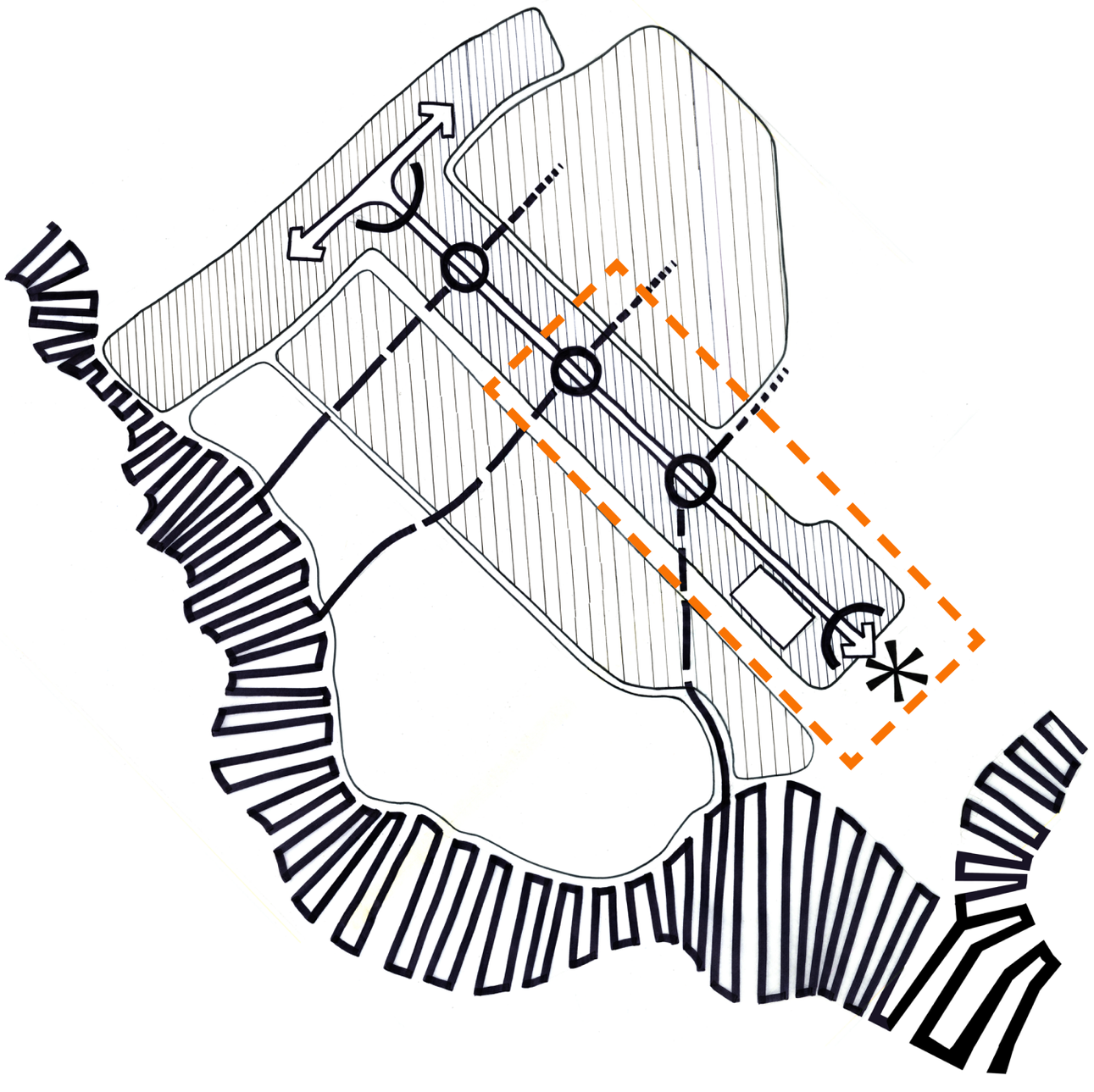


ASSUMPTIONS

- Our approach to design will affect feasibility by increasing demand for living in Tigard by shaping Tigard into a town with a strong and defined identity of walkability and nature
- We are providing large amounts of housing, including affordable housing, in the early phase to prevent the displacement of NOAH residents
- We expect people to be willing to pay $1.90/SF in rent for housing because those are the current rents in comparable T.O.Ds such as Orenco Station and Milkwaukee
- New Max alignment will be a valuable asset that will promote future development and economic growth in Tigard
- Tigard and Trimet will be responsible for development of one side of commercial street as well as street and sidewalk improvements, and retention pond to mitigate the environmental effects of the new transit center
- We will be unable to charge for surface parking for retail
- Street parking should be metered along the new street

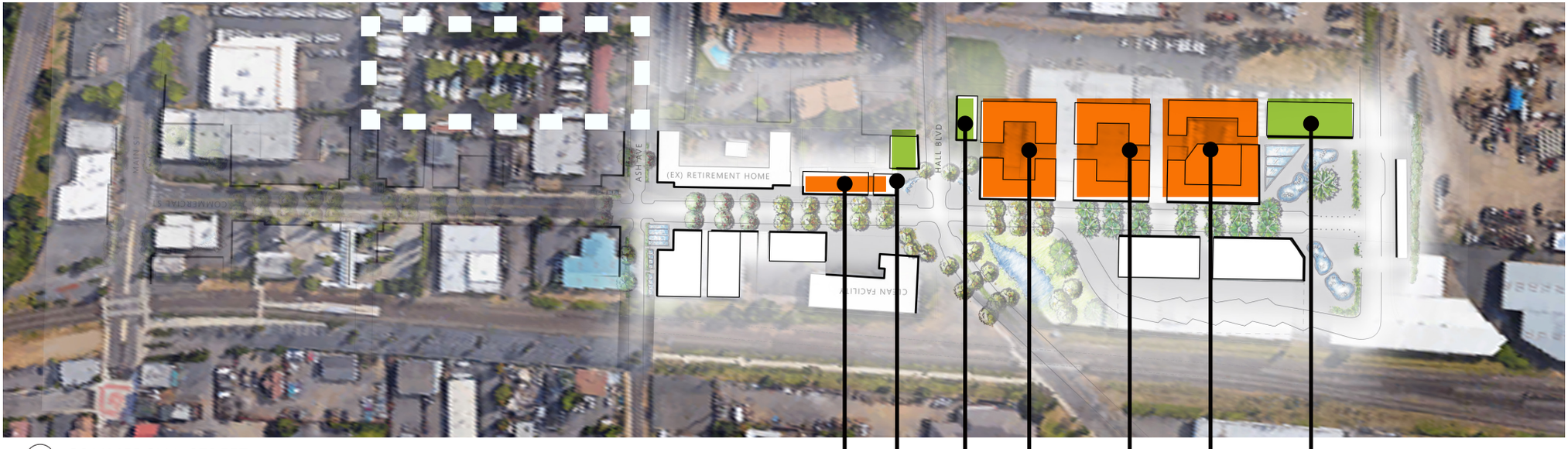
WHO IS DEVELOPING WHAT?

COMMERCIAL STREET

TRIMET AND TIGARD

US

BUILDING TYPES



COMMERCIAL STREET

RETAIL

AFFORDABLE HOUSING

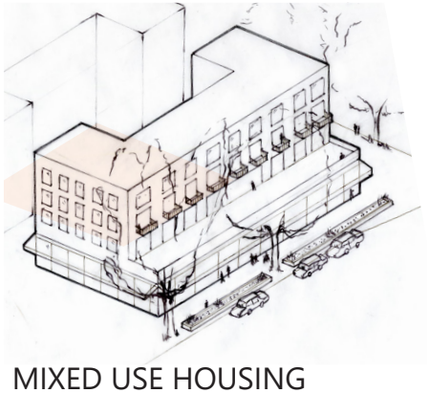
HOUSING

MIXED USE HOUSING

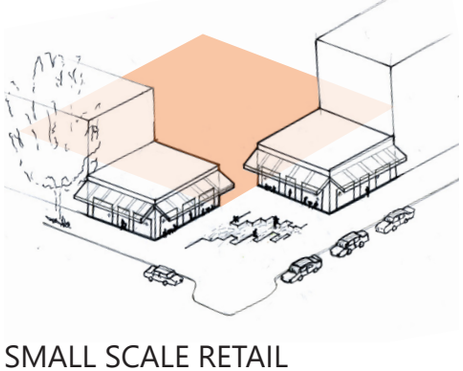
RETAIL

RETAIL

HOUSING



MIXED USE HOUSING



SMALL SCALE RETAIL

WATER FEATURES

COMMERCIAL STREET

BUILT BY TRIMET

BUILT BY US

EXPECTED PLAZA DEVELOPMENT COSTS:

$5,000,0000

JAMISON SQUARE:
2000
$3.6 M
$90/SF

JERRY WILLEY PLAZA (ORENCO STATION):
2014
$2.6 M
$75/SF
Developer gifted this park to the city in exchange for $900,000 in system development charges

LAND

COMMERCIAL STREET

PURCHASED FROM TRIMET

MARKET PRICE

PRICE WE NEED FROM TRIMET:
$0/SF PLUS OTHER SUBSIDES

RETURN WITH MARKET PRICE FOR ALL LAND:
6.4%

RETURN WITH MARKET PRICE ONLY FOR PRIVATE OWNED LAND:
12.9%

RETURN IF ALL LAND IS FREE:
13.8%

RETURN AND WHAT WE NEED TO ACCOMPLISH IT

RETAIL

SQ FOOTAGE: 12,597
RENT: $27/SF
OPERATION COSTS: $5.50/ SF
RETURN: 30.8%

HOUSING

SQ FOOTAGE: 208,800
RENT: $1.82/SF
OPERATION COSTS: $6.50/SF
RETURN: 3%

HOW TO ACCOMPLISH A 18% IRR
-RAISE RENT: $3.00/SF
-INCREASE EFFICIENCY BY INCREASING UNIT SIZE TO 1650 SF
-REDUCE CONSTRUCTION COSTS
-REDUCE MAINTENANCE COSTS

