Economic and Real Estate Analysis

Prepared for the City of Bend by:

Leland Consulting Group
610 SW Alder Street, Suite 1008
Portland, OR 97205

In collaboration with:
Parametrix
700 NE Multnomah Avenue, Suite 1000
Portland, OR 97232

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Introduction

This Economic and Real Estate analysis serves multiple purposes in support of the Bend Central Area Plan. First, it summarizes important economic and demographic information about the community, including projections of future growth. Secondly, it estimates growth potential within the Central Area in order to arrive at a projected level of development within the study area for 2030. This projection, a "development program," is an important baseline for estimates of infrastructure, transportation, and other improvements that will be needed in order to achieve the vision. That vision is summarized as follows:

> *The economic leader and social focal point of the region, the Bend Central Area is comprised of several districts with their own distinct identity, character and unique collection of uses.*
>
> *These districts represent a land use, transportation, and economic system that preserves and enhances the best parts of the Central Area while supporting revitalization where needed. Each district contributes to the overarching identity and overall sense of place for what is "Bend."*[1]

The growth projections are a combination of the aspirational goals embedded in the framework concept as well as an assessment of the Central Area's potential to capture growth given economic indicators and the area's location within the region.

The technical memo begins with a summary of key economic indicators that are used to estimate growth. This is followed by an analysis of Central Area real estate for the purpose of estimating overall development capacity and estimates of new development (the "development program"). Finally, the conclusion examines the degree to which this program and vision are achievable given what is known about economic trends and the degree of policy, leadership and financial support to achieving the vision.

Approach to Programming Development

This development program defines, in both narrative and quantitative terms, the guiding principles and types of development proposed for Bend's Central Area. The program is a planning tool that represents a snapshot in time taken in the year 2030. Thus, it is a blending of existing development, much of which will remain in place, and new development that may be developed at higher densities and of a different land use pattern from what exists in the Central Area today. Of course, a city never stops evolving and the year 2030 does not represent the "end" of the Central Area Plan; rather, it is a useful point in time in order to better understand the short- and long-term decisions about planning, infrastructure, and investments that should be made today.

[1] Source: Bend Central Area Plan, 2005

Market Study vs. Market Strategy

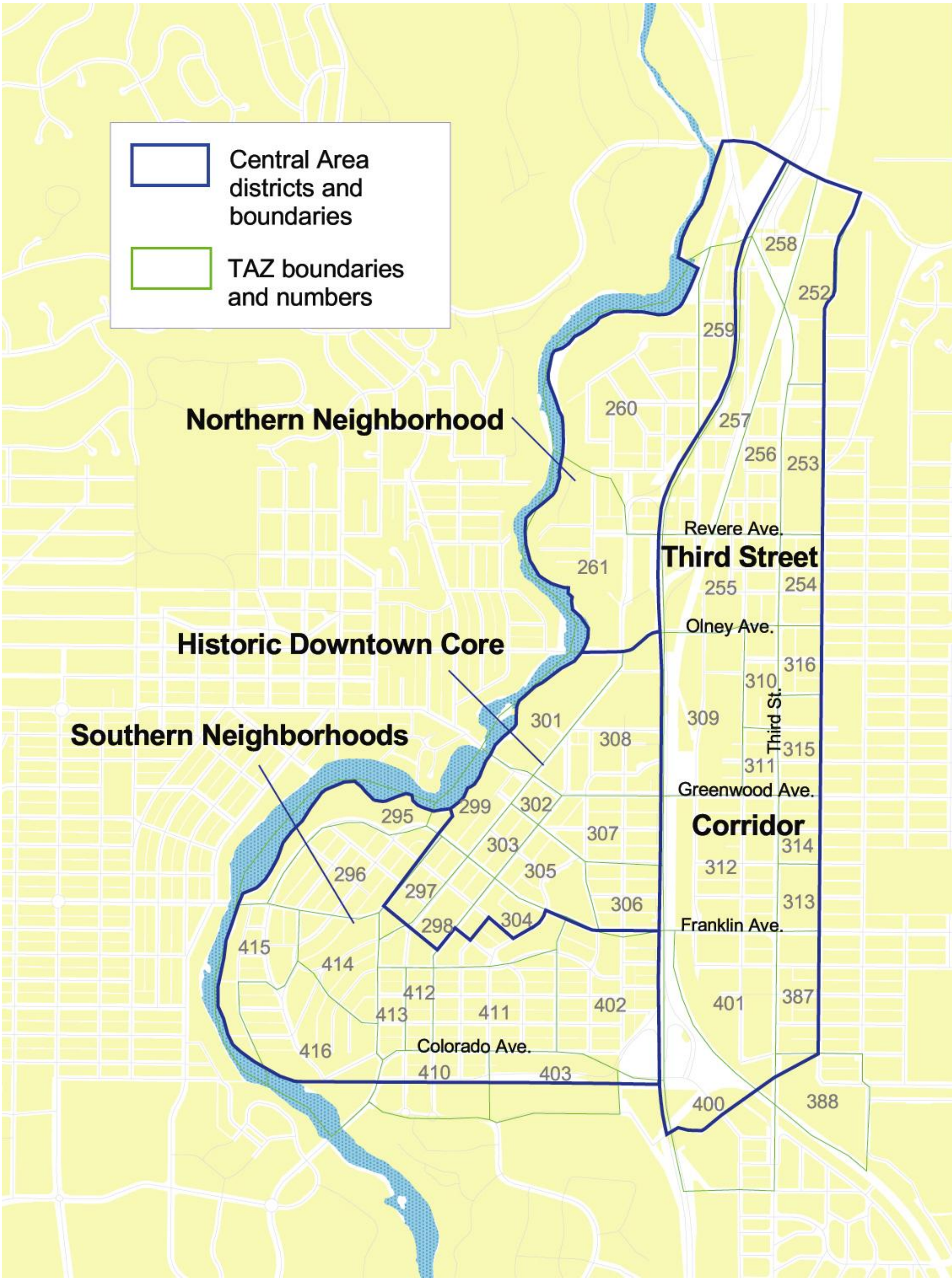
It is important to note the distinction between market studies and market strategies. A market study is a current assessment of development opportunities. Because supply and demand are never static and remain constantly in flux, particularly in an emerging downtown market, market studies tend to have a limited shelf life. A market study identifies underserved or poorly served market segments and, therefore, is most appropriate for evaluating projects ready to be built.

