Central Eastside
Site History
Site Overview

Site Aerial, Blocks are denoted 1 thru 5 from north to south, west to east.
Central Eastside Neighborhood
Site Analysis

- Park
- Bike Path
- Street Car
- Major Road
- Views
- Site

Key:
- N (North)
- Views of City Skyline
- Views of Mt. Hood
- Views of Mt. St. Helens

Map with locations labeled 1 to 5.
Site Photos

A. Block 1, 580 SE MLK Blvd.
B. Graziano Food Services, 302 SE Washington St.
C. Historic Barber Block, 532-538 SE Grand Ave.
D. River City Bicycles, 706 SE MLK Blvd.
Zoning

- Project Located in EX-d and IG-1 Zones
- East Portland/Grand Ave Historic District Overlay Runs Along Grand Ave
Market Analysis

Retail

- High Traffic Count in Corridor
- Unemployment in 3-mile Radius Matches U.S. Average

Traffic Counts, Central Eastside

- Project has Convenient Access to Eastside Streetcar Loop, Bus Lines and Bicycle Corridors
- Retail Lease Rates Average $18-24 PSF
Market Analysis

Office

Office Vacancy Rates by District

- Portland’s Economic Opportunity Analysis Identifies the CEID as a new business “Incubator”
- High Demand for Creative Office in the District

- Central Eastside Businesses Provide the City with over 17,000 Jobs
- Current Office Lease Rates are $20-25 PSF
Market Analysis

Residential

- Portland’s Residential Market Remains Strong
- Transit Connectivity in District Offers Development Opportunity at Reduced Parking Ratios
- Current District Rent Range: $2.15-2.58 PSF
Development Program

- Collaborative Work Place
- Casual Eatery
- Fine Foods Vendors
- Entertainment
- Residential

the EASTSIDE CENTRAL
Retail
Office
Residential

*The Central Eastside Lofts*

*The Emery*
Master Plan

RESIDENTIAL
OFFICE
RETAIL
Master Plan

• 2 Phase development

Block 1, 2, and 3
Master Plan

- 2 Phase development

Block 4 and 5
Master Plan

- 2 Phase development
- Strengthen business/retail corridors along MLK and Grand
Master Plan

• 2 Phase development
• Strengthen business/retail corridors along MLK and Grand
• Pedestrian friendly streetscapes
Master Plan

- 2 Phase development
- Strengthen business/retail corridors along MLK and Grand
- Pedestrian friendly streetscapes
- Preserve historic and significant structures
EASTSIDE
CENTRAL
PIONEERS

• ROOF TOP AMENITY DECK
• 64 HOUSING UNITS
• 39 PARKING SPACES
• RETAIL

The Janey- Portland, OR
Barber Block Interior

24-HOUR HOT SPOT

BLOCK 2

[Images of interior of a building, showing a 24-hour hot spot with people dining and socializing.]
Lease Crutcher Lewis - Portland, OR

**FLEXIBLE WORK PLACE**

- NEW OFFICE
- 2 RESTAURANTS
- PATIO/PLAZA
- 37 PARKING SPACES
- RETAIL
Faneuil Hall - Boston, MA

MEET, GREET & FEAST

- 2 RESTAURANTS
- MEZZANINE OFFICES
- RETAIL MARKET PLACE
- MICRO RESTAURANTS, BEVERAGE PRODUCTION, AND TASTING ROOM (BELOW GRADE)
SCALING UP HOUSING

- ROOF TOP AMENITY DECK
- 158 HOUSING UNITS
- RETAIL PLAZA
- 20,000 SF RETAIL
- 200 BELOW GRADE PARKING SPACES
SCALING UP OFFICE

- ROOF TOP DECK
- NEW OFFICE
- RETAIL/HOME OFFICE REHAB
- RETAIL

12TH and Alder - Portland, OR
## Construction Cost Summary

### PHASE I
- **Block 1**: $10,224,407
- **Block 2**: $- 
- **Block 3**: $6,848,872
- **Block 4**: $12,480,479
- **Block 5**: $35,491,707
- **Total**: $1,168,205

### PHASE II
- **Block 4**: $6,470,313
- **Block 5**: $- 
- **Total**: $1,168,205

**Construction Cost / Sf**
- **Block 1**: $134.60
- **Block 2**: $- 
- **Block 3**: $177.00
- **Block 4**: $154.38
- **Block 5**: $141.29
- **Total**: $109.83

**TCP**: $72,683,982

**TCP / Sf**: $139.50

### Total Construction Cost
- **Phase 1**: $29.5M
- **Phase 2**: $43.2M
- **Total**: $72.7M
## Financial Assumptions

<table>
<thead>
<tr>
<th></th>
<th>Block 1</th>
<th>Block 3 Existing</th>
<th>Block 3 New</th>
<th>Block 4</th>
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<thead>
<tr>
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<th>Year 1</th>
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<tr>
<td>Vacancy Commercial</td>
<td>40%</td>
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<tr>
<td>Vacancy Residential</td>
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<td>Int Rate</td>
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<td>Amortization</td>
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<td>Cap Rate Commercial</td>
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<tr>
<td>Cap Rate Residential</td>
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<tr>
<td>Rent Increase</td>
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<td>Expenses Increase</td>
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<td>Load Factor</td>
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### Operating Costs

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<tr>
<td>Retail</td>
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<tr>
<td>Residential</td>
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<td>Restaurant</td>
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<td>Commercial Office</td>
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<td>Industrial Office</td>
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<tr>
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# Financial Outcome

<table>
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<tr>
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<th>Block 4</th>
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<tbody>
<tr>
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<td>Total Equity</td>
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<td>Total Value at Stabilization</td>
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<tr>
<td>Return on Cost</td>
<td>7.43%</td>
<td>6.90%</td>
<td>7.44%</td>
<td>7.66%</td>
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<td>Unleveraged IRR</td>
<td>11.15%</td>
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<td>10.00%</td>
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<td>Net Operating Income Year 3</td>
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<td>Net Income After Debt Service Year 3</td>
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<td>Cost to Develop</td>
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<td>Price Per Door (Apartments)</td>
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<td>Value at Stabilization</td>
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<td>$57,325,839</td>
<td>$12,556,915</td>
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Financial Outcome

Return on Cost

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<td>6.90%</td>
<td>7.44%</td>
<td>7.66%</td>
<td>7.43%</td>
<td>6.90%</td>
<td>7.00%</td>
</tr>
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</table>

Total Cost & Value at Stabilization

- Block 1
- Block 3 Existing
- Block 3 New
- Block 4
- Block 5 Existing
- Block 5 New
Tax Benefit

NPV of Tax Increase at 3.00% over 10 years
$11,329,840
QUESTIONS?
Alternative Ideas