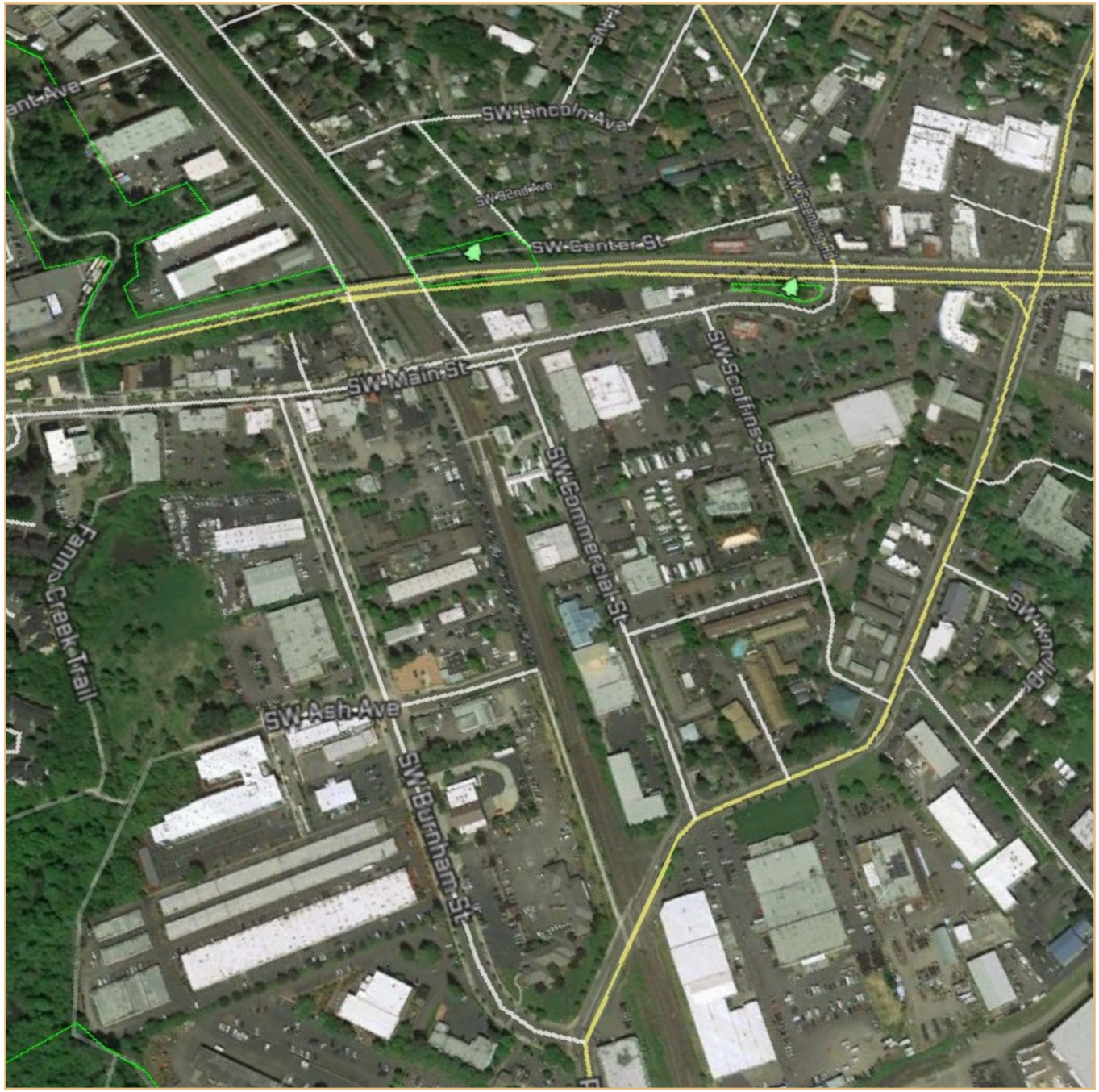
TOTAL DEVELOPMENT

SQ FOOTAGE: 223,620
COST: $18/SF
IRR: 12.9%

HOW TO ACCOMPLISH A 18% IRR
-REDUCE SOFT COSTS (I.E. DESIGN FEES/ DEVELOPMENT FEES)
-REDUCE LAND COSTS
-REDUCE CONSTRUCTION COSTS
-RAISE RENT PRICES

Mixed-Use Development Plan

Gretchen Leary • Matthew Loudermilk



Mixed-Use Development Plan

TriMet Site, Tigard OR

ARCH 407/507 FINAL ASSESSMENT

Gretchen Leary, Matthew Loudermilk

Site Focus and Design Evolution

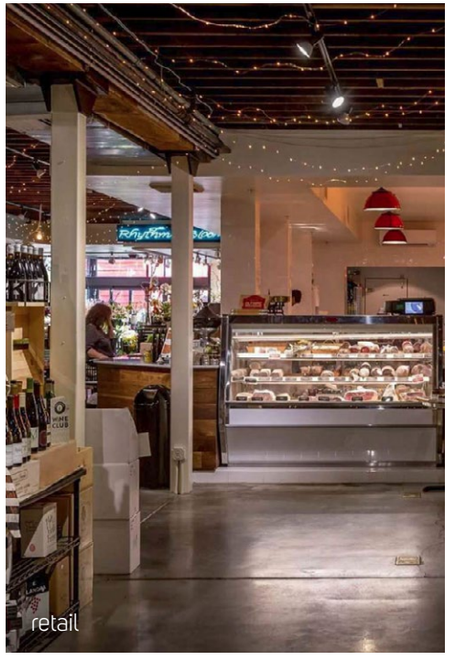
- Goal to create a more lively city center by including spaces for living, retail, office, civic and industrial uses.
- Ash Street becomes continuous cross street in woonerf style with community gardens at end.
- New street (Wilson) created between Commercial and Scoffins Streets, terminating at civic plaza
- TriMet location and new City Hall location in proximity to one another establish civic center.

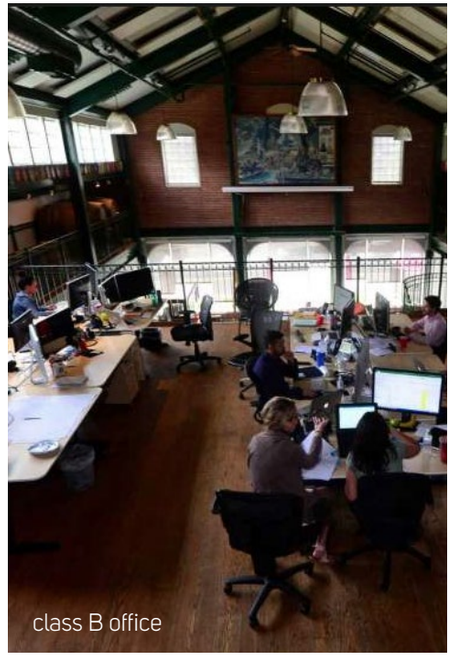
Development Plan for Pro Forma Assessment

Focus is on a 6 block development

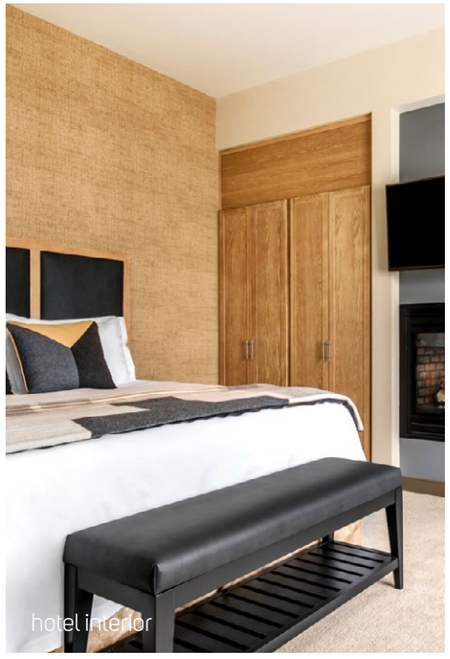
- Retail / Dark Red = 303,833 sq ft
- Office / Light Red = 678,413 sq ft
- For Sale Housing / Yellow = 163,491 sq ft / 30 units
- For Rent housing / Gold = 804,943 sq ft
- Hotel / Blue = 80,644 sq ft


retail w/ rental apt/office above


retail


class B office

hotel - 4 star


hotel interior


for sale housing

Pro Forma Highlights

Unit Development Costs and Infrastructure Costs

Commercial Development Unit Costs

Contingency Costs = 10% **of Development Costs**

	Unit Cost Before Contingency		Contingency Costs		Total Unit Costs Including Contingency	
Rental Housing	$ 130,000	per unit	$ 13,000	per unit	$ 143,000	per unit
For-sale Housing	300,000	per unit	30,000	per unit	330,000	per unit
Office/Commercial	150.00	per SF	15.00	per SF	165.00	per SF
Retail	185.00	per SF	18.50	per SF	203.50	per SF
Hotel	75,000	per room	7,500	per room	82,500	per room
Structured Parking	20,000	per space	2,000	per space	22,000	per space

Infrastructure Development Costs

Commercial Infrastructure		
Linear Feet of Infrastructure	2,800	feet
Average Street Width	65	feet
Total Square Footage	182,000	SF
Infrastructure Cost per SF	$ 70.00	
Subtotal	$ 12,740,000	
Other Infrastructure Improvements		
Park/Landscaping	$ 4,000,000	
Total Infrastructure Costs	**$ 16,740,000**	

Source: Economics Research Associates, uli.org/wp-content/uploads/ULI-Documents/MUH_Financial.xls

* Note - changing street modifications to 45 linear feet v 65 saves 4 million dollars.

Pro Forma Take-Aways

- NPV (net present value)
  $55,766

- Net cash flow:
  year 1 = $50,209.00
  year 15 = $465,421.00

- Unleveraged IRR
  (Internal rate of return)
  13.8% (should be closer to 18%)

note: if infrastructure costs made to be 0 without any other changes, IRR becomes 15%)

Pro Forma Adjustments

low performers:

- structured parking
- rental housing
- office/commercial

high performers:

- hotel
- for sale housing
- retail

high hits to the budget:

- infrastructure costs (if made 0 without other changes, IRR becomes 15%)
- parking structure cost - perhaps share with city hall / hotel?
- land - no land costs in these calcs.

Feasibility Strategies

to lower the costs:

- impact fee waivers
- public construction of infrastructure
- tax abatement / credits
- cash subsidies
- low rate or forgiveable loans
- land donations
- grants for housing

adjustments to pro forma:

- higher parking rate
- high rental per sq foot - more units?
- charging for hotel parking
- anchor tenant/grocery/city hall? to share parking fees
- less street modifications (45 v 65 linear ft)

Tigard Mixed Use Development Feasibility Study

Hannah Hirzel • Michael Moran

Tigard Mixed Use Development Feasibility Study

Hannah Hirzel & Michael Moran

Existing Development

Low Income Housing

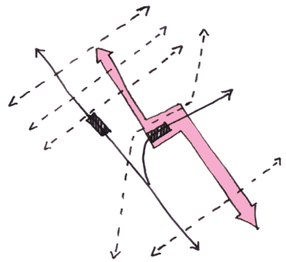
Retail

Office

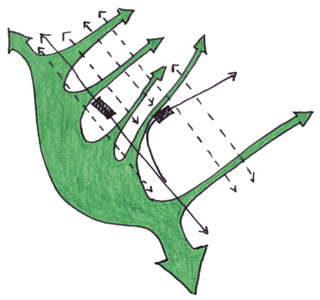
"The Portland metropolitan region is expected to be home to an additional million people by 2035. In Tigard, this means about 35% more households. It is expected that there will be an even greater increase in the number of jobs in the city. While this may be hard to imagine, it is on track with Tigard's growth rate over the past 20 years."