In contrast, a market strategy examines the means (tools, programs, incentives, policies, and other "levers") needed to enhance both existing opportunities and to create new ones. It is a longer-term approach, a proactive process for shaping conditions, investment attitudes and creating new opportunities. Such efforts are largely the responsibility of the public sector and include: removing physical and regulatory barriers, cleaning up blight, reducing crime, constructing infrastructure (utilities and transportation systems), and providing both incentives and supportive policies. Given the long-term goals of the Central Area Plan, this Economic and Real Estate Analysis is more of a market strategy than a traditional market study.

Methodology

The 2030 development program was prepared through the application of quantitative and qualitative analyses. In order to facilitate the use of traffic information and other special studies, transportation analysis zones (TAZ) were employed to break down the Central Area into smaller analytic subsections. A map of TAZ boundaries in the Central Area is shown in Figure 1, following. Development programming was completed only for the focus area of Phase 2 of the Central Area Plan (Northern Neighborhood, Third Street Corridor, and South Neighborhoods). Thus, it excludes the Historic Downtown Core, which was the subject of Phase 1 of the Central Area Plan, completed in 2005.

Figure 1. TAZ Boundaries in the Central Area



Source: City of Bend and Leland Consulting Group

The method of estimating the amount of development forecast to be present in the year 2030 included the following steps:

- Estimate the amount of existing development within each TAZ today. This was accomplished by applying average floor area ratios (FARs)[2] to the total area within each TAZ and estimating the amount of retail, housing, light industrial, and other uses based on site surveys and land use inventories prepared by the City of Bend.

- Within each TAZ, estimate the amount of land likely to be redeveloped over the next 20 years. This was accomplished by evaluating whether existing uses are the same as those in the Framework Concept, the amount of underutilized or vacant property (discussed in a previous technical memorandum), and the location's attractiveness for development (location, visibility, access).

- New uses and densities were assumed for the redevelopable portion of each area, based on the Central Area Plan vision. The redeveloped portions were combined with the areas that would remain the same to arrive at a total development program for 2030.

- Projected growth in the Central Area was then compared to adopted 20-year population and employment projections in order to provide a "reality check" of the vision and an assessment of whether the forecast is achievable or overly ambitious.

Guiding Principles

Actual uses assumed for each district in the Central Area reflect the principles embedded in the Framework Concept as well as known economic factors:

- Framework Concept vision: The Central Area will become more of a mixed-use area where housing, retail, open space, and employment will be mixed throughout the Central Area and often within individual blocks. This mixing of uses will be greatest in the Third Street Corridor, with more limited mixing in the North and South Neighborhoods.

- Visibility and access: Most retail uses will continue to be focused on Third Street, where visibility and access is greatest. In other parts of the Central Area, new retail will be developed in the ground floor of multistory buildings and on a similarly smaller scale.

[2] FAR: The ratio of total floor area of building to the parcel size. Thus, a higher FAR represents a higher level of density. For example, a 10,000 square foot building (regardless of whether it is one, two, or more stories) on a 20,000 square foot lot would have a FAR of 0.5. A 10,000 square foot building on a 5,000 square foot lot would have a FAR of 2.0. For commercial uses, a FAR greater than 0.5 usually requires structured parking.

- Urban development market potential: Demographics in Bend are leaning more and more to a population that is increasingly ready for urban housing, with a growing percentage of households consisting of only one or two people.

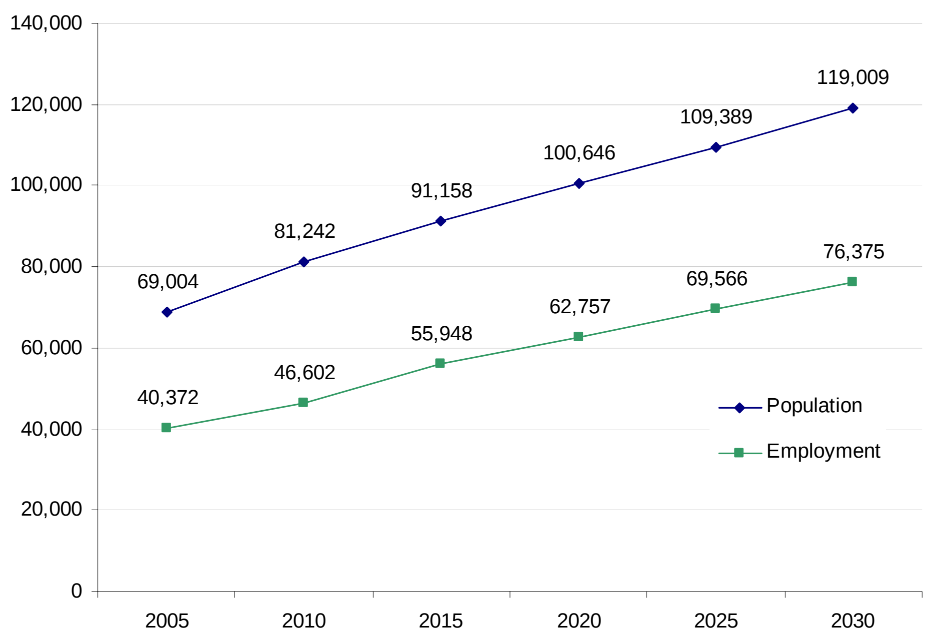
- 2030 is not the end of the planning horizon – the Central Area will continue to grow and evolve well past 2030. Therefore, the forecasted program does not necessarily represent the full realization of the vision, but rather a stopping point along the way.

