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Community Needs Assessment & Preliminary Market Hall Feasibility Study

Section 1
Executive Summary

Overview

The Market Hall study was commissioned by the Phoenix Urban Renewal Agency (PHURA) to begin the process of implementing the community's vision for a better, more prosperous Phoenix. The land described as the Market Hall site is owned by PHURA, and strategically positioned in the heart of the traditional city center of Phoenix. Leveraging funds for urban and economic renewal at this location is anticipated to result in benefits that achieve the community's goals and outweigh the risks.

See Section 2 for more information about the project participants.

Background

The Market Hall study follows and builds upon other community planning and visioning efforts conducted in 1995, 2002, 2005, and 2012. The goals summarized in this report were created throughout all these efforts and confirmed by the representatives of the community that serve on the Steering Committee.

Site Context

The specific area of the City Center being considered for improvements and development in this study is between Main Street and Bear Creek Drive, at the termination of 2nd Street2nd Street. This area is known as the Market Hall site. The parcels that comprise this site are owned either by the City of Phoenix or PHURA, and the area is approximately 2 acres. An assumption of the study is that eventually 2nd Street2nd Street will extend through the site to Bear Creek Drive, and that an internal street running north-south will bisect the site between 1st and 3rd Streets.

This study investigated potential development options in the area around the Market Hall site, including the area defined by Main Street to the west, 3rd Street extension to the north, Bear Creek Drive to the east, and 1st Street to the south.

Refer to Section 3 for more information.

This study investigated potential development options in the area around the Market Hall site, including the area defined by Main Street to the west, 3rd Street extension to the north, Bear Creek Road to the east, and 1st Avenue to the south.

Demographics and Market Conditions

The assessment of demographics and market conditions found that the center of Phoenix, on the couplet, has key advantages that make retail in the area a viable market. It is highly visible to the automobile traffic that travels through the area on a daily basis. The area could attract those drivers into retail facilities offering fresh goods on their way to and from work. The assessment also found that the community has a high portion of elderly residents. Creating a walkable community with key services and recreational activities will enhance that population's ability to live independently and age in place. Key opportunities include fresh food, personal services, and a recreational facility. Enhancing the streetscape for pedestrians will also support this effort to provide services to pedestrians.

Steering Committee Goals

The Steering Committee identified the following goals for the project.

1. Create a Community Gathering Place
2. Create a Catalyst for Business and Development
3. Provide Revenue Generating Opportunities
4. Enhance Historic Phoenix
5. Create a Safer Downtown
6. Enhance and Integrate the Bear Creek Natural Area and plan for a future park
7. Provide Activities for Various Groups
8. Provide Learning, Life Skills, and Mentoring Opportunities

Community Feedback

The study included three primary public events; an introductory conversation with invited community representatives on 06.13.2013, a public meeting on 07.17.2013 to review goals and potential uses, and an open house on 01.24.2014 to review site master plan concepts. The responses from these events are described in the appendix of this report and are

Curved scheme master plan.

characterized by the goals listed above. The overall message from the meetings is that; Phoenix can be a great place to live, something needs to happen to jump start improvements, and the public sector should lead the initial development efforts.

Potential Uses

Through the public meetings and numerous discussions with the Steering Committee a civic development began to materialize that included a multi-use building with spaces for community activities and commercial opportunities, and site development that incorporate designed exterior spaces and enhanced natural areas.

See Section 7 - Potential Uses for a summary of the potential spaces and functions identified for the Market Hall site.

Comparables

We conducted research on five similar projects in communities that have similarities to Phoenix. The research showed that most community facilities are not net revenue generators. The local government usually subsidized construction and operations. While these facilities can attract further development and business activity to the surrounding area, they should not be conceived of as an instrument to generate extra revenue for the City. Many of these facilities have benefited from unique organizational or funding arrangements, and have identified partnerships that help to reduce costs and operational challenges. The research found that it is difficult to make generalizations about operating costs. The largest operating expense is staff, so the programming at a facility is a key determinant of operating costs.

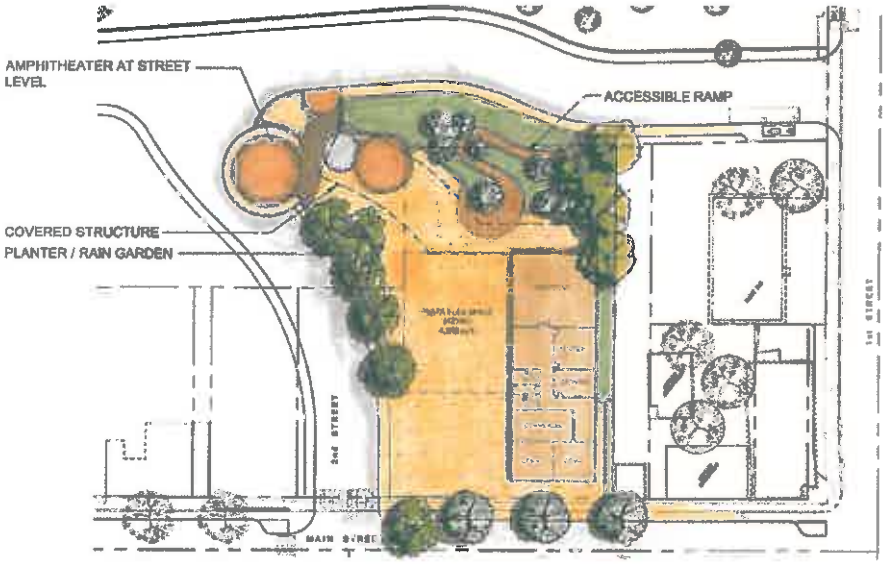
Site Master Plan Concepts

As the design options for the Market Hall site emerged, the Steering Committee recognized that the broader site created with the introduction of new streets within the couplet space needed to be better understood. Site master plan concepts were developed that incorporated options for the location and configuration of the streets, and investigated how private-sector instigated commercial and housing opportunities north of the Market Hall site could support the goals for downtown.

Private sector development is a desired outcome of the Market Hall site development. Well designed, properly scaled multi-story, multi-family housing can attract more people to Phoenix and provide more and better housing options. More people living in downtown will result in more customers desiring goods and services. The result of greater demand for goods and services can result in new and improved private property in the downtown core.

Civic Site and Building Design

Based on the development of the Site Master Plans concepts, the Steering Committee evaluated three options for the civic building and plaza, and identified the priorities for the Market Hall Site design. See summary in Section 9:



Preferred site option.

- Two story, multi-use building with office space on the second floor.
- Locate a primary element of the civic plaza at the intersection of Main and 2nd.
- Locate the commercial/retail space on the ground floor along Main Street.
- Create a large, flexible, regular-shaped plaza at the general grade of Main Street.
- Locate the interior Gathering Space directly adjacent to the civic plaza.
- Provide an abundant amount of covered outdoor space, either adjacent to the building, or free standing.
- Transition the civic plaza to the east in series of smaller-scaled spaces that flow downhill and integrate to the Natural Area.
- Locate a special exterior public space along 2nd Street, near the intersection with the Internal Road.
- Allow for the Internal Road, 3rd Street, and 1st Street to remain open to traffic when a large, community event is held at the civic plaza and needs to expand into 2nd street.

In additions to the improvements at the Market Hall site, the study evaluated the development of public streets west of Bear Creek Drive to continue the grid pattern of the roads in downtown and provide more connections, and how the improve the former Bear Creek riverbed (generally referred to as the "Natural Area" in this document).

Construction and Development Costs

The construction for the civic plaza and building is estimated to cost $4.3 million. The other project costs associated with development brings this amount to $5.9 mil. The total construction costs for all elements identified is $6.9 million, and the other project costs for all work is $9.5 million.

The cost estimates are based on the construction of the various improvements occurring between 2016 and 2022, and the amount of inflation of construction costs estimated in the total of $6.9 million is approximately $720,000. The increased future cost of construction, in addition to the delayed generation of revenue creates an incentive to proceed with the improvements sooner than later.

Urban Renewal Borrowing Capacity

PHURA, like other urban renewal agencies in Oregon, is restricted in how much, and when, it can borrow. Although an agency can have multiple borrowings going on at one time, the amount of each borrowing and the timing of each borrowing is directly tied to the tax revenue the agency is currently receiving and how much it expects to receive over the life of the agency. The total annual principal payments, interest payments and debt reserve amounts cannot exceed

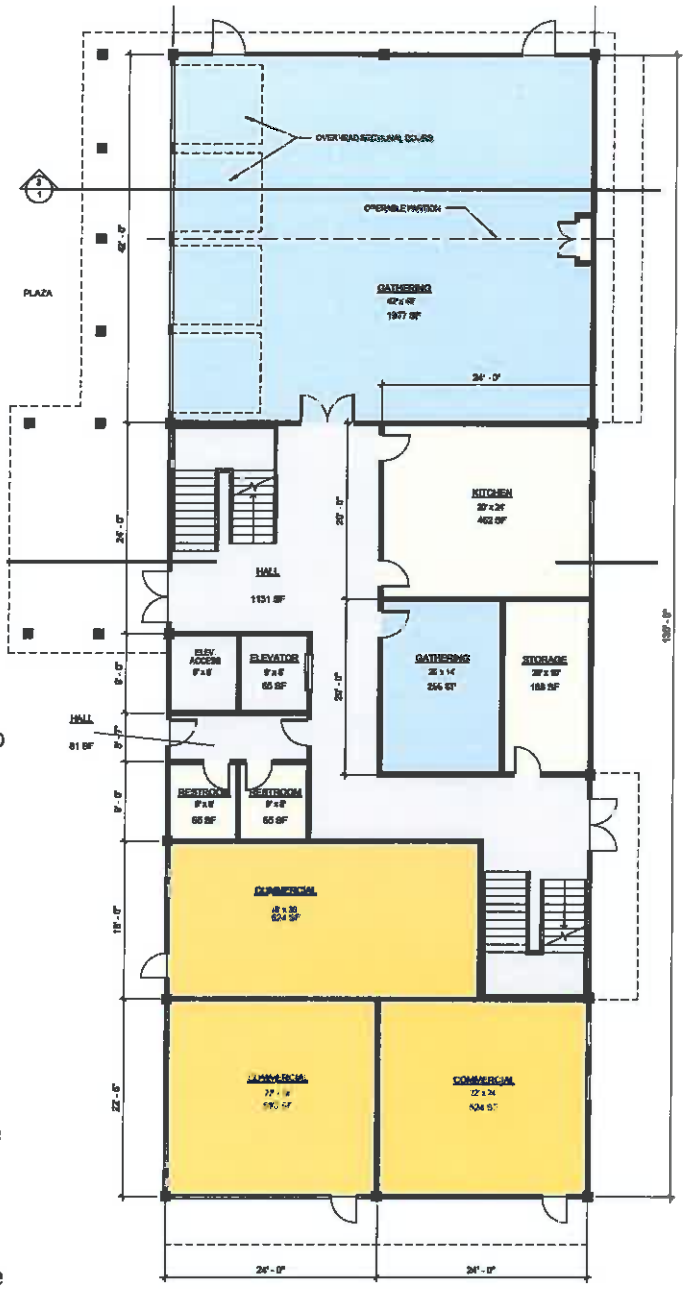
the tax revenue the agency expects to receive. In turn, these tax revenue amounts are directly tied to the increase in Assessed Value that occurs each year within the urban renewal agency's boundary, which means revenue increases in proportion to any new private development within the boundary.

Urban renewal borrowing is similar to private lending, in that it ties principal, interest and maturity date to the borrower's financial capacity and ability to repay. This is where the similarity ends, however.

There are three distinct features to urban renewal borrowing:

1. Urban renewal agencies must structure debt to be paid off by the year the agency is scheduled to terminate. In PHURA's case, that year is 2032 just 18 years from now.
2. Urban renewal lenders require the agency to keep in reserve the equivalent of approximately one year's principal payment. This reserve ties up a significant portion of each year's tax revenue.
3. Lenders require collateral, and for urban renewal agencies tax revenue is the collateral (usually not real estate or other property assets, particularly in the case of small agencies).

At present, PHURA's tax projections have been updated and financial advisors have been asked to guesstimate the size and frequency of PHURA's future borrowings. When those borrowings are determined, figures will be inserted in PHURA's cash flow projections and then correlated with the Market Hall project's cost analysis spreadsheets to determine more precisely which phases of the project can be built by PHURA, and when.



Costs Analysis

We conducted an analysis of costs required to operate the building and revenue generated from renting out the facility over a 30-year period. This cash-flow analysis took into account detailed estimates of projected costs, such as utilities and janitorial services. For revenues, we estimated low, medium, and high projections based on potential rents from the gathering spaces, the plaza, and the retail and office space. The cash-flow analysis assumes the URA covers the cost of financing construction and the City operates the building. Based on the initial assumptions used to estimate costs and revenue, the model found that the costs exceeded the revenues. However, by reducing the staff time required to operate the facility, the model found that revenues exceeded costs by the third year of operation in the medium and high revenue scenarios.

Addressing the Goals

Goal 1: *Create a Community Gathering Place*
Response: The Civic Plaza is strategically positioned at the intersection of Main Street and 2nd Street to create an identifiable and dynamic civic center.

Goal 2: *Create a Catalyst for Business and Development*
Response: The building and plaza provide places for commercial activity and create an appealing place for potential customers to gravitate to, and the proposed street improvements provide more opportunities for private development of commercial and housing.

Goal 3: *Provide Revenue Generating Opportunities*
Response: The building design includes space for retail and commercial activities along Main Street, opportunities for a variety of activities in the Gathering Space and Plaza such as a vendors market, classes, community events, and private functions, and flexible office space available on the second floor.

Goal 4: *Enhance Historic Phoenix*
Response: The position of the building along Main Street reinforces the historic pattern of one and two story buildings close to the street, and plaza location at the corner reinforces the important civic activities at the intersection of Main and 2nd.

Goal 5: *Create a Safer Downtown*
Response: The pedestrian improvements and traffic calming measures proposed in the Highway 99 Couplet study, extension of streets in the couplet, improved lighting, and more people in the City Center area will create a safer environment.

Goal 6: *Enhance and Integrate the Bear Creek Natural Area*
Response: The planned improvements to the Natural Area include removal of non-native species and unhealthy plant life. The street improvements will include widened sidewalks that overlook the Natural Area, providing an opportunity for people to get close to the sensitive area without creating damage, and the eastern edge of the plaza focuses on the Natural Area, creating a motivation to take care of the area for the long term.

Goal 7: *Provide Activities for Various Groups*
Response: The building and plaza design include a variety of spaces for a variety of uses. Planned activities in the Gathering Place include morning classes for seniors, afternoon activities for teens, and evening classes for adults. The spaces will become a destination for families, friends, and neighbors.

Goal 8: *Provide Learning, Life Skills, and Mentoring Opportunities*
Response: The diversity of spaces inside and outside include large and small spaces for a variety of uses. The kitchen adjacent to the Gathering Space is intended to be both a kitchen to support activities in the Gathering Space, and teaching kitchen for aspiring and experienced cooks.

Recommended Next Steps

Assuming the preferred building and site design option can be accomplished within the budget available to PHURA, the design solution addresses the goals set forth by the Steering Committee and the Cost Analysis demonstrates there are operational scenarios where revenue from tenants and other activities can exceed operational costs in 3 to 5 years. However, the relationship of operational costs and revenue is delicate balance, and there should be plans to closely manage operational costs in short and long term.

The Steering Committee recommends proceeding with the development in the following sequence:

1. Civic building and plaza by December 2016 as funding permits or in mini-phases.
2. 2nd St. extension from Main St. to the new Internal Rd.
3. 3rd Street extension and Internal Road to 1st St.
4. Improve and restore the Natural Area.
5. Plan for the future extension of 2nd Street from the Internal Rd. to Bear Creek Dr.

See Section 11 – Next Steps for more details.

Section 2.
Overview and Background

During this process, the citizens of Phoenix have identified a vision to create a better community to live, work, and play, and this planning endeavor is intended to further the development of the vision. The objective of the study is to identify improvements, enhancements, and/or new opportunities in the downtown area of Phoenix that would create a center for community activities and become a catalyst for further improvements.

The Phoenix Urban Renewal Agency (PHURA), under the guidance of their Board of Directors and Executive Director, Marla Cates is leading the task. PHURA has hired a design team lead by PIVOT Architecture to perform the study, and created a group of individuals known as the Steering Committee to provide feedback and guidance to the Design Team.

Steering Committee

Dave VandeVelde	Citizen at large
Glenn Hill	Citizen at large
Annegret Topel	PHURA Board Member
Al Muelhoefer	PHURA Board Member
Jeff Bellah	Mayor
Steve Dahl	City Manager
Steffen Roenfeldt	Assistant City Planner
Jeff Ballard	City Engineer
Marla Cates	PHURA Executive Director

Previous Steering Committee Members:

Lester Naught	PHURA Board Chair
Peggy VandeVelde	Citizen at large
Eli Naffah	Interim City Manager
Dale Schulze	City Planner

The following sections identify the previous planning efforts undertaken, the demographic, economic, and physical context of Phoenix, the goals for the project, and potential project concepts.

Previous Community Planning Activities

The City of Phoenix developed the initial City Center Plan (Comp Plan) in 1997, and revised the document again in 2002. The purpose of the initial planning efforts was to engage the citizens in an effort to create a sense of community by strengthening the center of town. One of the stated goals of the planning efforts was described as "The challenge is to make the Center an active and vital place that reflects the concerns and ideas of Phoenix."

The main ideas of the City Center Plan are:

- The character of Phoenix should remain like a farm community - with new buildings supporting this image.
- New commercial buildings with mixed uses including offices and housing that support strong public activity in the Center should be encouraged. Other types of uses desired are a Health Center, Craft Center and light industry.
- Phoenix's position between Ashland and Medford provides an opportunity that should be addressed by City Center improvements to the public and private realms. Tree plantings, widened sidewalks, and better parking could be undertaken by the City. While individuals could maintain their own buildings to a higher standard and bring in new business.
- The Bear Creek Greenway (shown at right) should have a strong connection to the Center of Phoenix.
- The Bear Creek Wetlands should be incorporated into the new City Center Plan.
- Traffic on Main Street should be slowed down and additional parallel parking returned to the street by reducing curb cuts.
- Develop new places for off-street parking in the Center.
- Develop places for markets that will bring people into Phoenix to serve residents and visitors. Types of markets could include fruits and vegetables, crafts, art, antiques, fairs and flea markets.
- Develop places for public buildings near the Center to support the public places and commercial activities. Required are meeting facilities, day care, social services Center and a senior Center.

Design Team

PIVOT Architecture
(Architecture)
- Curt Wilson
- Kari Turner
- Kelsey Buzzell

Galbraith & Assoc
(Landscape Architecture)
- John Galbraith
- Jim Love

ZCS Engineering
(Civil Engineering)
- Justin Gerlitz

EcoNorthwest/
Blue Mountain Economics
(Economic Analysis)
- Anne Fifield

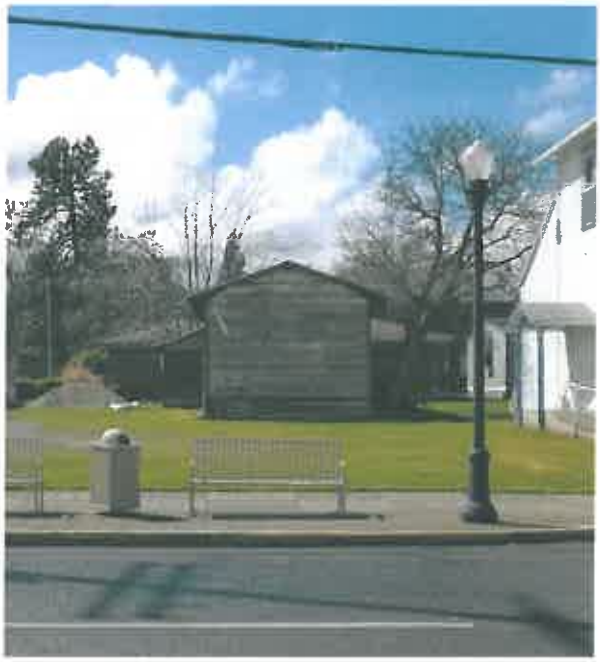
Construction Focus
(Construction Cost Estimating)
- Steve Gunn

- Encourage businesses that support local needs.
- Enhance the level of upkeep and aesthetic appeal of the City Center area using public and private investment in landscaping, sidewalk, lighting and open spaces.
- Encouraging non-auto oriented businesses that focus on serving the local community rather than catering to the tourists.
- Moving the market plaza location from 2nd Street to an area along the wetland park and the transit area along 1st Street.
- De-emphasizing pedestrian access across Main Street at 2nd Street. Focusing pedestrian crossings at intersections with planned traffic signals rather than mid-block locations.
- Refocusing pedestrian amenities and open space features along 1st Street, particularly linkages to the wetland and open space areas.
- Include an at-grade crossing to the Bear Creek Greenway rather than a pedestrian underpass.
- Allow transit-oriented development to be integrated into the City Center in both vertical and horizontal patterns.

In 2005, the City of Phoenix created the Phoenix Urban Renewal Plan, extending from the work of the 1997 and 2002 planning efforts. The Urban Renewal Plan, and the creation of the Phoenix Urban Renewal Agency (PHURA) was conceived as a vehicle to implement the community goals identified.

The Urban Renewal Advisory Committee developed the following list of goals for the urban renewal plan:

1. Encourage private development
2. Maintain, remodel, and construct public parks and open spaces
3. Make transportation improvements
4. Improve and repair utilities
5. Implement the City Center plan
6. Support redevelopment of Bicentennial Park
7. Rehabilitate existing buildings
8. Make a gateway to the City
9. Implement streetscape plan
10. Assist public facilities including City Hall and City Center



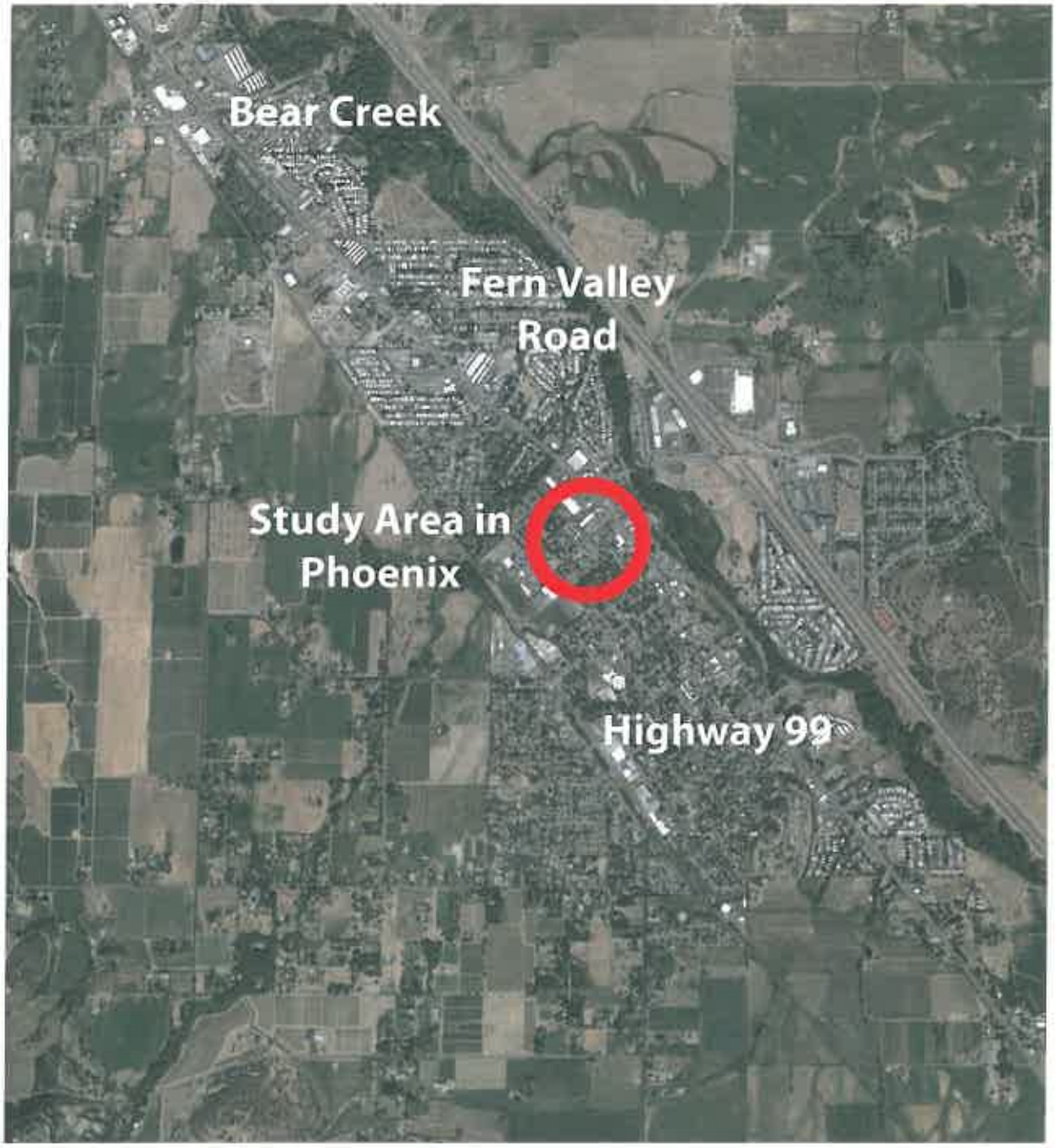
Current

The couplet of Highway 99 that creates the City Center area of Phoenix (Main Street to the west with traffic heading south and Bear Creek Drive to the east with traffic heading north) is the subject of a traffic study. The purpose of the study is to identify the community's preference for the ODOT-controlled highway, and implement the improvements. Improvement opportunities include reducing traffic speeds, changing the number of lanes and/or the direction of travel, incorporating bike lanes, providing enhanced pedestrian crossings, and expanding and articulating the sidewalks.

The preferred traffic flow option was identified in the Fall of 2013. Modest improvements at the south end of the couplet including a signalized pedestrian crossing will be implemented in the Summer of 2015. The remaining improvements are scheduled for implementation after 2015.

ODOT is currently engineering an improved overpass for Fern Valley Road at I-5. The work will include improvements to Fern Valley from I-5 to Highway 99, and will include modifications to the intersection at Bolz. This work is scheduled for 2014 and beyond.

Section 3.
Site Context



Phoenix is located in the Rogue Valley along Highway 99, between Medford to the north and Talent and Ashland to the south. The population of the community is approximately 4,500 people (see the Demographic Analysis for more information on the population and economic context). Phoenix is west of I-5, and the access from I-5 is along Fern Valley Road at Exit 24.

Phoenix is developed along Highway 99, which is divided as a couplet

in the city center area. The primary commercial activities, including retail and other services occur along Highway 99 (there is also commercial development along Fern Valley Road). Public services and amenities, including public schools, parks, churches, and the post office are primarily west of Highway 99.

The residential neighborhoods of Phoenix occur on both sides of Highway 99, however the area immediately west of the downtown area is generally consider the historic residential area.

Bear Creek runs through Phoenix, east of Highway 99. The Bear Creek Greenway is a narrow corridor of public-owned land that follows the lush Bear Creek streambed from Ashland to Central Point. The Greenway is spread out over 600 acres of pristine southern Oregon landscape and will one day include a continuous 21-mile path from Oak Street in Ashland to the Seven Oaks Interchange in Central Point.

PHURA MARKET HALL STUDY | SITE CONTEXT

The Phoenix City Center is generally considered to be the area defined by the Highway 99 couplet of Main Street and Bear Creek Drive, extending from 6th Street to the north and Oak Street from the south.

The specific area of the City Center being considered for improvements and development in this study is between Main Street and Bear Creek Drive, at the termination of 2nd Street. This area is known as the Market Hall site. The parcels that comprise this site are owned either by the City of Phoenix or PHURA, and the area is approximately 2 acres. An assumption of the study is that 2nd Street will extend through the site to Bear Creek Drive, and that an internal street running north-south will bisect the site. An image of these roads are shown in the traffic study example in the Phoenix Planning Activities section.

Section 4.
Demographic Analysis and Market Assessment

We conducted an assessment of demographic and market conditions that affect demand for land use in central Phoenix. The report analyzed broad economic trends, demographics, and market conditions for residential and commercial space.

Economic and Demographic Trends

The assessment found that overall employment trends in Jackson County are not strong. Jackson County's experience with the recent economic downturn has mirrored the broader experience of the state, but unemployment rates in the county have remained consistently above the state's average.

Phoenix has been growing at about 1 percent per year over the last decade, which is on par with Jackson County and Oregon average. However, data since 2010 indicate that growth in Phoenix has slowed, and the rest of Jackson County is attracting more growth than Phoenix.

Phoenix has a high portion of residents over the age of 55, compared to Jackson County. In 2010, almost one-third of the city's residents were over the age of 55. The portion of residents over the age of 55 has grown since 2000 and is projected to continue to grow.

Phoenix is slightly more ethnically diverse that the rest of Jackson County and Oregon. Almost 16 percent of its population is Hispanic, compared to about 11 percent in Jackson County. A low portion of Phoenix residents speaks a language other than English at home, suggesting that many Latino families have been in the country for multiple generations and are not immigrants themselves.

Median household income in Phoenix is $34,000, substantially less than Jackson County's $43,000. Per capita income in Phoenix is $22,000, only a little less than Jackson County's $24,000. Although average incomes are relatively low, households are relatively small, increasing individuals' disposable income.

Residential Market

Nearly half of Phoenix's housing units are single-detached dwellings. Another 25 percent are mobile homes. The remainder is a mix of townhomes, duplexes, and larger multi-family units. The ratio of homeowners to renters in Phoenix mirrors national trends. Almost two-thirds of households own their homes and one-third rent.

We identified four rental complexes in Phoenix. All four are experiencing very low vacancy rates, with an average vacancy rate of 1 percent. Rents are low, averaging $0.85 per SF.

Since 2006, demand for newly constructed housing in Phoenix has dropped to about five units per year. Before 2006, demand ranged between 20 and 35 units per year.

Based on recent growth trends, Phoenix is expected to see an increase in households concentrated in lower-income households over the next five years. There will be demand for relatively low-cost housing in Phoenix, especially from elderly households. Given the limited supply of multi-family housing in Phoenix and its low vacancy rate, there is potential demand for housing that appeals to a retirement age population.

It is likely that there will also be an increase in demand for smaller, lower maintenance homes (such as townhomes, condominiums, and other multi-family residential units) over the next two decades. As aging individuals lose the ability to drive, walkable communities with a mix of nearby services and amenities will become more important to them. Furthermore, this kind of development is also attractive to younger demographic (25-44 year olds).

Commercial Market

There is little office space in Phoenix. The community is perceived as a bedroom community, minimizing demand for office space.

There are opportunities to expand the retail market. Central Phoenix has good visibility for automobiles. About 5,000 cars pass through the area on a daily basis and an additional 1,000 enter and exit downtown Phoenix at 1st and 4th Streets.

The primary opportunity for retail is in categories that can compete

against low-cost internet sales. This includes goods and services that require a physical presence, such as personal services (e.g., hair salons and dentists), fresh food, and human interaction (such as recreational facilities).

Overall Findings

The center of Phoenix, on the couplet, has key advantages that make retail in the area a viable market. It is highly visible to automobile traffic, and about 6,000 cars travel through the area on a daily basis. The area could attract those drivers into retail facilities. The most likely type of retail activity to attract those drivers includes fresh goods, such as coffee and hot food. Many of the automobiles are commuters, and the area could offer them a convenient dinner option.