- Tigard High Capacity Transit Land Use Plan

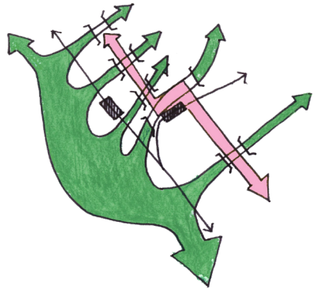
Tigard Vision



Create a corridor of activity connecting Main Street to the new MAX station



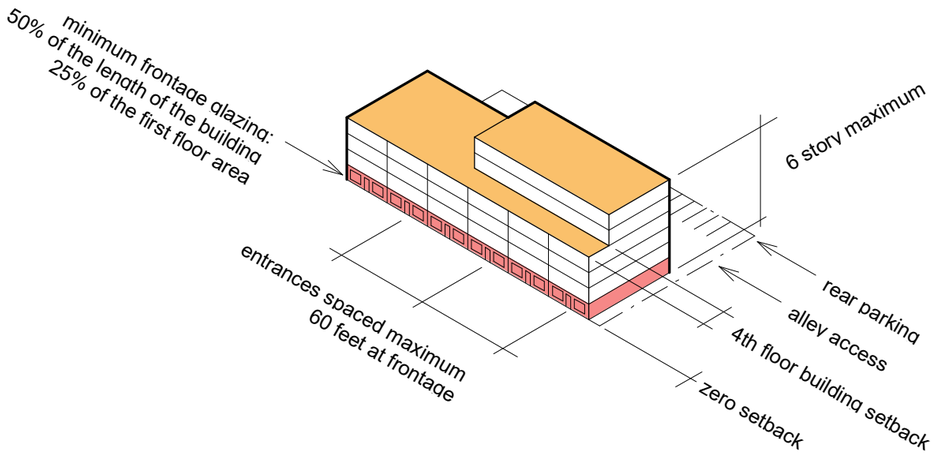
Increase visibility of Fanno Creek within the city and create connections across the WES tracks into the park



Thresholds between the commercial corridor and nature streets create natural centers of public life.

Tigard Vision Zoning Guidelines

Mixed-Use Development



Example Mixed-Use Property: Attwell off Main

Mixed-Use Development Breakdown

Rental Housing

Building 1:
9,000 SF x 4 Floors = 36,000
2,200 SF x 1 Floor = 2,000

38,000 SF x 80% efficiency = 30,400 rentable SF
@ Average unit of 800 SF, 30,400 SF = 38 Units

Building 2:
7,800 SF x 4 Floors = 31,200
2,700 SF x 1 Floor = 2,700

33,900 SF x 80% efficiency = 27,120 rentable SF
@ Average unit of 800 SF, 30,400 SF = 34 Units

Office

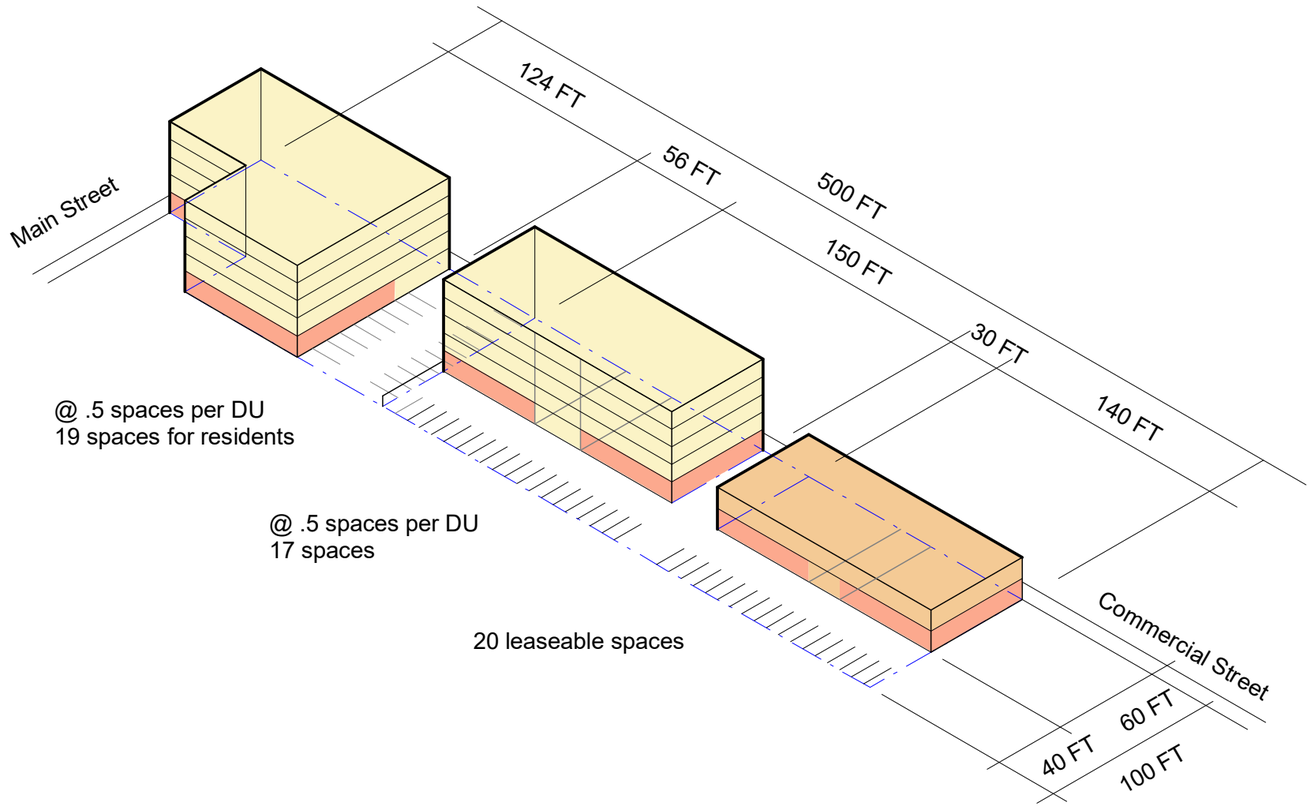
Building 3:
8,500 SF

Retail

Building 1:
7,000 SF

Building 2:
5,100 SF

Building 3:
6,100



Findings Based on Current Market Information

Based on ProForma using current market data, IRR = 0.8%

Cost of Land = $950,000 *Based on comparable properties in the area*

Development Type Breakdown

Residential: Low Income Housing

Rent = $1330 (2 Bedroom Unit) = **$1.66 psf**
IRR = **3.8%**
According to Department of Housing and Urban Development fair market rent for low income housing in Washington County

Retail

Rent = **$2.00** psf
IRR = **-6.9%**

Office

Rent = **$2.50** psf
IRR = **-0.3%**

Parking

Charging $50/month/space
IRR = **7.3%**

Costs per square foot based on R.S. Means data

Levers

Changing rents due to T.O.D.

"On average, property values increase by $75 for every 100 feet closer to the station (within the 2,500 ft. – 5,280 ft. radius)."

- THE EFFECT OF RAIL TRANSIT ON PROPERTY VALUES: A SUMMARY OF STUDIES (Report done by Parsons Brinckerhoff)

Levers

TriMet and subsidized land for increasing ridership

Case Study: Patton Park - Interstate MAX at Killingsworth

- Federal Transit Administration allowed write down of property value due to increase ridership and transit fares

Case Study: N. Argyle - Interstate MAX

- TriMet provided discounted land to the developer

Levers

Adjusting parking requirements

"Parking construction is one of the costliest project elements for new development. High minimum parking standards lead to greater total development costs, which dictate the price that housing operators must charge future occupants. Large parking minimums affect future affordability."

-Tigard Affordable Housing strategies

Mixed-Use Development on Ash Avenue

Fatemeh Eskandari • Gloria Morazan Salgado

Findings Based on Anticipated Market Change and Subsidies

Based on ProForma using current market data, IRR = 2.6%

Cost of Land = $0 *Through developer/TriMet partnership*

Development Type Breakdown

Residential: Low Income Housing

Rent = $1330 (2 Bedroom Unit) = **$1.79 psf**
IRR = **7.3%**
According to Department of Housing and Urban Development fair market rent for low income housing in Washington County

Retail

Rent = **$2.16** psf
IRR = **-5.7%**

Office

Rent = **$2.70** psf
IRR = **0.1%**

Parking

Charging $54/month/space
IRR = **19.2%**

Anticipated rent increases of 8% due to Light Rail construction

- Development recieves low income tax credit of 9% of costs
- City of Tigard provides a tax exemption on the basis of the project being low income housing. This lowers operating costs.
- The development secures $350,000 Development Grant Block Funds from the federal government for the construction of 500 linear feet of curb, sidewalk, landscape, and drainage because of its inclusion of affordable housing

Mixed-Use Development on Ash Avenue

EXISTING CONDITIONS

DEVELOPMENT PROGRAM

Rental Housing: 88 Units
Office: 96,000 sq ft
Retail: 6,000 sqft
Hotel: 200 romos
Structured parking: 500 spaces