Market Summary

Population

Any demographic forecast begins with a projection of growth in the population and employment—and Bend's population and employment as a whole are expected to continue to grow at rates that will far outpace the rates of other metropolitan areas around the state. Figure 2 shows the projected growth of population and employment in Bend through 2030. While Bend's population grew 26 percent between 2000 and 2005, the second-fastest growing large city, Hillsboro grew by 14.1 percent, while the state as a whole grew just 6.1 percent. Bend's economy, driven by in-migration and increasing employment in high-tech, hospitality, specialty manufacturing, and other targeted sectors, is also expected to maintain healthy growth.

Figure 2. Bend Population and Employment, 2005 -2030



Sources: Deschutes County Coordinated Population Forecast, 2007 Bend Economic Opportunities Analysis, and Leland Consulting Group

Table 1 shows the average annual growth rate over five-year blocks of time between 2005 and 2030 for population and employment. It demonstrates how the rate of growth is projected to slow down over time.

Table 1. Bend Long-term Population and Employment Projection Summary

Bend	2010	2015	2020	2025	2030
Population	81,242	91,158	100,646	109,389	119,009
5-year Avg. Annual Growth Rate	3.3%	2.3%	2.0%	1.7%	1.7%
Employment	46,602	55,948	62,757	69,566	76,375
5-year Avg. Annual Growth Rate	2.9%	3.7%	2.3%	2.1%	1.9%

Source: Deschutes County, Oregon Employment Department, and Leland Consulting Group

Demographic Summary

Table 2 and Figure 3 compare Bend's demographic composition to the populations of the Central Area and each of the area's districts. The data highlights a number of demographic differences that will have major impacts on the current and long-term character of the area.

Many of the demographic characteristics of Bend's Central Area reflect trends seen in many other downtowns around the country. For example, downtown households are frequently younger and smaller (1 and 2 person households) than the general population.

A notable fact is that the Central Area makes up a small percentage—just 4.3 percent—of Bend's total population in 2006. And of the Central Area's 2,977 residents, the largest majority live in the Southern Neighborhoods. By contrast, the Third Street Corridor is very lightly populated with just 122 residents spread over 326 gross acres. Figure 3 shows the population breakdown of the Central Area's various districts.

Household incomes are significantly lower in the Central Area than in Bend in general—especially in Downtown and the Third Street Corridor.

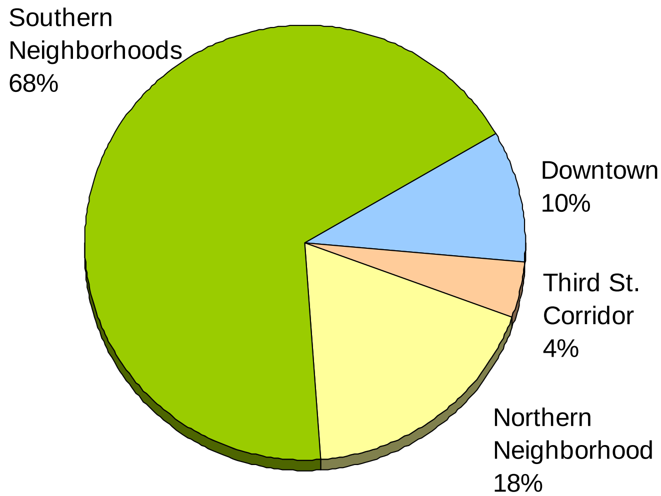
Table 2. Demographics in Bend and the Central Area, 2006 Estimates.*

Demographic Category	Bend	Central Area	Down-town	Third St. Corridor	North Nhood	South Nhood
Population	68,136	2,977	291	122	547	2,017
Median Household Income	$50,330	$34,215	$24,406	$24,267	$35,382	$35,819
Household Size**						
1 & 2 person HHs - percent	63.1%	75.6%	76.6%	75.0%	75.3%	75.6%
3 person HHs - percent	16.4%	13.8%	12.0%	13.6%	14.8%	14.0%
4+ person HHs - percent	20.5%	10.7%	11.4%	11.4%	9.8%	10.3%
Median Age	36.3	31.4	30.5	30.5	35.4	30.8
Education (Pop over 25)						
Percent with College Degree	29.4%	34.7%	35.8%	21.0%	19.7%	38.3%
Percent with Advanced Degree	9.3%	16.0%	18.2%	7.0%	7.7%	17.8%
Housing Tenure						
Owner Occupied Housing Units	58.8%	29.4%	26.4%	22.0%	21.3%	32.0%
Renter Occupied Housing Units	34.7%	63.6%	65.9%	68.0%	71.1%	61.3%
Vacant Housing Units	6.4%	7.0%	7.7%	10.0%	7.6%	6.7%

* All figures are 2006 projections from 2000 Census data, except Education, which is 2000 Census data.
** Not all numbers add up to 100 percent due to rounding.
Source: ESRI BIS and Leland Consulting Group

Household sizes are uniformly smaller throughout the Central Area when compared to Bend as a whole. Approximately three quarters of the households in every district are made up of only one or two people. The median age in the Central Area is also lower than that of the City as a whole—approximately 31 versus 36 years. As mentioned above, these trends are typical of central city housing across the country. Singles, couples, single parents, and empty nesters characterize these neighborhoods. Families with two parents and children tend to seek detached single-family homes in traditional neighborhoods.