Phoenix has a high proportion of elderly residents. This population will continue to age and will become less mobile. As elderly individuals lose the ability to drive, a walkable community will become more important to them. If they are able to walk to grocery stores and recreational activities, they will be able to stay in their current homes. Central Phoenix can offer a walkable destination for that population. Key opportunities include: food, personal services, and a recreational facility. Enhancing the streetscape for pedestrians will also support this effort to provide services to pedestrians.

Section 5.
Steering Committee Goals and Recommendations

The following goals for improvements envisioned in the Market Hall Study and potential activities provided by the Market Hall project have been distilled through the initial meetings with the Steering Committee and the stakeholders and presented for discussion with the community.

Goals

- Create a Community Gathering Place
- Create a Catalyst for Business and Development
- Provide Revenue Generating Opportunities
- Enhance Historic Phoenix
- Create a Safer Downtown
- Enhance and Integrate the Bear Creek Natural Area
- Provide Activities for Various Groups
- Provide Learning, Life Skills, and Mentoring Opportunities
- Activities (Potential Use of the Building and Site Improvements)
- Community Center – Multi-Purpose Spaces
- Community Center – Meeting Rooms
- Community Center – Classrooms
- Indoor-Outdoor Vendor Spaces
- Open Space Development
- Street and Infrastructure Improvements
- Parking
- Transit Facility

Community Meeting #1 Participant Comments
(July 17, 2013 - 50 citizens plus design team, staff, elected and appointed officials)

- Flexible Space (Indoor and Outdoor, larger space that breaks into smaller, variety of groups)
- Revenue Generating (incorporating shops, farmers market, etc)
- Kids/Teen Focus Space
- Public Outdoor (performance, park, water feature/ art) and Indoor Community Spaces (kitchen, performance, gathering) – outdoor spaces were the most popular
- Natural Aesthetic Element/Path that connects – beautification of natural elements

Public meeting from July 17, 2013.

- Minimal/Light Transit Facilities if any – not near open green space if possible
- Ease of Parking and Safety for walking and biking

From the slides shown at the meeting (included in the Appendix of this document) there was a lot of repetition of the above (positive response to the incorporation of outdoor space or creating a space/ structure that could open up to the outdoors with sliding glass doors, positive reaction to revenue generating possibilities, need for flexible spaces, etc) though there was some concern in response to the photo of the large, gym-like open space (image 1); because the space seemed redundant to others in the community (church gathering spaces, school gyms) and there was concern how revenue would be generated/how much it would cost to run. The smaller gathering spaces, outdoor covered space and outdoor spaces received the most positive feedback.

Section 6. Case Studies

Bellingham, Washington.

We conducted research to find projects in other communities that are similar to the Market Hall concept in Phoenix. We identified examples that reflect a variety of community demographics, funding and development mechanisms, and facility amenities that are similar to the proposed concept for the Market Hall. We found five facilities that are used as case studies.

- Bellingham, Washington is a large metropolitan area in northern Washington, located near the Canadian border. With a population of 82,234 people, it is the twelfth-largest city in the state. Per capita income was $25,850 in 2011. While the city itself has little in common with Phoenix demographically and economically, it does provide an informative example and model for a successful farmer's market.
- Cortez, Colorado is a community of 8,474 people located in southeastern Colorado. It is a county seat, and serves as a local commercial center. Per capita income was $22,358 in 2011.The city's economy is based heavily on tourism to nearby attractions such as Mesa Verde National Park, Monument Valley, and various public lands. Latino and tribal members (due to its close proximity to the Ute Mountain Ute Tribe and Navajo Indian Reservations) comprise

Fruita, Colorado. Photo by Coester Architectural Photography.

a relatively large portion of the population. In terms of its population and economy, the town is a reasonable comparison to Phoenix.

- Fort Lupton, Colorado is a small commuter town of 7,592 people located in northwestern Colorado. Per capita income was $18,301 in 2011. It is 30-minute drive from Denver, a major economic center, and several towns of similar size also exist nearby. It has a large Latino population (approximately 50%). The recent boom in oil production in the western half of the state has provided a boost for the local economy. In terms of its population, economy, and relationship with neighboring municipalities, the town is reasonably similar to Phoenix.
- Snoqualmie, Washington is a suburb/commuter town of 11,594 people located in the eastern Washington. Per capita income was $44,946 in 2011.The city's economy was formerly based on logging, but has now begun to develop a significant local tourism industry, primarily due to its proximity to nearby waterfalls and mountains. The city is only a 30-minute drive from Seattle, and its economy is closely integrated with the larger urban region. Strong growth in recent decades has resulted in large, master-planned housing developments and a sizable business park. This example was chosen because it is a relatively small community, and it provides a useful model for a community center.
- Fruita, Colorado is a commuter town of 12,696 people in western Colorado. Per capita income was $25,368 in 2011. The town's economy is primarily agricultural, but it is also becoming well known for its outdoor sports such as mountain biking, hiking, and rafting, its proximity to the Colorado National Monument, and Fruita's annual

festivals. Its larger neighbor, Grand Junction, is only a 20-minute drive away. In terms of its population, economy, and relationship with neighboring municipalities, the town is similar to Phoenix.

The research led to these key findings.

- Most community facilities are not net revenue generators. The local government usually subsidizes construction and operations. While these facilities may attract people to certain areas of the city (frequently surpassing initial attendance estimates), and can attract further development and business activity to the surrounding area, they should not be conceived of as an instrument to generate extra revenue for the city.
- Most community facilities are owned and operated by City governments. The number of staff required to run a large facility can double the number of existing city staff, for smaller towns.
- Building a community facility of any sort is a long-term commitment, and it is typical for a project to spend over ten years in the planning and design phase. While this is invariably a longer period of time than the project's backers initially expect, the discussion, preparation, and fundraising that occur during this time are essential to the eventual success of the facility. The majority of the facilities examined here went so far as to have detailed feasibility studies completed.
- Community facilities, even large ones, do not require a large tax base, large population, or high per capita incomes. Smaller communities effectively pursue, fund, and run these facilities. These communities often secure dedicated funding through voter-approved taxes and bonds.
- Community facilities typically do not draw a large number of outside visitors or tourists. Most of these community facilities were ultimately built for the community itself, to provide a safe place for exercise and recreation, an outlet for large events, and/or a non-commercial, community gathering point. They may draw attendance from neighboring towns, particularly if these communities are close and lack comparable facilities.
- Many of these facilities have benefited from unique organizational or funding arrangements, and have identified partnerships that help to reduce costs and operational challenges. For example, the Fruita Community Center is partnered with the local library branch, and the Snoqualmie Community Center and YMCA is run by a non-profit entity while remaining in City ownership. Similarly, many have found considerable financial and political support in senior groups, and make creative use of grant funding opportunities.
- The largest operating cost category is staff. Programming at a facility is a key determinant of operating costs, making it difficult to make generalizations about operating costs.

Section 7.
Potential Uses

Covington, VA Market.

The area of focus for this study is the land between Main Street and Bear Creek Drive at the intersection where 2nd Street terminates at Main Street. PHURA owns the land along Main Street on both sides of a potential 2nd Street extension, and the City of Phoenix owns the land to the east, next to Bear Creek Drive. The land currently in ownership by PHURA and the City of Phoenix is the subject area for this study.

The potential improvements described below are all based on the scenarios depicted in the current traffic improvement study, as follows:

- Main Street will be modified to reduce speeds, provide more frequent and safer crossings, and improve the sidewalks on both sides. The direction of travel, number of lanes, and extent of bike lanes is to be determined.
- Second Street will extend east of Main Street, however the length of the extension (either to the future Internal Street or to Bear Creek Drive) is yet to be determined.
- A new Internal Street, running in the north-south direction will be created between Main Street and Bear Creek Drive.

The assumption is the initial development instigated by PHURA and the City of Phoenix are focused on creating spaces and facilities that

will attract people downtown, and this will become a catalyst for other development, particularly private-sector development that includes retail opportunities.

The development in the City Center of Phoenix could be implemented in a series of elements to create the community's vision for a better downtown. The description below is organized in a sequence that could mimic the incremental implementation of the project.


Bellingham Market

1. The Commons.* A park-like setting, primarily of open space that can be used in a variety of ways, from the unplanned, such as a community park, to the planned, such as an annual community festival. The space should provide a transition from the buildings along Main Street to the natural area adjacent to Bear Creek Drive.

   The space should be about the size of a football field (approximately 1.2 acres) or larger.

   The former Bear Creek riverbed, also known as the Natural Area has been identified as a future park. The area south of the future 2nd Street extension has been identified in this study as an appropriate area to focus improvements on enhancing the natural environment due to the extreme depth of the existing grades. The area north of the future 2nd Street extension has been identified as a future park. In the cost estimates for this study, but areas are simply improved and enhanced natural areas.

2. The Plaza. An open space associated with, or near the Hall Building. The surface would be primarily hardscape (concrete, pavers, etc) with planters and low walls to define sub-spaces, create seating areas, and soften the space with green, leaves, and flowers. The space should have a prominent covered area, either free-standing or attached to the building, that is the central focus of the Plaza. This space would be the primary location of the farmers market and other vendor activities during the spring, summer, and fall.

   The space should be about the size of the Multi-Purpose Room (see below) or larger.

3. The Hall. The primary multi-use building that includes spaces of various sizes for activities, events, classes, meetings, etc, and could support an indoor vendor market. It could include a kitchen, lobby, restrooms, storage, etc. The building is similar in nature to a community center and designed to interact with the Plaza and Commons. The space in the preferred scheme is referred to as the Gathering Space.

Yountville, CA Community Center.

4. Commercial Frontage. A potential revenue opportunity to support the operation of the building, and a catalyst for increased activity downtown is commercial space in the building that is positioned along Main Street and conveniently located along the civic plaza.

5. Office Wing. A secondary use of the building is to provide leasable office space to small groups and individuals. The office area could be based on an "executive office suite" with a series of smaller private offices gathered around a common lobby, reception, and support space that all tenants share.

Potential Building Elements

Multipurpose Room

- Minimum anticipated size of 2,000 sf.
- Connected to the outdoors (i.e. Covered Activity Area or Public Plaza) with a series of large doors such as roll-up garage doors.
- Functions of the space are varied; large classroom, exercise studio, indoor play area, vendor area in cooler times of the year, special events, receptions, etc.

Medium group room*

- The space should be approximately the same size as an elementary school classroom; about 24 ft by 30 ft.
- The space can be used as a classroom, general activity area, or large meeting space.
- An option is to create multiple rooms of the same size that may have specialized functions with movable walls, such as an art studio, wood shop, etc.

Small meeting room

- The space should be large enough to accommodate 12 people at a table with seating along the room for an additional 6-10 people; about 14 ft by 22 ft.
- The space can be used as a conventional meeting room (table in the center), or the table can be removed from the space and used as a classroom setting.
- If there are multiple small meeting rooms, they should be located together and joined by an operable wall.

Lobby

- The purpose of the lobby is to provide a clear focal point as the entry

* Note, 07.18.2014: As the site master plan options were developed, it became apparent that there was not sufficient site area to accommodate this function. The element was eliminated from consideration.

of the building, provide direction to the various rooms, and can be a common gathering point in the building.

- The space should be sufficiently sized for groups waiting to use the other spaces in the building.

Public Restrooms

- Provide common-use restrooms located near the lobby, and conveniently close to all the spaces.
- The restrooms should be provided near the Plaza for use when planned outdoor activities are ongoing, and with the ability to separate from the remainder of the building spaces.

Kitchen

- The kitchen is a dual purpose space; a commercial kitchen to support the activities of the various spaces and possible events, and a classroom.
- The space should have multiple stovetops, ovens, sinks, and food prep areas, and a common counter space for cooking instruction. If licensed, the kitchen could be leased to others as a community food prep area or for receptions.

Storage

- Two types of storage should be provided; building-wide storage for things such as tables and chairs, and unit-type storage available to groups interested in using the building on a regular basis.

Retail

- There should be sufficient space for a minimum of three separate retail tenants.

Pybus Market in Wenatchee, WA.

- Minimum size of a single retail space should be 400 sf.
- Retail space should support the development of new businesses, and allow existing businesses to grow and expand.
- Retail opportunities should focus on activities that are difficult to perform via the internet, such as selling fresh food and beverages, and merchandise that isn't conducive to internet retail. Suggestions include a small restaurant, coffee shop, and florist.

Office Suite

- The space should be physically separated from the other parts of the building.
- The offices should share the common reception area (and receptionist), lobby, and restrooms provided for the rest of the building.
- The offices should share common office support areas including; a room with copier, mail service, work area, and a common meeting room with space to accommodate up to eight people at a table.
- The offices should be enclosed spaces sufficient in size for a relatively large office for one person, or a shared office for two.
- Office space could function as commercial incubator space.

Other Spaces Considered

Napa and Wenatchee

One of the original ideas for the site development was the notion of a "Market Hall" facility that would provide indoor spaces for a farmer's market and other vendors. Two similar Market Hall facilities were

Oxbow Market in Napa, CA.

considered; the Pybus Market in Wenatchee, Washington and the Oxbow Market in Napa, California. These facilities include permanent vendors in a warehouse type structure. Vendors include restaurants, grocer, butcher, wine/cheese, ice cream/cupcakes, coffee, spices, tea, gift shops, etc.

The Pybus Market opened in May 2013 and is located in a historic steel warehouse in the heart of the Wenatchee Waterfront. The building features a mix of permanent vendors and available spaces for rent by non-permanent vendors. The facility also hosts evening meetings, public gatherings, and cooking classes. The development contains 25,000 sf in the main building plus a 7,000 sf adjacent office building and multiple outdoor areas.

The Oxbow Public Market opened in December 2007 in a new building. After struggling financially for a few years the market now sees one million visitors annually. Partnering with a twice weekly farmer's market which is now located across the street helped make the market a success. The building houses 23 permanent vendors and offers occasional special evening events and meeting space for local organizations. It contains 40,000 sf of indoor and outdoor spaces.

As the project proceeded it became clear that the community goals for the project were larger than what could be encompassed in a "Market Hall" type of facility. The community goals focused more on public gathering spaces with small retail than on farmer's markets and other food related activities. Additionally, the comparison projects in Napa and Wenatchee serve significantly larger populations (both permanent and tourist) that contribute to the success of the Markets – a model that would be difficult to duplicate in Phoenix

Yountville, CA Community Center.

Summary

The activities listed address two primary community goals for this project; create a destination place for the citizens of Phoenix, create revenue opportunities to offset the public support for the project, and improve the business in Phoenix.

Section 8.
Site Master Plan Concepts

PHURA MARKET HALL STUDY | SITE MASTER PLAN CONCEPTS

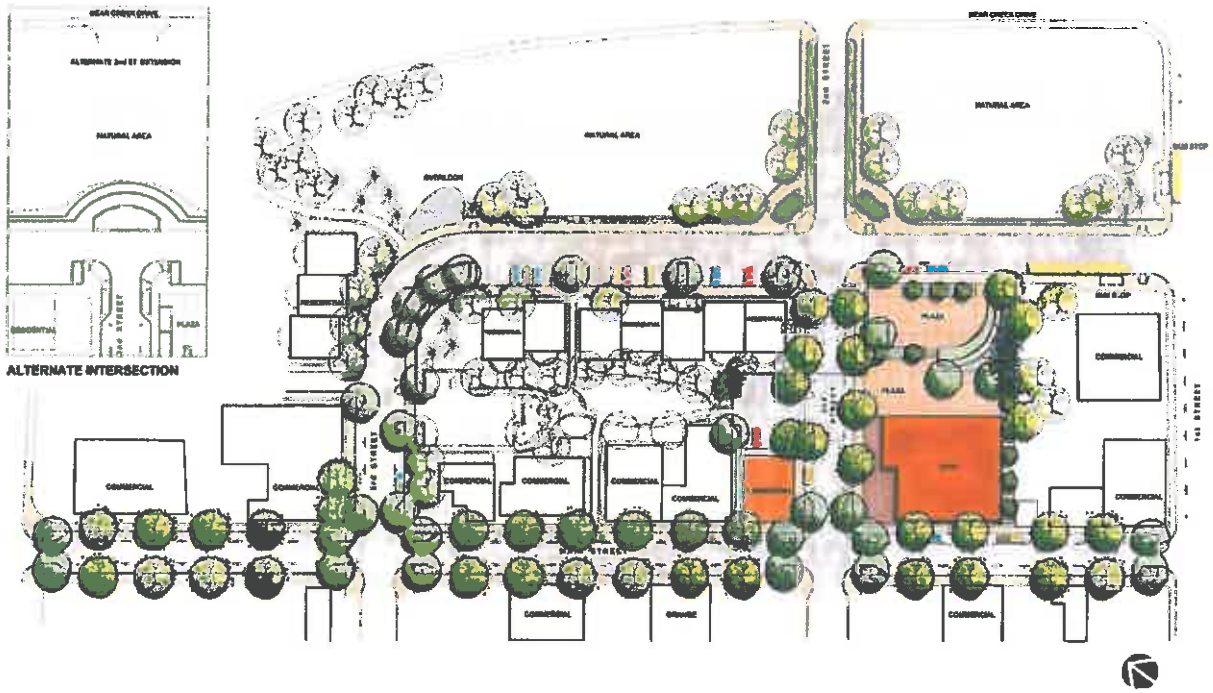
Preferred site option.

As the design options for the Market Hall site emerged, the Steering Committee recognized that the broader site created with the introduction of new streets within the couplet space needed to be better understood. Site master plan concepts were developed that incorporated options for the location and configuration of the streets, and investigated how private-sector instigated commercial and housing opportunities north of the Market Hall site could support the goals for downtown.

The master plan concept that the Steering Committee supported included the following features:

- 2nd Street extending to the new Internal Road
- 3rd Street extending to the new Internal Road, and the Internal Road extending to 1st Street.
- 2nd Street extending from the Internal Road to Bear Creek Drive in the last phase of the public sector improvements
- The civic building and site/plaza located at the southeast corner at the intersection of Main and 2nd, on land owned by PHURA.
- All commercial activities and buildings along Main Street.
- New/improved commercial buildings north of the Market Hall site to be developed by the private sector.
- New urban-style housing along the section of the Internal Road between 2nd and 3rd.
- Improvements, restoration and protection of the Natural Area.

PHURA MARKET HALL STUDY | SITE MASTER PLAN CONCEPTS



Straight site option.

Two master plan options were developed, each with a distinct street shape. The schemes are shown below and named after the street shapes; Curved and Straight.

The shape of the streets and resultant urban spaces created provide unique benefits, and potential challenges. The Curve scheme is seen as more dynamic, creates a large civic plaza, and the unique street orientation is distinct from the static street grid west of Main. The Straight scheme creates a more compatible street pattern with the remainder of downtown, and creates more predictable vision and clearance conditions for drivers.

Both schemes have merit, and the Steering Committee leans towards supporting the Curve scheme, however stopped short of endorsing a scheme at this time.

Private sector development is a desired outcome of the Market Hall site development. Well designed, properly scaled multi-story, multi-family housing can attract more people to Phoenix and provide more and better housing options. More people living in downtown will result in more customers desiring goods and services. The result of greater demand for goods and services can result in new and improved private property in the downtown core.

Transit

Recent public planning efforts related to the City Center Plan and the Couplet study have identified a transit facility between Main Street and Bear Creek Drive. Rogue Valley Transit District (RVTD) is interested in an expanded operation in the City Center and would like bus stops near the intersection of 1st Street and Internal Road. Both master plan options incorporate three bus stops.

RVTD advocated for extending 2nd Street to Bear Creek Drive during the Couplet study to provide them the ability to access the new bus stops from either directions. They requested a turn-about at the intersection of 2nd Street and the Internal Road in the options where 2nd does not continue to Bear Creek Drive. Recognizing the large size of the turn-about and the reductions to the plaza space, the Steering Committee selected options without the turn-about given buses can approach from either direction on the Internal Road.

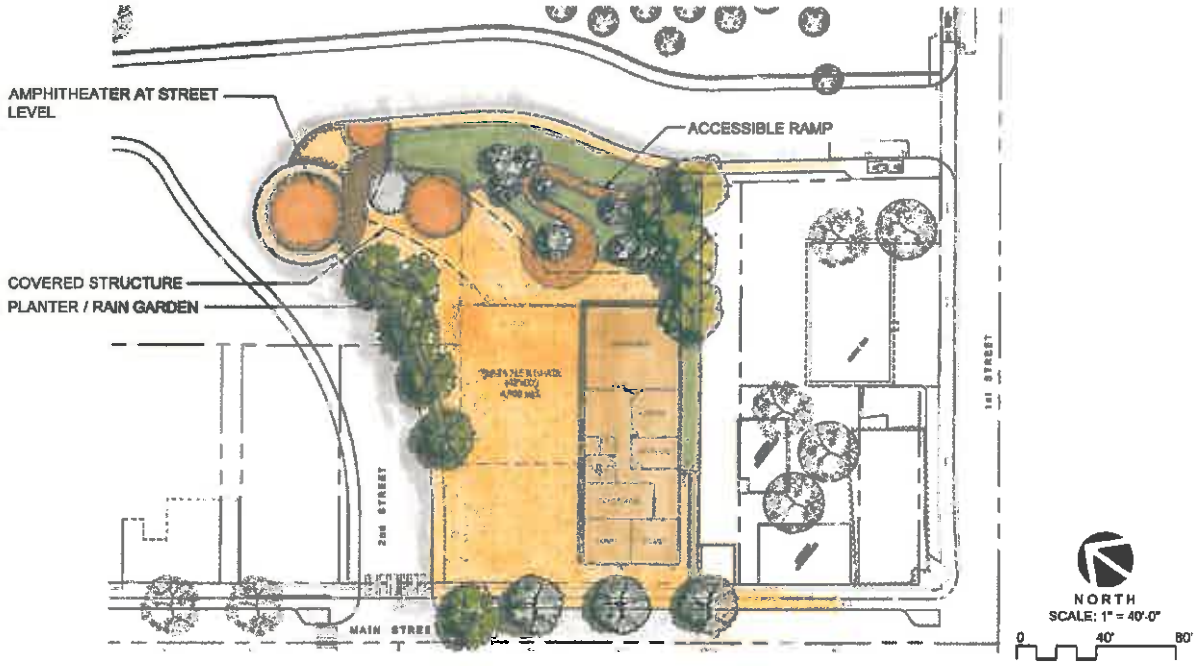
Recommendations from Development Professionals

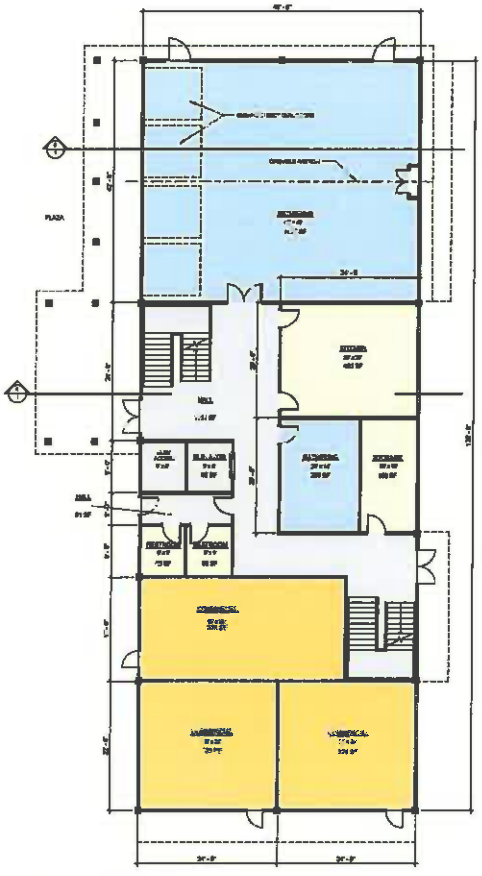
Four individuals from the real estate and development sector were asked to provide feedback on the draft Market Hall Master Plan concept: a commercial real estate broker, a commercial developer, a mixed use developer and a planning consultant who works for developers. Initial feedback was extremely positive and enthusiastic. The following points were obtained from these preliminary conversations:

- The price point of the residential units will drive the type of commercial development that occurs adjacent, and the interest of developers.
- Density has to happen first; commercial will eventually follow.
- Mixed use is a catalyst for redevelopment.
- Making a strong connection to the Greenway is important.
- The 3rd Street to 2nd Street segment of the interior road can be built when the residential component is built. The 2nd Street to 1st Street segment with the plaza can be built to start activities, followed by the Market Hall.
- If the goal of the project is to build community excitement in the downtown area, build the Market Hall first.
- Build in flexibility so it can adapt and amenities can be added as needed.
- Work on encouraging and bringing in partners to bring in the residential element, and provide land as an incentive.
- Build the infrastructure (roads, utilities) first; developers will be very interested in building the Market Hall.

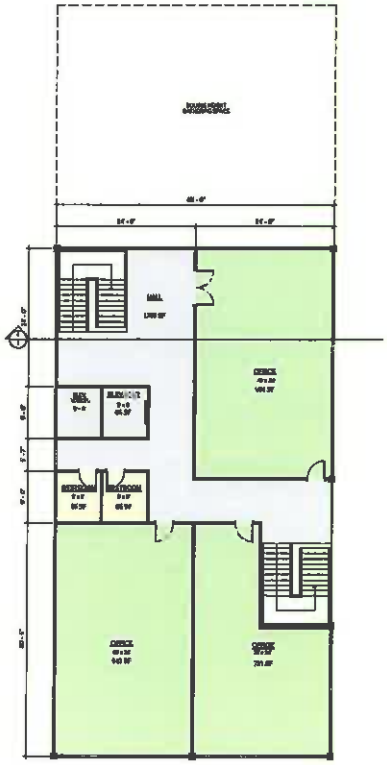
As a result of the feedback from development professionals, the project elements were organized into distinct components, and separate cost estimates were developed for each components. The recommendations for implement could change based on these comments, in particular about the comment to build the infrastructure improvements first.

Section 9.
Civic Building and Site Design

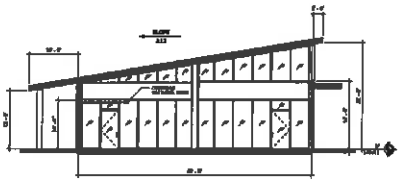




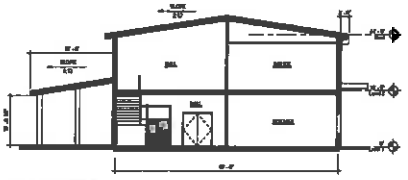
1 1st FLOOR PLAN



2 2nd FLOOR PLAN



3 Section 1



4 Section 2

Preferred scheme site and floor plans.

Design Options

Once the Steering Committee evaluated the broader site master plan options, the focus of the project shifted to the design of the civic space and building. The design team developed three concepts.

Design Priorities

After the three concepts, the Steering Committee identified the following priorities for the Market Hall Site design:

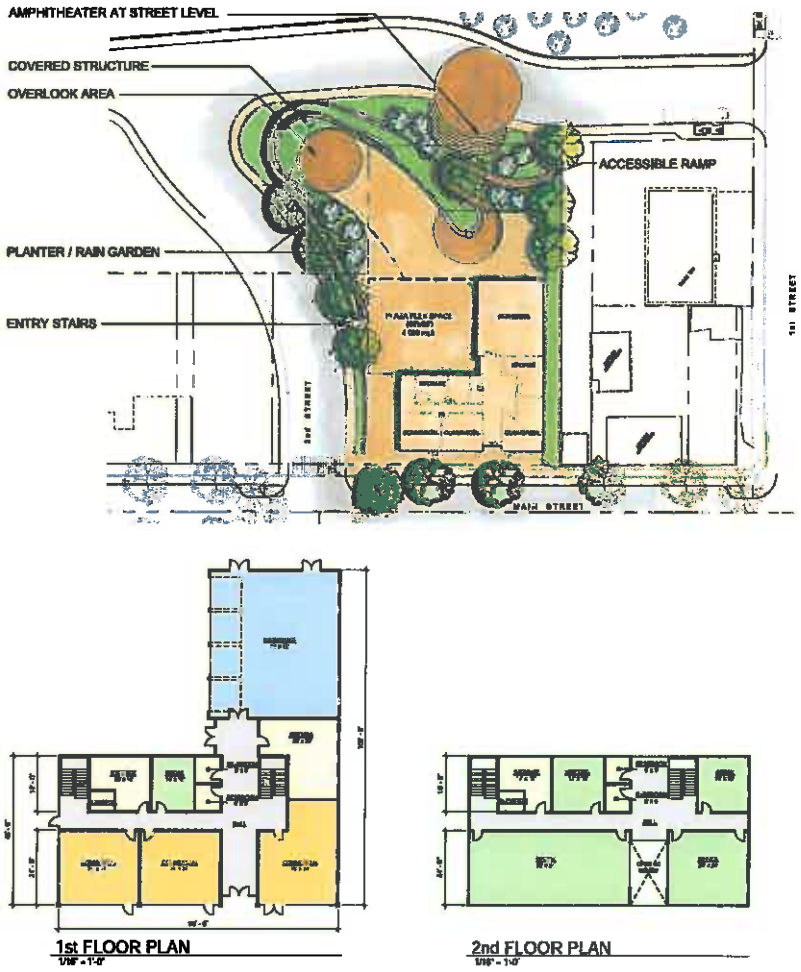
- Two story, multi-use building with office space on the second floor.
- Locate a primary element of the civic plaza at the intersection of Main and 2nd.
- Locate the commercial/retail space on the ground floor along Main Street.
- Create a large, flexible, regular-shaped plaza at the general grade of Main Street.
- Locate the interior Gathering Space directly adjacent to the civic plaza.
- Provide an abundant amount of covered outdoor space, either adjacent to the building, or free standing.
- Transition the civic plaza to the east in series of smaller-scaled spaces that flow downhill and integrate to the Natural Area.
- Locate a special exterior public space along 2nd Street, near the intersection with the Internal Road.
- Allow for the Internal Road, 3rd Street, and 1st Street to remain open to traffic when a large, community event is held at the civic plaza and needs to expand into 2nd Street.

Based on this criteria, the Steering Committee identified the scheme titled EW Bar Scheme as the preference.

Parking

The reoccurring comment from the public is to provide more parking in the City Center area. The Steering Committee recommends against adding surface parking lots in the civic plaza develop since the new roads between Main Street and Bear Creek Drive will provide significantly more on-street parking, the planned improvements to Main Street will provide identified parking spaces, and there is a significant amount of existing, underutilized surface parking lots in the City Center area. The Steering Committee recommends exploring options for sharing parking lots along Main Street when there are events planned in the civic plaza that will attract a large number of participants.