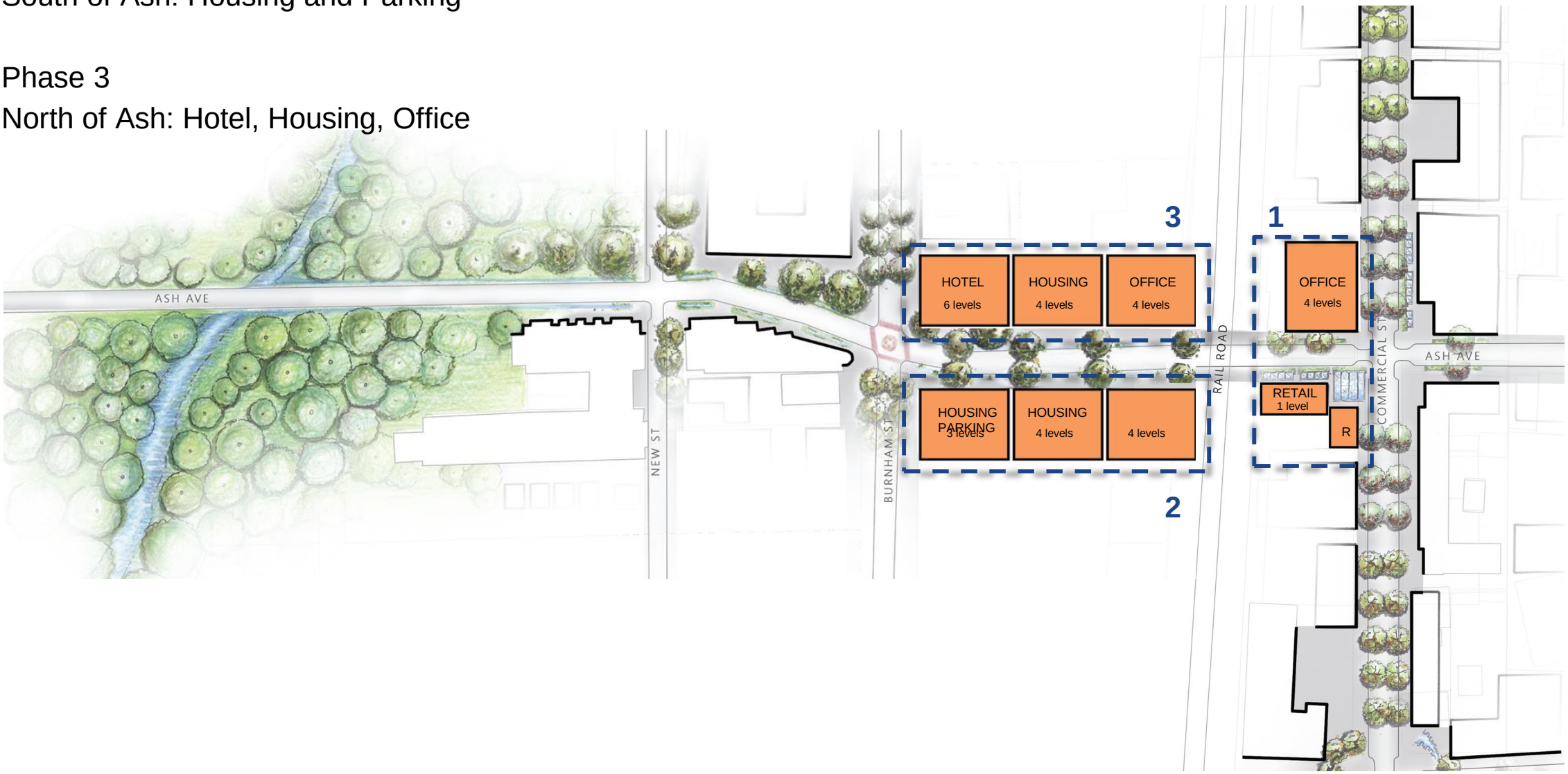
PHASING

Development throughout 7 years

Phase 1
East side of railroad: Office, Retail, Plaza, Street extension and improvements

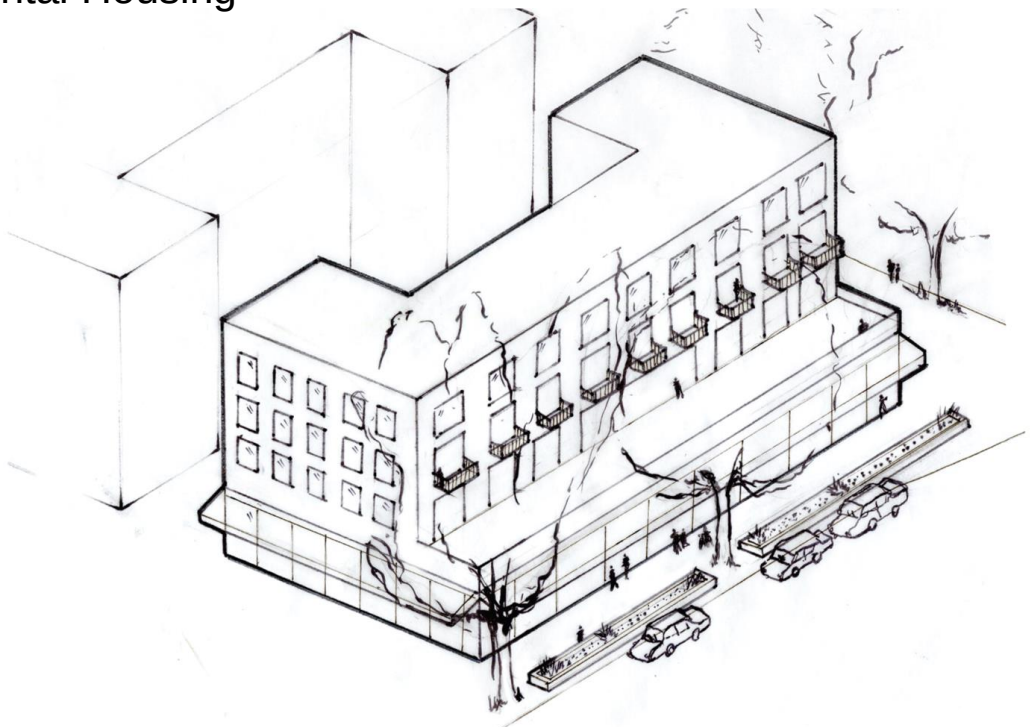
Phase 2
South of Ash: Housing and Parking