Figure 3. Central Area Population by District



Source: ESRI BIS and Leland Consulting Group

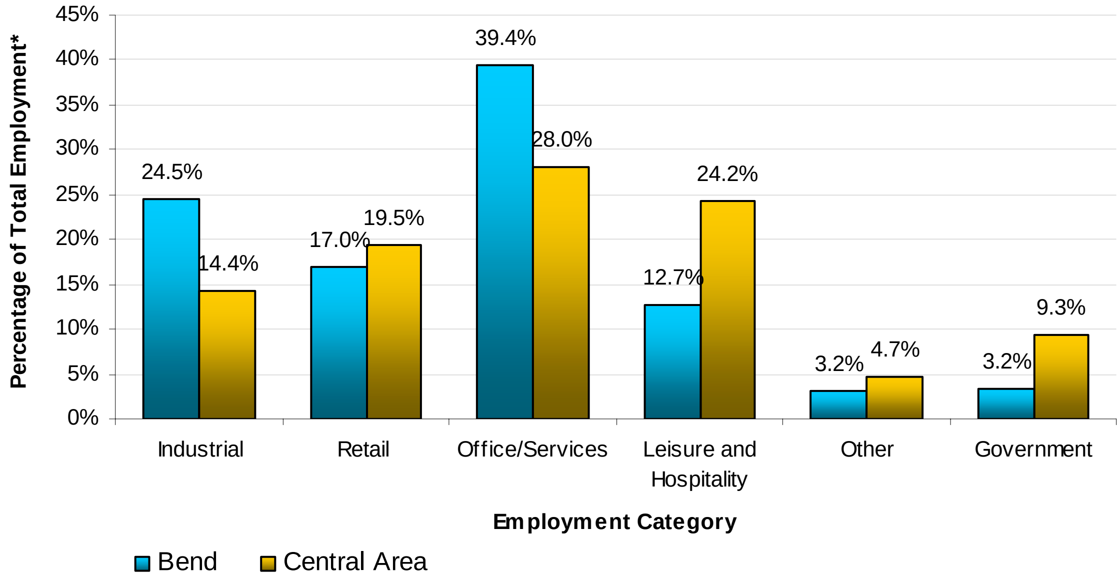
Despite being more highly educated, Central Area households typically make less than the Bend average. This apparent incongruity is likely due to two factors: the households are smaller or average (meaning fewer two income households), and the population is younger. Younger residents may have earned college degrees, but are still working their way up the earnings ladder.

Finally, Central Area residents are nearly twice as likely as Bend residents as a whole to be renters rather than owners; in fact, the percentages of renters and owners are inverted from the Bend norm.

Employment Summary

As Figure 4 shows, the employment profile of the Central Area is significantly different from the city as a whole. There is significantly less industrial employment, and considerably more employment in both the leisure and hospitality and government categories. Leisure and hospitality includes a wide range of establishments including hotels, restaurants, and cultural, entertainment, and recreational facilities. Retail employment in the area is just slightly higher than the Bend average.

Figure 4. Employment in Bend versus the Central Area (2004)



* Figures may not add up to 100 percent due to rounding.
Source: Oregon Employment Department and Leland Consulting Group

A major surprise, however, is the lower level of office and service jobs in the Central Area. The dearth of jobs in this category is of particular importance because such jobs are expected to grow at some of the fastest rates of any type in the coming decades. Many professional office and service jobs—especially those in the high-tech sectors—have also been identified by the city as critical "targeted sectors"—in which Bend has the potential to excel, pay is relatively high, and markets are national or international. Many of these jobs will be captured elsewhere in the city—including at Juniper Ridge and in Bend's office and industrial parks—but it may be useful for the project team to consider strategies to attract office, service, and high tech businesses to the Central Area and ensure they can thrive there. This is a reasonable goal, as office and service sector businesses have clustered for decades in downtown areas, where clients, project partners, and service providers are densely clustered, and the surrounding environment offers a rich mix of urban amenities.

Development Program

The development program represents all development that would exist in the Central Area in 2030. Thus, it is a combination of existing development that will remain in place and new development that will occur on vacant sites or through redevelopment of existing properties. In order to arrive at a development program, a number of assumptions and facts were taken into account:

- The amount of land within the Central Area that is underutilized today and likely to be redeveloped in the next 20 years.
- The amount of land within the Central Area that is currently developed and unlikely to change in the next 20 years.
- Demographic and development trends that will change the shape, character, and intensity of new development in the future.
- Framework concept elements that describe the desired vision for the Central Area and will lead to policies that encourage certain types of development and development regulations such as minimum densities.
- Real estate fundamentals (as described earlier) such as visibility, access, and amenities that make certain portions of the Central Area more appropriate for certain uses.

Specifically, the methodology began with an assessment of current land uses within each zone based on a combination of land use inventories, site surveys, aerial photographs, and tax assessor data (expressed as percentages of land area within each zone belonging to each land use and occurring at specified densities). Using information from prior technical memorandums regarding redevelopment potential, interviews with local real estate professionals, and market research, an estimate was made regarding how much land within each zone might redevelop between the 2007 and 2030 planning horizon. Land uses were then recalculated for 2030 (the "development program") based on new uses and development densities described in the draft framework concept and based on established employment and population projections for the City. Land area for each use in the new 2030 development was converted to square footages of building based on revised development densities (floor area). Employment and population figures were also extrapolated from these square footage numbers.[3]

