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

# **EXECUTIVE SUMMARY**

Josephine County owns properties totaling approximately 6 acres at the intersection of Dimmick and A Streets in Northwest Grants Pass. The properties are the former campus of the Josephine County Hospital. The property includes several existing buildings, parking areas, and parcels. There are approximately 4 acres on the northeast corner of the intersection, and approximately 2 acres total on the northwest, southwest, and southeast corners of the intersection. The County has determined the 'Dimmick Tower' must be demolished, and has secured grant/loan funds for the demolition. Other buildings on the property were evaluated for feasibility for future reuse. The County initiated the planning process for demolition of the tower and reuse of the remaining properties. The tower demolition serves as a catalyst for evaluating the potential reuse and redevelopment options for that property, together with the remaining properties that comprise the former hospital campus. The County previously sold some contiguous lots that were part of the contiguous ownership. With this work, they are seeking to evaluate the opportunities for the remaining campus properties as a whole to ensure potentially optimal opportunities are not foregone through further incremental sales of portions of the property that can add value as part of a larger contiguous property.

To date, the environmental issues and costs of demolition and remediation have been barriers to previous developer interest and private investment in the property. Consideration of the overall campus further provides the opportunity to consider costs associated with remediation of the Dimmick Tower spread across the value associated with the overall property.

#### COORDINATION

As a partner, the City applied for a TGM Quick Response grant to assist in the planning phase of the project to evaluate potential reuse and redevelopment options. Quick Response provided resources for development and evaluation of concepts, planning and technical analysis, and public involvement for this project phase. This report is the final product of the Quick Response work.

This work is an integral and coordinated part of the planning for the Dimmick sites that also includes the several other concurrent and sequential efforts. These include the environmental analysis, demolition, and remediation, reuse and redevelopment planning, and the next steps such as marketing the property and identification of City, County, and developer roles and responsibilities that will be needed for implementation. These project phases will continue and build on the work in this project phase.

#### **PROJECT GOALS**

At the outset of the Quick Response work, the County and City identified project goals for the property in respective roles, including County goals as property owner, City goals as land use managers, and both as community and neighborhood partners. These goals included needs to ensure financial viability, to ensure consistency with broader community land use responsibilities, and to work with the community and neighborhood.

The guiding concept is to bring the property back into beneficial use, building on existing attributes of the site: its location at the intersection of two residential arterial streets (Dimmick and A), location on a transit line and transit stop, the planned railroad crossing of Dimmick, its zoning, and its proximity to downtown and neighborhood parks and amenities. These attributes provide the opportunity to introduce small scale neighborhood commercial uses to serve as a neighborhood asset, together with design guidelines that ensure neighborhood compatibility and the opportunity for an appealing pedestrian-oriented place.

#### PROCESS AND PUBLIC INVOLVEMENT

A series of public outreach meetings was held to share information and obtain input at key points in the process. Outreach included sharing:

- Overall project goals and obtaining input on ideas, issues, and concerns;
- Various preliminary concepts for the property and obtaining input
- The evaluation of the preliminary concepts and resulting recommendations prior to finalizing the report and recommendations

Recommended actions for property development would still need to be undertaken through separate public processes.

#### **ALTERNATIVES**

A range of alternatives that best addressed the project goals, local market conditions and that were responsive to existing site opportunities and constraints were developed.

Hospital Site- Several alternatives were evaluated for the Hospital Site. These included some options to demolish all of the buildings, and some options to demolish only the 5-story Dimmick Tower and boiler plant and reuse the original 2-story Hospital building and the building now occupied by County Health Services. The assessment of the 2-story hospital building identified potential for adaptive reuse, and noted issues that would need to be addressed, as well as potential tax credits and financial incentives available for adaptive reuse.

Options evaluated for the Hospital Site included office use, townhouse development with a neighborhood retail corner, and senior housing and apartments, with and without assisted living.

**Hub Sites**- Several alternatives were evaluated for the Corner Sites. These included neighborhood retail near the corner of A and Dimmick, townhouse residential, apartments, office, and residential or office above neighborhood retail. The evaluation also included options for a small plaza adjacent to neighborhood commercial, as well as options for street connectivity to the west that included bike/pedestrian connections only or full street connectivity with complete street elements.

Complete Streets and Design Standards- Each of the alternatives included recommendations for complete streets improvements to ensure there are opportunities for safe bike, pedestrian, and auto travel from the surrounding neighborhood to the neighborhood commercial corner, and to ensure an appealing environment for people at the neighborhood corner, including a safe and pleasant walking environment and outdoor spaces with small scale sidewalk-facing storefronts, wider sidewalks, street trees, bike lanes, and on-street parking. The alternatives also considered opportunities for walking and biking connections to near-by neighborhood amenities such as parks and open space.

#### ANALYSIS AND CONCLUSIONS

The market analysis indicates that senior housing with assisted living is likely to yield returns to the county in the short term. The analysis of returns and the market information presented suggest that, for options other than senior housing and assisted living, waiting for some recovery of employment and a more robust market, and waiting for the improved site access with the planned Dimmick rail crossing will result in higher returns for the county. However, the county could potentially encourage near-term development by offering deferred or reduced site acquisition costs that would allow for development to stabilize and produce returns for a developer. A stable development return allows a developer to refinance based on project income generation to pay back the county for site acquisition costs.

Identification and publicity of financial incentives and benefits associated with the site can also make it more attractive for a developer, especially if there are items that provide unique advantages for the property that may not be widely known. These include possible historic preservation tax credits and incentives associated with reuse of the 'A' Street Building, significant System Development Charge (SDC) credits from the previous hospital use for some of the property that will offset costs for new development, etc.

Decisions that provide certainty and predictability are also important to make the site attractive. Demolition of the Dimmick Tower is a critical first step in providing greater certainty about the resolution of environmental and demolition cost issues associated with the property. The City has also determined that there are significant System Development Charge (SDC) credits for parts of the property associated with the previous hospital use and development that will be credited against SDCs for future development. Other incentives and tax credits may also be available that can contribute to returns for a developer.

In addition the City and County should also explore options and responsibilities for funding the complete street enhancements.

#### **RECOMMENDATIONS**

The following recommendations are based on the project goals, input, and the analysis and conclusions described above. These recommendations do not preclude the County, as property owner, from considering other options for the property.

Land Use/Development: Hospital Site (northeast corner):
Building Rehabilitation Option - Senior Housing with Assisted Living. (See Pages 20-21).

This recommended option retains and repurposes the 'A' Street Building (the original 2-story hospital building) and the County Health Building, together with new development connecting those buildings and incorporating them into senior housing with assisted living, with an option for ground-floor retail near the corner of A and Dimmick.

This option represents the best near term financial return for the county, and is a viable immediate development option. Further, this option is not contingent on market or other actions occurring first, such as the adjacent corner complete street improvements or the Dimmick rail crossing. Financial analysis indicates the option to rehabilitate and reuse the original 2-story hospital building and current County Health building would be most financially advantageous, particularly if the project qualifies for historic preservation tax credits and incentives.

A secondary option is for the same use, but without rehabilitation and reuse of the existing buildings; representing demolition of those buildings and all new construction for the new use. (See Pages 22-23).

Land Use/Development: Hub (Corner) Sites (northwest, southwest, and southeast corners):

Neighborhood Commercial and Small-Scale Office or Residential Above Neighborhood Commercial and Small Scale Office. (See Pages 24-25).

This recommended option provides small scale neighborhood commercial on the southwest and southeast corners (Sites 1 and 2), with an option for residential or office above. It includes a new small scale office north of the existing office housing County Planning and Building (Site 3), and retains that existing office building.

These uses would be more viable, and at this location, if held in their current use at this time, with development occurring at a future date with an improvement in market conditions, and to coincide closer to the timing of the Dimmick rail crossing. These uses should also be developed with timing concurrent with the recommended complete street improvements to support and complement the neighborhood commercial setting, which could potentially be considered as part of the scope of the Dimmick rail crossing. There are a number of planning and design actions that can be undertaken in the short-term so the property would be ready for development upon completion of those actions. It is estimated that the timing for redevelopment would likely occur in conjunction with the completion of the Dimmick rail crossing. Therefore, it is recommended that the county market the properties with this recognition, and consider commitments that may be needed to provide greater certainty to potential developers of the Hospital Site that may make a decision based on future use of the Corner hub sites.

Complete Streets and Design Standards. (See Page 13 for Complete Streets Enhancements and Pages 26-28 for Design Standards). The recommendation includes complete-streets improvements to ensure there are opportunities for safe bike, pedestrian, and auto travel from the surrounding neighborhood to the neighborhood commercial corner, and to ensure an appealing environment for people at the neighborhood corner, including a safe and pleasant walking environment and outdoor spaces with small scale sidewalk-facing storefronts, wider sidewalks, street trees, bike lanes, and on-street parking.

These improvements should be complete prior to or concurrent with any neighborhood commercial use; however, it is not critical that they be completed prior to development of senior housing if that occurs as a first development phase.

Early decisions about, city, county, and developer responsibilities for the complete street improvements will be beneficial in providing greater certainty about any developer obligations and associated costs.

**Implementation and Timing.** (See Pages 31-33). This report provides the County with a basis for moving forward to market the property and work with the City and partners to agree on direction for the property and initiate implementation actions. The report outlines each party's roles and responsibilities necessary to market the property and begin preparing the property to be development ready and return the property to beneficial use.