Phase 3
North of Ash: Hotel, Housing, Office

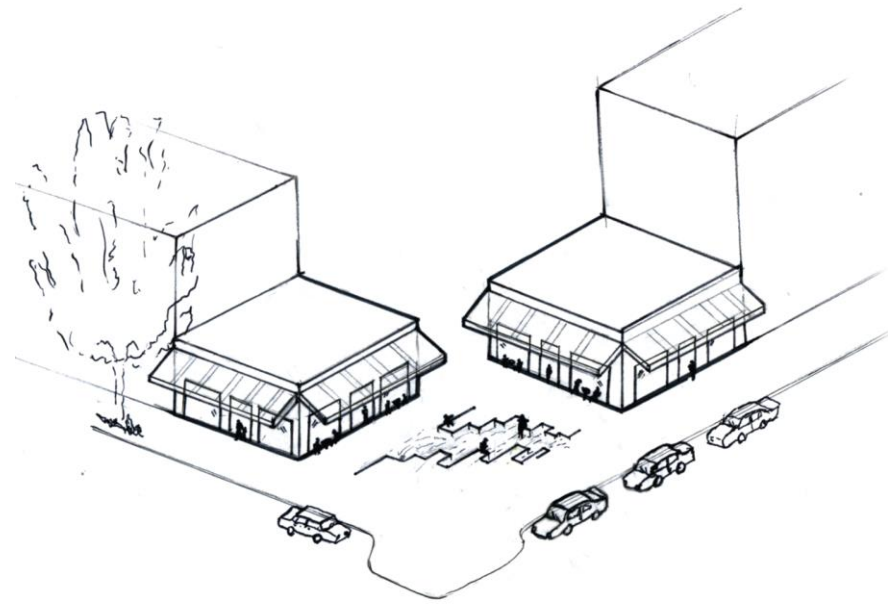


TYPOLOGIES - PROPOSED DEVELOPMENT

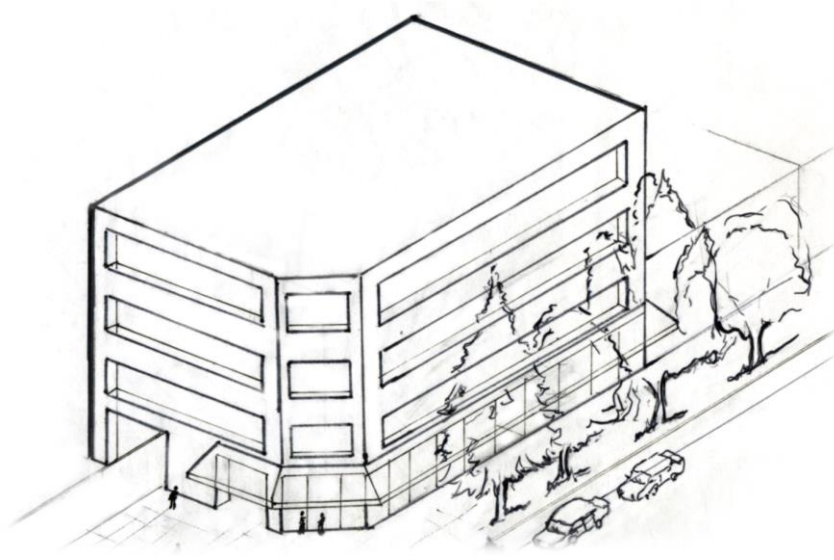
Rental Housing



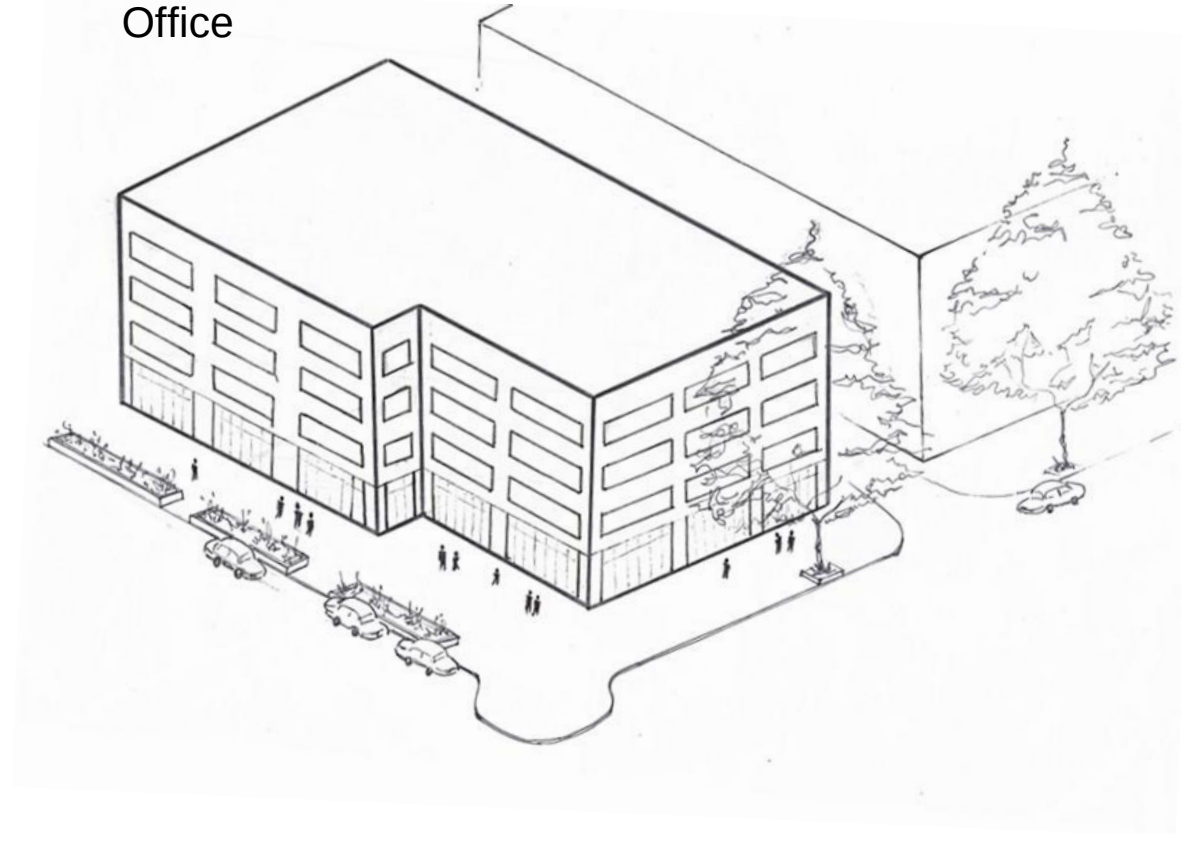
Retail



Parking

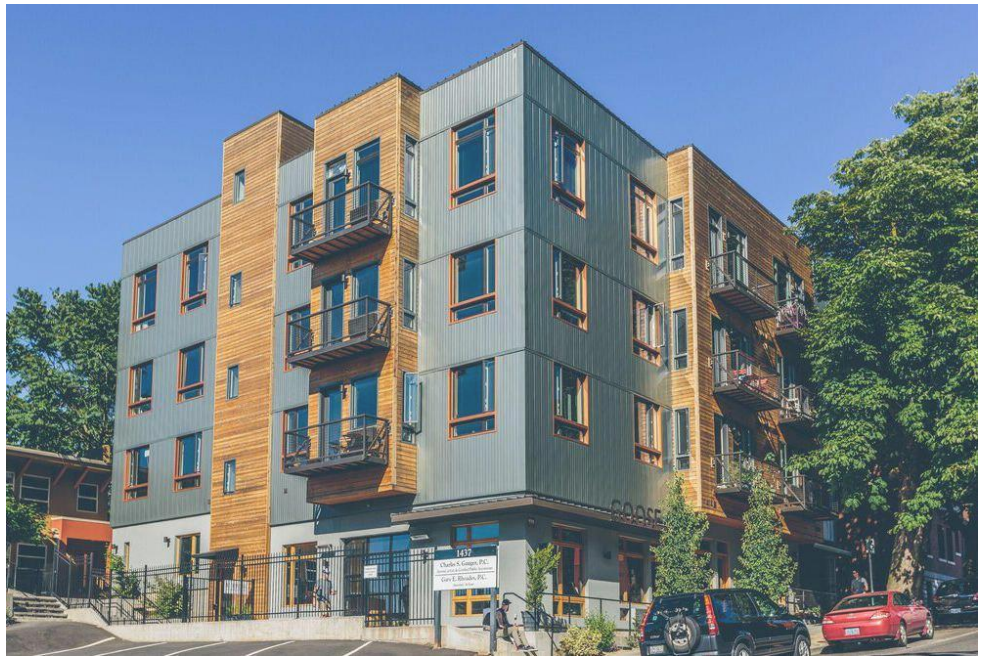


Office



PRECEDENTS

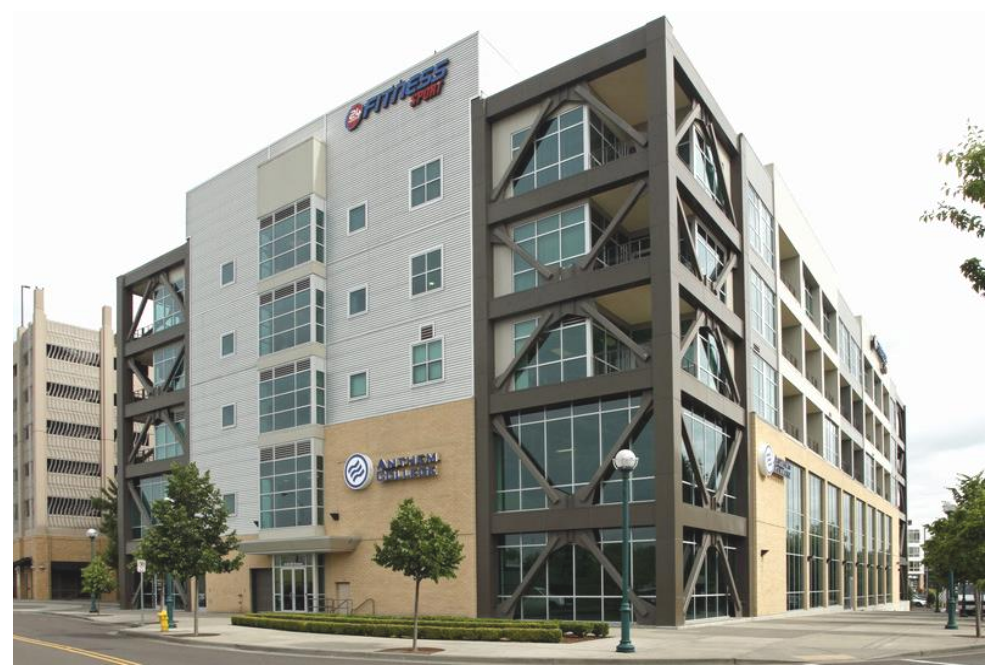
Rental Housing



Retail

Parking

Office



DEVELOPMENT

Summary

Total development cost **$86,063,700**

Internal rate of return (IRR) **15%**

Modifications

- Parking was relocated to the edge of the railroad
- Offices were reduced and housing increased
- Average daily hotel room rate was increased

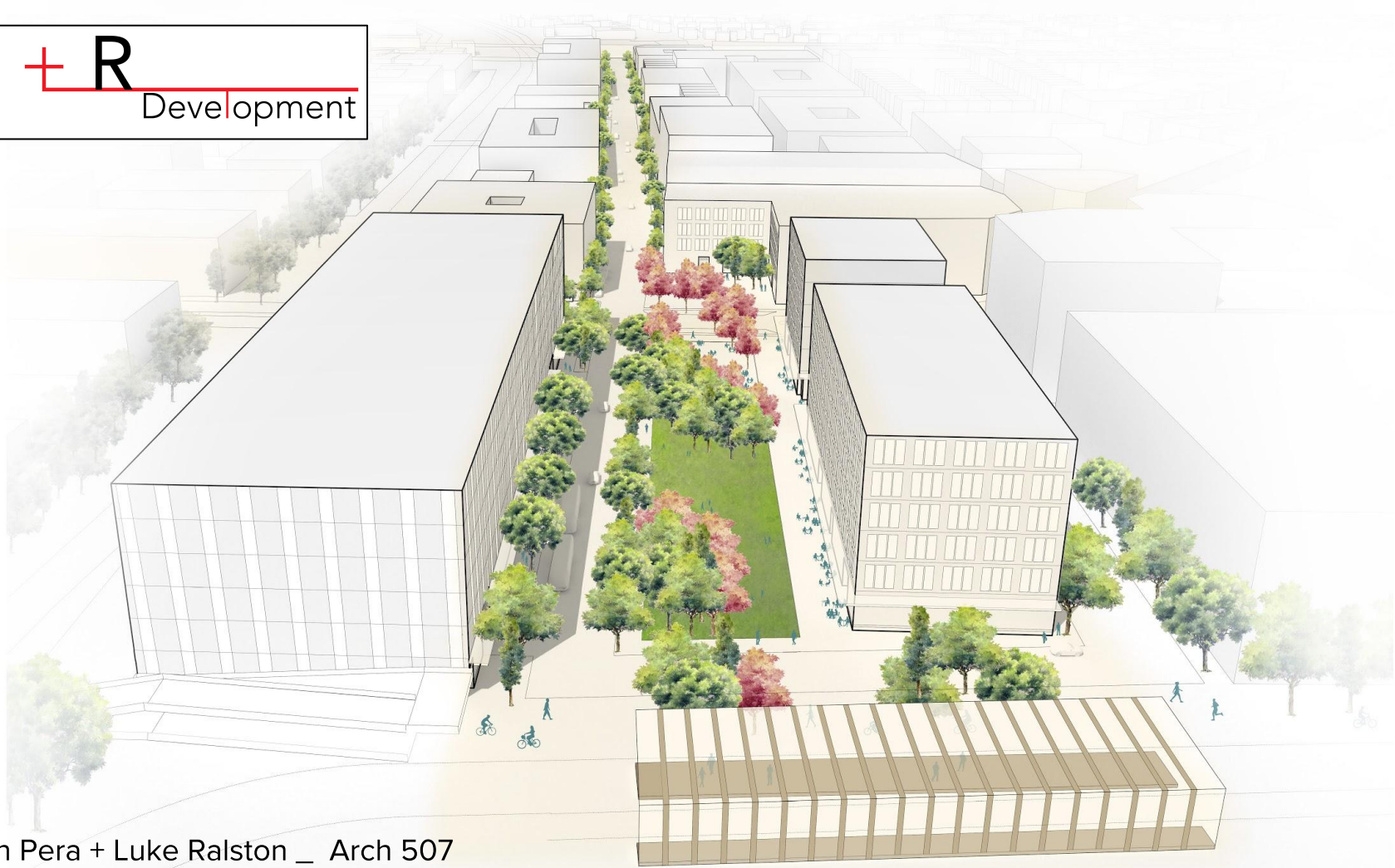
Considerations

- Cape rate 6%: considered a safe investment being a new neighborhood
- About 640 jobs could be created with the offices: potential public transit users
- It is expected that City of Tigard would do all the street improvements on Ash Ave. and they would be reimbursed for the cost of the street improvements along the section being developed.
- High hourly parking rate: City of Tigard could start charging for street parking