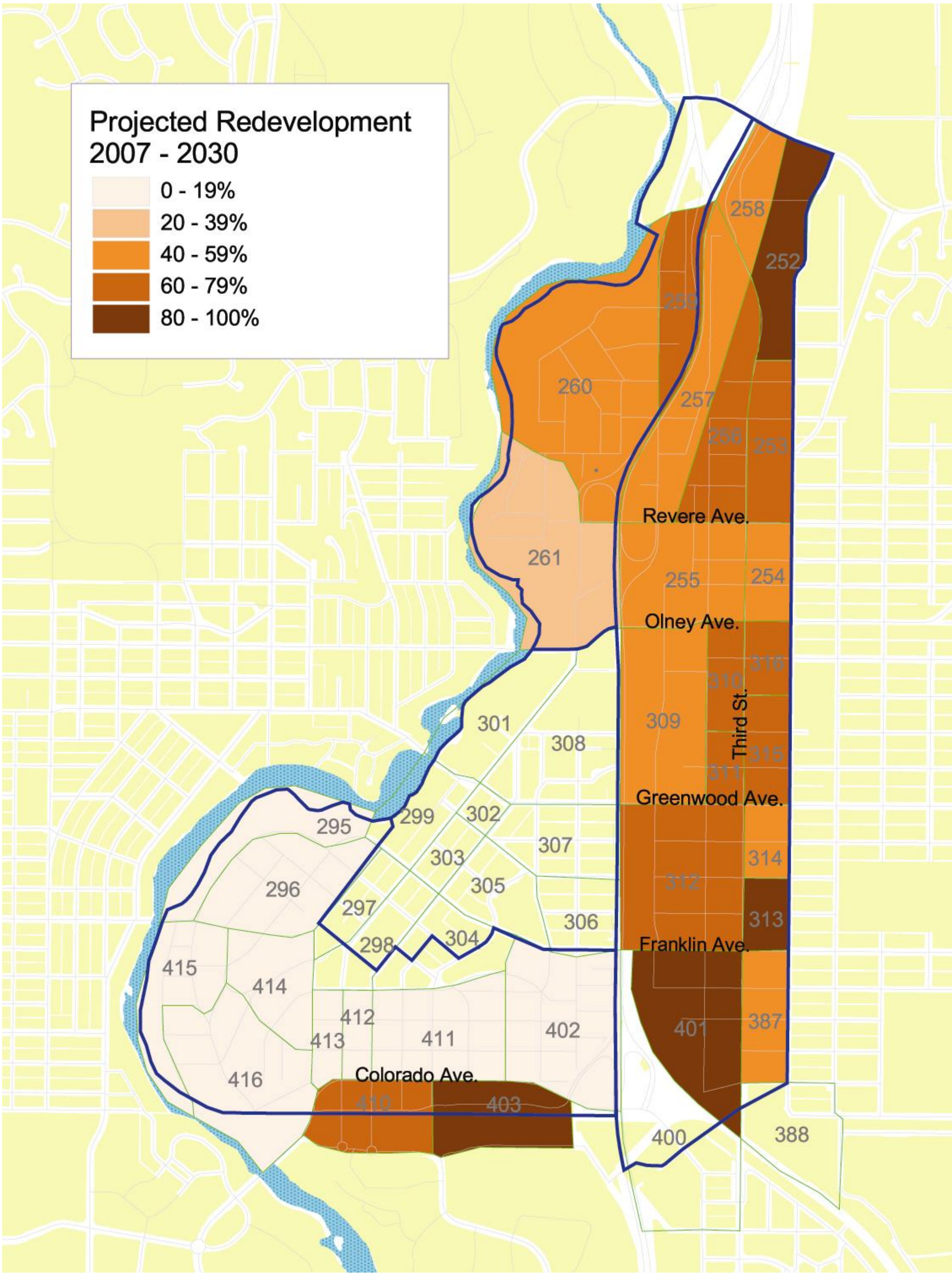
[3] Employment densities used were: Office, 330 square feet per employee; Retail, 400 square feet per employee; Light Industrial, 600 square feet per employee; Hotel, 0.25 employees per room. Population was calculated based on an average household size of 1.80 (assuming that the Central Area will be home to mostly one- and two-person households) and an average home size of 1,100 square feet (which assumes that most new housing in the Central Area will be attached urban housing products).

Figure 5 shows the amount of redevelopment projected within each zone. The rate of redevelopment represents the percentage of property within a zone that is likely to redevelop between 2007 and the 2030 planning horizon. All other land in each zone is assumed to remain in its current use. Given the stable residential nature of the South Neighborhoods, very little new development is projected, with slightly more projected for the Northern Neighborhood since there are more opportunities for infill development. Because of proximity to Downtown, the South Neighborhood could and likely would intensify were it not a protected neighborhood of historic and older single-family homes. Along the Third Street Corridor, varying levels of redevelopment are projected depending on the location along the corridor, existing inventory of vacant land, and whether the Framework Concept suggests that existing light industrial remain (primarily in the northern areas).

Figure 6 shows the projected average density of *new* development in each zone and indicates which parts of the Central Area will see more urban-scale development. The average density of each area will be lower than what is shown since most zones will include a combination of older, lower density development and newer, higher density development. Further, the projected density is the average density of new development – new development in early years is likely to be of a lower density, gradually increasing as the Central Area matures and land prices rise. Individual projects will vary in density in all locations, adjusting for land use, access, site size, and other site-specific factors.

The projected levels of density are based on the Framework Concept, reserving the areas of highest intensity for those parts of the Third Street Corridor immediately adjacent to the Downtown Historic Core.