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# INTRODUCTION

#### **OVERVIEW**

The Dimmick Site planning project is a joint effort between the City of Grants Pass and Josephine County to plan for reuse and redevelopment of the County owned former Josephine County Hospital site (4.02 acres) and a number of other smaller structures and parcels (2.3 acres) located at the intersection of Dimmick Street and A Street within northwest Grants Pass.

The project area (6.33 acres) is known as the Dimmick Site and consists of the Dimmick Tower (former five story hospital), the A Street Building (two and three story original Hospital and additions), County Public Health Building (two story), an office building (two story), parking lots and a vacant parcel. The site incorporates existing County and community service oriented uses such as the County Public Health Services, the Women, Infant, and Children Program (WIC), County Building Operations/Maintenance, and County Planning Department.

The Dimmick Tower, which served as a hospital, was abandoned in 2001 and has deteriorated to a point that it now requires demolition. The County has procured a loan/grant agreement with Business Oregon to demolish and remediate the tower site. The Old Hospital (A Street Building) has remained vacant since 2006. Concurrent with this work, an architectural and seismic assessment has determined it is feasible to rehab and retrofit the building. This building will require seismic upgrades, ADA compatible retrofitting, roof and HVAC replacement, mold abatement, and is eligible for historic status and incentives.

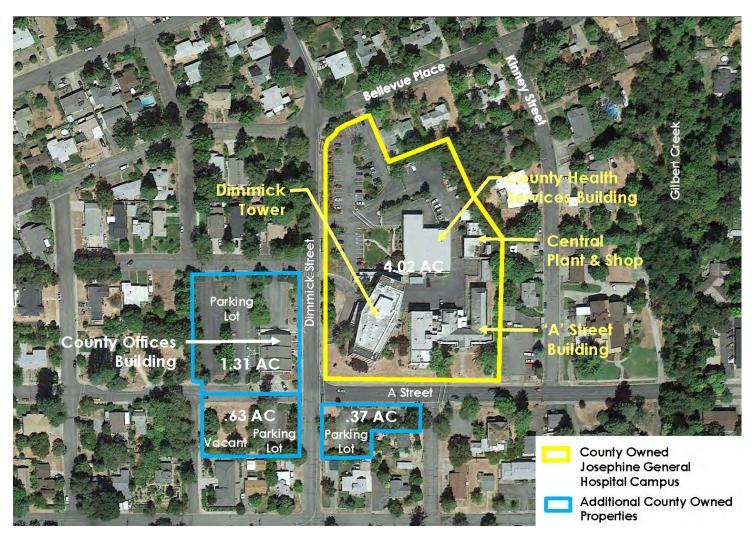
The City and County applied for Transportation and Growth Management (TGM) Quick Response Assistance to evaluate the potential for redevelopment either independently or as part of a mixed-use development that could include one or more of the following: medical offices, County or agency offices, commercial offices, and community meeting spaces, limited neighborhood retail uses, housing, and/or parks and open spaces.

# **PURPOSE**

The purpose of this report is to provide a basis for County and City decision-making regarding the redevelopment of the Dimmick site. The report:

- Summarizes the feasibility of various uses
- Establishes a framework for development that is market driven, capitalizes on the inherent qualities of the site, and is responsive to the County, City and community project goals
- Outlines the necessary actions, roles and responsibilities to implement plan recommendations
- Will be used as a tool for marketing developer interest, identifying potential strategic development partners and tenants and the creation of a developer offering for redevelopment of the Josephine County Hospital site and the additional county owned properties

# PROJECT AREA



# **PROCESS**

This report reflects the County, City, and Community's vision for future redevelopment of the Dimmick site. The plan is based on:

- An inclusive process
- City and County staff and elected official input
- Community review and input

### **Project Team Meetings**

A project team consisting of County and City staff, County elected officials, Department of Land Conservation and Development (DLCD) and Oregon Department of Transportation (ODOT) representatives reviewed all plan materials and provided input before and after each workshop.

# **Community Meetings**

The community was engaged through three interactive public workshops, facilitated at key project milestones, beginning in December 2013 and concluding in April 2014.



COMMUNITY OUTREACH MEETING #1- DECEMBER, 2013

- Meeting #1 (December 3, 2013)- Examination of background information, and a refinement of the project objectives that were culled from the County, City and community identified issues and concerns
- Meeting #2 (January 30, 2014)- Review and assessment of proposed Dimmick site land use and circulation concepts
- Meeting #3 (April 3, 2014)- Draft report review, Board of County Commissioners work session and public comments.

# **GOALS**

The project goals include the City and County identified project issues and supplemented with the community issues and concerns identified in Meeting #1. The goals were used to guide the development of concepts and served as an assessment tool for all plan proposals and implementation strategies.

#### JOSEPHINE COUNTY

The Josephine County Board of Commissioners has procured a grant/loan to demolish the Dimmick Tower, which has been determined uninhabitable due to issues of asbestos and neglect, and remediate the tower site for future redevelopment. The County has retained Maul Foster Alongi, through City and County grants from Business Oregon, to manage the tower demolition and remediation, identify the potential for rehabilitation of the 'Old Hospital' (A Street Building) and to market the County owned properties with an emphasis on the Josephine County Hospital site for future redevelopment. Demolition of the Tower is anticipated to occur in September 2014.

This report is a parallel effort intended to provide a development framework that identifies market viable uses, development intensity, and site design for the County owned properties. It is also a tool for marketing the site to potential developers or strategic partners. The report provides recommendations and is not intended to represent a final decision by the Board of Commissioners.

#### County identified goals include:

- Maintaining at a Minimum, a Revenue Neutral Redevelopment Scenario
- Encouraging Future Use(s) that Contribute to the Tax Rolls (private development)
- **Exploring Reuse and Rehabilitation of the A Street Building**



DIMMICK TOWER (FORMER HOSPITAL)



A STREET BUILDING (ORIGINAL JOSEPHINE GENERAL HOSPITAL)

#### **CITY OF GRANTS PASS**

The City of Grants Pass is currently in the process of updating the Urban Growth Boundary (UGB) in conjunction with an update to the Master Transportation Plan. In an effort to more efficiently use existing land and infrastructure within the current UGB and thereby mitigate the impact of urban expansion into rural areas, the City has determined it will need to up zone some areas, encourage utilization of other areas already planned and zoned accordingly, and look to identify opportunities for increasing future development in the form of nodal development. Nodal development is intended to provide for a mix of complementary neighborhood serving land uses to reduce vehicle miles traveled and automobile use while better supporting more frequent transit.

The Dimmick site has been identified by the City as a potential demonstration nodal development. As a joint effort with the County, the City has applied for this TGM site planning grant and additional grants. The City is committed to addressing any necessary zoning modifications or transportation enhancements needed to make the site attractive for redevelopment.

#### City identified goals include:

- Ensuring Redevelopment Uses are Consistent with Neighborhood Node Development and City-Wide Requirements for Land Use Needs and Allocations
- Identifying Future Uses that are Generally Consistent with Current Zoning
- **Developing Comprehensive Concepts for the Entire Site Versus Individual Parcels Only**



URBAN GROWTH BOUNDARY AND DRAFT PROPOSED EXPANSION AREAS

#### **COMMUNITY INPUT**

The results of the community outreach meeting on December 3, 2013 identified a number of community issues and concerns. Those issues were translated into a list of community goals as indicated below.

Community identified goals include:

- Ensuring Compatible Uses with the Neighborhood—Neighborhood compatibility included concerns with aggregating a concentration of low income housing or heavy traffic generating uses that would negatively impact the neighborhood. Uses such as a library, park, some limited commercial, coffee shop, senior housing, medium density housing, and townhomes/duplexes were identified as desirable.
- Managing Costs of Remediation and Demolition—Concern about the County's ability to repay the loan and unknown costs that will hinder or delay development
- Minimizing Remediation and Development Impacts on the Environment and the Neighborhood—Community and existing site users were concerned with community health associated with the demolition, remediation and future construction
- **Encouraging Future Use(s) that Contribute to the Tax Rolls**
- Minimizing Traffic Impacts on the Neighborhood
- Developing a Reuse and Redevelopment Concept Plan that Incorporates the Whole Site—Concern that retaining buildings will limit redevelopment potential

These goals, together with the City and County goals are intended to inform the creation of development scenarios that are market viable, meets the County's financial considerations and is consistent with the City requirements for the city-wide land use needs and allocations.