There are currently 12 spaces on the east side of Main between 1st and 3rd, and 8 spaces on the west side. There are currently 10 spaces



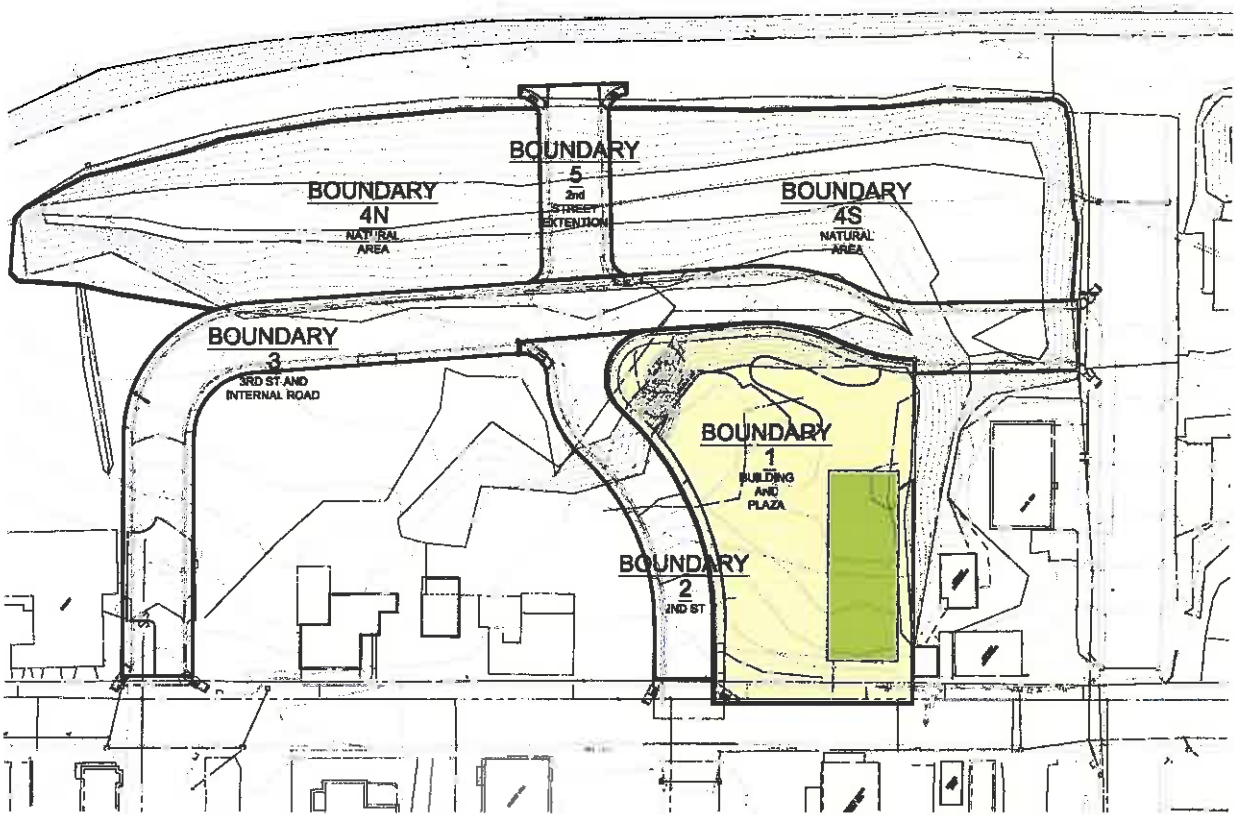
Alternate scheme 1 site and floor plans.

on each side of 1st Street between Main Street and Bear Creek Drive for a total of 40 on street parking spaces. However, these spaces are unmarked, and significantly underutilized given that the existing conditions on Main Street are unfriendly to pedestrians.

The current site plan includes the following on-street spaces

- 1st, North side: 9
- 1st North side: 10
- Main Street, west side: 16
- Main Street, east side: 18
- 2nd Street; Main to Internal Drive, both sides: 13
- 3rd Street; Main to Internal Drive, both sides: 10

Internal Drive; 1st to 3rd, west side only (no parking planned along Natural Area). 14



The current site plan includes a total of 90 on street parking space, which is 50 more then currently provided. An efficient surface parking lot of 13,500 sf is required to provide that quantity of parking. For reference, the first floor area of the preferred building design is 6,240 sf, therefore parking lot of more than twice the size of the building would be needed to provide this much parking on site.

Sequence and Priorities

The Steering Committee identified the following priorities for sequencing the improvements:

1. Civic building and plaza
2. 2nd Street from Main to new/future Internal Road
3. 3rd Street Extension and Internal Road to 1st.
4. Natural Area improvements
5. 2nd Street extension from Internal Road to Bear Creek Road.

Alternate scheme 2 site and floor plans.

Construction and Development Costs

The following is a summary of the costs, organized by the various components. See the Appendix for more detailed information about the construction and other project costs.

See the appendix for a description of the building materials and systems that is the basis of design for the cost estimate.

Urban Renewal Borrowing Capacity

PHURA, like other urban renewal agencies in Oregon, is restricted in how much, and when, it can borrow. Although an agency can have multiple borrowings going on at one time, the amount of each borrowing and the timing of each borrowing is directly tied to the tax revenue the agency is currently receiving and how much it expects to receive over the life of the agency. The total annual principal payments, interest payments and debt reserve amounts cannot exceed the tax revenue the agency expects to receive. In turn, these tax revenue amounts are directly tied to the increase in Assessed Value that occurs each year within the urban renewal agency's boundary, which means revenue increases in proportion to any new private development within the boundary.

	Boundary 1	Boundary 2	Boundary 3	Boundary 4	Boundary 5	Total
Construction Costs						
Total Construction Costs	**$4,325,281**	**$339,853**	**$1,314,668**	**$179,079**	**$753,944**	**$6,912,729**
Other Project Costs						
Total Other Project Costs	**$1,669,558**	**$107,054**	**$441,975**	**$57,484**	**$342,016**	**$2,618,087**
Total Project Costs	**$5,994,839**	**$446,907**	**$1,756,538**	**$236,563**	**$1,096,960**	**$9,530,817**

Urban renewal borrowing is similar to private lending, in that it ties principal, interest and maturity date to the borrower's financial capacity and ability to repay. This is where the similarity ends, however.

There are three distinct features to urban renewal borrowing:

1. Urban renewal agencies must structure debt to be paid off by the year the agency is scheduled to terminate. In PHURA's case, that year is 2032 just 18 years from now.
2. Urban renewal lenders require the agency to keep in reserve the equivalent of approximately one year's principal payment. This reserve ties up a significant portion of each year's annual tax revenue.
3. Lenders require collateral, and for urban renewal agencies tax revenue is the collateral (usually not real estate or other property assets, particularly in the case of small agencies).

At present, PHURA's tax projections have been updated and financial advisors have been asked to guesstimate the size and frequency of PHURA's future borrowings. When those borrowings are determined, figures will be inserted in PHURA's cash flow projections and then correlated with the Market Hall project's cost analysis spreadsheets to determine more precisely which phases of the project can be built by PHURA, and when.

Section 10.
Cost Analysis

Table 1 shows the net operating income (net rents minus operating costs) for the three scenarios with reduced staff costs in Operation Years 1, 3, 10, and 20. Figure 1 shows the total operating costs and revenues for the three scenarios over a 30-year period.

	Year of Operation			
Net Operating Income	1	3	10	20
Low	($57,199)	($26,023)	($31,419)	($42,927)
Medium	($45,129)	$4,157	$3,249	($667)
High	$255	$22,070	$23,825	$24,415

Table 1. Net Operating Income-Reduced Staff Costs

We conducted a preliminary analysis of the costs, revenues and financing for a proposed Market Hall. The analysis included detailed estimates of operating costs, accounting for property management, building operations and maintenance, site operations and maintenance, periodic improvements.

For building operations and maintenance, we included annual costs for electricity, water, custodial services, garbage service, and insurance. The periodic improvements included costs for repairing interior finishes, exterior finishes, replacing lights, repairing the HVAC, and replacing the roof. We estimated the years in the future repairs would be conducted, estimated their future costs, and then identified the amount the City should set aside on an annual basis so that an adequate reserve exists to pay for the repairs when needed.

The facility will generate revenue by renting out space to different users. We estimated revenue for the Gathering Spaces and Plaza, retail space, and office space for low, medium, and high scenarios.

Using the conservative assumptions describing operating costs and revenue, the model found that the costs exceeded the revenues throughout the planning period. However, by reducing the staff time required to operate the facility, the model found that revenues exceeded costs by the third year of operation in the medium and high revenue scenarios.

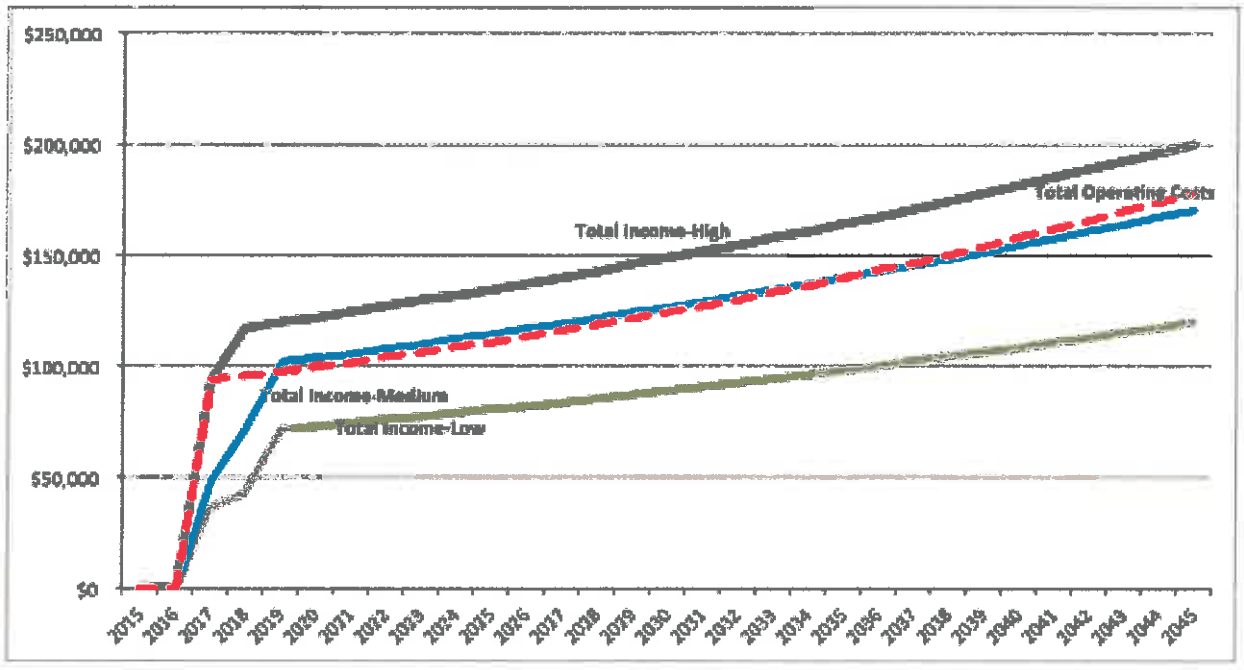
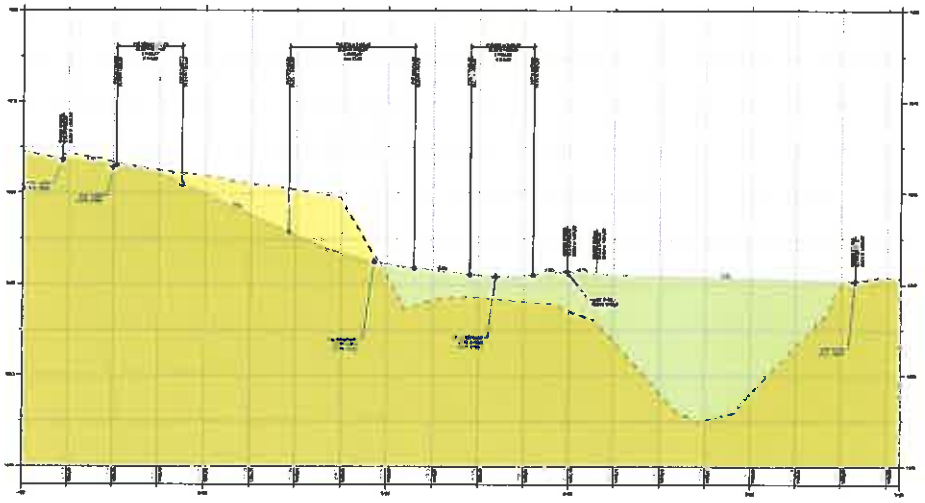


Figure 1. Operating Costs and Revenues- Reduced Staff Costs

Section 11.
Next Step



Site section through proposed 2nd Street Extension.

The Steering Committee recommends proceeding with the development in the following sequence:

1. Civic building and plaza by December 2016.
2. 2nd Street extension from Main Street to the new Internal Road.
3. 3rd Street extension and Internal Road to 1st Street.
4. Improve and restore the Natural Area.
5. Plan for the future extension of 2nd Street from the Internal Road to Bear Creek Drive.

The following items are decisions and/or commitments that will need to be addressed to implement the recommendations.

- Establish the sequence and schedule of development for all elements.
- Explore opportunities for public-private partnerships.
- Establish capital budgets for the City of Phoenix and PHURA over the appropriate fiscal years.
- Direct the design team to proceed.
- Confirm the schedule of development for elements.
- Begin process of selecting development, real estate, and property management consultants/service providers to assist with identifying potential tenants, amenities for potential tenants, and other tenant-related logistics.
- Begin process of creating community-based recreation/activities program to develop programs, classes, and events for the Gathering Space and plaza.
- Consider land use and public infrastructure improvements and policies that may encourage private development adjacent to and/or in conjunction with the Market Hall site development.
- Engage the community and establish enthusiasm for the possibilities.

Appendix A. Existing Economic And Demographic Conditions In Phoenix

ECONorthwest
ECONOMICS • FINANCE • PLANNING

DATE: November 6, 2013 **ECO Project #: 21392**
TO: Maria Cates, Phoenix Urban Renewal Agency
FROM: Anne Fifield, ECONorthwest
SUBJECT: EXISTING ECONOMIC AND DEMOGRAPHIC CONDITIONS IN PHOENIX, OREGON

This memorandum provides an assessment of economic conditions that affect demand for land use in central Phoenix. The purpose of this memorandum is to provide an assessment of the existing market base and potential opportunities for redevelopment in Phoenix. The research and analysis will help identify strategies for overcoming major barriers to the area's redevelopment, and will inform the Master Planning process. It is organized into the following sections:

1. **Key Findings** provides a summary discussion of the key factors that affect demand for different uses in central Phoenix.
2. **Overview of Economic and Demographic Trends** provides context for different uses by describing general economic trends. It describes population, income and wages, and employment trends.
3. **Residential Market** describes the types of existing housing and average prices in Phoenix. It also estimates future demand.
4. **Commercial Market** describes current conditions for commercial uses in Phoenix and potential opportunities for new commercial uses.

1 Key Findings

This section summarizes the key findings for the three sections that make up the remainder of this memorandum. We also provide a general summary.

1.1 Economic and Demographic Trends

- Overall employment trends in Jackson County are not strong. Jackson County's experience with the recent economic downturn has mirrored the broader experience of the state, but unemployment rates in the county have remained consistently above the state's average.
- Phoenix has been growing at about 1 percent per year over the last decade, which is on par with Jackson County and Oregon average. However, data since 2010 indicate that growth in Phoenix has slowed, and the rest of Jackson County is attracting more growth than Phoenix.
- Phoenix has a high portion of residents over the age of 55, compared to Jackson County. The portion of residents over the age of 55 has grown since 2000.

- Phoenix has a high portion of Hispanics and Latinos, relative to the rest of Jackson County.
- Compared to Jackson County and Oregon, Phoenix's population has lower education levels.
- Compared to the state and county, Phoenix has a higher portion of households with incomes less than $25,000 and a smaller portion of households with incomes at the upper end of the distribution. The portion of households in middle-income brackets is roughly similar to Jackson County and Oregon.
- Although average incomes are relatively low, households are relatively small, increasing individuals' disposable income.

1.2 Residential Market

- The ratio of homeowners to renters in Phoenix mirrors national trends. Almost two-thirds of households own their homes and one-third rent. These figures include mobile homes.
- Nearly half of Phoenix's housing units are single-detached dwellings. Another 25 percent are mobile homes. The remainder is a mix of townhomes, duplexes, and larger multi-family units.
- Demand for newly constructed housing in Phoenix has dropped to about five units per year. Before 2006, demand ranged between 20 and 35 units per year.
- We identified four rental complexes in Phoenix. All four are experiencing very low vacancy rates, with an average vacancy rate of 1 percent. Rents are low, averaging $0.85 per SF.
- Based on recent growth trends, Phoenix is expected to see an increase in households concentrated in lower-income households over the next five years.
- There will be demand for relatively low-cost housing in Phoenix, especially from elderly households. Given the limited supply of multi-family housing in Phoenix and its low vacancy rate, there is potential demand for housing that appeals to a retirement age population.
- It is likely that there will also be an increase in demand for smaller, lower maintenance homes (such as townhomes, condominiums, and other multi-family residential units) over the next two decades. As aging individuals lose the ability to drive, walkable communities with a mix of nearby services and amenities will become more important to them. Furthermore, this kind of development is also attractive to younger demographic (25-44 year olds).

1.3 Commercial Market

- There is little office space in Phoenix. The community is perceived as a bedroom community, minimizing demand for office space.

- There are opportunities to expand the retail market. Central Phoenix has good visibility for automobiles. About 5,000 cars pass through the area on a daily basis and an additional 1,000 enter and exit downtown Phoenix at 1st and 4th Streets.
- The primary opportunity for retail is in categories that can compete against low-cost internet sales. This includes goods and services that require a physical presence, such as personal services (e.g., hair salons and dentists), fresh food, and human interaction (such as recreational facilities).

1.4 Overall Findings

- The center of Phoenix, on the couplet, has key advantages that make retail in the area a viable market. It is highly visible to automobile traffic, and about 6,000 cars travel through the area on a daily basis. The area could attract those drivers into retail facilities. The most likely type of retail activity to attract those drivers includes fresh goods, such as coffee and hot food. Many of the automobiles are commuters, and the area could offer them a convenient dinner option.
- Phoenix has a high proportion of elderly residents. This population will continue to age and will become less mobile. As elderly individuals lose the ability to drive, a walkable community will become more important to them. If they are able to walk to grocery stores and recreational activities, they will be able to stay in their current homes. Central Phoenix can offer a walkable destination for that population. Key opportunities include: food, personal services, and a recreational facility. Enhancing the streetscape for pedestrians will also support this effort to provide services to pedestrians.

2 Overview of Economic and Demographic Trends

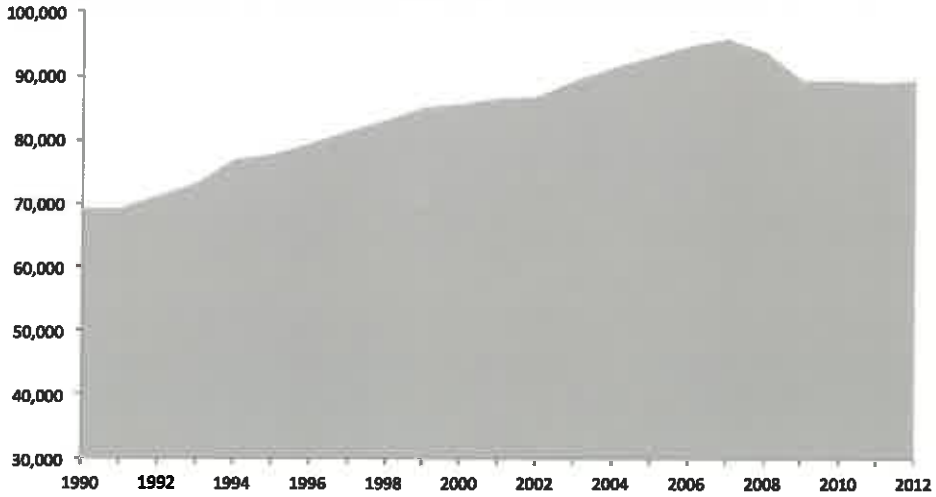
This section provides a general overview of key economic and demographic trends in Phoenix and the region, to provide context about the broad market forces that affect demand for different uses in it. It has four parts:

- Employment;
- Population and households;
- Income; and
- Transportation and commute.

2.1 Employment

As shown in Figure 1, total employment in Jackson County steadily increased until 2008.[1] The economic downturn of 2008-2009 eliminated about 6,000 jobs, reducing the number of jobs in the County to 2003 levels. Although Jackson County lost jobs, the losses experienced here were not as significant as those experienced in many parts of the country and the state.

Figure 1. Total Employment, Jackson County, 1990 to 2013



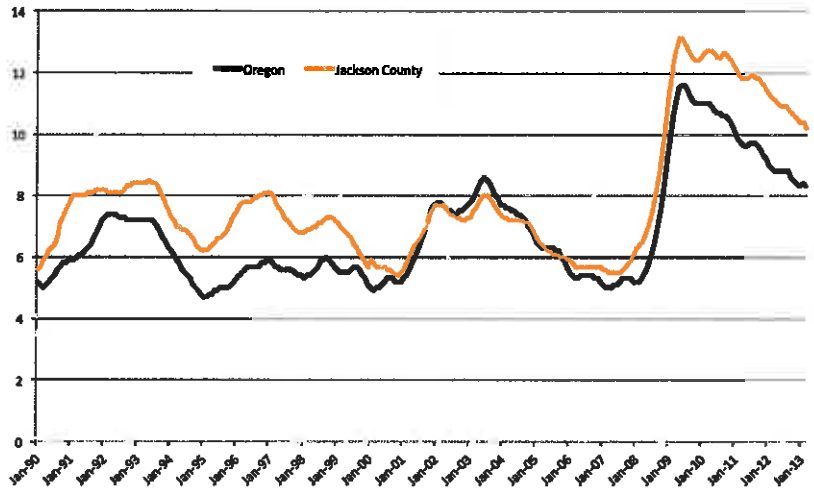
Source: State of Oregon, Employment Department, Oregon Labor Market Information System. Data for 2013 are preliminary.

Since 2009, total employment has held steady at about 89,000 jobs across the County, but preliminary data for 2013 indicate a small decline.

[1] Employment and unemployment data are available at the County level. City-level data are not available.

Figure 2 shows the unemployment rate in Jackson County and Oregon. Since 2006, the unemployment rate in Jackson County has been higher than the statewide average. Jackson County's pattern mirrors the state's, rising when the statewide average rises and declining when the statewide average declines. Statewide, unemployment peaked at 11.6 percent during the recent economic downturn. In Jackson County, it peaked at 13.1 percent.

Figure 2. Unemployment Rate, Jackson County and Oregon, 1990 to 2013



Source: State of Oregon, Employment Department, Oregon Labor Market Information System.

Table 1 lists the largest employers, in terms of number of employees, in Jackson County. Table 2 lists the largest employers in Phoenix. The large employers in Jackson County are dominated by the health services industry and government, with some manufacturing and retail firms. The largest employers in Phoenix are dominated by the school district and retail and food services, ranging from small restaurants to Home Depot.

Table 1. Principal Employers in the Jackson County, 2012

Employer	Classification	Number of Employees
Asante	Health System	4,080
Lithia Motors Inc.	Auto-Truck Dealers	3,000
Harry & David	Direct Mail Merchandisers	2,000
Rogue Valley Medical Center	Hospitals	1,638
Allegiant Air	Commercial Airline	1,500
Providence Health System in Southern OR	Health Systems	1,300
Medford School District 549C	Schools	1,157
Jackson County	County Government	1,027
Wal-Mart Stores	Department Stores	930
Boise	Plywood Mills	875
Amy's Kitchen	Food Manufacturer	710
Southern Oregon University	Colleges & Universities	600
Food Services of America	Food Service Supplier	560
Rogue Valley Manor	Retirement Communities	450
VA Southern Oregon Rehabilitation Center	Government & Government Agencies	418

Source: The Chamber of Medford/Jackson County, Largest Employers in Jackson County. Accessed 03 June 2013, from: http://www.medfordchamber.com/cwt/external/wcpages/business_services/largest_employers.aspx

Table 2. Principal Employers in the City of Phoenix, 2012

Employer	Classification	Number of Employees
Phoenix/Talent School District	School District	135
Home Depot	Retail Building Materials	114
TA Operating Inc.	Truckstop	81
Ray's Food Place	Retail / Grocery	47
Dinsdale Farms	Pear Packing	45
McDonalds	Restaurant	31
Peterbilt & GMC Inc.	New Truck Sales & Service	30
City of Phoenix	Local Government	20
Noel Lesley Event Services	Special Events	18
Phoenix Counseling	Counseling	16
Angelo's Pizza	Restaurant	15
Discovery Center	Child Care	15
Jack in the Box	Fast Food	15

Source: City of Phoenix.

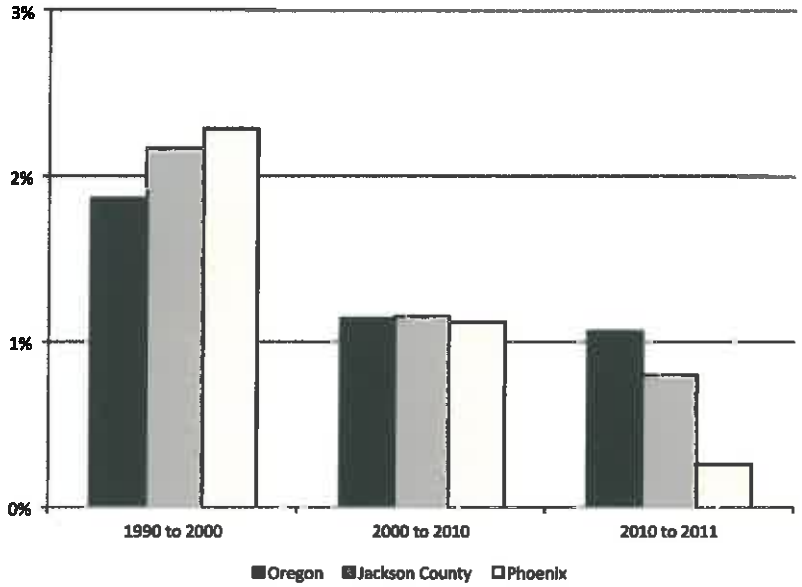
The high portion of firms in the health services industry is caused, in part, by Jackson County's appeal to retirees. The area has been, and is likely to continue, to attract older households that have left the labor force. It is likely that health services will continue to be a strong sector in the region, serving that population as it continues to age.

Many of Phoenix's large retail employers are located in Phoenix because of the freeway interchange. The community's restaurants primarily serve local residents. The largest employer in Phoenix is not on the list of largest employers in Jackson County, an illustration of the notion that Phoenix is a bedroom community—Phoenix workers tend to commute outside of Phoenix.

2.2 Population and Households

Phoenix has about 4,500 residents. Figure 3 shows the average annual growth rates for 1990 to 2000, 2000 to 2010, and 2010 to 2011 for Phoenix, Jackson County, and Oregon. Although Phoenix and Jackson County grew at a faster pace than Oregon in the 1990s, growth in Phoenix and Jackson County was nearly equal to the state's growth in the 2000s. In the last year for which data are available—2010 to 2011—the population of Phoenix grew by only 0.3 percent.

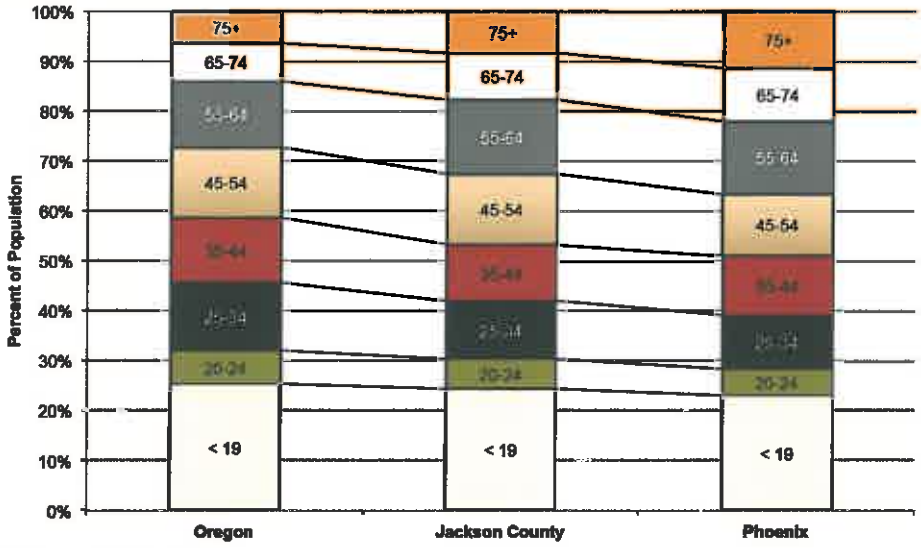
Figure 3. Average Annual Population Growth Rate Phoenix, Jackson County, and Oregon, 1990 to 2011



Source: Oregon and Jackson County data from the US Census Bureau, Metropolitan and Micropolitan, (http://www.census.gov/population/metro/data/featdata.html);
Phoenix data from Portland State University, Population Research Center.

The age mix of the population in Phoenix is different than Jackson County (see Figure 4). Phoenix has a lower portion of children, a similar portion of adults between the ages of 25 and 45, and a higher portion of adults ages 65 and over. This is evidence that the community is popular with retirees and seniors.

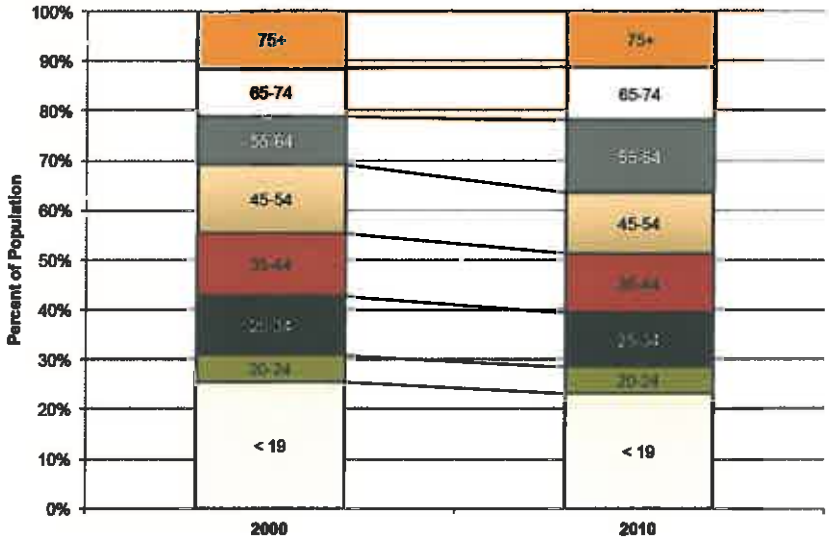
Figure 4. Population distribution by age, Phoenix, Jackson County, and Oregon, 2010



Source: US Census Bureau, 2010 Census.

Figure 5 shows the portion of the population by age group in Phoenix between 2000 and 2010, showing how the proportional mix of ages has shifted since 2000. The figure shows that the percentage of children has dropped over that period, but the number of children has stayed roughly the same.

Figure 5. Population distribution by age, Phoenix, 2000 and 2010



Source: US Census Bureau, 2000 Census and 2010 Census.

In contrast, the percentage of older individuals has grown—individuals over the age of 55 made up 34 percent of Phoenix's population in 2000, and it grew to 37 percent by 2010. The number of individuals 55 and older grew from about 1,250 to 1,660. Some of these changes are driven by broad demographic trends. The baby boom generation has aged into the older category, causing an increase in that population. The total population grew from about 4,000 to 4,500 in this time period.

The mean household size in Phoenix is 2.26, smaller than the Oregon average of 2.47, and the average in Jackson County of 2.4 (see Table 3). This is indicative of a smaller portion of households in Phoenix with children, relative to Jackson County.