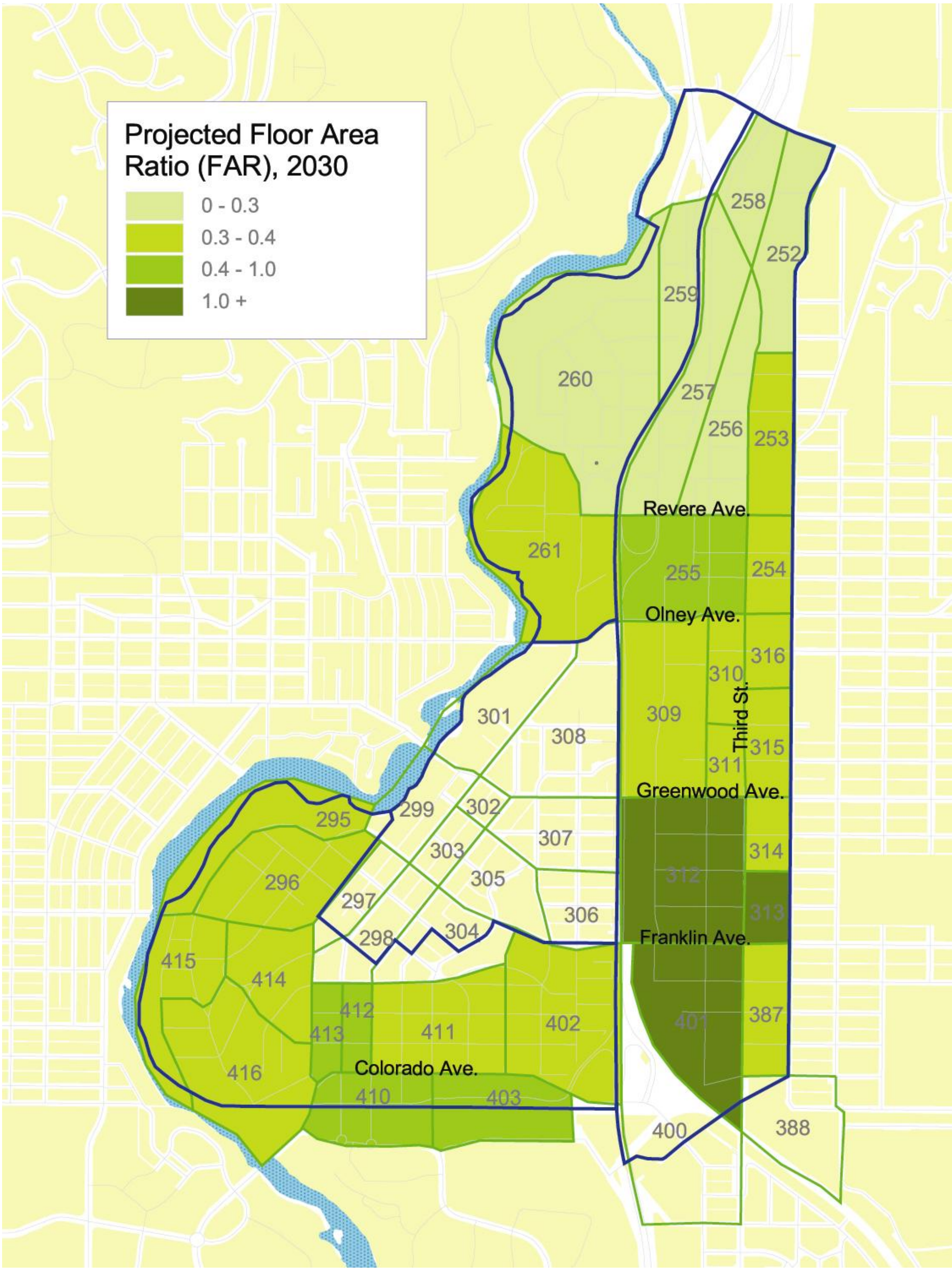
Figure 5. Redevelopment Ratio in Central Area by TAZ (excluding Historic Core).*



Source: Leland Consulting Group

* Blank areas at the north and south ends of the study area on the map above were not included since they contain little, if any, developable land.

Figure 6. FAR of New Development by TAZ (excluding Historic Core).



Source: Leland Consulting Group

Table 3 shows the projected development program for 2030 – all development, including new development and those in place today that will not change over the next 23 years. Each use is summarized by either unit count (housing units or hotel rooms) or square footage of building (not acres of land). It is important to note that these land uses are projections based on the best current knowledge about existing conditions and future growth trends (derived from the population and employment projections discussed earlier). These trends are best observed at the district level. For planning purposes, they have been interpolated down to the TAZ level, but they remain more accurate when summarized at the district level. Individual property owner decisions and site-specific issues will inevitably alter the actual mix of uses achieved in any specific area.

Table 3. Central Area Development Program, 2030.

District/TAZ	Housing Units	Office (sq. ft.)	Retail (sq. ft.)	Light Ind. (sq. ft.)	Hotel Rooms
Third St Corridor	**1,393**	**1,385,377**	**819,902**	**634,106**	**1,189**
252	-	16,007	-	144,066	-
253	24	15,042	125,527	-	-
254	29	15,238	30,551	7,362	-
255	37	46,849	39,041	68,322	-
256	19	43,065	34,635	49,600	-
257	-	23,122	9,428	114,487	-
258	-	-	-	54,703	-
309	100	111,970	11,664	116,636	-
310	1	29,393	22,955	8,398	49
311	4	21,166	19,990	6,719	-
312	655	575,977	154,221	40,907	754
313	66	58,080	116,160	-	87
314	17	22,102	25,417	-	-
315	37	26,747	38,999	-	-
316	21	14,984	22,864	7,769	-
387	32	28,064	48,985	10,205	-
401	351	337,571	119,465	4,932	299
North Neighborhood	**599**	**86,679**	**52,580**	**16,810**	**65**
259	21	27,408	19,368	16,810	18
260	359	21,669	17,335	-	-
261	219	37,602	15,877	-	47
South Neighborhood	**1,678**	**103,775**	**56,559**	**7,118**	**59**
295	-	-	-	-	-
296	249	-	-	-	-
402	241	29,444	-	-	-
403	98	39,112	19,556	-	59
410	78	24,321	13,643	7,118	-
411	251	-	-	-	-
412	54	5,395	3,426	-	-
413	55	5,503	3,494	-	-
414	176	-	-	-	-
415	170	-	-	-	-
416	306	-	16,440	-	-
TOTAL	**4,338**	**1,575,831**	**929,041**	**658,034**	**1,313**

Source: Leland Consulting Group

Table 4 presents the total development in 2030 in terms of employment based on standard densities of employment for each development type.[4]

Table 4. Total Employment in Central Area, 2030.