COMPATIBLE NEIGHBORHOOD DEVELOPMENT

# **NEIGHBORHOOD CONCEPT**

#### **OVERVIEW**

The Dimmick site provides an opportunity to create a demonstration nodal development within the existing County owned properties that incorporates neighborhood node elements (a small scale commercial hub, surrounding mix of housing types and increased density, parks and open spaces and an interconnected street network) and necessary complete street enhancements that will increase the value of the property and benefit the neighborhood. The success of nodal development at this site will require, at a minimum:

- Improved pedestrian access within a five minute walk and five minute bike ride
- Improved auto access, increased drive-by traffic, and on-street parking to support commercial development

# **NEIGHBORHOOD CONCEPT (NODAL DEVELOPMENT)**

A neighborhood concept was developed to capitalize on the Dimmick site's existing opportunities, and mitigate its constraints. The neighborhood concept consists of:

Commercial Hub—Neighborhood serving street oriented retail and commercial uses prominently located at the intersection of A Street and Dimmick Street

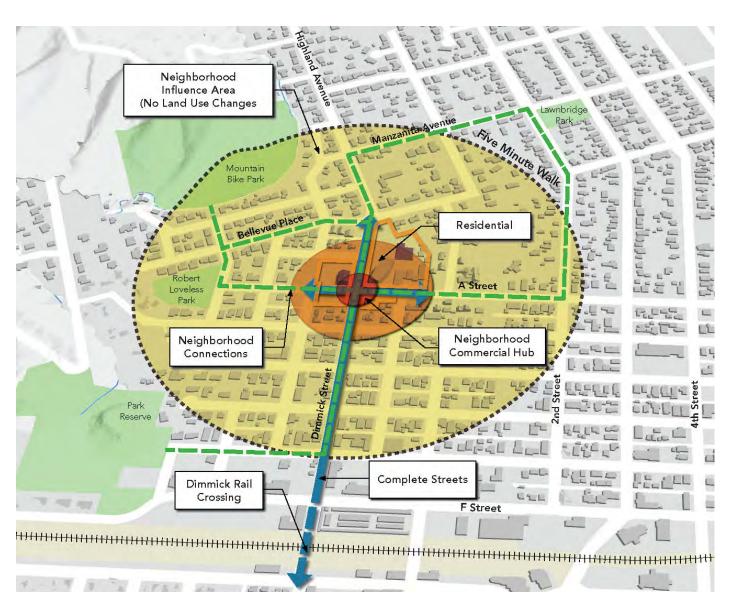
Residential—Senior or multi-family apartments on the Josephine County Hospital site with options for additional upper floor housing over retail and commercial uses on the Hub sites

Complete Streets Enhancements—Planned bike lanes along Dimmick Street integrated with new street enhancements that include, adding on-street parking and widened sidewalks on A Street to support the hub uses; extending the A Street improvements west of the intersection to Elm Street to improve access to the county owned properties and enhance pedestrian and bike access to the Robert Loveless Park; and providing a safe and comfortable pedestrian crossing at the intersection of Dimmick Street and A Street

Dimmick Street Rail Crossing— Relocation of the Booth Street rail crossing to Dimmick Street to improve auto access and drive-by visibility that will support the commercial hub and increase the value of the Dimmick site for redevelopment

Neighborhood Connections—Encouraging enhanced pedestrian and bicycle facilities along neighborhood streets connecting to near-by parks and open spaces

NEIGHBORHOOD CONCEPT (NODAL DEVELOPMENT)



#### COMPLETE STREETS ENHANCEMENTS

The following street enhancements are necessary to create a walkable and bikeable neighborhood environment that supports pedestrian and street oriented retail/commercial development at the intersection of Dimmick and A streets and makes the overall site attractive for development. The planning and design of the Dimmick and A Streetscape and the initiation of the relocation of the rail crossing with the Central Oregon & Pacific Railroad (CORP) should occur in the short term. Implementation of the Dimmick and A Streetscape plan should occur in conjunction with planned development of the hub sites. The complete streets enhancements include:

A Street Enhancements (west of Dimmick Street) — Construct a fully improved 60' right of way from Dimmick Street to Elm Street with 12' sidewalks, 7' parking lanes and two 11' travel lanes

On-Street Parking—Add on-street parking to the north side of A Street along the entire Josephine County Hospital Site to Dimmick Street. No on-street parking along Dimmick Street between Bellevue Place and B Street or as needed to allow for the City planned Dimmick Street bike lanes

New and Widened Sidewalks—Widen sidewalks along County owned Dimmick Street and A street parcel frontages to 11' 6" (requires a 3' easement along the A Street frontage of Josephine County Hospital Site) and add new sidewalks, per City standard, along Dimmick Street (west side of street) between Birch Street and Bellevue Place and Dimmick Street both sides of street between the county owned properties (south of A Street) and B Street

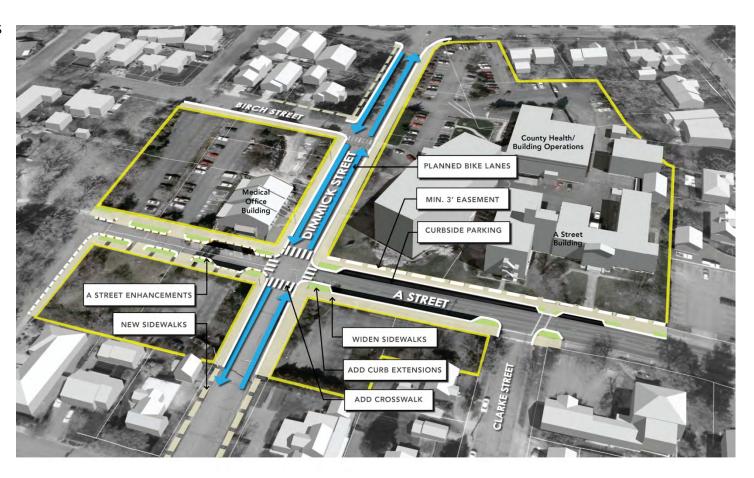
Curb Extensions—Add curb extensions to A Street at Dimmick Street and Clarke Street intersections

Crosswalk—Add a crosswalk at the intersection of Dimmick Street and A Street

Bike Lanes—The City is in the process of designing and constructing bike lanes along the west side of Highland Avenue and Dimmick Street from Sandy Drive to C Street that will supplement the existing bike lane along the eastside of the street (expected completion in the spring/summer months of 2014)

Dimmick Street Rail Crossing—The Dimmick Street rail crossing should be implemented in the near term to improve access and visibility to the Dimmick Site in an effort to support redevelopment. The City's long range Master Transportation Plan has identified a future extension of Dimmick Street across the CORP rail line to G Street. As a part of the City's current update to that plan the Dimmick Street rail crossing and necessary street improvement should be identified as a priority project and an implementation schedule identified.

# **COMPLETE STREETS ENHANCEMENTS**



# **DEVELOPMENT FRAMEWORK**

# **OVERVIEW**

The primary function of the development framework is to ensure future development proposals for the Dimmick site address the goals of the County, City and the community. The development framework consists of two parts:

- The Development Concept which outlines the types and density of land uses that were influenced by local demographics, the site conditions and fundamental real estate requirements
- Development Guidelines that describe essential building and site requirements

#### **DEVELOPMENT ASSUMPTIONS**

The development concept is based on the following parameters:

- 1) Redevelopment will occur within two distinct areas—the Josephine County Hospital Site and the Hub Sites.
- 2) Parcels within each area are to remain contiguous prior to overall development plan approval, not subdivided into smaller lots, in an effort to maximize the County's return on lease or sale of the property and to ensure efficient land redevelopment and use of existing infrastructure.

# **Josephine County Hospital Site**

The development assumptions common to all alternatives include:

- Demolition and remediation of the Dimmick Tower, boiler plant and ancillary buildings
- Maintaining as existing, rehabilitating or demolishing the County Health Services/Building Operations Building
- Rehabilitating or demolishing the A Street Building
- The option of locating a ground-floor street oriented retail/commercial use at the intersection of A Street and Dimmick Street

#### **Hub Sites**

The development assumptions common to all alternatives include:

- Maintaining the existing Office Building
- Locating small scale street oriented retail/commercial uses at the intersection of A Street and Dimmick Street
- A Street enhancements west of Dimmick Street to Elm Street

#### **DEVELOPMENT ASSUMPTIONS**



Josephine County Hospital Site Hub Sites

#### **DEVELOPMENT CONSIDERATIONS**

A preliminary market assessment provided the basis for evaluating the viability of various mixed-use development scenarios, as well as, an assessment of existing zoning conditions that might limit desired development. The re-use of the Dimmick site is contingent upon continued recovery in regional employment that will increase demand for office space; add to household incomes with the ability to afford rents for new construction, and with higher disposable income in the immediate area to enhance retail and commercial sales.

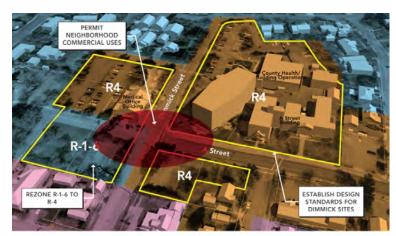
#### MARKET ASSESSMENT:

- A contiguous redevelopment site versus parcelization is suggested to provide greater certainty and predictability for development and offer the greatest opportunity for the County to pay back and service its debt for the Dimmick tower demolition and remediation.
- Large Floor plate speculative office development is potentially supportable but is a riskier prospect due to the site's location and limited drive-by traffic, and visibility. Long term ability to re-lease for office use over time may be a limiting factor for development financing.
- Single Family Housing does not meet the City's goal for nodal development and limits the County's ability to recoup the value of the Dimmick properties.
- For Sale or Lease Townhomes is an emerging product within the local market, however, competition from readily available and inexpensive single family homes within the neighborhood and throughout the community make this a riskier development type in the near term.
- Retail and Commercial Development in the form of small scale neighborhood serving uses is feasible by adding density to the site to assist in sales capture, and constructing the Dimmick Street rail crossing will provide additional drive-by traffic to further enhance market feasibility.
- Senior Housing is well suited to the local market and demographics, is financially feasible and provides potential significant returns on investment.
- Multi-Family Apartments suffer from competition with low local housing and apartment rents making it difficult for new development to be financially feasible.