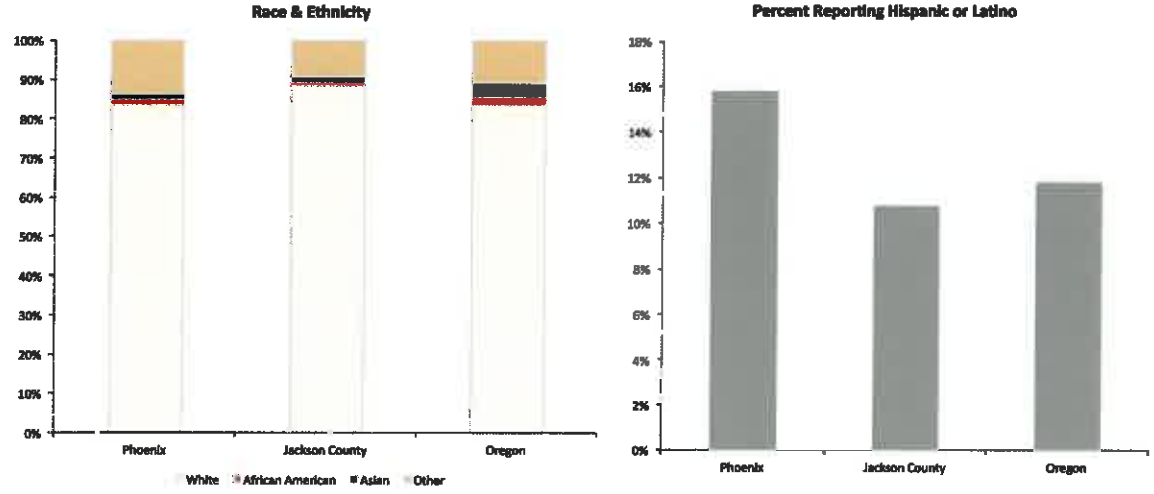
Table 3. Mean household size, Phoenix, Jackson County, and Oregon, 2010

Area	Mean Household Size
Oregon	2.47
Jackson County	2.40
Phoenix	2.26

Source: US Census Bureau, 2010 Census.

Phoenix is about as ethnically and culturally diverse as Jackson County and Oregon. Figure 6 shows broad categories of race and ethnicity in Phoenix, Jackson County, and the state. In Phoenix, 84 percent of the population is white and 1 percent is Asian; in Oregon, 84 percent of the population is white and 4 percent is Asian. Phoenix has a relatively high portion of Latinos, compared to Jackson County and Oregon as a whole[2].

Figure 6. Race and Ethnicity, Phoenix, Jackson County, and Oregon, 2010

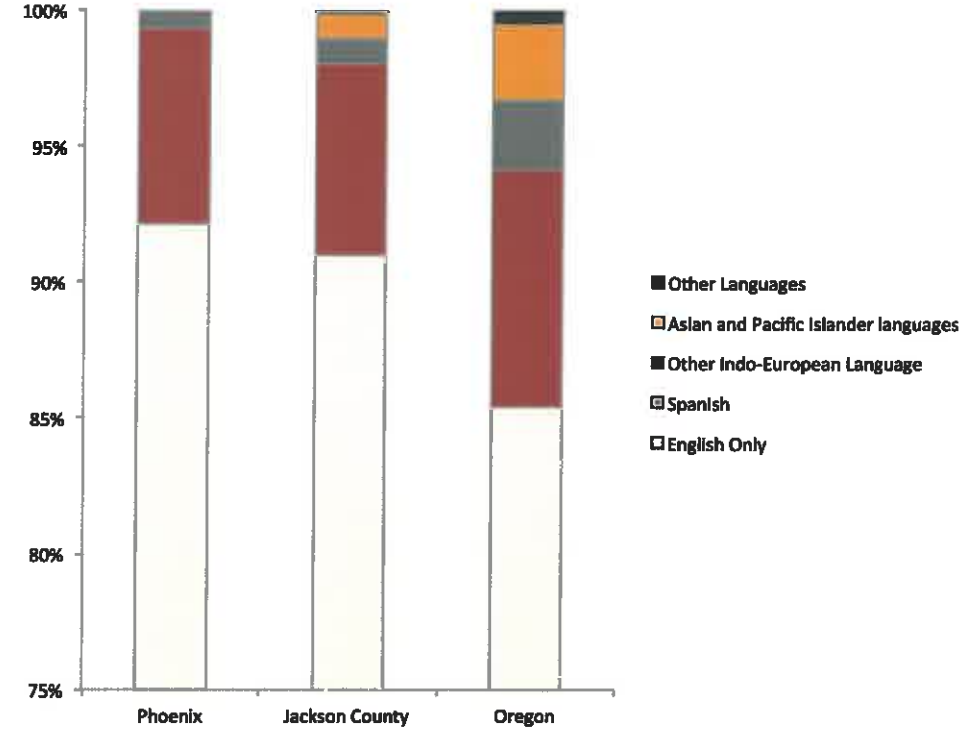


Source: US Census Bureau, 2010 Census.

[2] Currently, the U.S Census Bureau categorizes Latino or Hispanic as an ethnic background, and not a race. According to this classification, Latinos can be of any race and on Census forms Latino origin is queried separately from race.

Phoenix has a similar portion of residents who were born outside the United States compared to Jackson County. In Phoenix, 94 percent of the residents were born in the United States, compared to 93 percent in Jackson County, and 89 percent in Oregon. Figure 7 shows that a relatively low portion of Phoenix residents (8 percent) speaks a language other than English at home, suggesting that many Latino families have been in the country for multiple generations and are not immigrants themselves.[3] Spanish is the second most common language, spoken at home by 7 percent of residents. The remaining 1 percent of Phoenix's residents speak another Indo-European language.

Figure 7. Language Spoken at Home, Phoenix, Jackson County, and Oregon



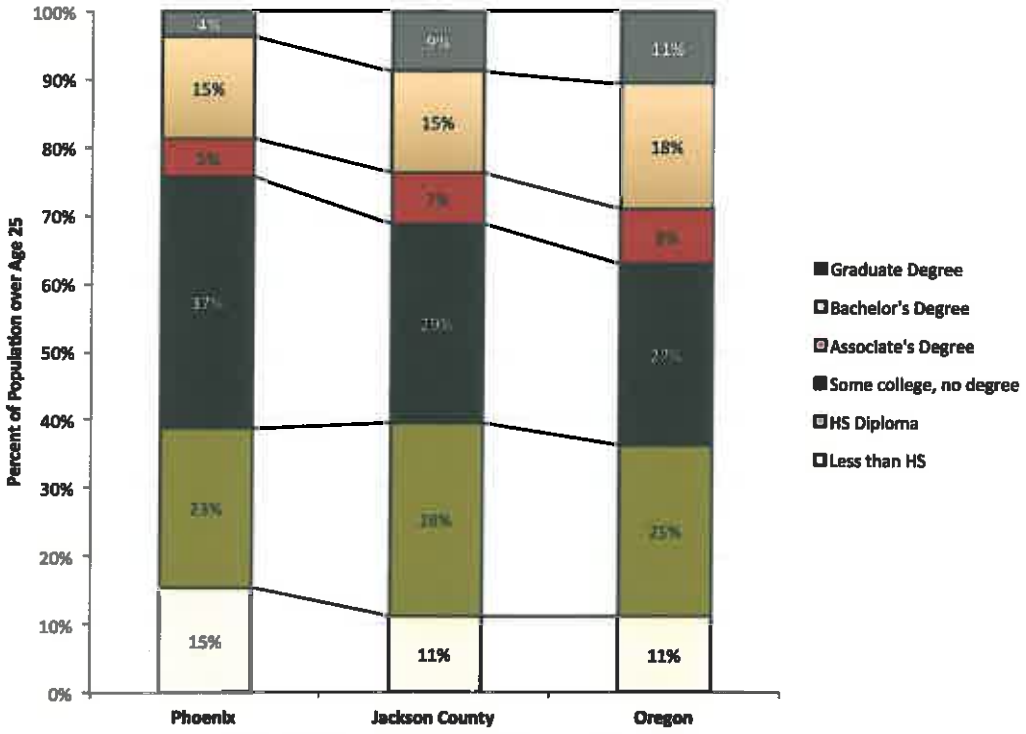
Source: US Census Bureau, 2007 - 2011 American Community Survey, 5-Year Estimate.

[3] The data describing language spoken at home is from the American Community Survey (ACS), conducted by the US Census Bureau. The ACS is conducted every year and is a sample of households in the U.S., in contrast to the Census, which is conducted every 10 years and aims to collect information from all households in the U.S. The ACS collects detailed information about households, such as: demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

For cities with a population of fewer than 20,000—including Phoenix—ACS data are only available as a 5-year estimate because the ACS sample is not large enough to give statistically significant results from a one-year sample. The 2007-2011 ACS employs a continuous measurement methodology that uses a monthly sample of the U.S. population. By pooling several years of survey responses, the ACS can generate detailed statistical portraits of small geographies, such as Phoenix.

Compared to Jackson County and Oregon, Phoenix's population has lower education levels (see Figure 8). A smaller portion of the population has a Bachelor's degree or higher and a higher portion of the population has less than a high school degree.

Figure 8. Educational Achievement, Phoenix, Jackson County, and Oregon



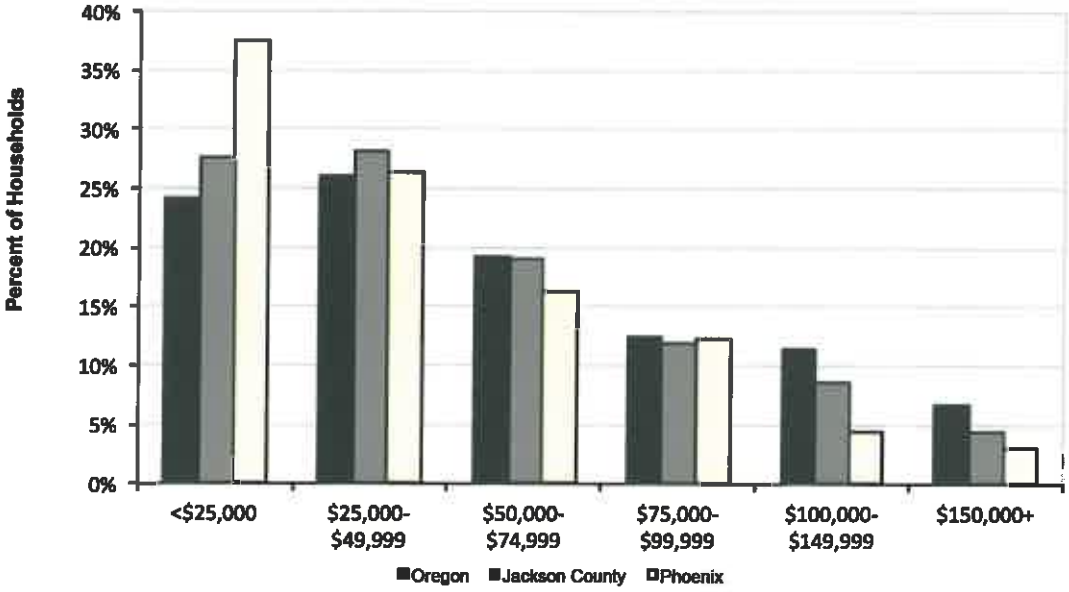
Source: US Census Bureau, 2007 - 2011 American Community Survey, 5-Year Estimate.

2.3 Income

Phoenix has a higher portion of households at the low end of the income spectrum—38 percent of households in Phoenix have incomes less than $25,000, compared to 28 percent in Jackson County and 24 percent in Oregon. A smaller portion of Phoenix's households lie at the upper end of the distribution—7 percent of households in Phoenix have incomes greater than $100,000, compared to 14 percent in Jackson County and 18 percent in Oregon.

Phoenix has a comparable portion of households earning between $25,000 and $50,000. About 26 percent of Phoenix households fall in that income range, which is identical to the portion of households in this range in the state. Phoenix has a slightly lower portion of middle-income households—those with incomes between $50,000 and $100,000.

Figure 9. Household income, Phoenix, Jackson County, and Oregon, 2009



Source: U.S. Census Bureau, 2007-2011 American Community Survey, 5-Year Estimates.

Table 4 shows two different measures of average income: median household and per capita income.[4] The per capita income in Phoenix is lower than in the county and state. The median household income in Phoenix is about $34,000, less than the median in Jackson County and the metropolitan region. Figure 9 indicates that the distribution of household income is weighted towards the lower end and Table 4 shows that household size is smaller in Phoenix (2.26 people) than the county (2.4 people) and the state (2.47). Annual per capita income in Phoenix is lower than in Jackson County, but by only about $2,000. One reason is that households in Phoenix are relatively small, so total household income is spread across fewer individuals per household. For the same reason, there is also a relatively greater amount of disposable income.

[4] Median household income is the income level at which half the households in the community have higher incomes and half have lower income incomes; it is the mid-point for household income. Per capita income is the mean income of all individuals in the community—if you add up all the income in a community and divide by the number of people living in that community.

Table 4. Median household and per capita income, Phoenix, Jackson County, and Oregon 2009

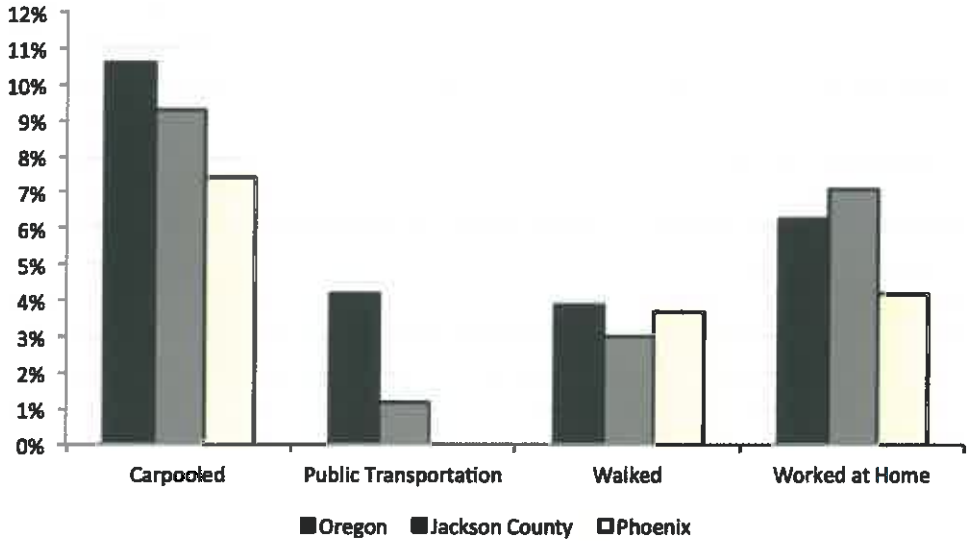
	Median HH Income	Per Capita Income
Phoenix	$34,133	$22,427
Jackson County	$43,386	$24,263
Oregon	$49,850	$26,561

Source: U.S. Census, 2007-2011 American Community Survey 5-Year Estimates.

2.4 Transportation and Commute

Residents of Phoenix tend to commute to work by driving alone more than the Jackson County average. In Phoenix, 81 percent of the working population drove alone as their means to work, compared to 77 percent in the county. Over the study period, no Phoenix residents reported using public transportation to get to work. Residents of Phoenix are, however, slightly more likely to walk to work than the county average. Figure 10 shows the portion of the population for Phoenix, Jackson County, and Oregon that use various transportation means to get to work (other than drive alone).

Figure 10. Means of Transportation to Work, Phoenix, Jackson County, and Oregon



Source: U.S. Census Bureau, 2007 - 2011 American Community Survey, 5-Year Estimate.

3 Residential Market

The purpose of the residential market assessment is to understand the potential demand for housing in Phoenix. This assessment aims to describe potential demand if the study area undergoes improvements to the physical landscape and sees an increase in amenities.

This section has two parts

- Current Residential Market describes existing values for ownership housing and rents in Phoenix.
- Projected Housing Demand calculates the demand for housing.

3.1 Current Residential Market

This section describes the housing market in the city of Phoenix (shown in Table 4). Phoenix has a comparable portion of owner households to the county and state (see Table 5). About 62 percent of households in Phoenix own their homes, compared to 63 percent in Jackson County and 62 percent statewide. Nationwide, about 65 percent of occupied housing units are owned.

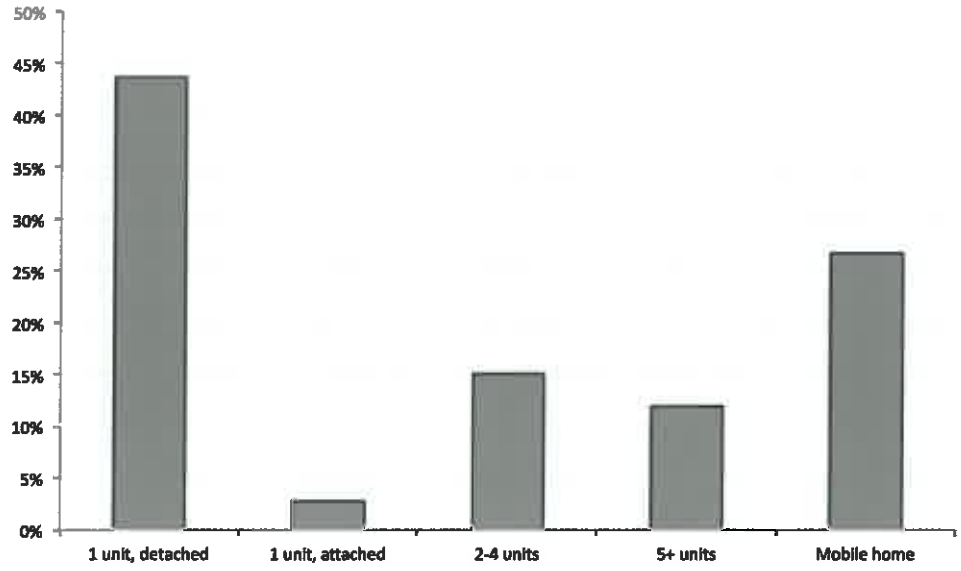
Table 5. Housing tenure, Phoenix, Jackson County, and Oregon, 2010

	Owner Occupied	Renter Occupied
Phoenix	62%	38%
Jackson County	63%	37%
Oregon	62%	38%

Source: U.S. Census Bureau, 2010 Census.

Figure 11 shows the mix of housing types in Phoenix. The data show that just over 40 percent of households in Phoenix live in single-family detached houses and about 25 percent live in mobile homes. A small portion, 3 percent, lives in attached single-family units, such as townhomes. The remainder (27 percent) lives in multi-family units, ranging from duplexes to apartment complexes with more than 20 units.

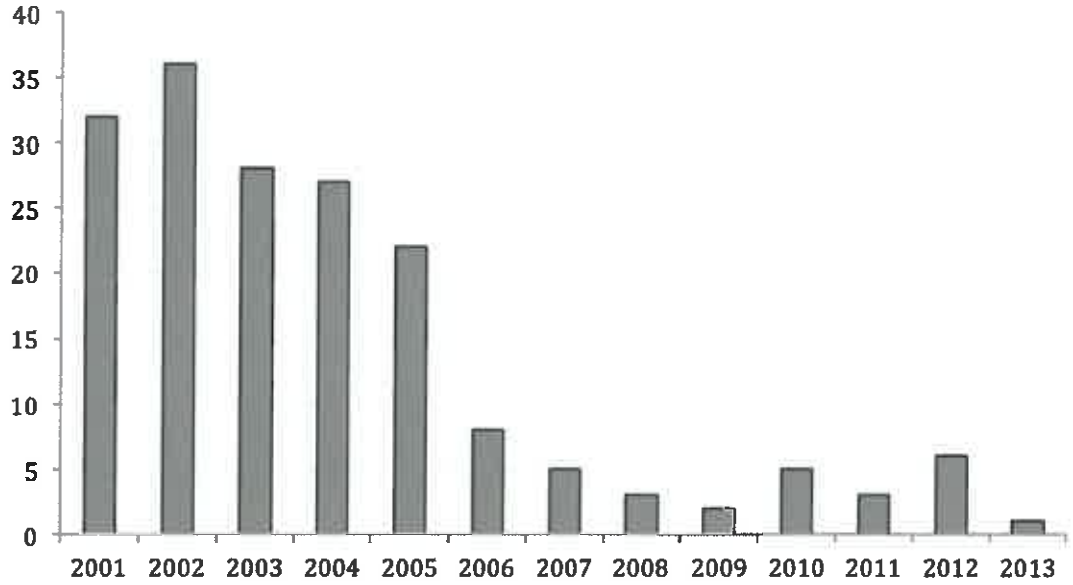
Figure 11. Housing Type by Number of Units in Structure, Phoenix



Source: US Census Bureau, 2007-2011 American Community Survey 5-Year Estimates.

The number of building permits issued for single-family homes and multi-family units is one indicator of demand for housing in a community. Figure 12 shows the number of permits from 1990 to 2011 for single-family units in Phoenix. Over this period, there were no building permits issued for units in 2-4-unit structures or units in structures with 5 or more units. The chart shows that Phoenix experienced strong demand for housing in the early 2000s, but demand dropped in 2005 to fewer than 10 units per year.

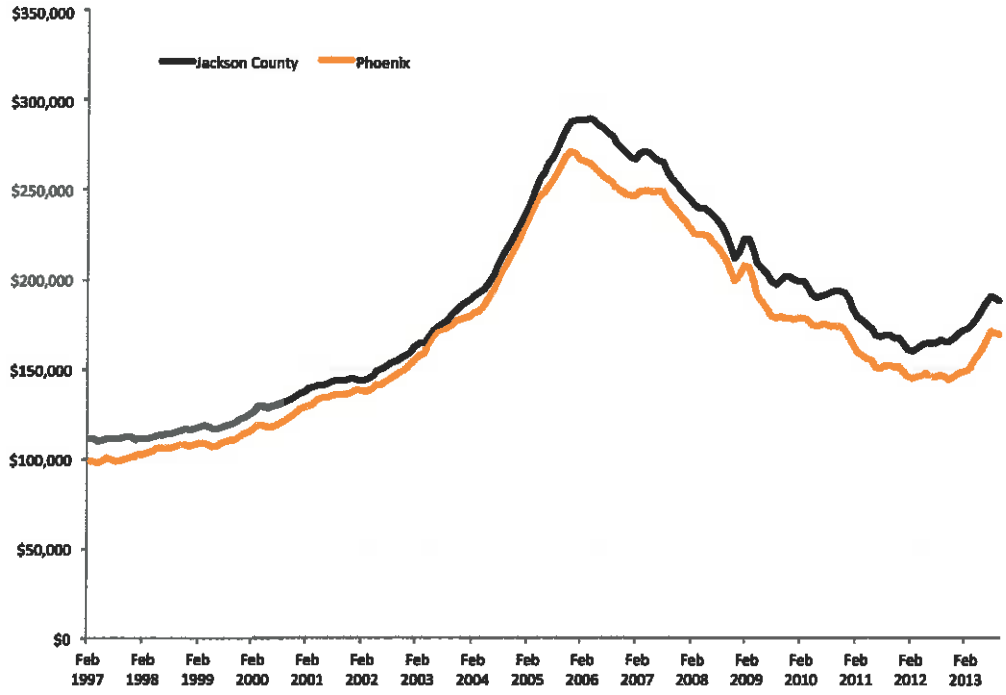
Figure 12. Single Family and Multi-family Housing Permits, Phoenix, 2001 to 2013



Source: HUD State of the Cities Data Systems.

Figure 13 shows the median value of single-family homes in Phoenix and Jackson County between 1997 and 2013. Home values in Jackson County track closely. Prices peaked in 2006, and declined until mid-2012, when home values had declined to a point that matched 2003 levels. Home value in both Jackson county and Phoenix have generally been increasing since 2012. However, demand for housing, as indicated by the number of construction permits and the low number of home sales that have occurred since 2006, remains low.

Figure 13. Median Home Value, Single-Family Homes, Phoenix, 1997 to 2013



Source: Zillow.com.

ECONorthwest conducted a rent and vacancy survey of a subset of apartments in Phoenix. Most of the rental complexes in Phoenix are designed for seniors. Table 6 shows the names of the apartment complexes, their addresses, and year built. It also shows the rent per SF for each unit type and its vacancy rate. We show the average rent and vacancy rate for each apartment complex.

The survey found that rents in Phoenix are relatively low and demand is high. The average rent per complex ranges from $0.66 per SF to $1.13 per SF. The age of the complex and its location affect its price. Vacancies in these complexes are very low; most complexes currently have no vacancies.

Table 6. Surveyed Apartment Complexes in Phoenix, Rent and Vacancy Rates, 2013

Complex	Unit	Number of Units	Rent		SF	$/SF		Vacancy Rate
			Low	High		Low	High	
Brookside Apartments	1x1	40	$440	$600	666	$0.66	$0.90	0%
933 Rose Street	***Total / Average***	***40***					***$0.78***	***0%***
Rose Court Apartments	1x1	36	$575	$750	666	$0.86	$1.13	0%
1178 N. Rose Street	***Total / Average***	***36***					***$0.99***	***0%***
Phoenix Village	1x1	8	$450	$450	550	$0.82	$0.82	0%
130 S. Main Street	2x1	12	$500	$500	600	$0.83	$0.83	0%
	Total / Average	***20***					***$0.83***	***0%***
Jarvis Village	1x1	12	$450	$500	580	$0.78	$0.86	8%
100 Bolz Road	***Total / Average***	***12***					***$0.82***	***8%***

Source: ECONorthwest with data from property managers.
Note: The first number in Unit Type shows number of bedrooms, the second number shows the number of bathrooms.

Table 7 shows the weighted average price per SF and vacancy rate by unit type, for all the surveyed complexes. Nearly 90 percent of the units are one bedroom, one bathroom. The remaining apartments are two bedroom, one bathroom units.

Table 7. Summary Statistics of Surveyed Apartment Complexes in Phoenix, by Unit Type, 2013

Unit Type	Total Number	% of Total Units	Average $/SF	Average Vacancy Rate
1x1	96	89%	$0.87	2%
2x1	12	11%	$0.83	0%

Source: ECONorthwest with data from property managers..
Note: The first number in Unit Type shows number of bedrooms, the second number shows the number of bathrooms.

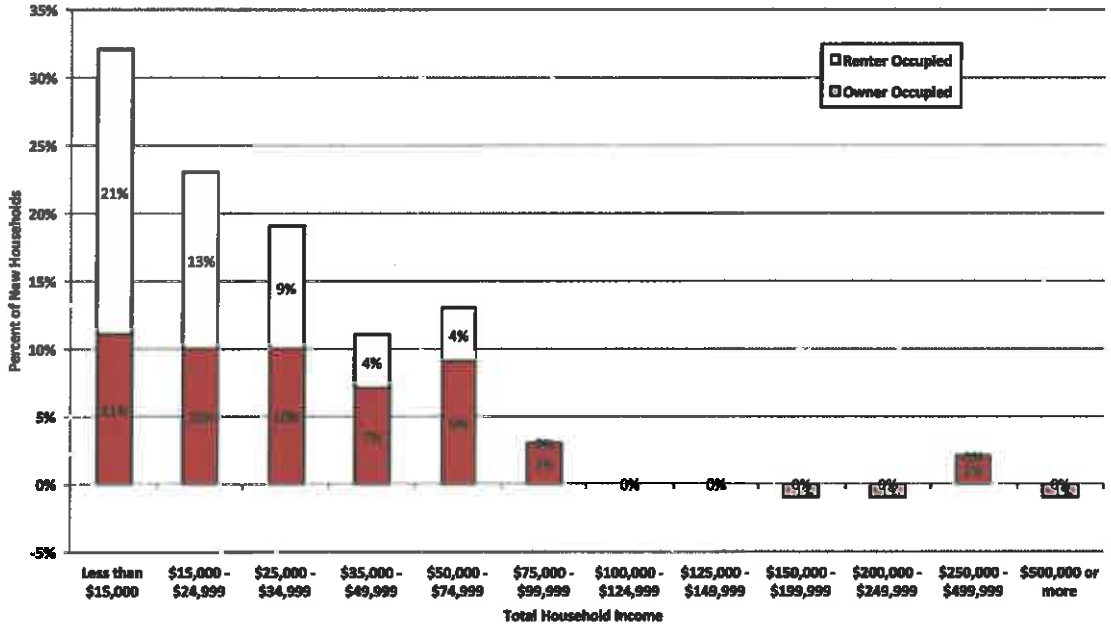
3.2 Projected Housing Demand

The study area has the potential to capture new households over time, as Phoenix grows in population. This section estimates the types of households that are likely to locate in Phoenix.

To develop estimates of the types of households likely to locate in the area, ECONorthwest relied on population projections for Phoenix generated by Nielsen Claritas. Nielsen Claritas' model generates population projection by income, based on recent trends. The data provide a reasonable estimate of the income levels of households that will move to Phoenix.

ECONorthwest modeled the proportion of households that rent their home, by income level, in Phoenix using data from the American Community survey. We then applied the resulting tenure ratio to the projected increase in households by income level, as modeled by Nielsen Claritas. Figure 14 shows the projected proportional demand of new households in Phoenix by income. The data show that the majority of new households will be for the lowest income levels.

Figure 14. Projected New Households by Tenure and Income, 2013 to 2018



Source: American Community Survey, Nielsen Claritas, and ECONorthwest.

4 Commercial Market

In this section, ECONorthwest describes market trends that affect demand for commercial space in Phoenix. We describe current conditions and explore opportunities for future expansion.

To describe the commercial market for commercial space in Phoenix, ECONorthwest interviewed Rick Harris, a principal broker at Coldwell Banker in Ashland. According to Harris, there is a limited supply of office space in Phoenix given that the community is largely a commuter market. Much of the office space is considered low quality, with several office buildings that were converted from single- or multi-family houses.

Rents for retail space in the center of Phoenix range from $1.00 to $1.25, with higher-quality buildings representing the upper end of the range. The vacancy rate for commercial space in downtown Phoenix has generally remained at 15 percent in recent years.

4.1 Traffic Patterns

Retail requires visibility and access. Customers need to be able to see the store and be able to easily get to it. Central Phoenix is visible to automobile traffic on Highway 99, and retailers have an opportunity to attract a portion of the cars that travel through the area.

Figure 15. Traffic Counts, PM Peak Hour, Downtown Phoenix, 2013

Note: the figure only shows the traffic volumes where the number exceeded 30.

ECONorthwest used traffic data provided in the OR 99 Corridor Plan to describe traffic patterns in central Phoenix. Figure 15 shows the PM peak hour traffic in central Phoenix. To estimate average daily traffic, we multiplied the PM peak hour traffic by a factor of 10.

Based on existing traffic patterns, the area between 4th and 1st Streets and Bear Creek Drive and North Main Street are optimal locations in central Phoenix for service-oriented retail. ECONorthwest obtained data from the Traffic Engineering & Transportation Planning Department at David Evans and Associates, Inc. showing that, at the north end, average daily Traffic (ADT) is approximately 13,600 to 15,000 vehicles. Of those total vehicles, about 7,800-8,600 vehicles per day are through trips (passing through Phoenix) and 5,800 to 6,400 vehicles per day are local trips (origin or destination is Phoenix). At the south end, ADT is approximately 9,500 to 10,500 vehicles. Of those total vehicles, about 7,800 to 8,600 vehicles per day are through trips and 1,700-1,900 vehicles per day are local trips.

The area has a steady flow of pass-through and local traffic. Retail at that location has an opportunity to attract some of that traffic. While these traffic volumes and the connectivity to downtown make the area a good location for small-scale retail, they also make it unlikely to attract large format retailers.

4.2 Retail Market

To identify the type of retail that has the potential to succeed in Phoenix, one must consider several trends. Increasingly, the retail market across the United States is undergoing a substantial transition, as more and more households purchase more and more goods over the Internet, creating challenges for 'bricks-and-mortar retailers.' Retailers are constantly learning how to survive and thrive. There are certain goods and services that require a physical presence and will be able to grow as households continue to shift purchases to the internet:

- Services, such as hair salons, masseuses, medical offices, and computer repair shops;
- Food services, including full-service and limited-service restaurants;
- Drive-by convenience, including coffee kiosks and dry cleaners;
- Fresh goods, such as baked pastries and flowers; and
- Recreational activities for kids and elderly residents.

Central Phoenix is a good location for retail goods and services listed in the above section—those categories that will succeed even as internet sales continue to grow. Much of the auto-oriented traffic in downtown Phoenix is from commuters, suggesting that services that are convenient to purchase on the way to and from work, such as a coffee kiosk or food, could succeed at that location.