District/TAZ	Office	Retail	Light Ind.	Hotel
Third St Corridor	**4,198**	**2,050**	**1,056**	**298**
252	49	-	240	-
253	46	314	-	-
254	46	76	12	-
255	142	98	114	-
256	131	87	83	-
257	70	24	191	-
258	-	-	91	-
309	339	29	194	-
310	89	57	14	12
311	64	50	11	-
312	1,745	386	68	189
313	176	290	-	22
314	67	64	-	-
315	81	97	-	-
316	45	57	13	-
387	85	122	17	-
401	1,023	299	8	75
North Neighborhood	**263**	**131**	**28**	**17**
259	83	48	28	5
260	66	43	-	-
261	114	40	-	12
South Neighborhood	**315**	**142**	**12**	**15**
295	-	-	-	-
296	-	-	-	-
402	89	-	-	-
403	119	49	-	15
410	74	34	12	-
411	-	-	-	-
412	16	9	-	-
413	17	9	-	-
414	-	-	-	-
415	-	-	-	-
416	-	41	-	-
TOTAL	**4,776**	**2,323**	**1,096**	**330**

Source: Leland Consulting Group.

Table 5 breaks out the portion of development from Table 3 that represents new development that will be built between 2007 and 2030. Market conditions and the

[4] Employment densities used were: Office, 330 square feet per employee; Retail, 400 square feet per employee; Light Industrial, 600 square feet per employee; Hotel, 0.25 employees per room.

amount of growth projected for Bend are the driving factors for the overall amount of growth that will take place within the Central Area, but it is the Framework Concept that guides the specific land uses that are projected for different areas. Notes about each land use are as follows:

- Residential: Relatively little new housing will be built in the North and South Neighborhoods, but over 1,300 units will be built in the Third Street Corridor. Particularly in the Railroad District (zones 309-312), new housing is likely to take place in multistory buildings, many with ground floor retail or commercial uses.

- Office: As with housing, significant amounts of new office space are projected along the Third Street Corridor. Indeed, Bend's mixed employment zone is well suited for the technology and service businesses that will make up much of the region's new employment. Interviews with local real estate brokers and developers indicate that the Railroad District in particular is well suited for office development and would likely see significant amounts of new development once the Central Area Plan is implemented. Currently, much of the Third Street Corridor is zoned for light industrial uses, but is designated as mixed employment in Bend's comprehensive plan.

- Retail: Third Street will remain one of Bend's most prominent retail districts, showing a modest net increase in retail space over the next 20 years. As Bend continues to grow outward with new single-family residential neighborhoods and as retail continues to expand in the area near Cooley Road, the Central Area will capture a shrinking share of overall retail growth. Nevertheless, some growth will be needed to support new housing, offices, and nearby neighborhoods. Moreover, the physical design of the retail will likely change greater than the overall inventory of space. With urban design, pedestrian, and traffic improvements, particularly along Third Street, future retail will likely include more street-fronting buildings and retail space in the ground floor of mixed-use buildings.

- Industrial: One of the most notable changes from new development is the loss of light industrial buildings to other uses. This is largely due to the Framework Concept's changing of emphasis of the Railroad District from a light industrial district to a mixed employment and housing neighborhood. Thus, those areas that show a loss of light industrial space concurrently show a significant increase in the number of housing units and amount of office space. An important consideration during implementation will be where within the City this loss of light industrial land should be replaced. Areas at the north end of the Central Area and Juniper Ridge are two likely locations.

- Hotel: Third Street and the Railroad District will likely see an increase in the number of hotel rooms to serve Bend's growing tourist base and also business travelers related to the increase in office space. A hotel market study was not done for this report and the increase in hotel rooms is best considered at the aggregate level, not specific to any particular zone.

Table 5. Central Area Net New Development, 2007-2030.

District/TAZ	Housing Units	Office (sq. ft.)	Retail (sq. ft.)	Light Ind. (sq. ft.)	Hotel Rooms
Third St Corridor	**1,325**	**1,246,114**	**193,706**	**(386,832)**	**969**
252	-	16,007	-	(16,007)	-
253	24	8,297	(2,631)	-	-
254	19	4,196	(6,257)	(7,361)	-
255	37	35,137	15,616	(13,664)	-
256	19	36,530	8,496	(48,423)	-
257	-	(4,939)	9,428	2,245	-
258	-	-	-	-	-
309	100	111,970	11,664	(116,635)	-
310	(2)	29,393	(5,038)	(12,597)	14
311	(6)	21,166	5,291	(10,080)	-
312	655	575,977	113,314	(122,723)	618
313	66	58,080	36,960	-	87
314	15	(2,762)	(2,210)	-	-
315	18	5,177	(4,141)	-	-
316	16	6,660	666	(11,654)	-
387	13	7,654	8,164	(10,205)	-
401	351	337,571	4,384	(19,728)	250
North Neighborhood	**105**	**12,862**	**13,844**	**(8,771)**	**21**
259	14	16,445	12,059	(8,771)	(26)
260	79	(14,446)	(722)	-	-
261	12	10,863	2,507	-	47
South Neighborhood	**182**	**61,389**	**25,992**	**(10,678)**	**50**
295	-	-	-	-	-
296	2	-	-	-	-
402	2	209	-	-	-
403	83	33,245	16,623	-	50
410	72	22,838	9,194	(10,678)	-
411	2	-	-	-	-
412	7	2,523	554	-	-
413	7	2,574	565	-	-
414	1	-	-	-	-
415	1	-	-	-	-
416	5	-	(944)	-	-
TOTAL	**1,612**	**1,320,365**	**233,542**	**(406,281)**	**1,040**