#### **ZONING ASSESSMENT:**

Necessary code and development standards modifications would need to be addressed in order to enable the Dimmick site development scenarios. Modifications should include:

- Permitting neighborhood commercial uses near the corner of A Street and Dimmick Street (Neighborhood retail is currently not permitted)
- Rezoning the R-1-6 zone to R-4 to allow for a consistent level of housing density across the Dimmick site
- Ensuring development standards are consistent with the design guidelines recommended in this report by encouraging buildings to engage the street, and minimizing auto and pedestrian conflicts to support a pedestrian environment and providing setbacks to reduce impacts on adjacent properties



#### RECOMMENDED DEVELOPMENT CONCEPT

The variety of development scenarios were evaluated through meetings with the County, City and the community, and together with market considerations were winnowed down to the following recommended development concept which includes:

- Assisted Living with senior housing or apartments on the Josephine County Site
- Commercial/retail and office development with an option for residential or office above retail on the Hub Sites

These uses comprise a mix of development types that together form a neighborhood node (one of the central goals of the project); are complimentary with existing site uses such as office that will likely stay on a portion of the site; and can utilize, through repurposing, the existing buildings such as the A Street Building, and County Health Services Building.

The following pages provide a development and financial assessment summary for the Josephine County Hospital Site and the Hub Sites recommended development concept. The tables show first the site program and then outline financials for each development scenario. The project costs do not include direct costs associated with the site acquisition or for street frontage improvements, but do include soft costs for design, engineering, financing, approvals and SDC's.

The financial assessments are intended to reveal the potential for income to the county by showing a gap or surplus, where the surplus is the ability to pay site acquisition costs for the land and existing building improvements. Return on Cost is shown for each option to indicate feasibility for leverage (financing with debt). Comparing the return on cost against the value at cap rate is the measure for financing a project. Cap rates are determined regionally by financial institutions based on development type- for instance apartments, senior housing and assisted living have lower cap rates for financing (6.5% to 7.5%)) than do speculative commercial projects (7.5 to 8.5%). When the return on costs falls below the value at cap rate, financing is not feasible.

What all of the outline analysis indicates is that the options other than the senior housing options are not likely to yield returns to the County in the short term. The analysis of returns and the market information presented suggest that, for options other than senior housing and assisted living, waiting for some recovery of employment and a more robust market, and waiting for improved site access from the planned Dimmick rail crossing will result in higher returns for the County. However, any of the scenarios could be feasible and have the potential for development in the near term if the county is willing to work with a developer by deferring the costs of site acquisition that allow for development stability thereby providing greater project financial stabilization and potential increased returns to the County.

#### JOSEPHINE COUNTY HOSPITAL SITE

The recommended concepts development summary and market feasibility for the 4.02 acres Josephine County Hospital Site are identified on the following pages.

#### **Repurpose Buildings- Senior Housing or Apartments**

The repurposing alternative includes a new two to three story building that engages the intersection of Dimmick and A Streets, is integrated with the rehab of the Public Health and A Street Buildings, incorporates open space amenities and utilizes existing parking. Uses include:

- Rehab of the County Health Services Building for senior/assisted living common areas, cafeteria and administration
- Rehab of the A Street Building for forty five units of assisted living and congregate care
- New building incorporating seventy five independent living apartments for seniors or market rate apartments

# **Development Summary**

Assisted Living with Senior Housing or Apartments (New)	Public Health Building (Existing)	A Street Building (Existing)	Open Space and Parking	Commercial / Retail
• 61,000 Square Feet (Total)	■ 20,870 Square Feet (Total)	<ul><li>33,375 Square Feet (Total)</li></ul>	<ul><li>85,000 Square Feet</li></ul>	■ 1,500 Square Feet
<ul><li>75 Dwelling Units</li></ul>	■ 2 Stories	<ul><li>2 and 3 Stories</li></ul>	■ 108 Spaces	(Optional)
<ul><li>2 to 3 Stories</li></ul>		<ul><li>45 Asstd. Living Units</li></ul>		

# **Development Financial Assessment**

The financial assessment doesn't include the site acquisition costs. The surplus indicates net income available for site acquisition costs.

SENIOR HOUSING and ASSISTED LIVING						
Project Cost	Val. At Cap Rate	Surplus(Gap)	Net Income	Return on Cost		
\$16,245,390	\$18,326,443 (7%)	\$2,081,053	\$ 1,282,851	7.9%		
APARTMENTS and ASSISTED LIVING						
Project Cost	Val. At Cap Rate	Surplus(Gap)	Net Income	Return on Cost		
\$14,720,000	\$16,215,000 (6.5%)	\$1,495,000	\$ 1,054,000	7.2%		

# REPURPOSE BUILDINGS-SENIOR HOUSING OR **APARTMENTS**



Repurposed Buildings Senior Housing or Apartment Existing Parking Open Space

# **New Construction- Senior Housing or Apartments**

The new construction alternative includes a new two to three story building that engages the intersection of Dimmick and A Streets, incorporates open space amenities, and adds some additional parking to existing spaces. Uses Include:

Senior Housing or Apartments

# **Development Summary**

Senior Housing or Apartments (New)	Common Area	Open Space and Parking	Commercial / Retail
■ 123,000 Square Feet (Total)	<b>1</b> 0,000	■ 85,511 Square Feet	■ 1,500 Square Feet
<ul><li>152 Dwelling Units</li></ul>		■ 130 Spaces	(Optional)
<ul><li>2 to 3 Stories</li></ul>			

# **Development Financial Assessment**

The financial assessment doesn't include the site acquisition costs. The surplus indicates net income available for site acquisition costs.

SENIOR HOUSING						
<b>Project Cost</b>	Val. At Cap Rate	Surplus(Gap)	Net Income	Return on Cost		
\$16,868,750	\$18,878,400 (6.5%)	\$2,009,650	\$ 1,227,096	7.3%		
<b>APARTMENTS</b>	APARTMENTS					
<b>Project Cost</b>	Val. At Cap Rate	Surplus(Gap)	Net Income	Return on Cost		
\$13,242,000	\$13,916,000 (6.5%)	\$674,000	\$ 904,520	6.8%		

**NEW CONSTRUCTION-**SENIOR HOUSING OR **APARTMENTS** 



Senior Housing or Apartment Existing and New Parking Open Space

#### **HUB SITES**

The preferred concepts development summary and market feasibility for the 2.31 acre Hub Sites are identified on the following pages.

#### **Commercial and Office or Apartments over Commercial**

The commercial and office option preserves the existing Medical Office Building and parking lot and includes a new single story building to the north (Area 3); south of A Street—a new two-story building oriented to A and Dimmick Street with adjacent parking (Area 2); west of Dimmick Street—a single story building with rearside parking and existing surface parking along Clarke Street (Area 1). Uses Include

- Area 1- Single Story Commercial/Retail or Two-Story Apartment over Commercial/Retail
- Area 2- Two-Story Office over Groundfloor Commercial/Retail or Two-Story Apartment over Groundfloor Commercial/Retail
- Area 3- Existing Office and New Single Story Office

### **Development Summary**

Commercial and Office	A Street Improvements	Open Space and Parking	Apartments over Commercial	A Street Improvements	Open Space and Parking
<ul> <li>7,406 Square Feet Comml./Retail</li> </ul>	■ 13,200 Square Feet	<ul><li>41,500 Square Feet</li><li>100 Spaces (Exstg.)</li></ul>	<ul><li>4,093 Square Feet Comml./Retail</li></ul>	■ 13,200 Square Feet	<ul><li>34,513 Square Feet</li><li>83 Spaces (Exstg.)</li></ul>
<ul><li>11,306 Square Feet New Office</li></ul>		■ 28 Spaces (New)	<ul><li>8,000 Square Feet New Office</li></ul>		■ 36 Spaces (New)
<ul><li>8,850 Square Feet Existing Office</li></ul>			<ul><li>8,850 Square Feet Existing Office</li></ul>		
1 to 2 Story Bldgs.			29 Apartments		
			1 to 2 Story Bldgs.		

# **Development Financial Assessment**

The financial assessment doesn't include the site acquisition costs. The surplus indicates net income available for site acquisition costs.

COMMERCIAL and OFFICE						
Project Cost	Val. At Cap Rate	Surplus(Gap)	Net Income	Return		
\$4,138,054	\$4,190,000 (8%)	\$51,946	\$ 335,218	8.1%		

APARTMENTS OVER COMMERCIAL						
Project Cost	Val. At Cap Rate	Surplus(Gap)	Net Income	Return		
\$5,897,151	\$5,678,268 (8%)	\$(218,883)	\$ 454,261	7.7%		

#### COMMERCIAL AND OFFICE



Existing Building to Remain Office Retail/Commercial Existing and New Parking Open Space

# RECOMMENDED SITE DEVELOPMENT GUIDELINES

The following site development guidelines provide developers with an understanding of the site development expectations. The purpose of the guidelines is to ensure quality development that complements the neighborhood. The guidelines are a descriptive template for maintaining and improving the neighborhood character without dictating or prescribing a specific architectural building style or theme.