Appendix B. 07.17.2013 Public Meeting Participant Comments

PHURA Market Hall Study

Group Summary Comments from 07.17.2013 Public Meeting

Group 1

- Multiple spaces - a lot of scale.
- Teens should have something that no one else will have.
- Cost of maintenance is a concern.
- Park for people to use.
- Abundant parking - ease of access.
- Transit area is a safety concern - should not be central to the development.

Facilitator: Anne Fifield

Group 2

- Place for bands and choir.
- Place for groups, such as boy scouts.
- Greenway is an under-utilized asset.
- Kids are bored.
- Sand volleyball at Blue Heron Park
- Incorporate art.
- Skate park - tough for maintenance but good for kids. "The best worst decision they made."
- Commercial kitchen.

Facilitator: John Galbraith

Group 3

- Building as gathering.
- Building as multipurpose.
- Water feature.
- Bioswale.
- Cafes, coffee shop, and ice cream.
- Bike.
- Safe access to Bear Creek.
- Revenue generation - rental office space, etc.
- "Pay for itself"

- Moveable walls.
- Wine vendors.
- Phoenix is central to valley. Encourage valley-specific businesses to locate here.

Facilitator: Justin Gerlitz

Group 4

- Enthusiastic about everything.
- Eyes on street and activity areas for safety.
- Place for seniors to play.

Facilitator: Kari Turner

Group 5

- Green space - connection with nature and greenway.
- Beautification of downtown.
- Minimize redundancy with exisiting resources.
- Buildings to connect to outdoors.
- Covered space is desired; need it wide enough for variety of activities.
- Small bus space - not too close.

Facilitator: Curt Wilson

Written Comments

Image 1: Indoor Space – Multipurpose Room

Comments:

- May be redundant for this community.
- Open up - become more open space.
- Staffing for something like this?
- 'Provide Revenue Generating Opportunities' - how?
- Gym space? Yes! Lots of players in outdoor parks already!
- I would love to see a list of "groups" that would use any of these spaces being discussed?
- Planning with other cities talents, Ashland, Medford.
- Build green space & business will come.
- Churches have gathering spaces.
- Cost to operate?
- Gym available at schools; redundant.
- *Arrow from photo* - Too sterile.
- Roll glass doors.
- More outdoor green space.
- *Arrow from photo* - Similar to school gym? Why not use them?
- 'Create a Community Gathering Place' - would use.
- Unlikeable big space.
- Subdivide into smaller space.
- Library: not enough space to park.
- High School: Often tied up.
- Existing gathering: Pucks; ?

Image 2: Indoor Space – Activity Room

Comments:

- Dominos.
- Classes.

Image 3: Indoor Space – Meeting Rooms

Comments:

- 'Provide Activities for Various Groups' - the term "various groups" is used frequently... Are there specific groups that need space? Are there groups w/o space? Groups that will come if space is provided?
- Small meeting area; flexible space.
- Not for revenue generating.
- Focus for community - events will attract business to come.

Image 4: Outdoor Covered Space – Connected to Building

Comments:

- 8' useable space for variety of uses.

Image 5: Outdoor Covered Space – Free Standing

Comments:

- The bullets that read 'Create a Catalyst for Business and Development' and 'Provide Revenue Generating Opportunities' are circled with '!!!' next to them.
- Not a primary structure.
- Have next to additional building.
- Add rollable glass doors for year-round activities.
- Set up Farmers Market; vendors around open structure.
- 1st phase building?

Image 6: Open Space – Urban Greenspace

Would Use:4
Wouldn't Use:
Unsure or Don't Know:
Not Checked:3

Comments:

- So needed in this community!
- Fountain, volleyball, field and/or parks.
- More sidewalk, plantings, seating, less grass.
- VERY appealing.
- Trees, grass, seating, water fountain.
- Most important "open space" key to our town. Connect to greenway and park.

Image 7: Open Space – Refined Natural Area

Would Use:4
Wouldn't Use:
Unsure or Don't Know:
Not Checked: 3

Comments:

- Need to beautify.
- The bullet 'Enhance and Integrate the Bear Creek Natural Area' is circled with '!!!' next to it.
- *Arrow from photo* - Beautiful accent to downtown.

Image 8: Streets – Pedestrian Friendly

Would Use:4
Wouldn't Use:
Unsure or Don't Know:
Not Checked:3

Comments:

- Location <u>for events</u>. Need a place in Southern Oregon for events... Concerts, festivals, sales, etc.
- Need space for 'Create a Catalyst for Business and Development' !!!
- 'Enhance Historic Phoenix' - why?
- Trees, parking.
- Bell towers.

Image 9: Streets – Transit Facilities

Would Use:2
Wouldn't Use:
Unsure or Don't Know:
Not Checked:5

Comments:

- Prefer not to have rear green space - safety, noise.
- Keep small - not like Medford's bus station.
- No park & ride or parking area.

Other comments provided at the meeting:

- Water fountains - splash fountains; out of street.
- Skateboard park or features built into building.
- Area revenue!
- Rentals/housing.
- Event center.
- Movie theater.
- Nursery?
- Fire pits?
- Preschool/playground.

Other comments provide after the meeting:

- This project will prove to be inspiring and cause everyone involved to raise their expectations and pride in their town.
- I felt my inner artistic juices flowing . I hope that this project will evolve and sustain. The dream that we all have to make Phoenix a wonderful place to live
- I want to point out that any plan you develop should give careful consideration to good stewardship of Bear Creek and the riparian zone around it. Our creek is already stressed by being pinned between the Lumen Rd community, the bike path and Bear Creek Dr.
- I believe if you make expanding riparian habitat along Bear Creak a part of your planning process, it will be a win-win situation that adds to the beauty of your urban renewal, increases county level support, reduces the chance of environmental impact complications and improves the quality of life for future generations.

Appendix C. PHURA Market Hall Case Studies

ECONorthwest
ECONOMICS • FINANCE • PLANNING

DATE: November 6, 2013 **ECO Project #: 21392**
TO: Marla Cates, Phoenix Urban Renewal Agency
FROM: Anne Fifield, ECONorthwest
SUBJECT: MARKET HALL CASE STUDIES

For the Phoenix Market Hall study, ECONorthwest's scope of work included research regarding market characteristics for precedents. This memorandum provides the results of our research and analysis of projects in other communities that are similar to the Market Hall concept in Phoenix.

We identified examples that reflect a variety of community demographics, funding and development mechanisms, and facility amenities that are similar to the proposed concept for the Market Hall. We found five facilities that are used as case studies:

1. Bellingham Farmer's Market – Bellingham, Washington
2. Cortez Recreation Center – Cortez, Colorado
3. Fort Lupton Recreation Center – Fort Lupton, Colorado
4. Fruita Community Center – Fruita, Colorado
5. Snoqualmie Community Center – Snoqualmie, Washington

This memorandum provides a summary description for each of the five case studies. We also compiled data into a table regarding the size of the facility, development costs, funding sources, management structure, and operating costs and revenues.

Key Findings

- **Most community facilities are not net revenue generators.** The local government usually subsidizes construction and operations. While these facilities may attract people to certain areas of the city (frequently surpassing initial attendance estimates), and can attract further development and business activity to the surrounding area, they should not be conceived of as an instrument to generate extra revenue for the city.
- **Most community facilities are owned and operated by City governments.** The number of staff required to run a large facility can double the number of existing city staff, for smaller towns.
- **Building a community facility of any sort is a long-term commitment, and it is typical for a project to spend over ten years in the planning and design phase.** While this is invariably a longer period of time than the project's backers initially expect, the discussion, preparation, and fundraising that occur during this time are essential to the eventual success of the facility. The majority of the facilities examined here went so far as to have detailed feasibility studies completed.

- **Community facilities, even large ones, do not require a large tax base, large population, or high per capita incomes.** Smaller communities effectively pursue, fund, and run these facilities. These communities often secure dedicated funding through voter-approved taxes and bonds.
- **Community facilities typically do not draw a large number of outside visitors or tourists.** Most of these community facilities were ultimately built for the community itself, to provide a safe place for exercise and recreation, an outlet for large events, and/or a non-commercial, community gathering point. They may draw attendance from neighboring towns, particularly if these communities are close and lack comparable facilities.
- **Many of these facilities have benefited from unique organizational or funding arrangements, and have identified partnerships that help to reduce costs and operational challenges.** For example, the Fruita Community Center is partnered with the local library branch, and the Snoqualmie Community Center and YMCA is run by a non-profit entity while remaining in City ownership. Similarly, many have found considerable financial and political support in senior groups, and make creative use of grant funding opportunities.
- Our analysis limits our ability to make generalizations about operating costs. The largest operating expense is staff, so the programming at a facility is a key determinant of operating costs.

Community Profiles

- **Bellingham, Washington** is a large metropolitan area in northern Washington, located near the Canadian border. With a population of 82,234 people, it is the twelfth-largest city in the state. Average per capita income was $25,850 in 2011. While the city itself has little in common with Phoenix demographically and economically, it does provide an informative example and model for a successful farmer's market.
- **Cortez, Colorado** is a community of 8,474 people located in southeastern Colorado. It is a county seat, and serves as a local commercial center. Per capita income was $22,358 in 2011.The city's economy is based heavily on tourism to nearby attractions such as Mesa Verde National Park, Monument Valley, and various public lands. Latino and tribal members (due to its close proximity to the Ute Mountain Ute Tribe and Navajo Indian Reservations) comprise a relatively large portion of the population. In terms of its population and economy, the town is a reasonable comparison to Phoenix.
- **Fort Lupton, Colorado** is a small commuter town of 7,592 people located in northwestern Colorado. Per capita income was $18,301 in 2011. It is 30-minute drive from Denver, a major economic center, and several towns of similar size also exist nearby. It has a large Latino population (approximately 50%). The recent boom in oil production in the western half of the state has provided a boost for the local economy. In terms of its population, economy, and relationship with neighboring municipalities, the town is reasonably similar to Phoenix.

- **Snoqualmie, Washington** is a suburb/commuter town of 11,594 people located in the eastern Washington. Per capita income was $44,946 in 2011.The city's economy was formerly based on logging, but has now begun to develop a significant local tourism industry, primarily due to its proximity to nearby waterfalls and mountains. The city is only a 30-minute drive from Seattle, and its economy is closely integrated with the larger urban region. Strong growth in recent decades has resulted in large, master-planned housing developments and a sizeable business park. This example was chosen because it is a relatively small community, and it provides a useful model for a community center.
- **Fruita, Colorado** is a commuter town of 12,696 people located in western Colorado. Per capita income was $25,368 in 2011. The town's economy is primarily agricultural, but it is also becoming well known for its outdoor sports such as mountain biking, hiking, and rafting, its proximity to the Colorado National Monument, and Fruita's annual festivals. Its larger neighbor, Grand Junction, is only a 20-minute drive away. In terms of its population, economy, and relationship with neighboring municipalities, the town is similar to Phoenix.

Bellingham Farmer's Market, Bellingham, Washington

The market has become a significant element of economic activity in the downtown area. It is only a block away from the core, and the surrounding businesses report increased visitation rates and revenue. The Market Depot Square has attracted other investment and development in the downtown area, such as the Railroad Avenue upgrade, which provides a connection to a new condominium project developing on the trail to an outlying district of Bellingham.

Amenities

- 31,900 square feet of outdoor space (including 7,500 square feet of covered space)
- A 5,220 square foot indoor pavilion, which is available for private rentals, such as weddings, on non-market days. The Pavilion has radiant heat, all of the walls open, and the canopy in front expands rain protection.
- Indoor bathrooms
- Space for approximately 108 vendors

Source: Bellingham Business Journal

Website: http://www.bellinghamfarmers.org/

Sources

City of Bellingham. 2004. "Depot Market Square: A public/private partnership to create a community marketplace." Retrieved October 2, 2013 from http://www.cob.org/documents/features/depot-market.pdf

City of Wenatchee. 2010. "Public Market Tour Briefing." Retrieved October 2, 2013 from http://www.wenatcheewa.gov/Modules/ShowDocument.aspx?documentid=4199

Farmers' Markets America. 2010. "Northwood Farmers' Market Preliminary Feasibility Report." Retrieved October 1, 2013 from http://wpb.org/wp-content/uploads/northwood/pdf/WPB%20Northwood%20FM%20Feas%20Study%20Final.pdf


Source: Google Maps

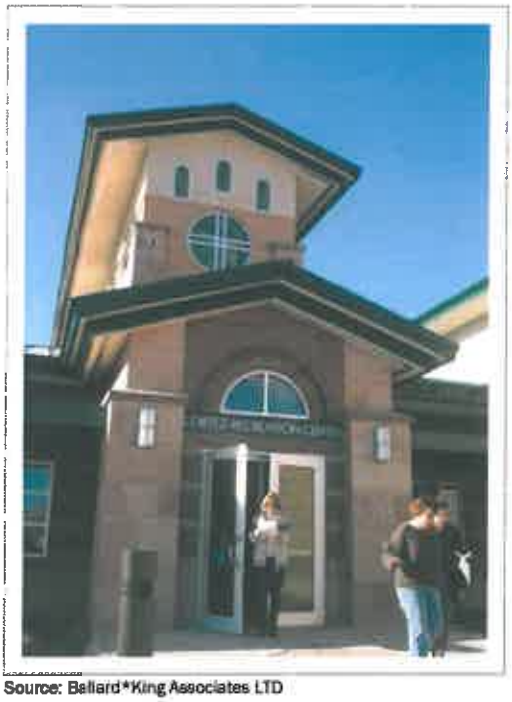
Cortez Recreation Center, Cortez, Colorado

Community desires for the facility included increased fitness and recreational opportunities, as few gyms or exercise facilities previously existed in the County. The community also wanted a 'place to go', particularly for teens and families. The facility now serves as one of the most prominent gathering points in the small town, and has reportedly increased social connectivity and a sense of community.

Since its opening in 2004, the City has pursued several changes to make the facility more profitable. These include expanded promotion of classes and programs, increasing meeting room usage, refinancing of the bonds that support the facility, and conducting an energy audit and implementing upgrades to cut the building's energy costs.

Amenities

- A "community living room", which includes an entertainment center, fireplace, and a 25-foot climbing wall, and overlooks the rest of the facility (the open design of the facility also serves to reduce staffing needs)
- Gymnasium
- A 2,600 square foot leisure pool that features a tot slide, lazy river, interactive water play unit, zero-depth entry and a 150-foot enclosed slide. The indoor 25-meter cool-water fitness pool has six lanes and a deep end for diving.
- Fitness and weight rooms
- Jogging/walking track
- 800 square foot activity room for young children
- Multi-purpose rooms available for conferences, weddings, and other special events.



Source: Ballard*King Associates LTD

- A day-care drop-in program that offers baby-sitting services for children whose parents are using the center.
- Surrounded by a 100-acre park and field complex

Website: http://www.cityofcortez.com/facilities/facility/details/Cortez-Recreation-Center-30

Sources

Ballard King & Associates. 2013."Cortez Recreation Center." Retrieved October 3, 2013 from http://www.ballardking.com/projects/project-detail/cortez-recreation-center/

GreenPlay LLC. 2012. "Montrose Recreation District - Community Recreation Center Feasibility Study." Retrieved October 2, 2013 from http://montroserec.com/DocumentCenter/Home/View/476

Source: Google Maps

Wilson, Katie. 2004. "Worth the Wait." Recreation Management Magazine. Retrieved October 3, 2013 from http://www.recmanagement.com/feature_print.php?fid=200402fp02

Wright, Reid. 2011. "Rec center may add weight to user fees." Cortez Journal. Retrieved October 3, 2013 from http://www.cortezjournal.com/article/20111124/NEWS01/711249957&source=RSS

Personal communication with Dean Palmquist, Director of Parks and Recreation. City of Cortez. October 3, 2013 – Telephone Interview.

Fort Lupton Recreation Center, Fort Lupton, Colorado

Prior to the opening of the community/recreation center in 2001, the community struggled with the need to travel to neighboring towns to find community space and recreational opportunities. Building a facility such as this one was a major undertaking for a community of this size, and required a great deal of public support, namely, the double bond measures that were passed to fund the facility. It also required commitment from City leaders, particularly as the facility doubled City staffing levels.

Since the facility's completion, the town's 'center of gravity' has shifted towards it, and the majority of new development that has happened in the last five years has occurred within a few blocks of the facility.

"We're a smaller community. People here sometimes feel we don't always get the nice things some of our neighboring communities get, so this building inspires a lot of pride. It's the signature building in the community." – Monty Schuman, Director

Amenities

Community Center

- Community rooms
- Senior lounge
- Craft room
- Kitchen

Source: City of Fort Lupton

Recreation Center

- 4,060 square foot, zero-depth-entry leisure pool with an underwater jet bench, lazy river, lap lanes, 139-foot water slide with four turns configured like two figure-eights stacked on top of the other, frog slide, vortex pool, hot tub, and pool party room
- Gymnasium with two cross-court basketball/volleyball courts that can be separated by a curtain and one regulation-size court
- Elevated, 1/16-mile, two-lane running track circling the gymnasium and fitness rooms with same synthetic surface used in Olympic competition
- 3,600 square foot fitness center with circuit and free-weight equipment and a cardio theater
- Additional 850 square foot cardio balcony with 10 spinning bikes

- 1,250 square foot aerobics room for fitness, pilates, yoga, karate, tumbling, and dance classes
- 27-foot rock-climbing spiral with four custom-designed routes
- Men's and women's locker rooms and family change areas
- Child play room
- Teen center with sitting area, foosball, pool table and big-screen TV

Source: Google Maps

Website: http://www.fortlupton.org/department/recreation-center

Sources

Personal communication with Monty Schuman, Recreation Center Director. City of Fort Lupton. October 6, 2013 – Telephone Interview.

Town of Wellington, 2013. "Board of Trustees Recreation Center Work Session." Retrieved October 4, 2013 from http://www.townofwellington.com/vertical/sites/%7BA43FB7F1-9F39-4D8A-94BC-5CB3A7792EB3%7D/uploads/Board_Packet_for__6-25-2013.pdf

Wilson, Katie. 2005. "Beauty on a Budget." Recreation Management Magazine. Retrieved October 4, 2013 from http://www.recmanagement.com/200505aw1j.php

Fruita Community Center, Fruita, Colorado

A lengthy public-planning process served to identify what the community needed and desired. Chief among these needs were varied recreational opportunities that cater to multiple age groups, as well as a community gathering area within the town itself. There is no downtown area in Fruita, but the facility is central and lies close to the hospital, the largest neighborhoods, and multiple schools. This area includes the majority of the large buildings and newer development in town, and this concentration of facilities and features (particularly the community center, which has far surpassed initial attendance estimates) has helped it to become one of the most vibrant and lively areas.

Amenities

Source: KEKB FM

- Two-court gymnasium
- Full-service fitness center
- Group exercise studios
- Indoor leisure pool
- Outdoor lap pool
- Child-sitting center
- Senior activity room
- Multi-purpose community rooms
- Catering kitchen
- Locker rooms and family change area
- Mesa County Branch Library (8,000 square feet). The library includes a children's reading room, computer lab, periodicals section, and a reading room with a fireplace that has become a favorite of Fruita's seniors.

Source: Google Maps

Website: http://www.fruita.org/pr.htm

Sources

GreenPlay LLC. 2007. "City of Fruita Community Center Feasibility Study." Retrieved October 4, 2013 from http://www.greenplayllc.com/pdf/Fruita%20CO%20-%20Rec%20Center%20Feasibility%20Study_Final%20Plan.pdf

GreenPlay LLC. 2012. "Montrose Recreation District - Community Recreation Center Feasibility Study." Retrieved October 7, 2013 from http://montroserec.com/DocumentCenter/Home/View/476

Swanson, Honora. 2011. "New Fruita Community Center Opens." KJCT News 8. Retrieved October 8, 2013 from http://www.kjct8.com/news/New-Fruita-Community-Center-Opens/-/163152/437656/-/14ekpx1/-/index.html.

Snoqualmie Community Center, Snoqualmie, Washington

The facility was built to serve as a local hub and gathering point for the community. A popular element has been the programming and attractions for all ages, particularly younger children and teens. Rather than being located downtown, the facility lies in the middle of the city's largest residential area, making it walkable for a large portion of the community and a complement to an existing park complex.

Source: Wallace Properties

Amenities

- Cardiovascular workout room
- Health & well-being center
- Gymnasium
- Teen center
- Changing rooms and showers
- Youth development center
- Multi-purpose meeting rooms

Website:
http://www.ci.snoqualmie.wa.us/CityDepartments/ParksRecreation/SnoqualmieCommunityCenter.aspx

Sources

Personal communication with Dave Mayer, Director of the City of Snoqualmie Recreation Center and YMCA. YMCA. October 8, 2013 – Telephone Interview.

Staff Writer. 2012. "It's showtime at last for new Snoqualmie Community Center, Valley YMCA." Snoqualmie Valley Record. . Retrieved October 9, 2013 from http://www.valleyrecord.com/news/138011378.html

Wallace Properties. 2012. "Wallace Properties Completes Construction of Snoqualmie Community Center." PRWeb. Retrieved October 9, 2013 from http://www.prweb.com/releases/2012/1/prweb9127202.htm

Source: Google Maps

Key Characteristics of Selected Community Facilities

Facility Name	Location	Population (2012)*	Per Capita Income (2011)*	Year Facility Opened	Construction Costs	Planning Duration
Fort Lupton Community Center	Fort Lupton, CO	7,592	$18,301	2001	Community Center: $1,736,812 ($189/ sq. ft.) Recreation Center: $7,437,353 ($197/ sq. ft.)	~1 year for Community Center, and 2 additional years for Recreation Center
Cortez Recreation Center	Cortez, CO	8,474	$22,368	2004	$7,958,000 ($173/ sq. ft.)	10 years
Snoqualmie Community Center and Valley YMCA	Snoqualmie, WA	11,594	$44,946	2012	$4.7 million ($364/ sq. ft.)	Originally conceived 25 years prior to the ultimate opening
Fruita Community Center	Fruita, CO	12,696	$25,368	2011	$12.4 million ($225/ sq. ft.)	Over 10 years
Bellingham Farmers Market	Bellingham, WA	82,234	$25,850	The farmer's market began in 1993, and a permanent, dedicated space and building (the 'Depot Center') opened in 2006	Construction of the Depot Center cost $2.7 million ($212/ sq. ft.)	The open-air farmers market took approximately a year from inception to opening day (1992-1993). Construction of a dedicated building ultimately took 14 years.

Note: Phoenix, Oregon's 2012 population was 4,585 while 2011 per capita income was $20,365.

Key Characteristics of Selected Community Facilities - continued

Facility Name	How was Development Funded?	Management Structure	Number of Staff	Operational Revenue
Fort Lupton Community Center	Community Center: $911,512 (property taxes), $300,000 (Energy Impact Grant), $7500 (Senior Citizens fundraising), $300,000 (enhancement fees), $217,000 (land donation) Recreation Center: $300,000 (Energy Impact Grant); $6,868,582 (Dedicated, voter approved City Bond); $153,771 (Property Taxes); $115,000 (interest income)	Owned and operated by the City of Fort Lupton, Parks and Recreation Department.	18 FTE	$400,000 subsidy from dedicated property tax, $400,000 in program revenue
Cortez Recreation Center	The facility's construction and continued operations are funded by a 20-year bond that was approved by voters in 2001 (a similar bond effort failed in 1994), supported by a 0.055% sales tax.	Owned and operated by the City of Cortez, Parks and Recreation Department.	19 FTE	Approximately 60% of annual revenue comes from programs, while the remaining 40% comes from the dedicated tax funds. $300,000 from rec center passes, $135,000 from general admission, $60,000 from classes and program, $135,000 from rentals, $7,000 from a Coca Cola Sponsorship agreement, and $7,500 from retail sales.
Snoqualmie Community Center and Valley YMCA	Snoqualmie voters turned down bond measures to improve an existing facility three times, in 2002, 2006 and 2008. The City, which was legally obligated to build a community center, decided to proceed and chose the YMCA as an operating partner. The City set aside $950,000 for construction, and other funding came from the Snoqualmie Tribe, Ridge Builders Quadrant, Murray Franklyn and Pulte, the Weyerhaeuser Real Estate Development Company, and from Puget Western. Besides the initial donation, the Tribe has made a $100,000 annual commitment from its mitigation and social services fund to pay for operations. In sum, approximately $3.2 million was committed to the City of Snoqualmie by developers and $800,000 has been committed by the City from real estate excise tax (REET) funds.	A joint City of Snoqualmie-YMCA venture. The City built and owns the building, while the YMCA operates and maintains it.	55	Program fees, which include memberships, child care, summer camp, and room rental
Fruita Community Center	Funds were raised in part by a 1% increase on the city sales and use tax. Other money was brought in by fundraising campaigns, which included a grant from Great Outdoors Colorado, a fund that distributes lottery funds to local community projects, and a $2 million grant from the Colorado Department of Local Affairs (DOLA), which redistributes energy impact taxes to Colorado communities most affected by oil and gas industry exploration and drilling. In addition, seniors within the community recycled cans and bottles for nearly 10 years, raising $90,000 in funds.	Owned and operated by the City of Fruita, Parks and Recreation Department and Mesa County Libraries.	40-50 part-time and 5 full-time employees	Dedicated 1% sales tax, program fees, interest and rentals, retail sales
Bellingham Farmers Market	The City of Bellingham provided a site (parking lot) and money for tents to support the open-air farmers market (due to its interest in redeveloping the downtown area). Depot Square: $450,000 State capital fund special appropriation, $900,000 City real estate excise tax, $150,000 City parking fund, $150,000 City sewer fund (for restrooms), $220,000 County Economic Development Investment Fund grant (State tax rebate) and $500,000 Private/community fundraising.	Owned and operated by a non-profit (with coordination and support from the City of Bellingham).	2	Vendor fees, rental space

Key Characteristics of Selected Community Facilities - continued

Facility Name	Facility Size	Annual Expenditures	Annual Revenue	Annual Subsidy	Annual Cost Recovery
Fort Lupton Community Center	Community Center - 9,200 sq ft Recreation Center - 37,800 sq ft	$1,720,000	~$400,000	$400,000	18% (first year of operation) -50% (2012)
Cortez Recreation Center	46,000 sq. ft.	$904,929 (2010) $882,779 (2012)	$520,954 (2010) $585,000 (2012)	Operating funds are subsidized with a $300,000-per-year City subsidy that is built into the bond package. Original estimates projected that annual spending would be only $115,000 to staff and operate the center, with the rest going to a savings fund, but this hasn't happened yet. $383,975 (2010) $297,779 (2012)	**58% (2010)** **65% (2011)** 66% (2012)
Snoqualmie Community Center and Valley YMCA	12,917 sq. ft.	$1,550,000	$1,600,000	None needed	~100%
Fruita Community Center	55,000 sq. ft. (includes the library)	$1,773,436	$1,798,260	Between program revenues and the dedicated 1% sales tax, little external funding is needed.	85% - 100%
Bellingham Farmers Market	31,900 sq. ft. of outdoor space (including 7,500 sq. ft. of covered space), and a 5,220 sq. ft. indoor pavilion	Costs are low. Under a 10-year lease, the Market pays the City $246 per Saturdays.	Not identified. Based on vendor's fees and rental income.	Aside from the key donations of a site, construction funding, and favorable lease terms, the City does not subsidize operation of the market.	Not available

Appendix D. 01.24.2014 Open House Debrief Summary

Observations from Open House (heard on-site by Steering Committee and Design Team)

1. City Center Activity Areas

1.1 Parking

Al:
Once all parking spaces are filled in the Market Hall area, specifically where are all the remaining cars going to be parked? Identify potential parking lots.

Annegret:
Brought up busing from high school parking lot for large events, which seems to be largely acceptable.

Dave:
A number of residents voiced concerns about parking; personally I do not feel any concerns

Glenn:
Just heard the question asked of Marla about enough parking. Her reply was that when the traffic speed is lowered then people can park all through town and walk the block or so, was a good one.

Peggy:
The predominant concerns I heard during the Q&A centered on parking, will there be enough for large events/on street for business and cost of the project/maintenance by city?

Curt:
Most of the negative comments I received were about not enough parking. No one said the parking shown was excessive or sufficient. Ideas included parking instead of residential, continuous parking between residential and commercial north of Second Street, parking structure under the civil plaza. One person commented that the location of the Civic Building and plaza should be a parking lot.

Justin:
Some concerns were noted about having parking on both sides of Main Street and the bike/car door conflicts. There were also several comments about the size of the bump-outs shown on Main Street as being excessive and wanting to make sure we did not create another Downtown Medford layout where vehicles were constantly crossing the pedestrian areas.

John:
I heard all the same comments as above and probably the same people. One person mentioned that they liked the idea of parallel parking because it will slow cars down and they compared it to Jacksonville (in a favorable way).

DEA/Shelly Alexander traffic engineer:
Parking is one of two concerns she heard.

1.2 Housing

Al:
Consider the noise of musical events at the civic center in relation to the proximity of residential units. Also, if any of the commercial properties were turned into bars/restaurants, consider potential noise affecting residential units. Think about reducing commercial and

increasing residential. This is based on all the empty commercial property along Main St. between Ashland and Medford.

Dave:
Residents seemed more positive for commercial space

Glenn:
I had one guy insist that there should be no housing there. I replied that it was zoned mixed use, and that a developer would need to plan out what would pay, as to how much housing and how much biz space.

Marla: One individual felt residential should all be located on upper floors in order to deal with perceived problem that not all residences will be maintained on the exterior to the same standards.

Curt:
After parking, I heard negative comments about housing more than anything else. Comments included noise and clutter. After talking to those people, I believe they had a very limited idea of the type of housing (publicly supported) when they made their comments. Most agreed that housing could be pleasant and supportive of the commercial activity if done well. Some people had positive comments about the housing. One person said "this could be our own version of the Pearl District!".

Justin:
Several comments were made regarding possible second story housing along Main Street above the commercial uses.

John.
Someone questioned the use of housing on the site stating it may not be the best use for Return on Investment.

1.3 Commercial

Dave:
Hard to gauge, people employed in Phoenix are definitely for more commercial space

Glenn:
The folks I heard seemed to be supportive, that as the center is built, and the streets are transformed, that there would be enough customers. Plus some were feeling that with housing located in this area, that more people living downtown would help support the commercial development. One person asked for enough space for on sidewalk next to commercial to allow for a sidewalk café type setting.

Curt:
No one I heard from was against commercial, nor disagreed with the concept of concentrating commercial on Main Street. The concern is how to attract businesses to this location, how to not harm other commercial areas in downtown, and how the businesses will prosper. The idea of business incubator spaces in the Civic Building was mentioned more than once. In general, the idea of incorporating commercial in the Civic Building was well received.

Justin:

I agree that there were overwhelmingly positive comments about integrating commercial business spaces into the Civic Building as a draw and revenue stream. George Kramer also talked with me a lot on building setbacks along Main Street, making sure we provide enough hardscape area in front of the businesses for outdoor seating, but not pushing the buildings back for landscape areas.

John:
I talked to George also and he felt it would be important to have the front of the Civic Building to do its job as a storefront type appearance with the rest of the building doing something else that would fit with the intended use. He felt that there really is no distinguishable building style for Phoenix. George summarized the building as a "mullet hairdo" – business up front (typical street storefront) and party in the back…He also thought having an entry for the building at the corner of 2nd and Main would have a more inviting appearance from the street.

1.4 Natural Area

Annegret:
Strong feelings regarding the preservation of the wetland area in an accessible form

Glenn:
Folks liked that we were keeping iti natural, and restoring it as well.

Curt:
I received many positive comments about restoring the natural area, including comments to incorporate the walkway/bike path as close as possible. I don't recall any negative comments about restoring the natural area, although a few commented about the cost and complexity of extending Second all the way through.