Source: Leland Consulting Group

Table 6 shows the net increase (or decrease) in employment between 2007 and 2030 based on the future CAP vision based on typical employment densities for each land use type.[5]

[5] Employment densities used were: Office, 330 square feet per employee; Retail, 400 square feet per employee; Light Industrial, 600 square feet per employee; Hotel, 0.25 employees per room.

Table 6. Net New Employment in Central Area 2007-2030.

District/TAZ	Office	Retail	Light Ind.	Hotel
Third St Corridor	**3,776**	**482**	**(645)**	**242**
252	49	-	(27)	-
253	25	(7)	-	-
254	13	(16)	(12)	-
255	106	39	(23)	-
256	111	21	(81)	-
257	(15)	24	4	-
258	-	-	-	-
309	339	29	(194)	-
310	89	(13)	(21)	4
311	64	13	(17)	-
312	1,745	283	(205)	155
313	176	92	-	22
314	(8)	(6)	-	-
315	16	(10)	-	-
316	20	2	(19)	-
387	23	20	(17)	-
401	1,023	11	(33)	63
North Neighborhood	**39**	**34**	**(15)**	**5**
259	50	30	(15)	(7)
260	(44)	(2)	-	-
261	33	6	-	12
South Neighborhood	**187**	**65**	**(18)**	**13**
295	-	-	-	-
296	-	-	-	-
402	1	-	-	-
403	101	42	-	13
410	69	23	(18)	-
411	-	-	-	-
412	8	1	-	-
413	8	1	-	-
414	-	-	-	-
415	-	-	-	-
416	-	(2)	-	-
TOTAL	**4,002**	**581**	**-678**	**260**

Source: Leland Consulting Group.

Development Types

For reference, the following figures present prototypical development types that are similar in scale to what is expected to be developed in the Central area in the future.

Figure 7. Prototypical Development Types for Central Area

Medium Density Housing – Modified Townhouses

FAR: 0.6 – 1.0
Density (dwelling units/acre): 25 – 35
Notes: Wood frame construction, surface parking or one interior structured parking space per unit.

Medium Density Housing – Apts. or Condos

FAR: 1.0 – 2.0
Density (du/acre): 35 – 80
Notes: Wood or light steel frame construction, structured parking. May contain some minimal retail, office, or other secondary uses.

High Density Urban Housing - Apts. or Condos

FAR: 2.0 – 5.0
Density (du/acre): 80 +
Notes: Steel frame construction, structured or underground parking. Likely to contain some retail, office, or other secondary uses. Museum Place (pictured) in Portland, occupies a single downtown block and holds 140 units, a second-level private park space, and a full-size Safeway supermarket. Other high-density urban residential developments may be as dense as 350 du/acre.

Mixed Use Center

FAR: 0.3 – 2.0, varies widely depending on center type
Density (du/acre): 0 – 20, usually low
Notes: Usually includes significant retail, with office and sometimes other uses. Oregon models include Lake View Village (Lake Oswego, pictured), Orenco Station Town Center (Hillsboro), and Belmont Dairy (Portland).

Mid-Rise Office Buildings

FAR: 1.0 – 6.0

Notes: Steel or concrete construction depending on scale; largely structured parking, some surface parking possible.

Industrial Building

FAR: 0.2 – 0.5

Lowest FAR due to large areas needed for truck ingress, loading, and egress; parking; and single-floor format due to manufacturing and handling processes.

Newer industrial uses are more compatible with other non-industrial adjacent uses as processes are varied and generate fewer nuisances. Clusters of small (1,000 – 3,000 s.f.), flexible, "tech-flex" spaces (at left) are possible for relatively small sites such as the ones available in the Central Area.

Source: Leland Consulting Group

Conclusion

Table 7 compares the rate of new development in the Central Area to the rate of growth projected citywide (after conversion of development square footage to numbers of residents and workers). This serves as a market-based "reality check" to determine whether the amount of growth projected for the Central Area is achievable. There will be negative growth in industrial employment, while the Central Area is targeted to capture 17.3 percent and 9.7 percent of office and retail employment growth, respectively. Even with the significant intensification of uses projected by the development program, the vast majority of new growth over the next 20 years will take place outside of the Central Area in new residential developments and employment centers such as Juniper Ridge. Given these relatively small capture rates, it is reasonable to assume that the Central Area can capture the projected amount of development. Nevertheless, these "capture rates" reflect a significant increase in development for the Central Area in general and the Third Street Corridor in particular.

Table 7. Central Area Growth as a Percentage of Citywide Growth

District/TAZ	Residents	Office Emp.	Retail Emp.	Ind. Emp.
Third St Corridor	4.77%	16.51%	7.78%	-16.98%
North Neighborhood	0.38%	0.17%	0.56%	-0.39%
South Neighborhood	0.66%	0.81%	1.08%	-0.47%
TOTAL	5.81%	17.49%	9.42%	-17.84%

Source: Deschutes County, Oregon Employment Department, and Leland Consulting Group