P+R Development

Aidan Pera • Luke Ralston

P + R
Development



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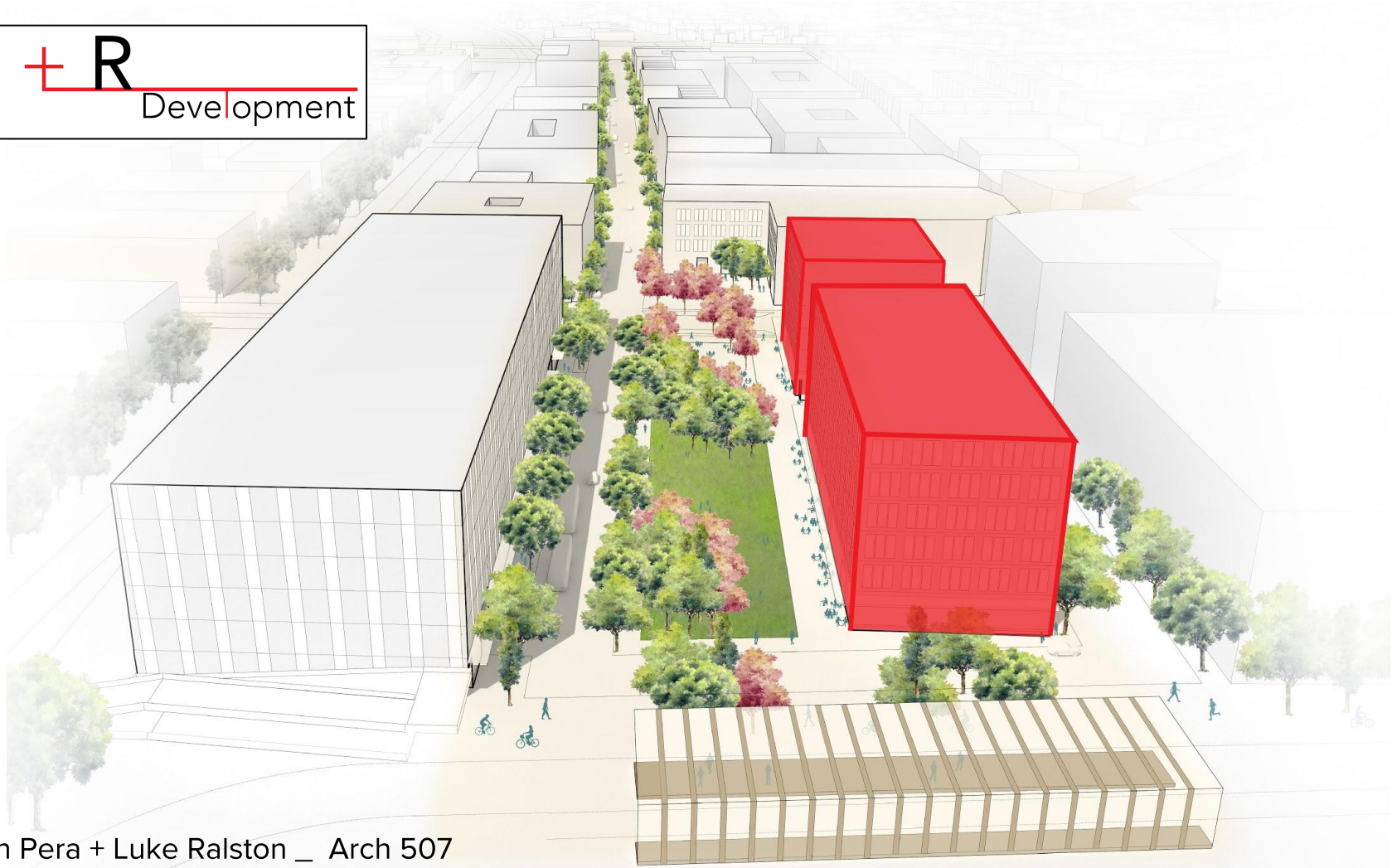
P + R
Development



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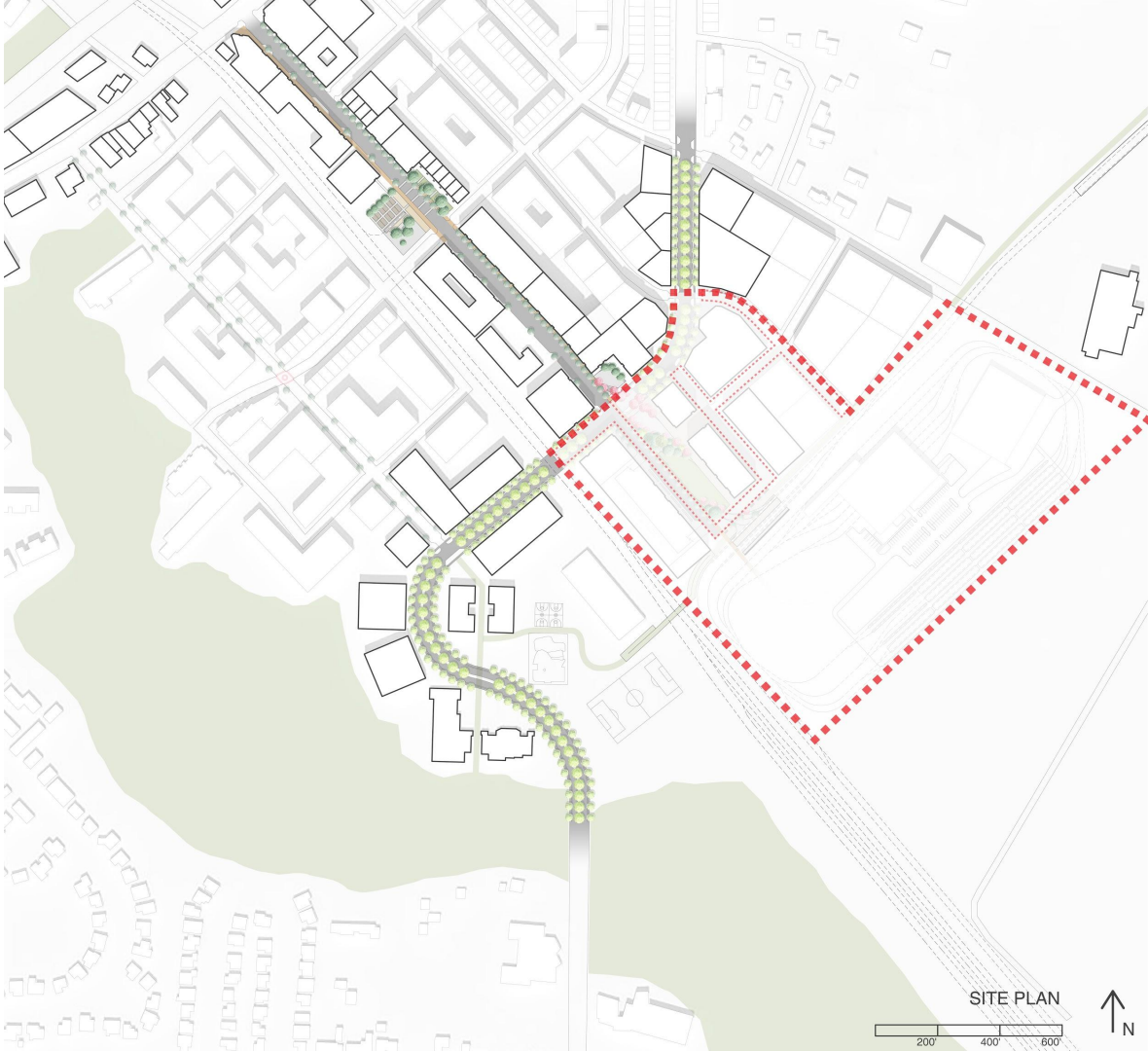
Overview

- Residential Units
  - 38 Studio - $2.64 / sf
  - 27 One BR - $1.90 / sf
  - 7 Two BR - $1.69 / sf
  - 5 Three BR - $1.81 / sf
- Office
  - 123, 593
  - $25 / sf
- Retail
  - 36,989
  - $25 / sf
- Overall IRR: 18.8%

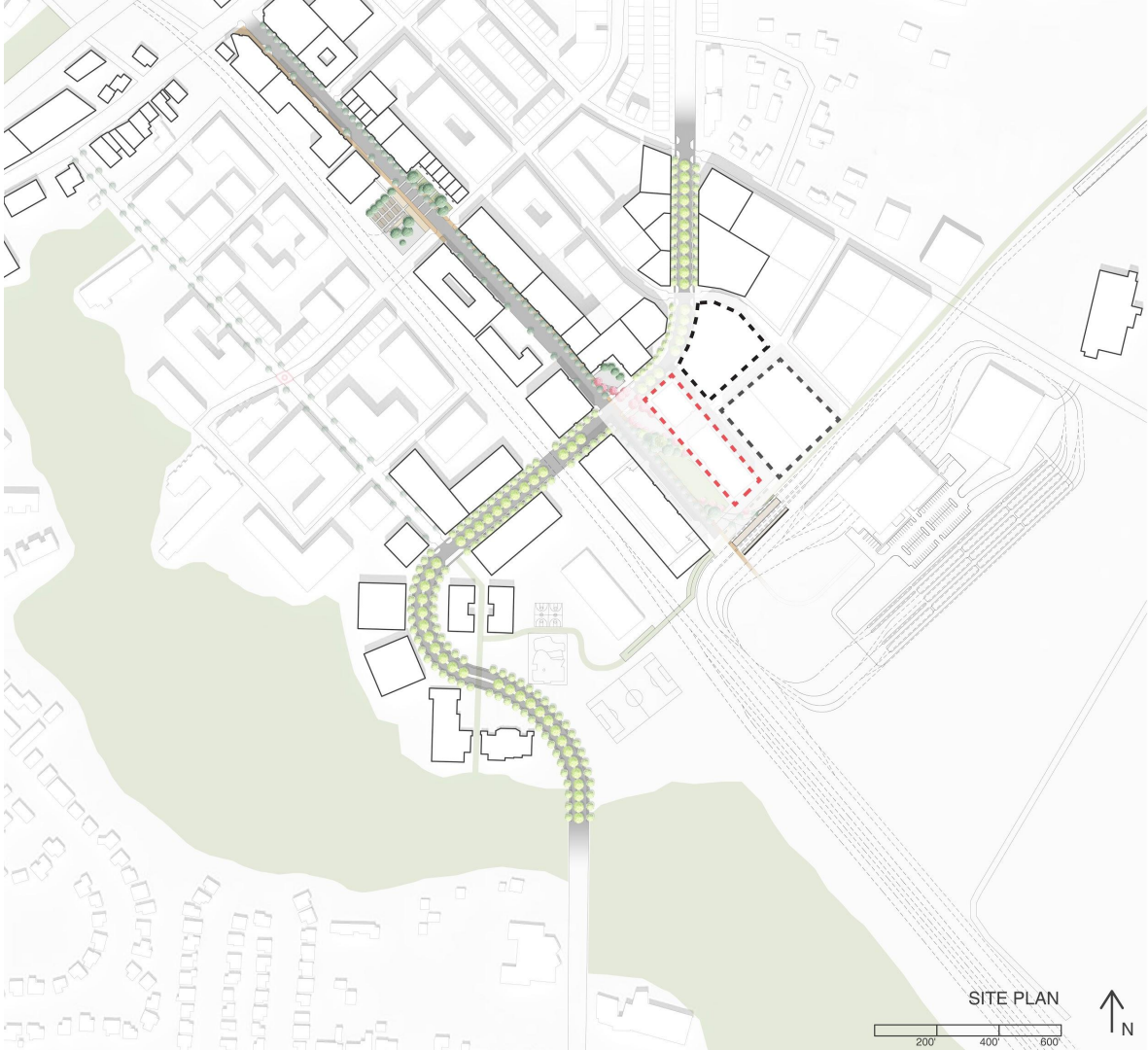
Infrastructure

Trimet purchases and develops infrastructure for site, including roads.