Justin:
There were many positive comments about restoring this area for visual appeal and using it for the public. Some people were wondering if there would be paths extended from the street into this area. People liked the large viewing area on the curved option which I think would work with either concept. Based on comments, I'm wondering if we shouldn't take a second look at how we can tie our improvements directly to this area versus it being only an overlook.

2. Roads and Transportations

2.1 Extending Second Street

Annegret:
Does not appear to be a priority in view of the cost

Glenn:
Taking out part of the wetland was one person`s concern.

Curt:
Most of the comments reinforced that extending Second Street to Bear Creek should be considered for the future, but it wasn't a high priority, and the City Center improvements should be developed with Second Street not extending beyond the Internal Road in the initial phases. I heard a few comments that a bridge would be more desirable than fill to create the road bed.

John:
Two people thought the roundabout was a great idea. One of them had done a lot of research and said they were a great way to move traffic safely. I did not get a lot of comments about phasing the extension of Second Street to Bear Creek Drive but I must admit I didn't bring up the topic and I imagine people just thought it was going to happen eventually since it was on the plans.

2.2 Bus access through City Center

Curt:
During the July meeting, I heard a lot of negative comments about the concept of a "Transit Station" as shown on the traffic study diagrams. During the Open House, the comments about the bus stops as shown on the site plans were more accepting. I don't recall any comments that supported expanding transit services in downtown, but most seem to accept that accommodating buses is a reality that they could live with. A few commented they hope to see minimal bus travel along the extended Second Street and Internal Road.

2.3 Bike access from Bear Creek Greenway;

Al:
Where is there going to be access to the Bear Creek Bikeway from the new Market Hall area?

Annegret:
Seen as very important, considering the "potential customers" which are passing Phoenix by at this time

Dave:
Championed by one person, some negative comments about bicyclists, or needs.

Glenn:
There was some concern if a way could be made to access the middle of the area at First Street. Just one person.

Peggy:
Several people's comments during the Q&A at each session concerned the bike lanes and were all negative... the bike lane and multi-use path on Bear Creek were "both a complete waste of money and I hate that design", the whole valley is an aging population so why do we need bike lanes, we already share the greenway with bicycles so why can't we just share a multi-use path with them on Bear Creek and eliminate the bike lane.

Curt:
Just a few people made the comment to create a direct connection to City Center to bring more potential customers to new commercial buildings, and it generally was made within the context of the traffic engineer's traffic flow analysis.

Justin:
Bike comments were more related to whether we need a bike lane/path on Bear Creek Drive or if a direct connection to the Bear Creek Greenway would suffice. There was not a lot of support for the added multi-purpose bike lane with the two lane option on Bear Creek Drive because of this.

John:

Two people were very adamant about encouraging bikers from the Greenway. They thought the two areas on the traffic plan needed to be tweaked to make it more accessible for bikes. One said there are 100,000 users of the greenway each year and that statistics say that bikers spend more money when they stop because they stay longer.

Marla: A planning commissioner offered an idea for Bear Creek Drive to be a single northbound lane from Blue Heron park to 1st Street, then become two northbound lanes at 1st Street. [This would give more room for creative pedestrian and bicycle connections between Greenway and the south end of the internal street.]

DEA/Shelly Alexander: Avid cyclists preferred Concept 4 with bike lane on Bear Creek Drive. Were concerned that avid cyclists would conflict with pedestrians if having to share multi-use path.

2.4 Other

Al:
Need to know more about where all the potential turn lanes are going to be on a one lane Main St.

Marla: PHURA received a request three years ago to add electrical vehicle plug-in stations with the site plan.

3. Civic Center Components

3.1 Curve or Straight;

Annegret:
Curve seems to be more popular

Glenn:
Curve seemed to have more support.

Marla:
From my vantage point up in front, there was a large murmur and significant nodding of heads "yes" in the evening audience about the Curved version.

Curt:
Both received positive comments, however most people who commented said they liked the Straight option, but they really liked Curve. There were some comments that Curve appears to be more expensive.

Justin:
I think the unique curve street aspects that were mentioned most were the natural viewing area, street plaza option, and longer/larger outdoor space behind the Market Hall building.

John:
I can't think of anyone who preferred the straight version although most had positive comments about both.

3.2 Plaza/Public Open Space

Annegret:
Very important, seen as potential daily gathering place and event space

Dave:
One person I spoke with considered it a waste

Glenn:
Those I heard seemed to be pleased with the concepts.

Curt:
I received a few unexpected comments about the plaza area shown in the Civic area. At least three people asked why there is a plaza in the street. When I explained the concept of closing a portion of Second Street to cars for special events to allow the public open space to expand into the street, they understood the concept. I think they also supported the concept. One person commented that Phoenix is too small to have a plaza, as we discussed he had a very specific definition of a plaza. We agreed that "Open Space" was a more generic term, and he agreed that Phoenix should have more public open space.

Justin:
There were a lot of positive comments about having a plaza option in the street, but I also still have concerns over whether we can keep this area level enough to use it as a plaza.

John
I had a lot of positive feedback on the plaza. One person wanted specific items used: Cobblestone type surfacing for an "old look", lights like those being used now. I think the area can be level enough for a plaza – how big of a plaza is the question and it all relates to grades and how Bear Creek Drive, First Street, Second Street and Main Street relate to the intersection in the middle of the project. The topographic survey will show us the way(s).

3.3 Vendor Space

Glenn:
Did not hear any comments.

Curt:
I had few conversations about this use. The few comments I received implied it was assumed this use would be accommodated.

3.4 Market Hall Building Concepts (Community Room Use)

Annegret:
Two-story building seems to be preferred to provide commercial space, which can contribute, perhaps even pay for the maintenance of the building. Professional offices like CPA and medical providers were mentioned most often. Considered good location, especially by seniors, because close for Phoenix residents and access to public transportation. We might even be able to create a separate medical building within the downtown area. Senior center and teenage activities appear to be the most urgent concerns.

Al:
What is the relationship of the Market Hall project to any new Phoenix city hall?

Dave:
A mixed bag, hard to gauge, longer term residents seem to express less enthusiasm than more recent newcomers to the area.

Glenn:
The idea of commercial spaces, and office space to help support the building costs, were well received. One person mentioned the Bellingham, WA example , that he had looked online at it, and liked their building a lot.

Curt:
The general comments I received implied the community room was an appropriate space. One person questioned if a single community room was sufficient to bring people downtown to support the new businesses. It struck me that the idea of a community room was a high priority in the earlier public meetings, but barely mentioned at the Open House.

Justin:
There seemed to be more support for buildings that created multiple indoor spaces for use versus only a large space.

3.5 Other

Al:
Would a playground be appropriate for the civic center? Status: Create a comprehensive list of typical park elements, and identify the functions/activities that are envisioned for the outdoor space development (include both natural area enhancements and open public space), and functions/activities that have been identified as not compatible. The Steering Committee generally agreed that some amount of structure play area would reinforce the family friendly goal of the civic space.

4. Community

4.1 Enthusiasm

Annegret:
Seemed high, although the number of visitors was smaller than I had expected

Dave:
I sensed a lack of enthusiasm, although residents I have spoken with, not at the meeting expressed positive opinions

Glenn:
Very positive form what I heard.

Curt:
Many people I talked to finished their comments saying they are really excited and hope to see something happen.

John:
I heard the same comments.

Comments and Notes provided by:

Annegret: Annegret Topel, Steering Committee Member; PHURA Board Member

Al: Al Muelhoefer, Steering Committee Member; PHURA Board Member

Dave: Dave VandeVelde, Steering Committee Member; Citizen-at-Large

Glenn: Glenn Hill, Steering Committee Member; Citizen-at--Large

STG/Peggy: Peggy VandeVelde, Steering Committee Member; Citizen-at-Large

Marla: Marla Cates, Steering Committee Member; PHURA Staff

DEA: Shelly Alexander, traffic engineer working on downtown traffic flow analysis

Curt: Curt Wilson, PIVOT Architecture

John: John Galbraith, Galbraith and Associates Landscape Architects

Justin: Justin Gerlitz, ZCS Engineering

Appendix E. Construction Cost Estimate Detail

PHURA Market Hall Study
Project Budget Summary
7/17/2014

PIVOT - ZCS - Galbraith - Construction Focus

		Boundary 1 Building and Plaza	Boundary 2 Second S - Main to Internal	Boundary 3 3rd St Extension and Internal Road	Boundary 4 Natural Area Improvements	Boundary 5 2nd Street Extension	Total
Description		**Civic Building and** Plaza; sidewalk on south side of 2nd St, and west side of Internal Road.	**Second St from Main** ROW to Internal Road ROW to edge of Boundary and sidewalk	**3rd St and Internal Road from Main St Row to 1st St ROW, to edges of Boundaries 1 and 2, and sidewalks not included in Boundary 1.**	Natural Area not included in other Boundaries	Second St from Internal Road to Bear Creek, including new sidewalks.	
Planned Start of Construction		06.2016	06.2016	06.2017	06.2017	06.2022	
Construction Costs							
Hardcost Subtotal		$2,915,276	$229,064	$846,822	$115,360	$400,597	$4,507,119
GC	8%	$233,222	$18,325	$67,746	$9,229	$32,048	$360,570
Profit/Overhead	6%	$188,910	$14,843	$54,874	$7,475	$25,959	$292,061
Estimating Contingency	20%	$667,482	$52,446	$193,888	$26,413	$91,721	$1,031,950
Inflation	varies	$320,391	$25,174	$151,233	$20,602	$203,620	$721,020
Total Construction Costs		**$4,325,281**	**$339,853**	**$1,314,563**	**$179,079**	**$753,944**	**$6,912,720**

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		Boundary 1 Building and Plaza	Boundary 2 Second S - Main to Internal	Boundary 3 3rd St Extension and Internal Road	Boundary 4 Natural Area Improvements	Boundary 5 2nd Street Extension	Total
Other Project Costs							
Survey	0.30%	$12,976		$3,944	$537	$2,262	$19,719
Geotech	0.30%	$12,976		$3,944	$537	$2,262	$19,719
Construction Testing	1.00%	$43,253	$3,399	$13,146	$1,791	$7,539	$69,127
Printing and Travel Reimbursa	0.75%	$32,440	$2,549	$9,859	$1,343	$5,655	$51,845
AE Team Fee	15.00%	$648,792	$50,978	$197,184	$26,862	$113,092	$1,036,908
Building Permit	1.00%	$43,253	$3,399	$13,146	$1,791	$7,539	$69,127
SDC	1.50%	$64,879	$5,098	$19,718	$2,686	$11,309	$103,691
Wetland Permit	Varies	$0		$20,000		$100,000	$120,000
Insurance	0.75%	$32,440	$2,549	$9,859	$1,343	$5,655	$51,845
FFE Allowance	5.00%	$216,264					$216,264
Change Order Allowance	5.00%	$216,264	$16,993	$65,728	$8,954	$37,697	$345,636
1.5% for Solar	1.50%	$64,879					$64,879
Owner's Project Management	1.50%	$64,879	$5,098	$19,718	$2,686	$11,309	$103,691
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Total Project Costs		**$5,994,839**	**$446,907**	**$1,756,538**	**$236,563**	**$1,095,960**	**$9,530,807**

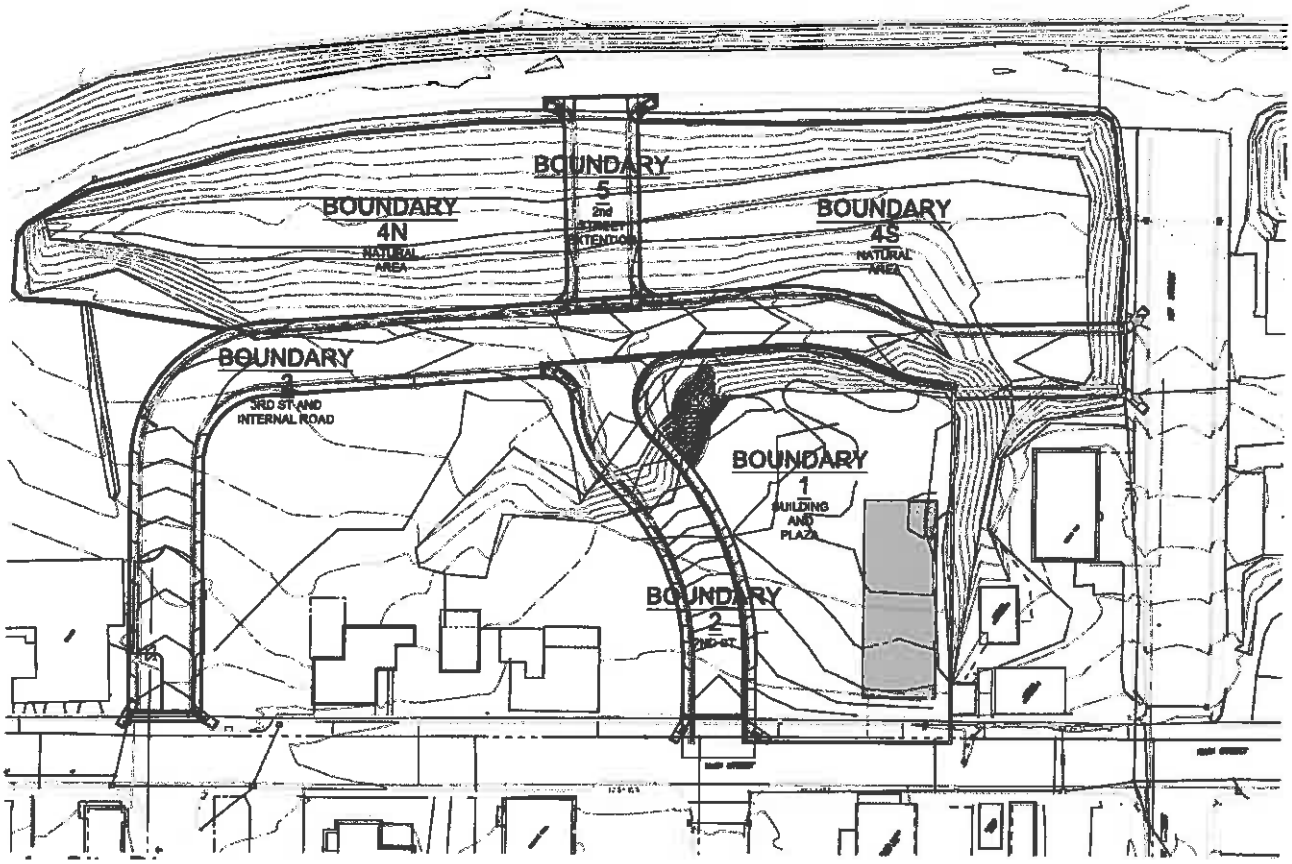
PIVOT ARCHITECTURE

COST ESTIMATE

Project: **PHURA Market Hall Study (1318)**

Date: June 18, 2014

The purpose of the construction cost estimate and project cost estimate at the study phase is to establish an appropriate budget to implement the project goals.



Description of Terms

Construction Costs

Hardcosts Subtotal:	These are the costs for individual trades (subs and suppliers) that the General Contractor pays. Most of the construction estimate detail is shown at this level.
GC	General Contractor Fee. This is the fee paid to the General Contractor. It is often shown as a percentage of Hardcosts, and it includes their effort to manage the work.
Profit/Overhead	This is the General Contractor's fee compared to the costs of trades, and is reflected as a percentage. Profit is profit, and overhead is intended to cover the real management costs for the GC, including trailers, insurance, etc.
Estimating Contingency	This is an allowance for the unknown. Construction 'bids' are developed at the end of the design phase when all systems are designed and documented. The estimate is generated earlier in the process when many things still remain unknown, therefore a large contingency is appropriate. As the design evolves, this contingency is reduced.
Inflation	A standard construction cost estimate is based on today's construction prices, therefore projecting for costs at the time of construction is necessary. The historical average for construction inflation is 3% per year. As we step out of the Great Recession, construction activity is rising at higher than average rates, therefore 4% per is expected for the next two years.
Total Construction Costs	This is the amount that would be paid to the General Contractor for construction at the end of the project, and is intended to include all costs for the GC, subs, and suppliers.

Other Project Costs

Survey	This is the cost to the owner to provide a topo and boundary survey that will be used by the architect and engineers during the design phase. For the Market Hall site, a preliminary survey has been provided, therefore the full amount of this budget probably won't be used.
Geotech	This is the cost to the owner to procure geotechnical services that inform the design's development and provide construction recommendations, and will be used by the architect and engineers. For the Market Hall site, a preliminary geotech evaluation was performed. Given the poor soils conditions and sloping site, further geotech evaluations should be planned for.
Construction Testing	This is the cost to the owner for independent testing of specific systems during construction. The owner will hire a testing company, the GC will coordinate with the company when tests are necessary, and the owner will pay the bills. The building code requires independent testing in certain situations.

Printing and Travel	This is a reimbursable budget for the actual costs to the design team to execute their services. It is distinct from the AE fee.
AE Team Fee	This is the fee for the architect and engineers.
Building Permit	This is the fee for the building permit and related permits (i.e mechanical, electrical, etc).
SDC	Systems Development Changes. Public utilities and municipalities charge SDCs for new construction to offset the costs for infrastructure improvements. SDCs often apply to water systems, sewers, roads, and in some communities, parks.
Wetland Permits	These costs are for the permits to modify the existing wetlands at the former Bear Creek river bed.
Insurance	This is the insurance the owner carries during construction. The GC also carries insurance, and responsibility for installed work shifts from GC to owner as progress payments occur.
FFE	Fixture, Furniture, and Equipment. This includes the necessary things owner's need in buildings such as furniture, phones, servers, PCs, etc. Many of these items can be relocated when a new building replaces an existing building. These are typically items not attached to the building.
Change Order Allow.	Changes to the original construction contract will occur and need to be planned for. These changes can be organized into three basic groups: 1) owner requested changes, 2) discrepancies, and 3) unforeseen conditions.
1.5% for Solar	This is a state law for all public buildings over a certain dollar threshold. The typical means of complying with this requirement is roof-mounted solar panels. The primary purpose of this law is to create site-generated power.
Owner's PM	The tasks of managing a new building project are often added to the owner's regular job duties. Booking the costs for the owner's project time is often separate from their normal salary. This budget provides the owner options for how the project is managed.
Project Contingency	Contingencies are intended to provide options for unknown conditions. The value of the contingency is optional, and 5% to 10% is common for public projects.
Total Project Costs	All the costs to the owner to design and build a new building. This does not include land costs, nor does it include operational and maintenance costs.

PHURA Market Hall Study
Project Budget Summary
6/18/2014

PIVOT - ZCS - Galbraith - Construction Focus

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Construction FOCUS
Integrated Project Solutions

June 17, 2014
Revision #1

PHOENIX URBAN RENEWAL AGENCY
PHOENIX, OREGON
STATEMENT OF PROBABLE COST

Prepared for:
PIVOT Architects
Eugene, OR

Prepared by:
Steve Gunn

President
Construction Focus, Inc.

PHOENIX URBAN RENEWAL AGENCY
Statement of Probable Cost

LOC	ITEM		DESCRIPTION	QNTY	UNIT	$/UNIT	TOTAL $
	BOUNDARY # 1						
	Foundation & Concrete						135,423
	Piling		pin piles_ave 15' deep	90	EA	324.00	29,160
	Mat slab		f/s/pl/fin 18-in	6,240	SF	14.30	89,232
	Elevator pit		walls & slab	1	LS	9,495.00	9,495
	Foundation drainage		pvc pipe-4"	628	LF	12.00	7,536
	Masonry						22,287
	Masonry		CMU	1,311	SF	17.00	22,287
	Steel						30,300
	Structural steel		ts-col_6x6	6	EA	1,300.00	7,800
	Stairs-steel		stringers/tread/landing	2	SET	11,000.00	22,000
Elev pit	Ladder			1	EA	500.00	500
	Rough Carpentry						207,277
	Wall: exterior		2x6 framing/sheathing	8,248	SF	5.30	43,714
Grd Fl	Wall: interior		2x4 & 2x6 framing	4,512	SF	3.50	15,792
Grd Fl	Framing		col/beams/headers	78	LF	20.00	1,560
2nd Floor	Floor framing		GLB/TJI joists/shtg	4,224	SF	6.30	26,611
2nd Floor	Wall: interior		2x4 framing	3,720	SF	3.50	13,020
2nd Floor	Framing		col/beams/headers	53	LF	20.00	1,060
	Skylight framing		soffit walls	6	EA	300.00	1,800
Upper	Roof framing		GLB/TJI joists/shtg	5,614	SF	9.90	55,579
Gathering	Roof framing		GLB/TJI joists/dkg/shtg	2,546	SF	16.50	42,009
Canopy	Roof framing		rafters/sheathing	876	SF	7.00	6,132
	Finish Carpentry						16,432
	Wainscot		hardwood plywood	560	SF	20.00	11,200
	Finish carpentry		allowance	10,464	SF	0.50	5,232
	Cabinetry & Counters						62,696
	Lower cabinets		hardwood veneer	112	LF	210.00	23,520
	Upper cabinets		hardwood veneer	68	LF	132.00	8,976
Lobby	Display cabinet			1	EA	5,000.00	5,000
	Counter tops		solid surface	280	SF	90.00	25,200
	Thermal & Moisture						45,525
Exterior	Thermal batt insulation		R-19 & vapor barrier	5,244	SF	1.35	7,079
Interior	Insulation @ walls		4" acoustic batt	5,763	SF	0.60	3,458
	Insulation @ roof		polystyrene-6"	8,159	SF	4.00	32,636
Elev pit	Waterproofing		Bentonite	336	SF	7.00	2,352
	Exterior Cladding						52,495
	Siding		stucco: 3-coat/vb/furring	2,098	SF	17.50	36,715
	Siding		vertical metal siding/furring	1,836	SF	8.00	14,688
	Flexible flashing		Permabarrier_40 mil	210	LF	5.20	1,092
	Roofing & Sheet Metal						99,827
	Roofing		standing seam metal	9,035	SF	10.00	90,350
	Gutters, custom		stainless steel	290	LF	14.00	4,060
	Downspouts		pre-pnt_24ga	186	LF	5.50	1,021
	Flashings		24 ga Kynar	1,256	LF	3.50	4,396

PHOENIX URBAN RENEWAL AGENCY
Statement of Probable Cost

LOC	ITEM		DESCRIPTION	QNTY	UNIT	$/UNIT	TOTAL $
	Sealants						1,311
	Sealants		caulking	5,244	SF	0.25	1,311
	Doors/Frames/Hardware						58,800
Exterior	Doors		alum frame/glazed/hdwr	10	DR	2,000.00	20,000
Interior	Doors		frm-HM/dr-wd/hdwr	21	DR	1,200.00	25,200
	Sectional door		overhead_8'x10'	4	EA	3,400.00	13,600
	Glass & Glazing						150,671
	Storefront		alum frame/glazing	2,475	SF	55.00	136,125
	Glazed interior walls			80	SF	48.00	3,840
Interior	Relite		HM frame/glazing	3	EA	650.00	1,706
	Skylights		alum frame/Plexiglass 4'x6'	6	EA	1,500.00	9,000
	Floor Coverings						76,558
	Polished concrete			3,742	SF	9.00	33,678
	Carpet tile			3,908	SF	3.50	13,678
Stairs	Carpet			324	SF	5.35	1,734
	Porcelain tile			1,702	SF	14.00	23,828
	Sealer on concrete		allowance	350	SF	1.25	438
	Wall base		4" rubber	1,779	LF	1.80	3,202
	Ceilings/Gypbd						123,130
	Suspended ceiling		grid/ac-tile	8,448	SF	4.50	38,016
Gathering	Suspended ceiling		clouds_12'x2'	8	EA	600.00	4,800
Walls	Gypsum board		5/8" bd & LVL 5 finish	24,712	SF	3.25	80,314
	Painting/Wall Coverings						36,212
	Wall covering		ceramic tile	1,508	SF	15.00	22,620
	Painting			24,712	SF	0.55	13,592
	Specialties & Equipment						216,565
	Toilet accessories		various types	20	TTL	105.00	2,100
	Toilet partitions		solid phenolic	4	EA	900.00	3,600
	Kitchen equipment & stainless steel counters			1	LS	35,000.00	35,000
	Partition wall		allowance	816	SF	75.00	61,200
	Signage, interior		allowance	21	RM	65.00	1,365
	Marker boards		size 4'-0" x 4'-0"	4	EA	600.00	2,400
	Tack boards		size 8'-0" x 4'-0"	8	EA	1,200.00	9,600
	FEC		cabinet & ext	5	TTL	260.00	1,300
	Elevator		KONE 2-stop/MRL	1	EA	100,000.00	100,000
	Furnishings						13,613
	Window blinds			2,475	SF	5.50	13,613
	Plumbing						52,320
	Plumbing		fixtures & piping	10,464	SF	5.00	52,320
	Fire Protection						41,856
	Fire protection		riser/mains/drops/heads	10,464	SF	4.00	41,856
	HVAC						332,528
	HVAC		VRF	10,464	SF	27.00	282,528
Kitchen	HVAC		exhaust/MU-air/fire suppress	1	LS	50,000.00	50,000

PHOENIX URBAN RENEWAL AGENCY
Statement of Probable Cost

LOC	ITEM		DESCRIPTION	QNTY	UNIT	$/UNIT	TOTAL $
	Electrical						255,811
	Electrical		power	10,464	SF	9.00	94,176
	Electrical		lighting @ bldg interior	10,464	SF	7.00	73,248
	Electrical		lighting @ bldg exterior	1	LS	12,300.00	12,300
	Electrical		fire alarm	10,464	SF	1.38	14,440
	Electrical		sub metering	1	LS	20,000.00	20,000
	Electrical		telephone/data	10,464	SF	1.98	20,719
	Electrical		security & access control	10,464	SF	2.00	20,928
	Earthwork						248,683
	Clearing and grubbing			1	LS	3,200.00	3,200
	Mobilization			1	LS	8,087.00	8,087
	Construction staking			1	LS	3,200.00	3,200
	Erosion control			1	LS	1,600.00	1,600
	Traffic control			1	LS	1,600.00	1,600
	General Excavation			390	CY	15.00	5,850
Bldg pad	Aggregate base		3/4 minus_18" ave thick	650	TN	18.00	11,700
Hardscapes	Aggregate base		3/4 minus_9" thick	1,092	TN	25.00	27,300
	Subgrade fabric			2,182	SY	1.00	2,182
	Structural fill		4" rock	1,313	TN	18.00	23,634
	Retaining wall		CIP-colored	2,818	SF	45.00	126,810
	Footing @ retaining wall		4'x1' thick	470	LF	60.00	28,180
	Wall backfill		3/4" clean rock	178	TN	30.00	5,340
	Site Improvements						97,140
	Handrail			404	LF	60.00	24,240
	Guardrail			235	LF	120.00	28,200
	Benches		allowance	3	EA	1,200.00	3,600
	Trash receptacles		allowance	3	EA	400.00	1,200
	Flagpole		allowance	1	EA	4,500.00	4,500
	Bollards		decorative	16	EA	500.00	8,000
	Bollards		utility	8	EA	300.00	2,400
	Trash enclosure			1	LS	10,000.00	10,000
	Bike enclosure		allowance	1	LS	15,000.00	15,000
	Landscaping						123,500
	Planting		topsoil-18"/plants @ 3' oc	8,000	SF	7.00	56,000
	Irrigation			8,000	SF	1.50	12,000
	Street trees (2" caliper) with irrigation, grates, and soil			4	EA	4,650.00	18,600
	Site trees			18	EA	500.00	9,000
	Plaza trees			6	EA	4,650.00	27,900
	Hardscapes						293,548
	Standard concrete		4", broom finish	280	SF	4.10	1,148
	Decorative concrete		6" w/rebar/colored/scored	18,950	SF	12.00	227,400
	Decorative concrete		4" w/detailed scoring	1,350	SF	7.00	9,450
	Concrete steps		6" riser/16" tread, broom finish	1,010	SF	55.00	55,550
	Site Utilities						120,769
	Sanitary sewer		6" pipe	1	LS	1,200.00	1,200
	Domestic water		2" service	1	LS	1,500.00	1,500
	Utility trench			186	LF	27.50	5,115
	Catch basin		concrete	5	EA	1,400.00	7,000
	Storm piping		HDPE-8"	281	LF	34.00	9,554

PHOENIX URBAN RENEWAL AGENCY
Statement of Probable Cost

LOC	ITEM		DESCRIPTION	QNTY	UNIT	$/UNIT	TOTAL $
	Fire line		pipe/backflow preventer	1	LS	10,000.00	10,000
	Grease interceptor		allowance	1	EA	3,500.00	3,500
	Site electrical		data to the site	1	LS	14,400.00	14,400
	Site electrical		lighting	1	LS	24,800.00	24,800
	Site electrical		misc items	1	LS	10,000.00	10,000
	Site electrical		underground	1	LS	33,700.00	33,700
						HARDCOST SUBTOTAL:	2,915,276
			General Conditions:	8.00%			233,222
			Profit & Overhead:	6.00%			188,910
			Contingency:	20.00%			667,482
			Inflation (2-years):	8.00%			320,391
						BOUNDARY # 1 TOTAL	4,325,281

PHOENIX URBAN RENEWAL AGENCY
Statement of Probable Cost

LOC	ITEM		DESCRIPTION	QNTY	UNIT	$/UNIT	TOTAL $
	BOUNDARY # 2						
	Site Development						173,264
	Concrete Sidewalk Ramps			3	EA	1,000.00	3,000
	Concrete Walks			2,516	SF	4.10	10,316
	Concrete Curb & Gutter			454	FT	13.00	5,902
	Concrete Driveway Approach, Reinforced			142	SF	6.50	923
	General Excavation			1,561	CY	11.50	17,952
	4"-0" Aggregate Base			479	TON	15.00	7,185
	3/4"-0" Aggregate Base			411	TON	22.00	9,042
	Level 2, 1/2" Dense, MHMAC			174	TON	90.00	15,660
	Subgrade Geotextile			1,232	SY	1.00	1,232
	4" Striping			672	LF	1.25	840
	Pavement Bar, Type A (crosswalks)			132	SF	5.00	660
	8" Potable Water Pipe, Fittings, and Couplings with Class "B" Bacl			291	LF	75.00	21,825
	Hydrant Assemblies			1	EA	3,500.00	3,500
	8" Gate Valve			2	EA	1,000.00	2,000
	Common Utility Trench (Installed Complete)			204	LF	27.50	5,610
	3" PVC Electrical Conduit			158	FT	15.00	2,370
	2" PVC Electrical Conduit			450	FT	15.00	6,750
	Pedestrian Light			7	EA	5,000.00	35,000
	12" HDPE Pipe, 0'-5' Depth			71	FT	38.00	2,698
	Concrete Inlets, Type 'B'			2	EA	1,400.00	2,800
	Clearing & Grubbing (Trees and Brush)			1	LS	1,300.00	1,300
	Traffic Control			1	LS	1,300.00	1,300
	Mobilization			1	LS	6,500.00	6,500
	Construction Staking			1	LS	2,600.00	2,600
	Erosion Control			1	LS	1,300.00	1,300
	Signs			1	LS	2,500.00	2,500
	Trench resurfacing			50	SY	50.00	2,500
	Landscaping						55,800
	Street trees (2" caliper) with irrigation, grates, and soil			12	EA	4,650.00	55,800
						HARDCOST SUBTOTAL:	229,064
			General Conditions:	8.00%			18,325
			Profit & Overhead:	6.00%			14,843
			Contingency:	20.00%			52,447
			Inflation (2-years):	8.00%			25,174
						BOUNDARY # 2 TOTAL	339,853