The Site Development Guidelines promote:

- Essential site orientation of buildings to activate and engage the Dimmick and A Street intersection
- Provisions for a safe, and comfortable environment for pedestrians
- Minimizing the impacts of automobile access and parking
- Providing setbacks for buildings and parking areas that limit impacts on adjacent properties

#### SITE DEVELOPMENT GUIDELINES- JOSEPHINE COUNTY HOSPITAL SITE

The site development guidelines are as follows:

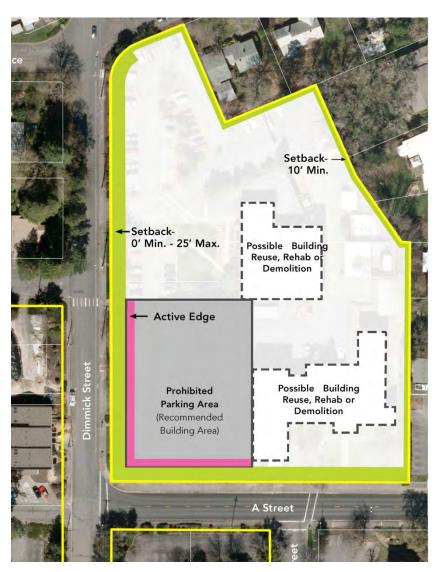
Setbacks—indicate minimum building setbacks that allow buildings to enage the street or provide a buffer to adjacent development and maximum setbacks that are consistent with the historic A Street Building. No parking is allowed within setback.

- 0' minimum and 25' maximum (Dimmick and A Street)
- 10' minimum and no maximum (Bellevue Place and adjacent parcels)

Active Edge-required transparent openings along ground-floor of buildings where indicated.

- Minimum of 30% transparency for residential uses
- Minimum 50% transparency for all other uses

**Prohibited Parking Area**—no parking or vehicle access is allowed within this area to eliminate conflicts between automobiles and pedestrians and bicyclists, creating a more pleasant experience for walking and biking and ensuring that future buildings engage the intersection of Dimmick Street and A Street.



JOSEPHINE COUNTY HOSPITAL SITE- SITE DEVELOPMENT GUIDELINES

#### SITE DEVELOPMENT GUIDELINES- HUB SITES

The site development guidelines are as follows:

Setbacks-indicate minimum building setbacks that allow buildings to enage the street or provide a buffer to adjacent development and maximum setbacks that are consistent with the existing Medical Office Building. No parking is allowed within setback.

- 0' minimum and 15' maximum (Dimmick Street, north of A street)
- 0' minimum and 10' maximum (A Street and Dimmick Street south of A Street)
- 10' minimum and no maximum (adjacent parcels)

Active Edge—required transparent openings along ground-floor of buildings where indicated.

- Minimum of 30% transparency for residential uses
- Minimum 50% transparency for all other uses

**Prohibited Parking Area**—no off-street parking or vehicle access is allowed within this area to eliminate conflicts between automobiles and pedestrians and bicyclists, creating a more pleasant experience for walking and biking and ensuring that buildings engage Dimmick Street and A Street

Accessway—reduces the scale of the block and provides direct access to the sidewalk from rearside parking areas

Minimum 20'

Sidewalk—Improvements to A Street west of Dimmick Street will require constructing 12' sidewalks on each side of the street



HUB SITES- SITE DEVELOPMENT GUIDELINES

# **IMPLEMENTATION**

# **OVERVIEW**

Plan implementation requires specific actions by Josephine County and the City of Grants Pass to make the Dimmick Site attractive for redevelopment. Some actions are time sensitive and need to commence immediately, such as tower demolition and initiation of the Dimmick rail crossing, while others will require additional planning (Dimmick and A streetscape improvements and tenant relocations). To ensure consistency with the report recommendations, regulating policies, plans, ordinances and financing strategies will need to be either updated or created by the City and the County and adopted as necessary by the County Board of Commissioners and City Council, as applicable.

# **Implementation Recommendations**

The following are implementation recommendations and fundamental issues to be addressed to make the Dimmick site attractive for development.

- Prepare the Josephine County Hospital Site for Redevelopment by removing encumbrances to redevelopment that include implementing tower demolition and remediation, determining reuse/demolition of the A Street building, relocating existing tenants, and preparing a title report and property value appraisal.
- Identify Financial Incentives for land and improvements costs such as an installment sale, deferred sale or deferred ground lease to reduce project cost and provide flexibility for developers as well as, opportunities for system development credits for use of existing infrastructure and utilities.
- Prepare a Developer Offering that includes a development agreement outlining City and County commitments to necessary code modifications, incentives, and coordinated infrastructure improvements; a development framework outlining expectations for the Dimmick site, and any necessary submittal requirements and evaluation criteria as part of a request for proposal.

The following section identifies:

- Anticipated roles and responsibilities of Josephine County and the City of Grants Pass
- Next steps and necessary actions required to prepare, market and redevelop the Dimmick Site

# **ROLES AND RESPONSIBILITIES**

Successful reuse and redevelopment of the Dimmick Site will require a coordinated effort between the Josephine County Commission and the City of Grants Pass to make the site attractive for development.

The County's role requires preparing the Josephine County Hospital Site for reuse and redevelopment and establishing a plan for getting the site back on the tax rolls. Necessary County responsibilities include:

- Implementing demolition and remediation of the Dimmick Tower
- Preparing a title report for all of the County owned parcels to identify potential development impacts such as utility easements, or encumbrances
- Developing marketing materials and outreach to the development community
- Developing a plan for vacating the County Public Health Building and relocating County Public Health Services, WIC, Building and Safety/Operations, and **County Planning**
- Preparing a request for proposal (RFP) for historic rehabilitation of the A Street Building to determine feasibility of rehabilitation and possible developer selection
- Preparing a request for proposal for redevelopment of the Dimmick Site that includes the Josephine County Hospital Site and an option to include the Hub Sites

The City's role requires code modifications, prioritizing transportation improvements, and identifying potential and available incentives that support redevelopment. Necessary City responsibilities include:

- Implementing code adjustments or modifications for a limited amount of neighborhood serving commercial development
- Rezoning the R-1-6 zone to R-4
- Identifying and assembling potential development credits, and incentives, to encourage redevelopment of the Dimmick site
- Performing a preapplication review of the recommended alternatives to identify any significant development or infrastructure issues
- Initiate planning and prioritized construction of the rail crossing at Dimmick Street and decommissioning the rail crossing at Booth Street
- Preparing a Streetscape Plan for Dimmick and A Streets in conjunction with developer agreements for redevelopment of the Dimmick site
- Preparing a development agreement that outlines City, County and developer commitments for redevelopment of the Dimmick site

# **NEXT STEPS**

The next steps include necessary projects and actions required to implement the Dimmick Site Reuse and Redevelopment Plan.

Project	Action	Who
Dimmick Tower Demolition	Prepare a Demolition and Remediation Plan  Develop Bid Package  Bid Notice & Procurement  Negotiate Contract/Finalize  Demolition, Finalization and Reporting	County/Consultant
Prepare County Parcels Title Report	Initiate Title Report Identify Potential Encumbrances Negotiate Necessary Easements or Vacating of ROW with City	County/Title Company Title Company County/City
Dimmick Site Marketing Plan	Dimmick Site Marketing Plan Site Info and Marketing Materials Outreach to Potential Partners, Tenants, & Developers Identify Developer Interest and Negotiate a Contract or Offer the Site for Redevelopment through an RFF	County/City/Consutlant
Vacate Public Health Building and Relocate Tenants	Prepare a Relocation Plan for Existing Uses Prepare Relocation Sites Vacate Public Health Building Relocate Tenants	County
A Street Building Request for Proposal	Prepare Request for Proposal Project Description, Considerations, & Incentives Submittal Requirements & Evaluation Criteria  Advertise RFP and Review and Evaluate Proposals Identify Review Committee Review and Evaluate Select Developer and Negotiate Contract	County/Consultant
Prepare Development Agreement  Dimmick Site  Development  Agreement  Agreement  Perform a Preapplication Review of Preferred Concepts and Determine Development or Infrastructure Issues  Necessary Code Modifications/Adjustments, Traffic Impact Analyses, and Potential Developer Incentives  Public/Private Roles for Right of Way Improvements  Submit Development Agreement to County  Incorporate Development Agreement within a Dimmick Site Redevelopment Request for Proposal		County/City

roject	Action	Who
Dimmick Street Rail Crossing	Initiate Rail Crossing Relocation with CORP Prepare Rail Crossing Plan  Determine Necessary Rail, Traffic and Signalization Improvements Council adopts Dimmick Rail Crossing as a Priority Project Prepare Relocation Design Concepts and Preferred Alternative Prepare Contract Documents Review preliminary design Review Final Design Construct Rail Crossing and Street Improvements	City/CORP City City
Dimmick and A Streetscape Plan	Prepare Streetscape Plan in Conjunction with Planned Development of the Dimmick Site Develop Concepts Finalize Preferred Alternative  Prepare Contract Documents Review preliminary design Review Final Design  Construct Street Improvements	City/Developer/Consultant City/Developer/Consultan
Dimmick Site Redevelopment	Prepare A Request for Proposal Project Description, Financial/Incentives/Developer Agreement Considerations and Schedule Development Framework Plan Submittal Requirements and Evaluation Criteria  Advertise RFP Review and Evaluate Proposals Identify Review Committee Review and Evaluate  Select Developer and Negotiate Contract Prepare Development Plan and Contract Documents Review Preliminary Design Review final design  Construct Project	County/City Developer City Developer

# **APPENDIX A**

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Date: December 05, 2013

To: Dimmick Site Concept Plan Project Management Team (PMT) and Project Team

**From:** Jason Graf, Associate Principal, Crandall Arambula

# Community Outreach Meeting #1 Summary and Reuse and Redevelopment Vision and Goals

The Dimmick Site Concept Plan is a Transportation and Growth Management (TGM) Quick Response funded project and is part of a larger project including brownfield planning funds provided by Business Oregon. The overall project purpose is to create a redevelopment plan for the former Josephine General Hospital site including

necessary remediation activities that will permit redevelopment to occur. Other planning efforts not covered by this scope will provide key inputs into this TGM Quick Response project, and this Quick Response project will provide outputs necessary for the continuation of the overall project.