Purchase

- P+R purchases 36,989 sf plot of land at $150 / sf ($1.84 m)
- Begin Assessment District to fund development and maintenance of streets and central park



Build Out - 1 year

The project is planned to be built in 1 phase, the subsequent time before sale is spent getting the property fully occupied.

Character

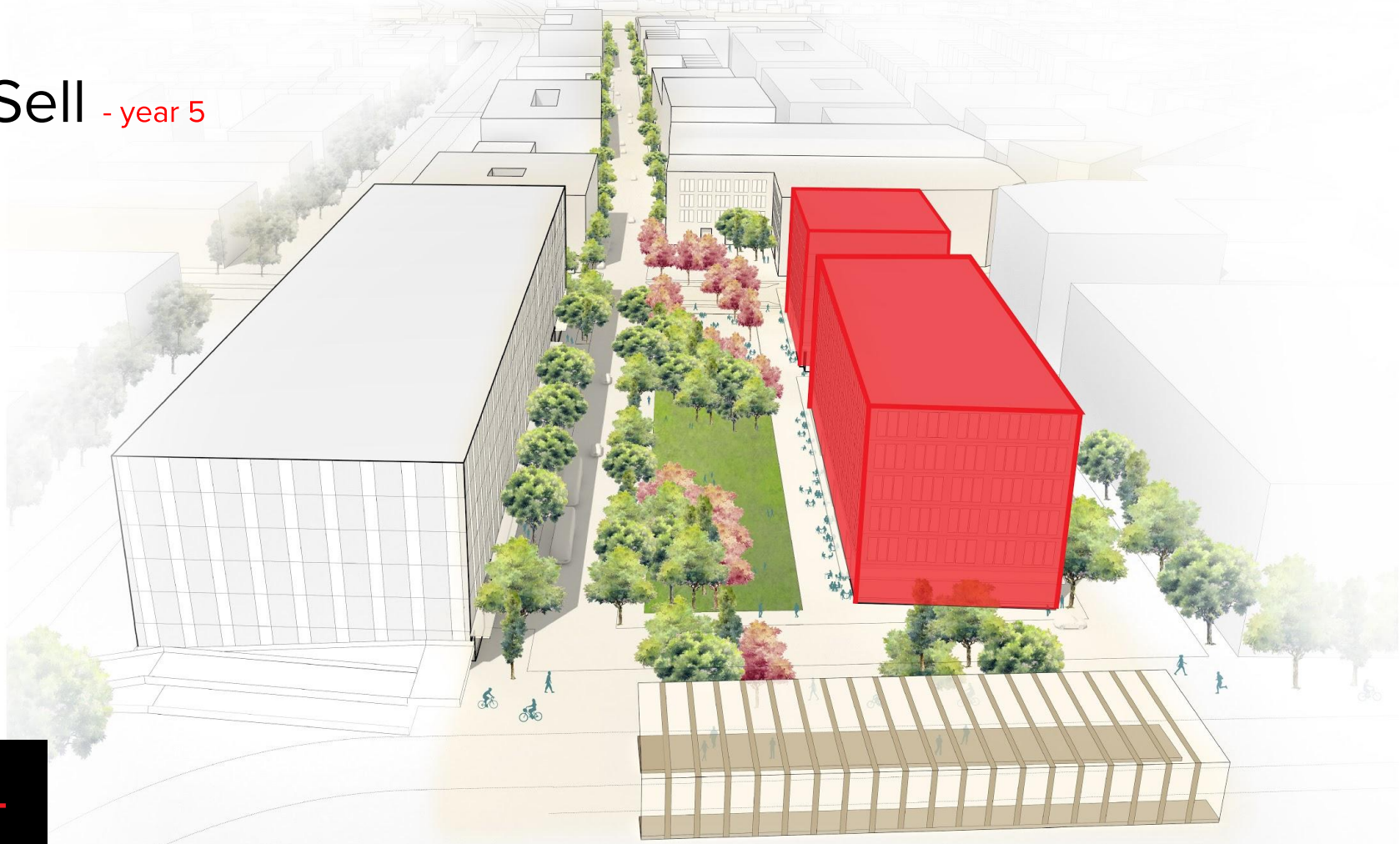
Modern Offices

Simple Residential

Transit-Oriented Retail

Family-Oriented Restaurant

Sell - year 5



Tigard Redevelopment Proposal

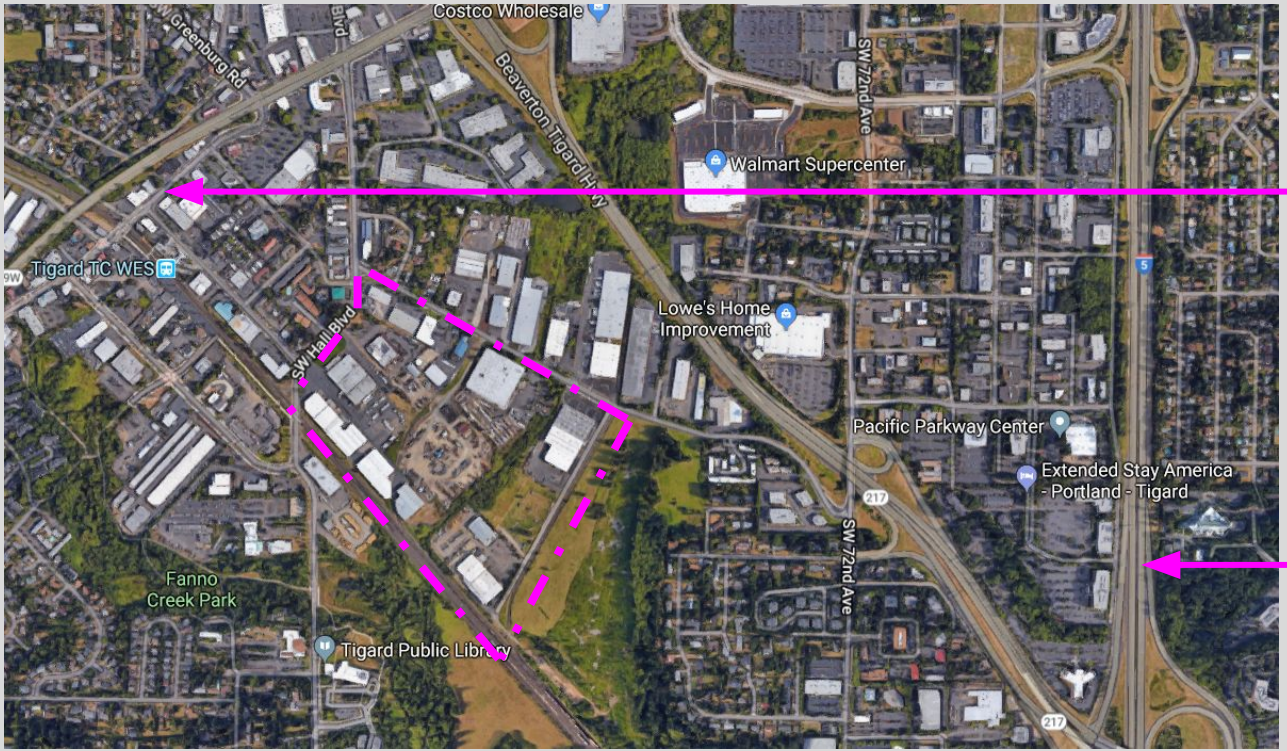
Mariana Rehacek • Clarke Templeton

TIGARD REDEVELOPMENT PROPOSAL

Overview

As commercial real estate professionals, we are identifying pockets of development opportunity outside major cities. Thanks to a renewed interest in urban living, we are proposing a mixed-use commercial/ residential project into Tigard into an area where TriMet is expanding its services.

POSSIBLE SITE



CHOSEN SITE

SITE DETAILS

- LAND COST: 6,000,000
- SITE SIZE: 5 ACRES

-PROXIMITY TO DOG PARK

PROPOSED PROGRAM

PROGRAM DETAILS

- 30,000 sf commercial retail space
    - 20,000 sf Trader Joe's
    - 10,000 sf other retail (coffee, retail shops etc.)

- 150 units multi-family residential
    - unit size ~650 sf

Parking
- Residential parking
- Commercial parking

Problems to solve

1. *Forecasting possible rents.* The residential and commercial rents in the area are currently not comfortably favorable for development. Creative solutions must be sought.

2. *Finding a niche market.* There are several surrounding grocery stores. However, bringing in a grocery store with a specific customer base will help activate the site.

3. *Parking.* Currently, parking in Tigard is abundant and typically free. It is also expected, and expensive to build without generating revenue.

4. *Turning a Profit.* After conducting a financial analysis, Tigard proves to be a difficult place to develop in this market. The program and a visionary approach will determine the success of the project.

Solutions

1. *Forecasting possible rents.* Maintaining market rates will bring tenants in. Residential at $1.69/sf and retail at $28.00/sf will be a starting point for the development. An anchor tenant will be key for success.

2. *Finding a niche market.* Walmart and Costco are near the site. A nich grocer would be Trader Joe's, Natural Grocers, Whole Foods, etc. The 20,000 sf building caters specifically to these grocer types.

3. *Parking.* Right now, parking would be free for residents and shoppers. There would be the potential to charge for parking down the road once there are more developments in the surrounding area.

4. *Turning a Profit.* The retail has an IRR of 24%, whilst the rental housing currently stands at 15%. We are optimistic that down the road, an increase in rent of $200 would be reasonable in turn producing an 18% IRR.