ARCH: PIVOT
DWG DATE: June 5, 2014
DESIGN LEVEL: Concept

CONSTRUCTION FOCUS, INC.
541-686-2031
EUGENE, OREGON

ESTIMATE DATE: June 17, 2014
REVISION #: 1
CONST. START: Varies

PHOENIX URBAN RENEWAL AGENCY
Statement of Probable Cost

LOC	ITEM		DESCRIPTION	QNTY	UNIT	$/UNIT	TOTAL $
	BOUNDARY # 3						
	Site Development						696,222
	Concrete Sidewalk Ramps			5	EA	1,000.00	5,000
	Concrete Walks			8,511	SF	4.10	34,895
	Concrete Curb & Gutter			1,567	FT	13.00	20,371
	Concrete Driveway Approach			142	SF	5.50	781
	General Excavation			1,164	CY	11.50	13,386
	Aggregate Subbase (Structural Subbase Fill)			4,704	TON	15.00	70,560
	4"-0" Aggregate Base			1,415	TON	15.00	21,225
	3/4"-0" Aggregate Base			1,212	TON	22.00	26,664
	Level 2, 1/2" Dense, MHMAC			514	TON	90.00	46,260
	Subgrade Geotextile			3,638	SY	1.00	3,638
	4" Striping			2,157	LF	1.25	2,696
	Pavement Bar, Type A (crosswalks)			198	SF	5.00	990
	Retaining Wall, MSE with Geotextile Tie Backs			5,134	SF	35.00	179,690
	3" PVC Electrical Conduit			551	FT	15.00	8,265
	Street Lights (by Pacific Power/Paid by City)			3	EA	1,200.00	3,600
	Pole Foundation (for Cobra Head Light Pole)			3	EA	1,000.00	3,000
	2" PVC Electrical Conduit			1,500	FT	4.75	7,125
	Pedestrian Light			28	EA	5,000.00	140,000
	12" HDPE Pipe, 0'-5' Depth			152	FT	38.00	5,776
	Concrete Inlets, Type 'B'			6	EA	1,400.00	8,400
	Wetland Mitigation			1	LS	35,000.00	35,000
	Clearing & Grubbing (Trees and Brush)			1	LS	6,000.00	6,000
	Traffic Control			1	LS	3,000.00	3,000
	Mobilization			1	LS	29,700.00	29,700
	Construction Staking			1	LS	11,800.00	11,800
	Erosion Control			1	LS	5,900.00	5,900
	Signs			1	LS	2,500.00	2,500
	Landscaping						74,400
	Street trees (2" caliper) with irrigation, grates, and soil			16	EA	4,650.00	74,400
	Site Improvements						76,200
	Guardrail			635	LF	120.00	76,200
						HARDCOST SUBTOTAL:	846,822
			General Conditions:	8.00%			67,746
			Profit & Overhead:	6.00%			54,874
			Contingency:	20.00%			193,888
			Inflation (3-years):	13.00%			151,233
						BOUNDARY # 3 TOTAL	1,314,564

ARCH: PIVOT
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DESIGN LEVEL: Concept

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541-686-2031
EUGENE, OREGON

ESTIMATE DATE: June 17, 2014
REVISION #: 1
CONST. START: Varies

PHOENIX URBAN RENEWAL AGENCY
Statement of Probable Cost

LOC	ITEM		DESCRIPTION	QNTY	UNIT	$/UNIT	TOTAL $
	BOUNDARY # 4						
	Landscaping						115,360
	Irrigation and planting			82,400	SF	1.40	115,360
						HARDCOST SUBTOTAL:	115,360
			General Conditions:	8.00%			9,229
			Profit & Overhead:	6.00%			7,475
			Contingency:	20.00%			26,413
			Inflation (3-years):	13.00%			20,602
						BOUNDARY # 4 TOTAL	179,079

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REVISION #: 1
CONST. START: Varies

PHOENIX URBAN RENEWAL AGENCY
Statement of Probable Cost

LOC	ITEM		DESCRIPTION	QNTY	UNIT	$/UNIT	TOTAL $
	BOUNDARY # 5						
	Site Development						360,997
	Concrete Sidewalk Ramps			3	EA	1,000.00	3,000
	Concrete Walks			1,538	SF	4.10	6,306
	Concrete Curb & Gutter			318	FT	13.00	4,134
	General Excavation			36	CY	11.50	414
	4"-0" Aggregate subbase			3,769	TON	15.00	56,535
	3/4"-0" Aggregate Base			203	TON	22.00	4,466
	Level 2, 1/2" Dense, MHMAC			86	TON	90.00	7,740
	Subgrade Geotextile			608	SY	1.00	608
	4" Striping			288	LF	1.25	360
	Pavement Bar, Type A (crosswalks)			132	SF	5.00	660
	Retaining Wall, MSE with Geotextile Tie Backs (Max Height 20')			3,774	SF	50.00	188,700
	12" HDPE Pipe, 0'-5' Depth			48	FT	38.00	1,824
	Concrete Inlets, Type 'B'			2	EA	1,400.00	2,800
	2" PVC Electrical Conduit			310	FT	15.00	4,650
	Pedestrian Light			4	EA	5,000.00	20,000
	48" Culvert			60	FT	100.00	6,000
	Clearing & Grubbing (Trees and Brush)			1	LS	5,200.00	5,200
	Traffic Control			1	LS	5,200.00	5,200
	Mobilization			1	LS	25,900.00	25,900
	Construction Staking			1	LS	10,300.00	10,300
	Erosion Control			1	LS	5,200.00	5,200
	Signs			1	LS	1,000.00	1,000
	Landscaping						4,800
	Hanging baskets @ light poles w/irrigation			6	EA	800.00	4,800
	Site Improvements						34,800
	Guardrail			290	LF	120.00	34,800
						HARDCOST SUBTOTAL:	400,597
			General Conditions:	8.00%			32,048
			Profit & Overhead:	6.00%			25,959
			Contingency:	20.00%			91,721
			Inflation (8-years):	37.00%			203,620
						BOUNDARY # 5 TOTAL	753,944
						PROJECT TOTAL:	6,912,721

EXCLUSIONS
Design fees, permit fees, system development fees, utility hookup charges, testing, BOLI fee.
Moving expenses, anti-graffiti coating, rock excavation.
Exterior signage, lockers, bike racks

Appendix F. Systems Description

PIVOT ARCHITECTURE

SYSTEMS DESCRIPTION

Project: **PHURA Market Hall Study**
Civic Building and Plaza
Date: June 18, 2014

Project Description

The general scope of the work includes a new two story building and a civic plaza on a sloping site.

Code Summary (See also code research performed during the SD Phase)

- Construction Type: Type VB
- Occupancy: B
- Number of Stories: Two
- Building Areas: See plan
- Fire Sprinklers: Yes
- Emergency Power: No

Specifications

Substructure

A10. Foundations

1. Concrete
    1. 3,000 psi
2. Excavation – Covered by Civil Engineer
3. Grading – Covered by Civil Engineer
4. Fills – Covered by Civil Engineer
5. Strip Footings
    1. Dimensions:
        a. Footings: 2-6" wide by 1'-0" deep (top of footing 1' below top of slab)
        b. Stemwalls: 8" wide by 16" high; except 4 ft high for 75% of south wall of building, and all of east end.
    2. Reinforcing: 2-#% longitudinal bars; #5 verts at 32" o.c.
    3. Extent: All Exterior Walls

6. Spread Footings
    1. Assume one row of 6'x6'x18" footing at 32' o.c. down center of building.
7. Slab on Grade
    1. Thickness: 5"
    2. Reinforcing: #4 at 16" O.C., each way
    3. Finish: Polished in Gathering and Retail, smooth trowel elsewhere
    4. Provide Underslab Vapor Barrier; 15 mil thickness, directly over subgrade.
8. Perimeter foundation drain
    1. Slope to drain.
9. Waterproofing
    1. Elevator pit
        a. Bentonite water-proofing, lighting, access ladder, sump.

A20. Below Grade Construction

1. Elevator Pit
    1. Mat Slab
        a. Thickness: 10"
        b. Reinforcing: #4 bar 12" OC EW
        c. Waterproofing: Continuous sheet bentonite waterproofing with protection board.
    2. Walls
        a. Thickness: 10"
        b. Reinforcing: #4 bar 12" OC EW
        c. Waterproofing: Continuous sheet bentonite waterproofing with protection board and drainage below grade. Provide continuity with waterproofing below slab.
2. Perimeter foundation drain,
    1. Slope to drain.

B. Shell

B10. Superstructure

1. Columns
    1. Assume 6x6 TS columns at 32' o.c. along perimeter, and at interior footings.
2. Lateral System
    1. 2x6 wood studs at 16"o.c. with ½ plywood sheathing
3. Floors (second floor)

1. Structure: 24" deep GLB Girder at center line of the building (N-S); 12" deep GLB at 16' o.c.; 12" TJI at 16"o.c. with
2. Sheathing: 1 1/8 T&G OSB sheathing

4. Roof:
    1. Gathering Room
        a. Structure: GLB Girder at center line of the building (N-S); GLB purlins at 24' o.c.; 4x16 rafters at 24" o.c.
        b. Sheathing: 5/8" plywood over 3x wood decking
    2. Elsewhere
        a. Structure: GLB Girder at 32' o.c.; GLB purlins at 24' o.c.; 12" TJI at 24" o.c.
        b. Sheathing: 5/8" plywood

B20. Exterior Closure

1. Walls
    1. Structure: per above
    2. Sheathing: per above
    3. Insulation: R-19 fiberglass batts in stud cavity, 1" rigid insulation over sheathing
    4. Weather barrier: Self adhered waterproof membrane
    5. Flashing: stainless steel
    6. Exterior finish:
        a. CMU Veneer: 25%
        b. Stucco, painted: 40%
        c. Vertical Metal Siding: 35%
    7. Interior Finish: See "Interior Finishes" below
2. Windows
    1. Glazing: Dual pane Low E coated glazing (Solarban or similar)
    2. Frame System: Thermally broken aluminum storefront system
    3. Window operation: 70% fixed/20% operable
    4. Extent: Assume 30% of exterior wall to be glazed
3. Doors
    1. Door: Aluminum storefront
    2. Door Frame: Aluminum storefront
    3. Door Hardware:
        a. Proximity activated automatic door operators at primary exits
        b. Stainless steel lever type with panic hardware at service and secondary exits

4. Glazing: Tempered dual pane to match storefront
5. Access Control: None

4. Skylight
   1. Glazing: Plexiglass
   2. Frame System: Aluminum
   3. Window operation: Fixed
   4. Extent: Assume (6) 4' x 6'

B30. Roofing

1. All roof areas:
   1. Roofing: 25 year Kynar coated standing seam metal roof
   2. Slope: varies
   3. Insulation: 6" extruded polystyrene rigid insulation
   4. Drainage: Roof edge stainless steel gutters

C. Interiors

C10. Interior Construction

1. Interior frame partitions:
   1. Solid walls
      a. Frame/structure: 2x4 studs at 24" oc, 2x6 at 16" oc restrooms
      b. Acoustical control: Resilient channel, fiberglass sound control insulation at Gathering room and offices
      c. Finish: See "Interior Finishes" below.
   2. Glazed interior walls
      a. Aluminum storefront system with single pane glazing at interior wall of Gathering.
2. Interior Doors:
   1. Door: Solid core hardwood veneer
   2. Door Frame: Hollow Metal
   3. Door Hardware: Stainless steel lever type
   4. Glazing: Tempered
3. Casework
   1. Cabinetry: Hardwood veneer plywood
   2. Counters: Solid surface
   3. Extent:
      a. Counter and Base: 16 lf per retail; 40 lf distributed through office; 24 lf in Gathering
      b. Counter: 12 lf in lobby; 4 lf per restroom

c. Uppers: 12' lf per each retail; 32 lf distributed through office
d. Stainless Steel Kitchen Counters: quantity included in Kitchen allowance.

4. Interior Specialties – Toilet Rooms
    1. Restroom accessories:
        a. Standard SS accessories
        b. Electric Hand Dryers
    2. Toilet partitions: Solid phenolic
5. Interior Specialties - Misc.
    1. Fire extinguishers and cabinets: -
    2. Marker boards: Assume (4) 4'x4' panels
    3. Tack boards: Assume (8) 4'x8' panels
    4. Hardwood panel wainscoat up to 4'-0"
        a. Extent: All walls in Gathering Space and Lobby

C20. Stairways
1. Typical:
    1. Metal fabricated system with concrete-filled treads

C30. Interior Finishes
1. Floors
    1. Gathering: Polished Concrete
    2. Retail: Polished Concrete
    3. Meeting Rooms and Office: Carpet Tile
    4. Elsewhere: Porcelain Tile
    5. Base: 4" rubber base, except tile base at tile floor
2. Walls
    1. Tile to 7'-0" in kitchen and restrooms
    2. Tile to 3'-6" in lobby
    3. Gypboard elsewhere
3. Ceilings
    1. Gathering: Open to structure
    2. Elsewhere: Suspended Acoustical Ceiling Tile system with 2x4 tile
    3. Clouds: 2'x12'
        a. Extent: 8 total in Gathering space
4. Folding Walls:
    1. STC Rating 47

2. Model and Type: Similar to Modernfold Acousti-seal non steel operable partition wall, overhead support
3. Finish: Washable vinyl fabric, acoustically absorptive substrate
4. Quantity:
   a. One in Gathering
5. Operation: Manual

D. Services

D10. Conveying Systems - Elevator

1. Operation: Two stop machine room-less high efficiency elevator, similar to KONE EcoSpace
2. Operation: Controls allow push button operation at daytime. Off hours control by security card.
3. Cab Size: Large gurney size, allowing use for emergency services and maintenance access.
4. Finishes: Plastic laminate walls. Carpet floor. Metal grid ceiling. Stainless steel door and door frames.

D20. Plumbing Systems – to be determined

1. General
   1. Standard, code-compliant installation
2. Fixtures
   1. WC: 1 per restroom
   2. Lav: 1 per restroom,
   3. Sinks: 2 in Gathering, 2 prep-type in Kitchen, 2 dish wash in Kitchen

D30. HVAC Systems

1. VFR (Variable Refrigerant Flow) System to serve building
   1. 3 pipe system with Heat Recovery
   2. Condensing Unit (about 3'x3'x3') located outside
   3. Outside Air Ventilation Unit (about 8'x3'x3') to be located in attic over second floor. Provide loft with ship ladder access.
2. Kitchen: Provide exhaust fan and makeup area in addition to VFR.

D40. Fire Protection Systems

1. Fire sprinklers throughout building
2. Fire alarm throughout building
   1. Code compliant S

D50. Electrical Systems

1. Provide power to the building from Main Street. Go underground from utility pole at the street to the building.
2. Power distribution throughout.
3. Plan on sub-meter for tenant spaces.
4. Provide battery-backup at lights for emergency power.
5. Light Fixture
    1. Gathering: Suspended Direct-Indirect
    2. Elsewhere, Interior: Lay-in Direct-Indirect
    3. Exterior, Building Mounted: Wall-mounted distributed for plaza lighting and building egress path lighting
    4. Site Lighting: Plaza, ramp, and amphitheater lighting

D60. Oregon 1.5% Solar Law

1. General
    1. Provide budget in overall Project Costs

D70. Low Voltage Systems

1. Cat 6 Cable distributed throughout building
2. Provide one main distribution room on first floor, and a satellite distribution room on the second floor.
3. All network cabling distributed from rooms identified above to individual spaces. Provide at least (2) data locations per room, and more in office suites.
4. Tenants to provide their own servers.

E. Equipment & Furnishings

E10. Equipment

1. Allowance for marker boards
2. Allowance for tack boards
3. Allowance for lobby display cases
4. Digital & Computer Equipment: See Project Budget

E20. Furnishings

E30. Window Blinds

1. At all exterior windows

E40. Furniture: None, separate contract

E50. Food Service Equipment – Commercial kitchen allowance provided

F. Other Building Construction

F10. Special Construction

1. See above for piling foundation system

G. Site Work

G10. Site Preparation and Earthwork

1. Second Street will either be constructed or AT LEAST the subgrade of the roadway cut in at the time of the site plaza area construction. This will allow the contractor to utilize cut material from the Second Street roadway as FILL material for the Plaza Site.
2. 20% of soils removed during excavating operations are clays and organic and cannot be used as fill material (Must be removed from the site). The remaining 80% are assumed useable for structural fill material. Some areas have large expanses of organic material (bark) and may require additional soil mitigation.
3. Large contingency for Wetland Mitigation/Permitting (see email summary)
4. Based on the preliminary geotechnical report/analysis, the building foundation will need to be supported on 3" micropile due to large fill areas.

G20. Site Utilities -

1. Utility Trenching:
    1. Backfill:
        a. Pipe Base and Pipe Zone: ¾"-0 crushed rock.
        b. Above Pipe Zone: Select Fill.
    2. Placement: Compact in loose lifts not exceeding 12 inches. Thinner lifts will be required if light or hand-operated equipment is used.
    3. Compaction: Compact the fill to a minimum of 95% relative compaction per ASTM D 698.
2. Storm Drain
    1. Other than trapped catch basin inlets and/or rain gardens, no additional storm water detention or treatment is assumed (storm retention/vegetated treatment will be provided in existing natural area following existing City drainage patterns).
    2. 3rd Street/internal road storm system will discharge directly from inlets to the natural swale area. Inlets will be trapped to provide oil/water separation.
3. Sanitary Sewer
    1. Easement for future sanitary sewer service: offset off of Third Street; will be a private force main system due to grading constraints. Dedicate easement now through tax lot 700 (38-1-9-DD) to serve the (2) internal lots.

4. Domestic Water and Fire Protection
    1. We will extend an 8" water main/fire line down Second Street to service the developable lot south of 3rd Street and provide adequate fire service.
    2. Fire service will be provided to the Market Hall site with an exterior mounted double check/backflow vault and FDC.

5. Gas
    1. Gas service will route along the pressurized sewer route.

6. Utilities for Future Development
    1. The internal road only fronts two developable lots once the Market Hall site is developed. The internal lot will be serviced by the new infrastructure in 2nd Street with exception to sewer. There is no ability to install sewer in 1st Street or extend a sewer main from Main Street due to grades and therefore we are assuming this internal lot will need to have a pressurized sewer service back to Main Street. The other developable lot is north of 3rd Street (38-1w-09dd, TL 600) which will have frontage on both the 3rd Street extension and Bear Creek Drive. Water and electrical are available on Bear Creek Drive and just like the internal lot, we will need to provide them with a route for a pressurized sewer service as well back to Main Street. Gas would also run along this pressurized sewer route. The question is whether to stub gas to this lot now or make it part of the future development cost. We could stub a 2" pvc sewer pipe across the new portion of 3rd Street, but the cost is incidental to the road.

G30. Site Development

1. Streets
    1. Road Section: Assumed 3" AC; 6" of ¾" minus rock; 8" of 4" minus rock; woven geotextile fabric; Upper 12" of subgrade redensified to 95% ASTM D698 (standard proctor).
    2. Regular 1' bar (double) striped cross-walks.
    3. Cobra Street Lights at all intersections that don't already have one.
    4. Pedestrian Lights at 30' O.C. Staggered on each side of the street along all new streets (with 2" power conduit to service them). Service will be provided off of new common utility trench in 2nd Street. Pedestrian light cost includes the light pole, foundation, and switching & wiring.
    5. MSE (Mechanically Stabilized Earth) walls are assumed to be pre-cast concrete blocks (2'x2'x6') with geo-grid tie backs in the 3rd Street/Internal Road subgrade. Average wall height along the internal road is 8' and it is assumed that a pedestrian rail will be provided for the full wall length at the back of walk. Sidewalk coping is included in the cost of the MSE retaining walls.
    6. Average wall height of the Boundary 5 MSE walls is 13' with heights ranging from 2' to 20' in the middle of the wetland area.
    7. Guardrail @ top of retaining walls – 42" picket, black powder coat
2. Plaza

1. Plaza Concrete Section: 6" Reinforced Concrete; 9" of ¾" minus rock; woven geotextile fabric
2. Cast in place retaining walls on the east side of the plaza site have a max height of 4' (with ends that tapper to 0' height). Cast in place retaining walls on the west side of the plaza site (along the back of sidewalk and stairs) have a max height of 10' (with an end that tappers to 0' height).
3. Plaza site (Boundary 1) includes everything behind the sidewalk as well as the amphitheater area in 2nd Street.
4. Handrails @ ramp & steps - black powder coat
5. Guardrail @ top of retaining walls – 42" picket, black powder coat

3. Bike Enclosures
   1. Foundation: Concrete isolated footings at each T frame.
   2. Structure: Steel tube rigid frame, T shaped structure with steel tube purlins.
   3. Pavement: 4 inch Concrete slab on grade.
   4. Roofing: None.
   5. Enclosure: Ornamental fencing to match site fencing. Person gate with card access lock.
   6. Lighting: Yes, photo cell control.
   7. Extent: Assume 16'x24'

G40. Site Amenities

1. Site Furnishings
   1. Benches: Assume 4
   2. Trash Receptacles: Assume 2

2. Bike Racks
   1. Style: "loop type" half circle, stainless steel, surface mounted.
   2. Extend/Quantity: 16

3. Flag Poles
   1. Height: 30 ft for American flag, and 25 ft for Oregon flag.
   2. Foundation: 3 ft by 5 ft by 3 ft
   3. Operation: Internal halyard
   4. Lighting: Ground lighting
   5. Quantity: Two; one for American flag, and one for Oregon flag.
4. Decorative Bollards
   1. Style: Decorative cast iron bollards.
   2. Extend/Quantity: Assume 30.

3. Concrete footing.

5. Utility Bollards
   1. Style: 4 inch diameter round steel pipe bollards with concrete encasement below grade. Painted finish.
   2. Extend/Quantity: Assume 10.

G50. Landscaping and Irrigation

1. Irrigation
   1. Boundary 1 – Civic Bldg & Plaza
      a. Provide (1) irrigation point of connection w/ 1" meter
      b. Weather based irrigation controller
      c. Low volume drip irrigation provided to all street trees and general planting areas of 6' width and less
      d. Overhead low volume spray irrigation to all planting areas not served by low volume drip irrigation.
   2. Boundary 2 – Second Street (Main to Internal Rd.)
      a. Provide (1) irrigation point of connection w/ 1" meter
      b. Weather based irrigation controller
      c. Low volume drip irrigation @ tree wells
   3. Boundary 3 – Third Street / Internal Road (to First St.)
      a. Irrigation service and controller to be provided from Boundary # irrigation system
      b. Low volume drip irrigation @ tree wells
   4. Boundary 4 – Natural Area
      a. Provide (1) irrigation point of connection w/ 5/8" meter
      b. Irrigation controller(temporary) to be battery operated
      c. Low volume drip irrigation to all introduced plantings
   5. Boundary 5 – Second Street to Bear Creek Rd.
      a. Irrigation service and controller to be provided from Boundary # irrigation system
      b. Low volume drip irrigation @ hanging baskets
2. Plantings
   1. Boundary 1 – Civic Bldg & Plaza
      a. Allow for 4 Street Trees @ Main Street (allow for 1.2 CY of topsoil and 70 CY of structural soil @ ea. street tree).
      b. Allow for 24 Site Trees (includes 6 in plaza)
      c. Allow for (10) 4'x4' tree grates; (6) in plaza, (4) @ street trees. Each grate to include frame and footing at perimeter

d. Allow for 1.2 CY of topsoil and 70 CY of structural soil for each (6) plaza tree

e. Allow for shrub and groundcover plantings at an average spacing of 36" o.c.

f. All plantings shall receive fertilizer and myccorhizae

g. All planting areas shall receive 3" of bark mulch or rock as a top dressing

2. Boundary 2 – Second Street (Main to Internal Rd.)

   a. Allow for (12) 2" caliper Street Trees (70 CY of structural soil @ 24" depth EACH street tree)

   b. Allow for (12) 4'x4' tree grates. Each grate to include frame and footing at perimeter

   c. Imported Topsoil (1.2 CY @ 24" depth ea. street tree)

3. Boundary 3 – Third Street / Internal Road (to First St.)

   a. Allow for (16) 2" caliper Street Trees (70 CY of structural soil @ 24" depth EACH street tree)

   b. Allow for (16) 4'x4' tree grates. Each grate to include frame and footing at perimeter

   c. Imported Topsoil (1.2 CY @ 24" depth ea. street tree)

4. Boundary 4 – Natural Area

   a. Remove all non-native/invasive vegetation

   b. Riparian cuttings and containerized plantings at 48" o.c. in all areas where standing water is not present

   c. All plantings shall receive fertilizer and myccorhizae

   d. All planting areas shall receive 3" of bark mulch or pea gravel as a top dressing

5. Boundary 5 - Second Street to Bear Creek Rd.

   a. Allow for (6) hanging baskets @ light posts

Appendix G. Costs Analysis

BLUE MOUNTAIN ECONOMICS

To: Curt Wilson, PIVOT Architecture
From: Anne Fifield
Date: July 23, 2014
Subject: Preliminary Financial Analysis of for Phoenix Market Hall

As part of the PIVOT Team, Blue Mountain Economics conducted a preliminary analysis of the costs, revenues and financing for a proposed Market Hall in Phoenix, Oregon. This memorandum describes the assumptions used to show the projected costs and revenues over a 2045, a 30-year period.

The financial model was built in Microsoft Excel, and was designed to be flexible so that staff at the Urban Renewal Agency can change the inputs as information shifts over time. This memorandum describes the structure of the financial model and how URA staff can use it to test alternative timing, cost, and revenue scenarios. It is organized into the following sections:

1. Operations Costs (page 2) describes the annual costs required to operate the building. We included detailed estimates of projected costs, such as utilities and janitorial services.
2. Operations Revenues (page 5) describes the revenue generated from renting out the facility. We estimated low, medium, and high revenue projections based on potential rents from the gathering spaces, the plaza, and the retail and office space.
3. Net Revenues (page 8) summarizes the costs and revenues of the Market Hall building.
4. Capital Costs and Financing (page 10) summarizes the cost of construction and the cost of borrowing to fund the construction. It describes the model that allows the URA to test different debt schedules and terms.

The financial model is based on the proposed Market Hall structure designed by PIVOT Architecture. We have assumed the structure has 10,646 total square feet (SF) with 2,598 SF of rentable office space and 1,676 SF of rentable retail space. We assumed a 624-SF retail space (retail space A) is occupied by a restaurant.

The analysis assumed the URA covers the cost of financing construction and the City covers the costs of operating the building. Based on the initial assumptions used to estimate costs and revenue, the model found that the costs exceeded the revenues. However, by reducing the staff time required to operate the facility, the model found that that revenues exceeded costs by the third year of operation in in the medium and high revenue scenarios.

This memorandum shows tables from the Excel model. Throughout the model and the memorandum, a green cell indicates that the cell is an input. White cells indicate that it is calculated, based on data elsewhere in the spreadsheet model.

1. Operations Costs

This section describes the assumptions we used to estimate the cost of operating the Market Hall. We identified all costs in 2014 dollars and inflated the cost in future years to current-year dollars.[1] The model shows operations beginning in the year after construction. Please see Section 4, Capital Costs and Financing, for a discussion of the construction schedule. This memorandum assumes operations begin in 2017. We identified four types of operations costs:

- property management;
- building operations and maintenance;
- site operations and maintenance; and
- periodic improvements.

The operation costs can be found in the "OperationsCosts" tab in the financial model.

Property Management

The PIVOT team estimated that the facility would require a quarter-time full-time equivalent (FTE) to manage the building. The property manager will be responsible for finding tenants and responding to their on-going needs. The manager will also be responsible for managing the gathering spaces on a daily basis. These tasks include booking the rooms, ensuring the users have access to needed facilities, and clearing the rooms after the users have left. The property manager will also be responsible for coordinating regular events that occur at the facility, for example, a Farmers Market.

Based on data from the City of Phoenix, we assumed the cost of the property manager is $45 per hour, which includes wages, taxes, benefits and vacation. The model multiplies the hourly rate by 2,080 hours and then by 0.25. We estimate the total annual cost for property management is $23,400.

The facility will also require occasional maintenance, to repair things as they break with use. We estimate that the structure will require an additional one-quarter FTE to make occasional repairs, for an annual cost of $23,400.

Total annual costs to manage the property are estimated to be $46,800.

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[1] We use 3% as an annual inflation rate. This is a reasonable projection of inflation over the next 30 years, given past inflation. Using the Consumer Price Index for All Urban Consumers, the U.S. city average since 2000, inflation increased 2.4% annually; since 1913, it increased 3.2% annually.

[2] As reported in the 2003 Commercial Buildings Energy Consumption Survey, conducted by the U.S. Energy Information Administration. The 2003 survey is the most recent data. See Table C21.

Building Operations and Maintenance

We estimated the on-going costs associated with operating the structure. We estimated the annual cost for electricity, water, garbage, custodial services, and insurance. Total annual costs for the building's operations and maintenance are estimated to be about $12,000.

Electricity

We multiplied average consumption per SF by electricity rates in Phoenix. We used the average consumption rate in kilowatt-hours (kWh) for different use types, as reported by the U.S. Energy Information Administration (EIA).[2]

- For retail space A, we used 47.8 kWh per SF per year, the average consumption rate for food service spaces with less than 10,000 SF.
- For the remainder of the building, we used 12.0 kWh per SF per year. This is an average between the consumption rates for retail space (12.2), office (12.9), and public assembly space (11.6).
- The average electricity rate for commercial consumers in Phoenix is 8.15 cents per kWh.[3]

Based on these assumptions, the annual cost for electricity is $1,205.

Water

We multiplied average consumption by the City's water rates. For average consumption, we used 4.03 gallons per SF per month, the average total water consumption for commercial buildings.[4] We estimated the facility would consume about 42,000 gallons of water per month.

The City charges $33.50 per month for the first 5,000 gallons, $1.91 per 1,000 gallons for the next 5,000 gallons, and $2.25 for every 1,000 gallons over 10,000 gallons per month.[5]

Based on these assumptions, the annual cost for water is $1,385.

Garbage

We used commercial rates reported by Rogue Disposal & Recycling on their website. We assumed the facility would require a 1.5-yard container and weekly pickup, for a

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[2] As reported in the 2003 Commercial Buildings Energy Consumption Survey, conducted by the U.S. Energy Information Administration. The 2003 survey is the most recent data. See Table C21. Electricity Consumption and Conditional Energy Intensity by Building Size for Non-Mall Buildings, 2003. http://www.eia.gov/consumption/commercial/data/2003/pdf/c21.pdf

[3] Reported by Electricity Local (http://www.electricitylocal.com/states/oregon/phoenix/).

[4] Morales, M., J. Martin, and J. Heaney. "Methods for Estimating Commercial, Industrial and Institutional Water Use" presented at Fall 2009 Florida Section of the American Water Works Association Water Conference.

[5] City of Phoenix, Water and Street User Fee Information.

monthly cost of $112.10. Based on these assumptions, the annual cost for garbage service is $1,345.

Custodial

A local cleaning service estimated it would cost $350 per month for once-weekly cleaning.[6] This cost estimate excludes the cost of cleaning Retail Space A, occupied by a restaurant (restaurant tenants are typically responsible for their own custodial services). Based on these assumptions, the annual cost for custodial service is $4,200.

Insurance

The City of Phoenix's insurance provider estimated that the annual cost to insure the building would be $3,896.[7]

Site Operations and Maintenance

PIVOT Architecture estimated the time required to maintain the outdoor area, i.e., remove trash, maintain the landscaping, and maintain the hardscape. They estimated the annual costs would be $24,825.

Detailed information about the site operating costs can be found in the "SiteOpsDetail" tab in the financial model.

Periodic Improvements

The building will require occasional upgrades, such as re-painting interiors, replacing the roof, HVAC repair, lighting replacement, and other necessary investments to maintain the quality of the building over time.