Project Area (See Figure 1) includes the Dimmick Site, which is the former County hospital at the intersection of NW "A" and Dimmick Streets, and adjacent properties owned by Josephine County. Project activities and analysis may include areas outside of the Project Area to evaluate the market potential of proposed redevelopment and potential connections and impacts on the transportation system.

The objective of the Dimmick Site Concept Plan is to:

- 1. Determine the physical and market feasibility of potential uses for redevelopment at the Dimmick site.
- 2. Produce potential concepts for the redevelopment of the Dimmick Site.
- 3. Provide key information leading to a plan to successfully remediate the Dimmick Tower and other portions of the Project Area requiring remediation.

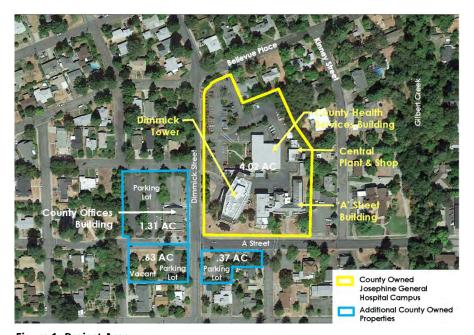


Figure 1- Project Area

# Dimmick Site Concept Plan Project Team and Outreach Meetings #1 Summary

The first of the Dimmick Concept Plan, project team and outreach meetings, were held on December 3, 2013. During that period, the consultants (Crandall Arambula and Maul Foster Alongi (MFA)) presided over a Project Team meeting, a Dimmick site tour, and Outreach Meeting.

- The Project Team Meeting #1 was held in the Courtyard Conference Room 101 NW A Street from 11:30am to 1:30 pm
- The site tour was conducted between 2:00pm and 3:30 pm
- The Outreach Meeting #1 was held in Council Chambers from 6:00- 7:30 pm and was attended by approximately 45 people.

#### **Meetings Purpose**

The purpose of the Project Team Meeting was to:

- Review the slideshow presentation and outline issues, concerns and expected outcomes
- Obtain thoughts on key issues and concerns that need to be addressed
- Answer questions

The purpose of the Outreach Meeting was to:

- Present project objectives and existing conditions information
- Obtain thoughts on key issues and concerns that need to be addressed
- Answer questions

Each meeting began with the consultants' presentation of the project process and schedule (see Figure 2), review of existing site and buildings conditions and analysis of the opportunities and constraints (see Figure 3) of the study area. Following the presentation, attendees discussed the issues and concerns over table maps. The workshop portion concluded with table reports from each group summarizing the discussion. Written response sheets (see Figure 4) were provided to all with the purpose of documenting the top issues and concerns as well as the areas presenting special design opportunities.



Figure 2- PROCESS and SCHEDULE

#### RESPONSE SHEET

A response sheet was provided to illicit feedback from the project team and outreach meeting attendees with the intent of identifying specifically

- The Top Three Issues and Concerns for the Project Area
- Areas that present special design opportunities or present certain design constraints to be aware of

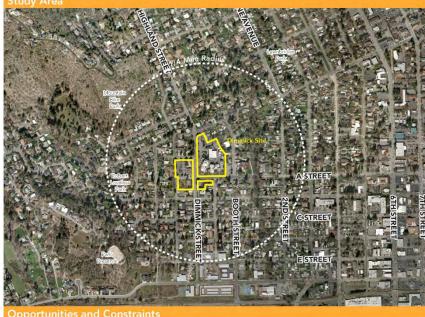
A tally of the response sheets comments is located on pages 7 thru 10.

# **Response Sheet**

**Dimmick Site Concept Plan** 

Meetings & Outreach Workshop #1 December 2013





On the map above, please note areas you believe:

- Present special design opportunities
- Present design constraints

List your top three issues and concerns:

# Additional Comments

Please note additional comments on the back of this sheet.

Name (optional): \_

If you need additional time to respond, please return your comments through: MAIL: Jason Graf, 520 SW Yamhill, Roof Suite 4, Portland, OR 97204 EMAIL: jgraf@ca-city.com

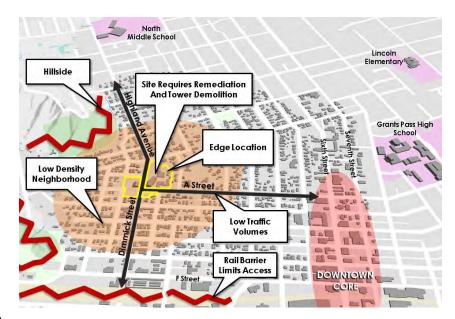
## **CONSTRAINTS and OPPORTUNITIES**

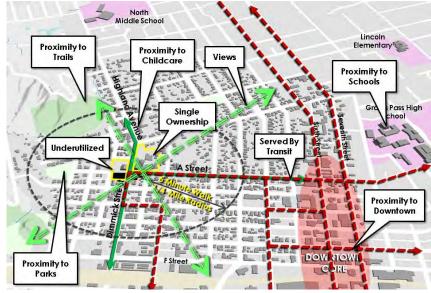
## Project Area Constraints Include:

- The site will require significant demolition and remediation- the site is not currently 'development ready'
- An edge location bound by hillsides, an active rail line and outside walking distance to the downtown core area
- Low traffic volumes (under 5,000 Average Daily Traffic) which is generally not supportive for commercial development
- Located within a relatively low density neighborhood that is unable to support commercial development within a five minute walk- will require additional drive-by traffic to serve commercial type uses

#### Project Area Opportunities Include:

- A substantial site area currently under a single ownership (County) with underutilized and vacant parcels
- Within a five-minute walk to open space/parks and childcare and a five-minute bike ride or short drive to schools and downtown
- The area is supported by multi-modal access and is directly served by transit and existing/planned bicycle lane improvements
- The site offers tremendous views and is located on all sides of a local street intersection





**Figure 3- Opportunities and Constraints** 

# **Reuse and Redevelopment Vision**

The City and County vision for reuse and redevelopment of the Dimmick Site is for a single use or a mixed-use development with offices, community meeting space, limited neighborhood retail, residential, and/or park and open space uses. This vision is consistent with what was voiced at the outreach meeting where community members identified a desire for a better use of the property that contributes to the local tax roll, complements the existing neighborhood and incorporates uses such as office, market rate residential and limited neighborhood serving commercial development.

# **Draft Project Goals**

A summary of the outreach meeting response sheets' issues and concerns form the basis for creating the community generated project goals. In all, eighteen response sheets were collected and a list of community goals was identified. These community identified goals in conjunction with the city and county goals establish the overall draft project goals. The project goals (see Figure 5) will guide the development and evaluation of the Dimmick Site concepts throughout the planning process.

The City and County expected outcomes for the project are to:

- Eliminate Environmental Issues that Keep Property Blighted and Out of Productive Use
- Demolish the Tower and Complete Remediation
- Return the Property to Beneficial Use

The goals of the County are to:

- Maintain at a Minimum a Revenue Neutral Redevelopment Scenario
- Encourage Future Use(s) that Contribute to the Tax Rolls (private development)
- Retain County Health Use On-Site (Preference)

The goals of the City are to:

- Ensure Redevelopment Uses are Consistent with Nodal Development
- Identify Future Uses that are Generally Consistent with Current Zoning

A summary of the outreach meeting response sheets' issues and concerns form the basis for creating the community generated project goals. In all, eighteen response sheets were collected and a list of community goals was identified. These community identified goals in conjunction with the city and county goals establish the overall draft project goals. The project goals (see Figure 4) will guide the development and evaluation of the Dimmick Site concepts throughout the planning process.

#### DRAFT PROJECT GOALS

- **Ensure Compatible Uses with the Neighborhood (30)**
- Manage Costs of Remediation and Demolition\* (11)
- Minimize Remediation and Development Impacts on the Environment and the Neighborhood \* (9)
- **Encourage Future Use(s) that Contribute to the Tax Rolls\* (8)**
- Minimize Traffic Impacts on the Neighborhood (8)
- Develop a Reuse and Redevelopment Concept Plan that Incorporates the Whole Site (7)
- Maintain at a Minimum a Revenue Neutral Redevelopment Scenario\* (4)
- Identify future uses consistent with the Zoning\* (2)
- **Ensure Redevelopment Uses are Consistent with Nodal Development\***

# **Outreach Meeting Response Sheet Tally-Issues, Concerns and Opportunities**

The comments below are a summary of the issues, concerns, and opportunities mentioned in the response sheets collected from the outreach meeting #1. Comments are grouped under the over arching combined City/county and community identified draft project goals.