Mixed Use Development Feasibility

Ethan Zagorec-Marks • Emily Buckberg

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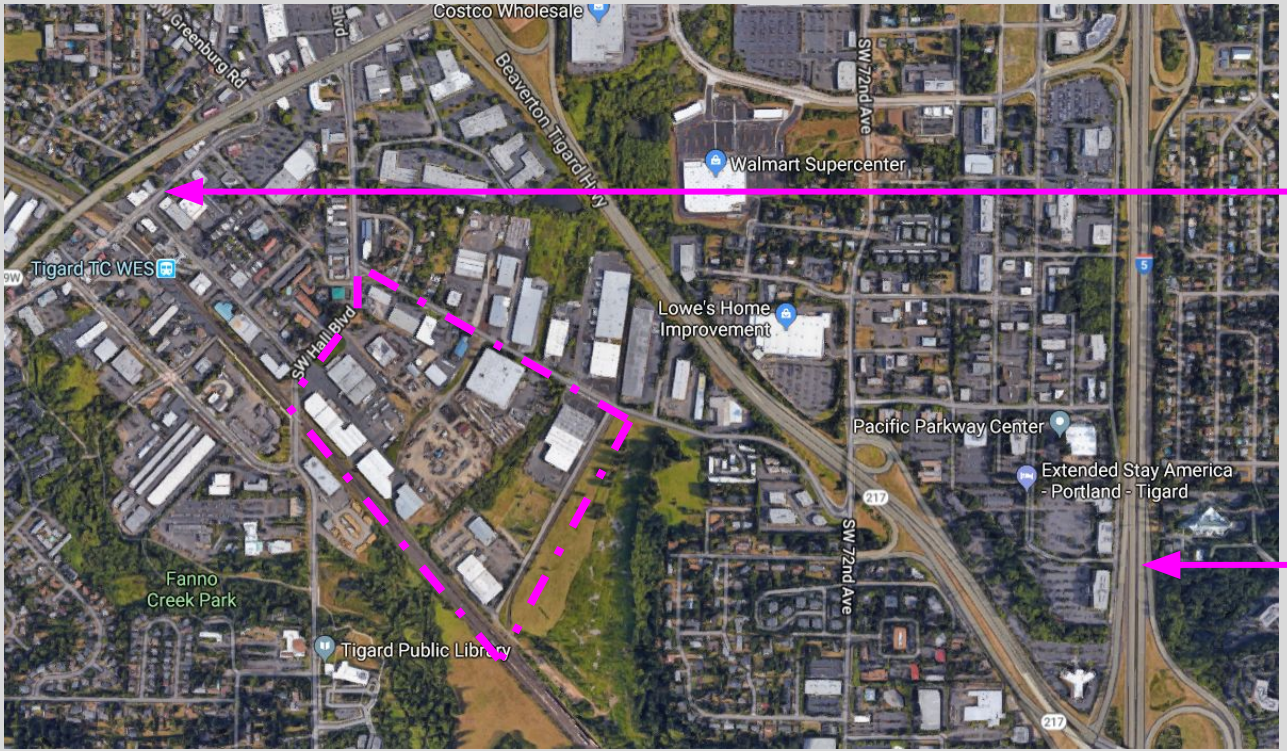

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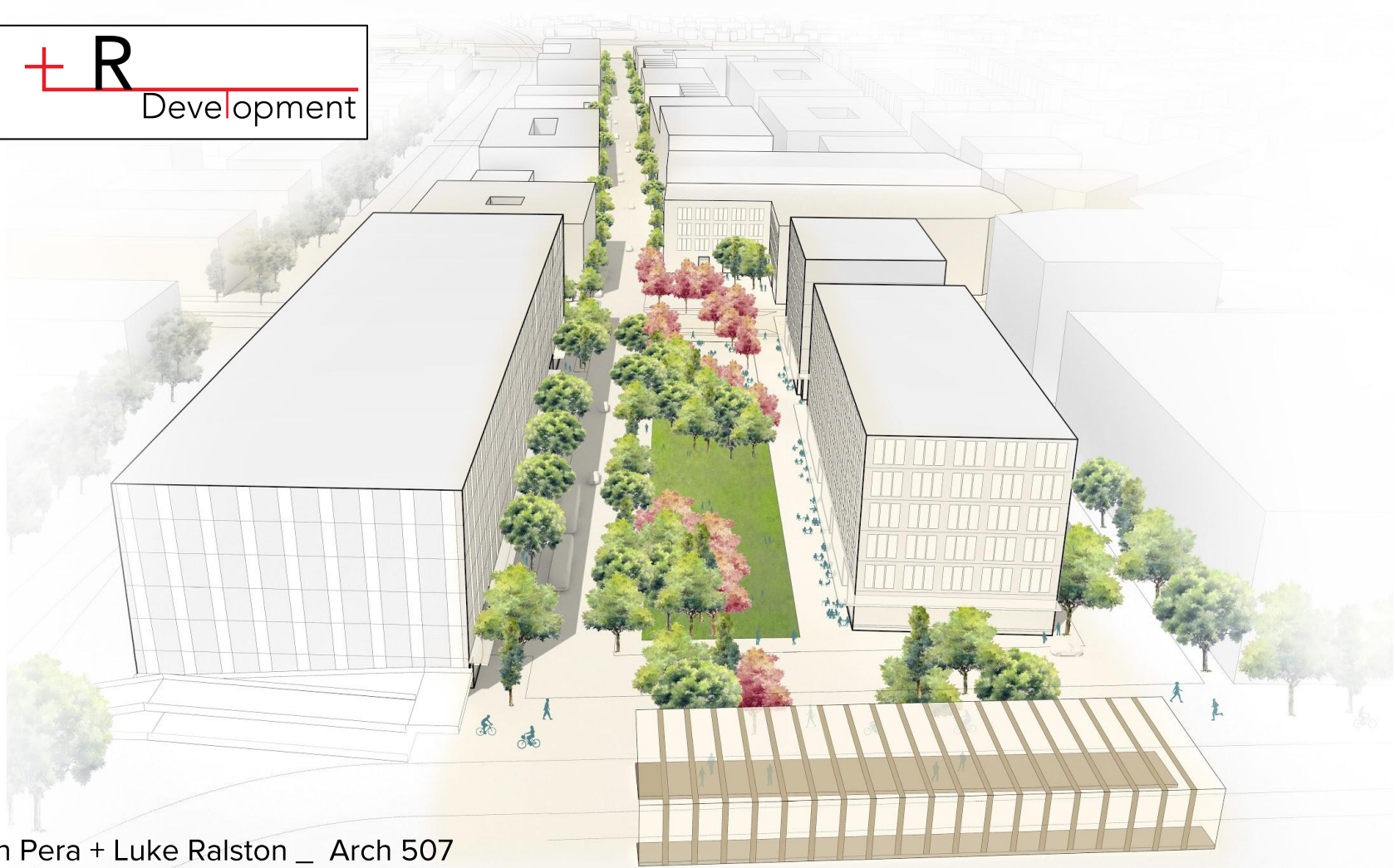
P + R
Development



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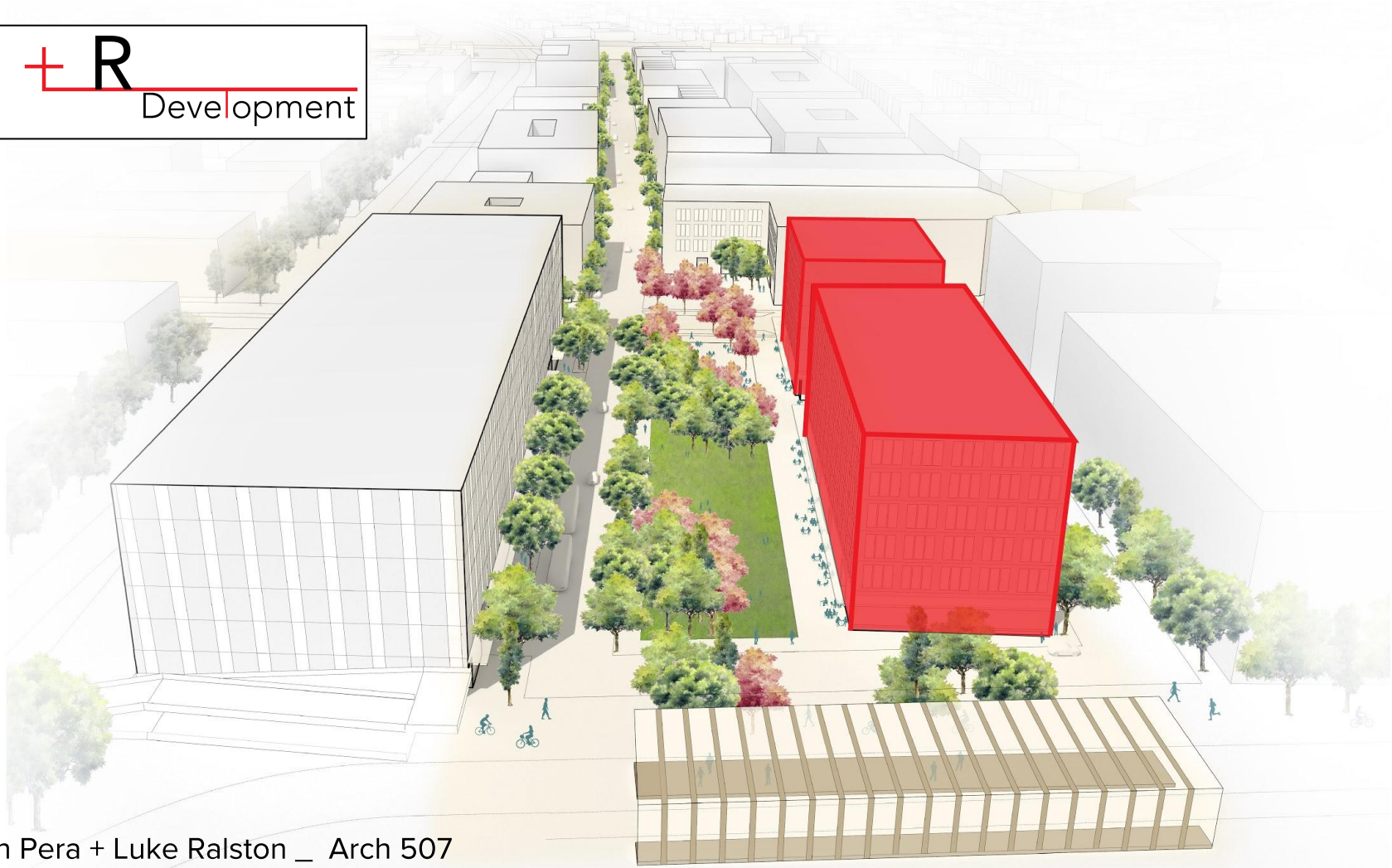
P + R
Development



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Conclusion

Students identified and examined potential development sites and options for a future transit center that will serve the Southwest Corridor light rail line. They provided valuable data and insight to TriMet and the city of Tigard as they consider what might be developed on these sites. From a vision for the area to the financial feasibility, students have given TriMet and the city of Tigard a head start for the future.