PIVOT Architecture identified types of improvements, the cost per SF, the number of years between making the improvements, and the portion of the structure that would be improved. Table 1 shows the categories of improvements, their cost and timing.

Table 1. Cost and Timing of Periodic Improvements

Periodic Improvements	$/SF	Years b/w Improvements	% Improved	Cost
Building				
Interior Finishes	$6.50	8	25%	$17,004
Exterior Envelope Repair - Level 1	$7.00	8	25%	$18,312
Exterior Envelope Repair - Level 2	$9.00	16	25%	$23,544
Roofing Replacement	$10.50	48	100%	$109,872
HVAC Systems Replacement/Repair	$27.00	16	40%	$113,011
Lighting Source Replacement/Repair	$2.00	16	25%	$5,232
Site		20		$22,500
Estimated Annual Reserve				**$27,877**

Note: Green cells in the table indicate that those cells are inputs and can be altered by the user. The model calculates data in the white cells.

[6] Estimate provided by Vista Building Services, Inc.

[7] Estimate provided by Hart Insurance.

To estimate the amount the City should hold in reserve to cover expected periodic improvements, we calculated the future value of the identified cost for the first year the cost will come due. We then amortized that future cost over the number of years between improvements, for each of the categories. That is, we expect the City to place the amortized cost into a fund every year until the expenditure is made. We assume the savings account receives an interest rate of 1.5%.[8] We estimated that the City should reserve about $28,000 annually for periodic improvements.

This calculation is based on many estimated factors, such as future inflation and expected costs of building materials and labor in the future. The City should regularly re-assess this estimate, as it identifies the true costs of periodic improvements and the number of years between improvements.

Total Operating Costs

In the first year of operation, we estimate that it will require about $119,000 to fully cover all operating costs. Costs slowly increase over time, as the cost of goods and services inflate over time.

2. Operations Revenues

The facility will generate revenue by renting out space to different users. This section describes the assumptions we made to estimate revenue for the gathering spaces and plaza, retail space, and office space. We have estimated revenues for low, medium, and high scenarios.

Rents and Fees

For each space, we have identified a gross rental rate, that is, the dollar fee to rent the space. The low, medium, and high revenue scenarios show different levels of use, occupancy, and rental rate discount, but the gross rental rate remains consistent.

Gathering spaces and plaza

The gathering spaces and plaza can be used for private parties, meetings, and public events. We have assigned two different rental rates: $15 per hour for non-profit organizations and $28 per hour for private parties. The actual rental fees should vary based on whether or not the renter uses the kitchen facility.[9] It is likely the Market Hall could charge a higher rate. We have used low rates so that the financial model conservatively estimates future revenues.

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[8] The detailed year-by-year calculations showing the cost of periodic improvements is the "PeriodicCosts" tab in the financial model.

[9] Rental rates are based rates charged by nearby community centers. The Santo Community Center in Medford rents most of its rooms for $30 per hour to commercial users and $18 per hour for non-profit and service organizations. The Santo Community Center has no kitchen. The Ashland Community Center rents for $21 an hour on weekdays and $33 an hour on weekends (including Friday nights). The facility includes a banquet room, kitchen and stage.

For the low, medium, and high revenue scenarios, we identified different levels of use. That is, in the low scenario, the gathering spaces are rented out for very few hours every week, and in the high scenario, they are rented out for more hours per week.

We have also included revenue from a farmers market. The expected revenue from a farmers market depends on whether the City would manage its own market or work with an existing market. If the City were to manage its own market, we estimate it could charge $50 per booth per week. At full capacity, this model could generate about $60,000 annually. Alternatively, if the City chose to work with an existing market, it could charge that organization a fee for the use of the space. We were unable to identify a typical fee that an existing market pays the use of a site. The fee an existing market pays to a site owner depends on the site location, its amenities, and the agreement terms.

For this analysis, we opted to estimate the revenue associated with working with an existing market. This is consistent with our assumptions regarding the property manager's time. By working with an existing market, the City of Phoenix could attract existing market participants and quickly bring new activity to the area. We estimated the plaza space could host a farmers market for a fee of $200, once a week for nine months out of the year. This amount covers two hours of a City staff person's time and $100 for water and electricity. This assumption is consistent across the three revenue scenarios.

Office and retail space

The Market Hall includes 1,676 rentable SF of retail space on the ground floor and 2,598 rentable SF of office space on the second floor. For this analysis, we have assumed that retail space A (624 SF) is a restaurant. The building is designed so the interior walls can be moved, so the square feet for the individual spaces shown in the drawing can be shifted to respond to tenant requirements.

We made the following assumptions about rents for the retail and office space. These rents can be adjusted in the financial model, to test the impact of lower or higher rental rates.

- Retail Space A houses a restaurant, and the gross rent rate is $15/SF.
- The remaining retail space rents at $14/SF.
- The office space rents at $14/SF.

Net operating income

For each use, we calculated the gross rent. We then adjusted the gross rent to account for inflation over time, vacancies in the retail and office space, and a 'discount' rate for the retail and office space.

- For the gathering spaces, we **inflated** rents at 2% per year over the planning period. For the retail and office space, we inflated rents at 2% per year. We

have used these low figures so that the financial model conservatively projects revenues over time.

- For the office and retail spaces, we identified **vacancy rates** for the first, second, and third years of operation, with the vacancy rate stabilizing in Year 3. We subtracted the lost revenue from vacancies from the gross revenue. The vacancy rate varies in the low, medium, and high revenue scenarios.
- For the office and retail spaces, we identified a **discount rate** for the first, second, and third years of operation, with the discount rate stabilizing in Year 3. The discount rate allows the City to offer the space at a discount—that is, the $14 per SF per year can be discounted by 50% to $7. We subtracted the lost revenue from discounts from the gross revenue. The discount rate varies in the low, medium, and high revenue scenarios.

After adjusting for inflation, vacancies, and discounts, we calculated the net rent. We subtracted the annual operating costs from the annual net rents to calculate the net operating income.

Revenue Scenarios

Table 2 shows the different assumptions for the low, medium and high revenue scenarios.

Table 2. Assumptions for Low, Medium, and High Revenue Scenarios

	Low				Medium				High			
Gathering Spaces	Weekday Hours	Weekend Hours	Weekly Revenue	Annual Revenue	Weekday Hours	Weekend Hours	Weekly Revenue	Annual Revenue	Weekday Hours	Weekend Hours	Weekly Revenue	Annual Revenue
Non-Profit	10	2	$180	$9,360	10	4	$210	$10,920	10	8	$270	$14,040
Private Party	3	2	$140	$7,280	5	4	$252	$13,104	10	8	$504	$26,208
Farmers Market			$200	$7,800			$200	$7,800			$200	$7,800
Total	13	4	$520	$24,440	15	8	$662	$31,824	20	16	$374	$48,048

	Low			Medium			High	
	Year	Retail	Office	Retail	Office		Retail	Office
Vacancy Rate								
Operations Year 1	1	67%	67%	67%	67%		33%	33%
Operations Year 2	2	67%	67%	33%	33%		0%	0%
Operations Year 3+	3	33%	33%	0%	0%		0%	0%
Rent Discount								
Operations Year 1	1	50%	50%	30%	30%		0%	0%
Operations Year 2	2	25%	25%	15%	15%		0%	0%
Operations Year 3+	3	0%	0%	0%	0%		0%	0%

Low Revenue Scenario

The low scenario shows the most conservative estimates.

- For the gathering spaces and plaza, we assumed a non-profit organization—such as the Girl Scouts or the YMCA—would use the facility on average two hours a day Monday through Friday and two hours over the course of every weekend. A private party, such as a bridge club, yoga class, or birthday party would use the facility for a total of three hours over the course of a workweek (Monday through Friday) and two hours over the course of every weekend. This level of use of the gathering spaces and the plaza generates about $24,000 per year.

- For the office and retail space, we assumed high vacancy rates and discounts throughout the planning period. This scenario assumes that one of the retail and one of the office spaces will always be vacant.

Medium Revenue Scenario

The medium scenario shows more frequent use of gathering spaces and lower vacancy rates and discount rates for the office and retail space.

- For the gathering spaces and plaza, we assumed a non-profit organization would use the facility on average two hours a day Monday through Friday and four hours over the course of every weekend. A private party would use the facility for a total of five hours over the course of a workweek (Monday through Friday) and four hours over the course of every weekend. This level of use of the gathering spaces and the plaza generates about $32,000 per year.
- For the office and retail space, we lowered the vacancy rate to 33% in Year 2, and 0% in Year 3 and beyond. We lowered the discount rate to 30% in Year 1, 15% in Year 2, and then removed any discount in Year 3 and beyond.

High Revenue Scenario

The high scenario shows additional use of gathering spaces and lower vacancy rates and discount rates for the office and retail space.

- For the gathering spaces and plaza, we assumed a non-profit organization would use the facility on average two hours a day Monday through Friday and eight hours over the course of every weekend. A private party would use the facility for a total of ten hours over the course of a workweek (Monday through Friday) and eight hours over the course of every weekend. This level of use of the gathering spaces and the plaza generates about $48,000 per year.
- For the office and retail space, we lowered the vacancy rate to 33% in Year 1, and 0% in Year 2 and beyond. We eliminated any discount rate.

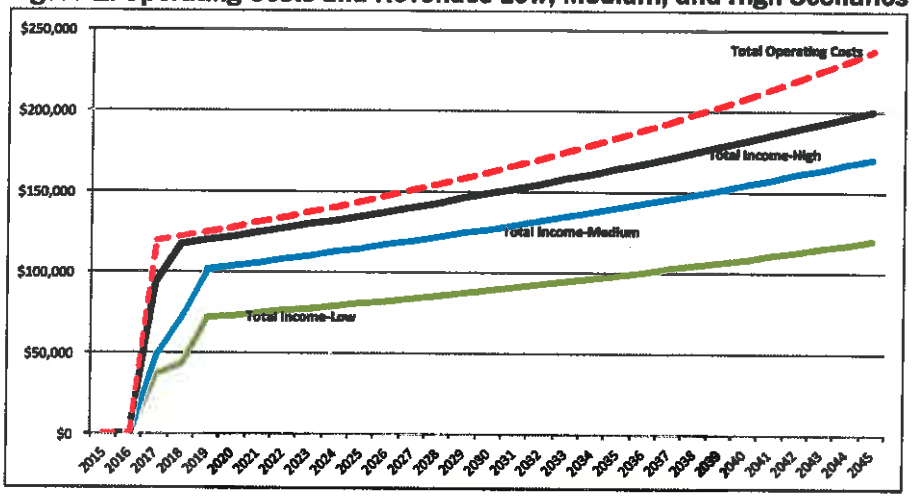
3. Net Revenues

The financial model shows that the estimates of costs and revenues yield negative net operating income (net rents minus operating costs) for all three revenue scenarios. Table 3 shows the net operating income for the three scenarios in Operation Years 1, 3, 10, and 20. Figure 1 shows the annual operating costs (red dashed line) and the annual rental income for the three revenue scenarios.

Table 3. Net Operating Income-Low, Medium, and High Scenarios

	Year of Operation			
Net Operating Income	**1**	**3**	**10**	**20**
Low	($82,769)	($53,151)	($64,782)	($87,764)
Medium	($70,698)	($22,970)	($30,114)	($45,503)
High	($25,315)	($5,057)	($9,538)	($20,421)

Figure 1. Operating Costs and Revenues-Low, Medium, and High Scenarios

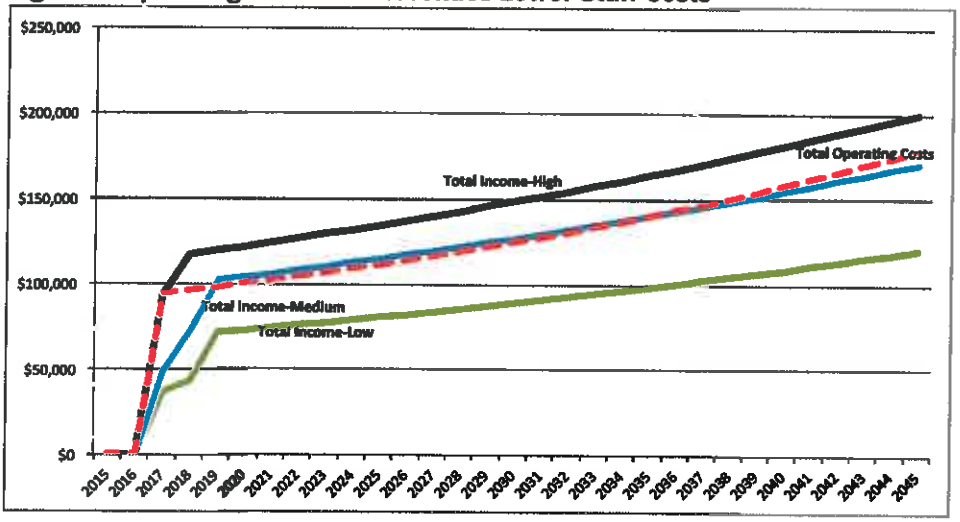


The PIVOT team worked with URA staff to identify alternative cost and revenue structures that could reduce the gap between costs and revenues. We found that reducing the FTE for the property manager and building maintenance from a total of 0.5 FTE to 0.25 FTE shifts the medium and high scenarios into positive net operating income by Year 3. See Table 4 and Figure 2 for summary data.

Table 4. Net Operating Income-Lower Staff Costs

	Year of Operation			
Net Operating Income	**1**	**3**	**10**	**20**
Low	($57,199)	($26,023)	($31,419)	($42,927)
Medium	($45,129)	$4,157	$3,249	($667)
High	$255	$22,070	$23,825	$24,415

Figure 2. Operating Costs and Revenues-Lower Staff Costs



The model shows that the medium scenario shifts to negative net income after 20 years. Before 2035, revenue only slightly exceed costs. The shift is caused by the assumptions regarding inflation: we assumed costs inflate at 3% a year and revenues inflate at 2% a year. If is, of course, impossible to accurately predict inflation. Expectations for future inflation rates vary widely, and this study has used conservative and reasonable estimates. If we increase the inflation rate for office and retail rents to 2.5%, both the medium and the high scenarios are solidly net positive.

4. Capital Costs and Financing

PIVOT Architecture provided construction cost estimates for the Market Hall facility. The construction estimates show five different 'boundaries,' each with a specific project cost. Table 5 shows the total costs for the five different boundaries. The table shows the different cost categories (land, construction, other) for the five boundaries. It is our understanding that the URA already owns the land, so the cost is **$0**.

Table 5. Summary of Project Costs

	Boundary					
Costs	1	2	3	4	5	Total
Land	-	-	-	-	-	$0
Total Construction Costs	$4,325,281	$339,853	$1,314,563	$179,079	$753,944	$6,912,720
Total Other Project Costs	$1,669,559	$107,056	$441,974	$57,484	$342,016	$2,618,089
Total Project Costs	$5,994,840	$446,909	$1,756,537	$236,563	$1,095,960	$9,530,809

The costs include all known costs of development, so the space is "move-in ready".

The plan for Market Hall is designed to allow the development to be phased. The timing of development is flexible and can shift based on the URA's preferences and revenue flow. The only constraint is that Boundary 2 must be built before or at the same time as Boundary 1.

Table 6 shows the proposed development schedule for the five boundaries. The schedule shown below is the preliminary schedule.

Table 6. Development Schedule

	Boundary				
	1	2	3	4	5
Year of Construction	2016	2016	2017	2017	2018

The financial model calculates the cost of financing the development of the Market Hall (i.e., the annual debt payments). Because the full development plan for Market Hall can be phased, we have designed the financial model so the URA can phase the debt that will finance its construction.

We built the model so the five different boundaries could be financed with up to five different debt instruments. Based on the year entered in the Development Schedule (shown in Table 6), the model determines the years the debt would be issued. For example, the preliminary schedule shows Boundaries 1 and 2 beginning in 2016. The model sums the two costs and calculates the debt for the total costs associated with those two Boundaries.

If the URA chooses to issue debt for Boundary 2 in a different year from Boundary 1, the financial model would show two different debt instruments and their annual payments.

Each debt obligation will require specific terms. Table 7 shows the key information describing each of the bank loans that could be used to finance Market Hall. We describe the different elements of the table below.

Table 7. Summary of Financing Terms

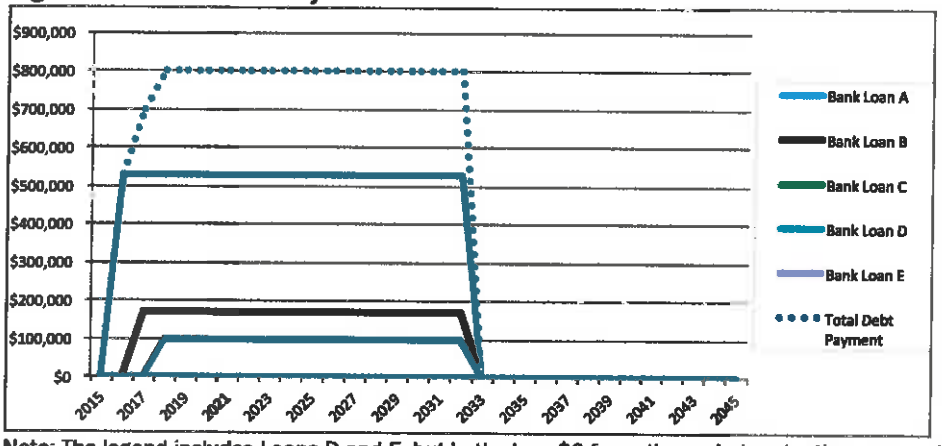
Bank Loan	Total Costs	Start Year	Amortization Period	Last Year of Loan	Equity	Loan Principal	Interest Rate	Annual Payment
A	$6,441,749	2016	17	2032	$0	$6,441,749	4.00%	$529,502
B	$1,993,100	2017	16	2032	$0	$1,993,100	4.00%	$171,048
C	$1,095,960	2018	15	2032	$0	$1,095,960	4.00%	$98,572
D	$0	NA	15	NA	$0	$0	4.00%	$0
E	$0	NA	10	NA	$0	$0	4.00%	$0

- **Bank Loan.** We assigned a letter name to each of the five potential loans.
- **Total Costs.** Total project costs, based on PIVOT's cost estimates, shown in Table 5.
- **Start Year.** The year construction begins, based on assumptions made in Table 6.
- **Amortization Period.** The length of the loan. The user can change the amortization period, to test different financing scenarios.
- **Last Year of Loan.** The URA is required to retire all debt by 2032.
- **Equity.** Any additional money resources the URA can bring to each debt obligation. At this time, we understand the URA would borrow 100% of the project costs, but this field allows the user to test the costs of borrowing if some equity is brought to the project.
- **Loan Principal.** The total costs minus any equity. In this case, the loan principal equals total costs.
- **Interest Rate.** The interest rate charged by the lender. Interest rates vary based on the borrower's financial position, external market conditions, and the length of the loan. In 2014, interest rates are low. They are likely to increase over the Market Hall's development period. The URA's lender reported that it could borrow against its line of credit at 3.25%. For this analysis, we assumed a 4.00% interest rate.

- **Annual Payment.** The payment the URA would make to the lender for each debt obligation.

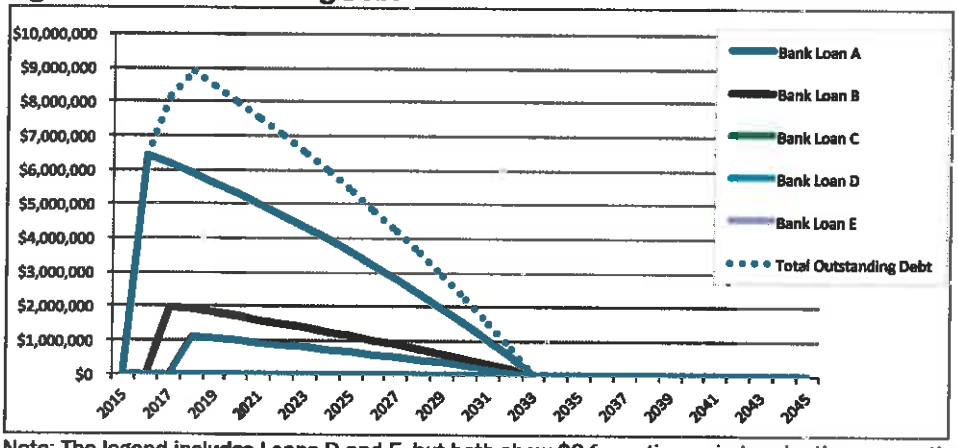
The financial model also includes two charts that show the total debt payment and total outstanding, over a 30-year period. The charts shift as the user shifts inputs in the model. Figure 3 shows the calculated annual debt payment for the different loans (and the total), given the assumptions shown above. Figure 4 the total debt obligation over the 30-year period for the different loans (and the total).

Figure 3. Annual Debt Payment



Note: The legend includes Loans D and E, but both show $0 for entire period under the assumptions. The chart covers a 30-year period, but the URA is required to retire all debt by 2032.

Figure 4. Total Outstanding Debt



Note: The legend includes Loans D and E, but both show $0 for entire period under the assumptions.

Operations Costs

Legend

	= input

Annual Costs (in $2014)

Property Management	FTE	Annual Salary	Annual Cost
Property Manager	0.25	$93,600	$23,400
Building Maintenance	0.25	$93,600	$23,400
Total Building O&M			**$46,800**

Building Operations and Maintenance				Annual Cost
Electricity	**$/kWh**	**SF**	**kWh/SF/Year**	
Electricity-Restaurant	$0.00815	624	47.8	$243
Electricity-Remainder	$0.00815	9,840	12.0	$962
Total Electricity				**$1,205**
Water	**Gallons/SF/Month**		**Gallons/Month**	
	4.03		42,170	
	$/1,000 Gallons		**$/Month**	
First 5,000 Gallons			$33.50	$402
5,000-10,000 Gallons	$1.91		$9.55	$115
10,000+ Gallons	$2.25		$72.38	$869
Total Water				**$1,385**
Garbage			**$/Month**	
1.5 Yard Container			$112	$1,345
Custodial Services			**$/Month**	
Weekly cleaning (excluding Retail Space A)			$350	**$4,200**
Insurance				**$3,696**
Total Building O&M				**$12,032**

Site Operations and Maintenance	Annual Cost
Regular Annual Maintenance	$24,825
Total Annual Costs	***$83,656.83***

Periodic Costs (in $2014)

Periodic Improvements	$/SF	Years b/w Improvements	% Improved	Cost
Building				
Interior Finishes	$6.50	8	25%	$17,004
Exterior Envelope Repair - Level 1	$7.00	8	25%	$18,312
Exterior Envelope Repair - Level 2	$9.00	16	25%	$23,544
Roofing Replacement	$10.50	48	100%	$109,872
HVAC Systems Replacement/Repair	$27.00	16	40%	$113,011
Lighting Source Replacement/Repair	$2.00	16	25%	$5,232
Site		20		$22,500
Estimated Annual Reserve				***$27,877***

Other Variables

Variable	
Inflation Rate for Costs	3.0%
Total SF in Building	10,464
Interest Rate on Savings	1.50%

Variables that Affect Revenues

Gathering Spaces	Hourly Rate
Non-Profit	$15
Private Party	$28

Space Use	Rentable SF	Rent/SF/Month ($2014)	Rent/SF/Year ($2014)	Gross Monthly Revenue	Gross Annual Revenue
Retail A	624	$1.25	$15.00	$780	$9,360
Retail B	528	$1.17	$14.00	$616	$7,392
Retail C	524	$1.17	$14.00	$611	$7,336
Total Retail	1,676			$2,007	$24,088
Office A	934	$1.17	$14.00	$1,090	$13,076
Office B	943	$1.17	$14.00	$1,100	$13,202
Office C	721	$1.17	$14.00	$841	$10,094
Total Office	2,598			$3,031	$36,372
Total Office and Retail	4,274			$5,038	$60,460

	Gathering Spaces	Retail	Office
Rent inflation / year	2.0%	2.0%	2.0%

Variables in Low, Medium, and High Scenarios

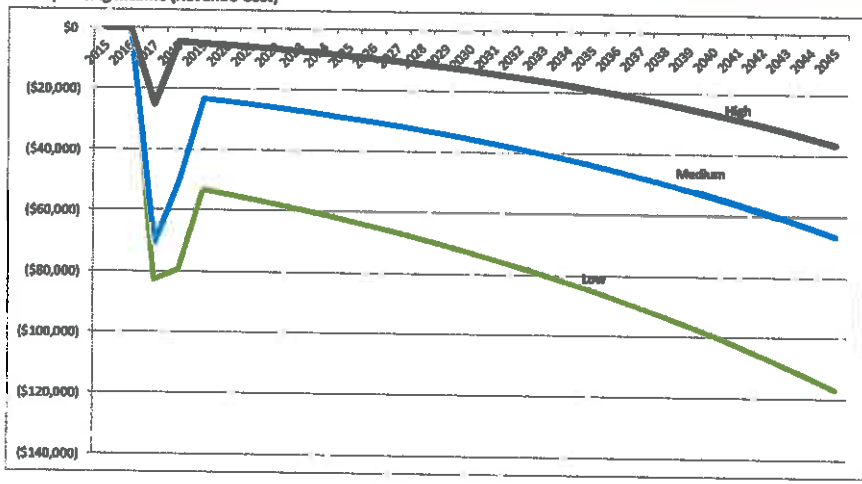
	Low				Medium				High			
Gathering Spaces	Weekday Hours	Weekend Hours	Weekly Revenue	Annual Revenue	Weekday Hours	Weekend Hours	Weekly Revenue	Annual Revenue	Weekday Hours	Weekend Hours	Weekly Revenue	Annual Revenue
Non-Profit	10	2	$180	$9,360	10	4	$210	$10,920	10	8	$270	$14,040
Private Party	3	2	$140	$7,280	5	4	$252	$13,104	10	8	$504	$26,208
Farmers Market			$200	$7,800			$200	$7,800			$200	$7,800
Total	13	4	$520	$24,440	15	8	$662	$31,824	20	16	$974	$48,048

	Low			Medium		High	
	Year	Retail	Office	Retail	Office	Retail	Office
Vacancy Rate							
Operations Year 1	1	67%	67%	67%	67%	33%	33%
Operations Year 2	2	67%	67%	33%	33%	0%	0%
Operations Year 3+	3	33%	33%	0%	0%	0%	0%
Rent Discount							
Operations Year 1	1	50%	50%	30%	30%	0%	0%
Operations Year 2	2	25%	25%	15%	15%	0%	0%
Operations Year 3+	3	0%	0%	0%	0%	0%	0%

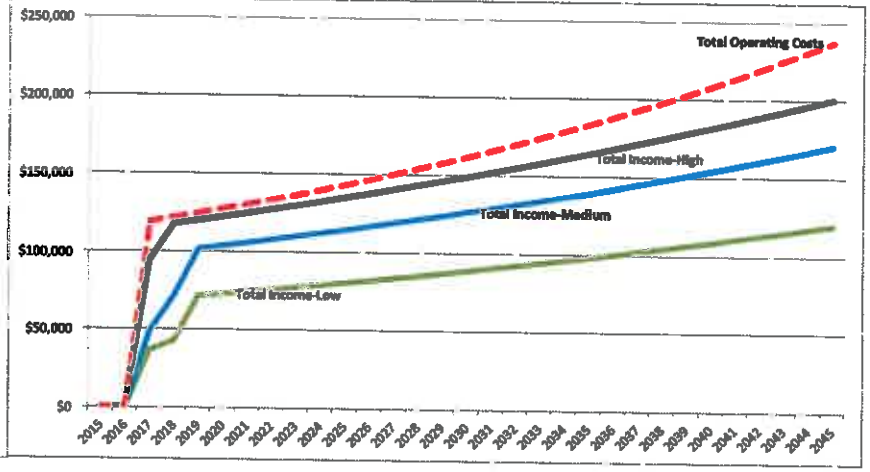
Financial Measures

Net Operating Income	Year of Operation 1	3	10	28
Low	($82,769)	($53,151)	($64,782)	($87,764)
Medium	($70,898)	($22,970)	($30,114)	($45,503)
High	($25,315)	($5,057)	($9,538)	($20,421)

Net Operating Income (Revenue-Cost)



Income and Operating Costs



Capital Costs

Legend

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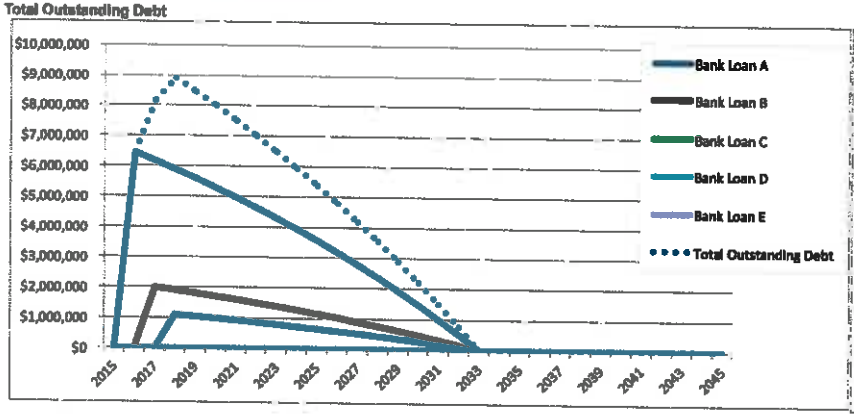
Costs	Boundary 1	2	3	4	5	Total
Land	-	-	-	-	-	$0
Total Construction Costs	$4,325,281	$339,853	$1,314,563	$179,079	$753,944	$6,912,720
Total Other Project Costs	$1,669,559	$107,056	$441,974	$57,484	$342,016	$2,618,089
Total Project Costs	$5,994,840	$446,909	$1,756,537	$236,563	$1,095,960	$9,530,809

	Boundary 1	2	3	4	5
Year of Construction	2016	2016	2017	2017	2018

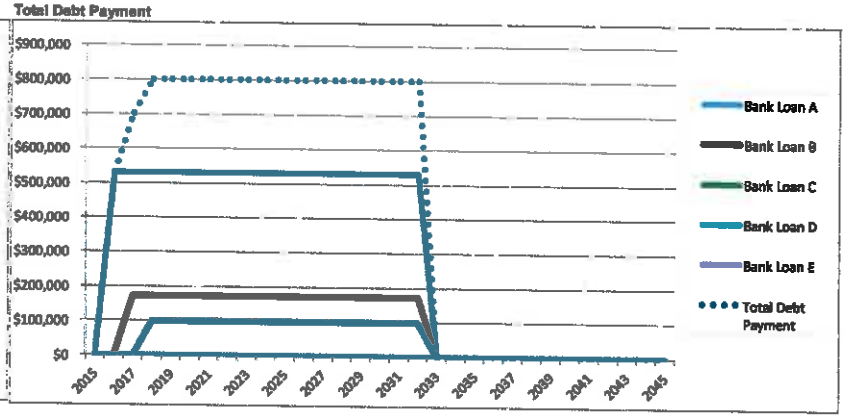
Assumptions about Capital Resources

Bank Loan	Total Costs	Start Year	Amortization Period	Last Year of Loan	Equity	Loan Principal	Interest Rate	Annual Payment
A	$8,441,749	2016	17	2032	$0	$8,441,749	4.00%	$526,502
B	$1,993,100	2017	16	2032	$0	$1,993,100	4.00%	$171,048
C	$1,095,960	2018	15	2032	$0	$1,095,960	4.00%	$98,572
D	$0	NA	15	NA	$0	$0	4.00%	$0
E	$0	NA	10	NA	$0	$0	4.00%	$0

Total Outstanding Debt



Total Debt Payment



PIVOT ARCHITECTURE

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