# **Ensure Compatible Uses with the Neighborhood (30)**

- Potential uses should be compatible with the neighborhood
- What it will do to impact existing homes in the neighborhood
- We need a corner store to replace the old 'B' Street market (Highland too far and Rays is closing)
- Live/work/sell units
- Compatibility of any proposed use with our current site (1021 Highland) which operates as an early intervention/early childhood special education program for children zero to five years with disabilities
- I love the idea mentioned by another group of possible library relocation
- Possible loss of parking on Dimmick site for Early Childhood Services
- Don't overdevelop by trying to incorporate too many uses on the 4.5 acre site
- No low income housing on this site
- Mixed housing with townhouse and duplex development
- A coffee shop
- Put new library on parcel across the street
- Would like to see multi-family housing that would take some pressure off the UGB
- Maybe a small neighborhood market
- No DHS or Low income housing
- Would be concerned with safety associated with large amounts of low income housing
- A park would be nice but would need security against drugs and alcohol
- Can't see that small shops would do well in this area
- Opposed to low-income housing
- Incorporate a BMX park for the kids
- The neighborhood could use limited commercial
- Increasing crime in the area brought on by some of the schemes proposed
- Senior residential development II
- Small office development II
- Medium density housing would help provide density to support businesses
- Specialty shops and crafts etc...
- Noise created by activities proposed/interruption of our peaceful neighborhood

#### Manage Costs of Remediation and Demolition\* (11)

- Find ways to cut costs of demolition and remediation IIII
- Cost of demolition II
- Unknown costs hinder ability to establish true direction for redevelopment
- What is the realistic cost of cleanup?
- Concerned with the method of financing
- Unknown costs for demo etc...

## Minimize Remediation and Development Impacts on the Environment and the Neighborhood \* (9)

- Contamination of my property during demolition and reconstruction
- Demolition and clean-up
- Contaminated clean-up that is dangerous to neighbors
- Asbestos concerns with clean-up
- Truck traffic and disposal of material with demolition
- Traffic issues during construction
- Notification process during demolition phase- if traffic will need to be re-routed during any phase I will need to notify parents and school district transportation in a timely fashion

### Encourage Future Use(s) that Contribute to the Tax Rolls\* (8)

- Place property back on the tax rolls
- Ownership of the property is a concern will it be public or private and contribute to the tax roll?
- That you will never find consensus on what uses will be and the project will be dropped again
- Not enough investors or grants to get the project off the ground
- Unknown return on investment to the city and keeping on the tax rolls
- The property is not contributing to the tax rolls

<sup>\*</sup>County identified goal

<sup>\*</sup>City and County identified goal

<sup>\*</sup>City and County identified goal

#### Minimize Traffic Impacts on the Neighborhood (8)

- Impacts of increased traffic on surrounding residential area
- Too much traffic is a problem
- Traffic Impacts
- Possibility of increased traffic flow along Highland Avenue in front of our preschool program at 1021 Highland
- Dimmick Street needs to go thru and across rail tracks
- Slow traffic down on Highland Avenue after school hours
- Increase in traffic to the area as a result of new development

# Develop a Reuse and Redevelopment Concept Plan that Incorporates the Whole Site (7)

- Impacts to residential impacts of the site
- Public Health could move elsewhere or be incorporated into PUD
- Health Department Building should not be assumed as saved
- Concerned that retention of any building on the campus would limit development of the whole II
- I am concerned with retaining the Health Department building it may need to be demolished to properly develop the site
- Get that tower down!
- Don't try to save the 'A' Street building
- Concerned that existing residential uses limits development possibilities i.e. office etc...

#### Maintain at a Minimum a Revenue Neutral Redevelopment Scenario\* (4)

- Identify highest and best use for the property
- Provide long term income stream to County
- Option for a long term land lease (99 year) needs to be aggressively pursued

#### Identify Future uses Consistent with the Zoning\* (2)

Proposed uses should be in line with zoning allowed uses

#### **Ensure Redevelopment Uses are Consistent with Nodal Development\***

\*City identified goal and consistent with mix of uses indicated as neighborhood compatible uses by the community during outreach meeting #1

<sup>\*</sup>County identified goal

<sup>\*</sup>City identified goal

# **Table Report Summaries**

Below is a summary of the comments presented by a member of each table during the Outreach Meeting #1

#### Table 1

- Develop a plan that affectively deals with traffic impacts to the neighborhood
- Plan elements should be compatible with the neighborhood
- Until costs are determined we do not know the investment in remediation needed to get a viable return

#### Table 2

- Retention of existing buildings will compromise or retard developer use of the site
- Do not overlap too many uses on the site
- Do not create a concentration of low-income housing
- Include a mix of multi-family market rate apartments, townhomes, and condos that can also help reduce pressure on the UGB
- Across from the site include a small neighborhood market

#### Table 3

- Keeping the County health building is not an asset
- Traffic on Dimmick Avenue in terms of speed is an issue. Do not create excessive traffic
- Improve Dimmick Avenue by extending south and crossing the rail line all the way to G Street
- Multi- family and some commercial development would be good

#### Table 4

- Traffic in the area is a concern, any proposals are likely to significantly increase traffic
- Crime is also an issue. This is a peaceful and quiet neighborhood. Commercial and retail uses equal traffic
- We are neighbors and are concerned about the environmental contamination and impacts on our properties and health
- Along with traffic impacts, new development will impact parking

#### Table 5

Redevelopment should include professional office and small neighborhood serving commercial uses such as a coffee shop.

#### **Additional Comments**

- When Lewis and Clark did there library demolition they recycled the concrete on site which helped reduce impact on the adjacent neighborhood
- The general cost of this whole clean up is the main issue
- If the County health clinic is to remain at least take down the tower and the 'A' Street building
- Replace the tower, with an office building- this is a low impact use and could include some businesses currently located downtown. By locating them here we
  will free up more parking in the downtown.
- Is the concept that the County will remain cast in concrete?
- Does the City have to be involved to procure remediation grants?
- Does JoCo have the right to use my property for a detention/retention pond? (737 NW Kinney Street)

# CRANDALL ARAMBULA

# Revitalizing America's Cities

**Date:** April 3, 2014

Bill Holmstrom, Project Manager, Oregon Department of Land Conservation and Development To:

From: Jason Graf, Associate Principal, Crandall Arambula

# **Development Feasibility Memorandum**

The purpose of this development feasibility memorandum is to:

- Define the fundamental elements of nodal development as a basis for design alternatives for the Dimmick site
- Identify conditions affecting design and development considerations
- Illustrate an overarching concept for Dimmick site redevelopment and potentially suitable development scenarios
- Evaluate the development scenarios against the project goals

# THE BEST NEIGHBORHOODS CONCEPT (NODAL DEVELOPMENT)

In an effort to more efficiently use existing land and infrastructure within the current UGB and mitigate the impact of urban expansion into rural areas, the City has determined it will need to up zone some areas, encourage utilization of other areas already planned and zoned accordingly, and look to identify opportunities for increasing future development in the form of nodal development. Nodal development is intended to provide for a mix of complementary neighborhood serving land uses to reduce vehicle miles traveled and automobile use while better supporting more frequent transit.

The Dimmick site has been identified by the City as a potential demonstration nodal development. Planning for nodal development within the Dimmick site is informed by the fundamental characteristics of the Best Neighborhoods. The Best Neighborhoods are organized around a hub of retail, and commercial uses providing the dayto-day goods and services used by the neighborhood. The hub is supported by residents within a convenient five-minute walk (1/4 mile), a five-minute bike ride (1 mile), and local drive-by traffic.

# **The Building Blocks**

Best Neighborhoods include complementary land uses that are located according to market fundamentals and are well integrated with pedestrian, bicycle and auto and transit networks. While the ideal Best Neighborhood may not be achievable in all instances, true nodal development requires that the following components are largely provided. The basic components include:

Retail/Commercial Hub— A concentration of neighborhood serving street-oriented retail and supporting commercial uses located at the crossroads of intersecting streets in the heart of the neighborhood. Adequate drive-by traffic (minimum 5,000 cars a day) with convenient on-street parking and wide sidewalks ensure good auto access and a strong pedestrian oriented environment

Mix of Housing Types and Densities—Immediately surrounding and included in the hub is a mix of higher density housing such as apartments and townhomes that transition to medium and lower density single family housing outside of the hub

Parks and Open Space— All housing should be within close proximity to a park or open space that is large enough to accommodate child friendly play structures, courts, and informal grassy areas

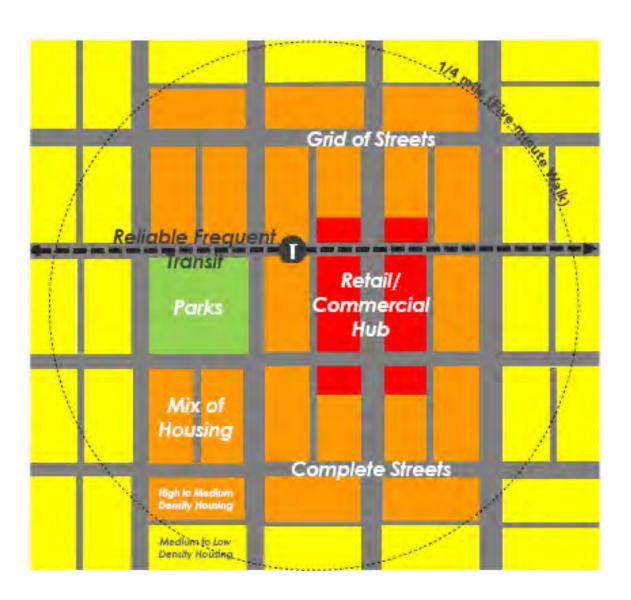
Grid of Streets— An interconnected network of streets ensures that all trips to and from the hub is direct and as short as possible for all modes

Complete Streets (Supporting Walking, Biking, Driving and Transit)— Streets are designed to work for all users by fostering convenient auto and bus access while supporting a safe, comfortable pedestrian and bicycle environment. Narrow streets slow down traffic, while safe crossings at intersections, generous sidewalks and bike facilities encourage people to walk and bike to neighborhood destinations

The success of nodal development at this site will require:

- Improved pedestrian access within a five minute walk and five minute bike ride
- Improved auto access, increased drive-by traffic, and on-street parking to support commercial development

# **BEST NEIGHBORHOODS**



# CONDITIONS AFFECTING DESIGN AND DEVELOPMENT CONSIDERATIONS

#### I. Existing Development, Topography and Infrastructure

The study area resides within a traditional neighborhood setting of mixed single family, some multi-family residential, a mortuary and medical office uses. The project area shown on the following page consists of the Dimmick Tower (former five story hospital), the A Street Building (two and three story original Hospital and additions), County Public Health Building (two story), an office building (two story), parking lots and a vacant parcel. The site incorporates existing County and community service oriented uses such as the County Public Health, the Women, Infant, and Children Program (WIC), County Building Operations/Maintenance, and County Planning Department. Historically the site has functioned as a hospital and medical office site with buildings ranging in height from two to five stories.

The site slopes downward from north to south with a topo change of nearly 17 feet and from west to east about 20 feet. A retaining wall is located adjacent to the sidewalk along A Street. The east side of the Tower, south and east sides of the Public Health Building and north side A Street Building represents the sites lowest elevation with the highest elevation north of the Tower and west of the Public Health Building along Dimmick Street. The site is located outside of the 100 year and 500 year floodplains. No documented wetland exists on site.

#### Existing infrastructure consists of:

- All typical utilities exist such as electric, gas, and phone
- Improved streets (60' right of way, two way travel and on-street parking one-side, typical 6' sidewalks ) along Dimmick Street and A Street
- Water lines located along Dimmick Street (8-inch), A Street (6-inch) and Clarke Street (1.5-inch)
- Sewer lines located along Dimmick Street (10-inch), under the parking lots south of A Street (8-inch)
- Storm water lines along B Street, storm pipes running between the Dimmick Tower and A street Building halfway through the site, and along the north half of the site

#### Considerations

The following are design and use considerations for alternative development scenarios, based on issues of neighborhood compatibility, reuse, and topography.

- Land uses for consideration shall include townhome, multi-family, senior housing or office/medical type uses all within the range of historic uses or uses generally compatible with the existing neighborhood
- Building massing and heights shall be addressed by limiting overall heights to three stories and providing necessary setbacks to reduce impacts on existing single family residential development
- Buildings configurations and parking lots should be located to best utilize existing topography and balance the use of cut and fill.
- Orient building frontages with primary doors and windows to A Street and Dimmick Street
- On sloped sites, consider podium buildings for tuck under parking
- Reuse existing lots and buildings where practicable

# PROJECT AREA



#### II. Opportunity for Nodal Development

The City would like to consider the opportunity for nodal development within the project study areas that utilizes existing infrastructure and the capacity for development to remain within, as much as possible, the existing zoning. In an effort to allow for a potential mix of complementary uses that serve the neighborhood the City will consider some zoning modifications to allow for limited small scale retail/commercial development currently not allowed with the existing zoning designations.

#### Considerations

- Identify both a vertical and horizontal mix of housing, shopping and employment uses
- Ensure active uses and buildings engage the intersection of A and Dimmick streets
- Provide traffic controlled intersections, wide sidewalks, landscaping and curb extensions to Improve access for walking within five minutes of the site
- Include on-street parking to promote street oriented commercial and retail development
- Relocate the Booth Street rail crossing to Dimmick Street to improve auto access and drive-by visibility to the site

#### III. Market Based Site Development

The Dimmick site includes 6.3 acres of development area, 4.02 contiguous acres on the Josephine County Hospital site and an additional 2.31 acres on three county owned sites. The highly visible site, located at the intersection of Dimmick and A streets, is under single ownership and includes a range of development parcel sizes that make it attractive for redevelopment. The surrounding neighborhood includes parks and open spaces within a half mile and primary/secondary schools within a mile of the site. While the site itself has many positive attributes, current issues of access and limited drive-by traffic make the site less attractive for retail, commercial and office development. Efforts to address access and drive-by traffic will greatly improve the environment for investment and allow for maximizing development potential. The City has begun to address these issues and is in the process of implementing bike lanes along Dimmick Street which will improve local neighborhood access. The long range Master Transportation Plan includes a future rail crossing at Dimmick Street which will improve drive-by traffic supporting commercial and office development over time.

#### Considerations

The following are additional site design and street improvements to create a safe, walkable, pedestrian friendly environment that supports street oriented retail and commercial development.

- Orient buildings and retail/commercial storefronts facing the sidewalk along Dimmick Street and A Street
- Locate parking to the rear and sides of buildings
- Widen sidewalks to 12' along Dimmick and A Streets to allow for additional street furnishings, retail display areas and outdoor seating
- Relocate the sidewalk and add on-street parking on A Street along the Josephine County Hospital site to support retail/commercial uses
- Prioritize the Dimmick rail crossing to improve auto access and visibility to the site
- Construct A Street improvements west of Dimmick Street to include two-way travel, 12' sidewalks and on-street parking

## **IV. Zoning Modifications**

Current zoning consists of R-4 zoning (permitted uses include residential at 34.8 dwelling units, and professional and medical office uses) and R-1-6 zoning (permitted uses include residential at 8.7 dwelling units per acre and limited office uses). Zoning does not allow retail or commercial use and R-1-6 residential densities limit nodal development.

#### Considerations

The following zoning modifications should be implemented to promote neighborhood serving retail and commercial development and residential densities that support nodal development.

- Allow for maximum residential densities consistent with R-4 zoning throughout the Dimmick site
- Allow for a limited amount of neighborhood serving retail and commercial development

#### V. Potential Strategic Partnerships

Where feasible concepts should provide opportunities to accommodate potential strategic partnerships such as development partners or tenants that might have specific needs consistent with development objectives for the Project Area (affordable housing, county or public agency offices, parks and open space, etc.). A number of potential strategic partners have been identified and contacted. Potential strategic partners include:

- Affordable and work force housing providers/developers
- DHS/DAS offices
- Senior housing and assisted living providers
- Additional service providers
- Local developers

#### Considerations

The following are design and use considerations for alternative development scenarios, based on conversations directly with potential partners, stakeholder interviews and identified partners likely to find the site desirable.

- Office options should consider a potential larger floor plate office user such as DHS with a building program for up to 65,000 sf
- Smaller scale office sites similar to the existing medical building to house supporting medical or service providers such as a relocated County Public Health Services, WIC or other service providers
- Up to two multi-family development sites approximately one acre each for low-income or affordable workforce housing
- Small scale retail/commercial sites to serve adjacent development and the neighborhood
- Rehab or reuse of existing buildings for assisted living or congregate care providers

# DIMMICK SITE NEIGHBORHOOD CONCEPT

An overarching neighborhood concept was identified that captures the elements of nodal development and capitalizes on the Dimmick site's existing opportunities, and mitigates it's constraints. The neighborhood concept includes:

Commercial Hub—Neighborhood serving street oriented retail and commercial uses prominently located at the intersection of A Street and Dimmick Street

High Density Residential—Senior or multi-family apartments concentrated on the Josephine County Hospital site with options for additional upper floor housing over retail and commercial uses within the hub

Complete Streets Enhancements—Planned bike lanes along Dimmick Street are integrated with new street enhancements that include, adding on-street parking and widened sidewalks on A Street to support the hub uses; extending the A Street improvements west of the intersection to Elm Street to improve access to the county owned properties and enhance pedestrian and bike access to the Robert Loveless Park; added safe and comfortable crossings at intersections of Dimmick Street with A Street and Birch Street

Dimmick Street Rail Crossing—Relocating the Booth Street rail crossing to Dimmick Street for improved auto access and drive-by visibility to support the commercial hub and increase the value of the Dimmick site for redevelopment

Neighborhood Connections—Encouraging enhanced pedestrian and bicycle facilities along neighborhood streets connecting to close-by parks and open spaces

**NEIGHBORHOOD CONCEPT** (NODAL DEVELOPMENT)



# COMPLETE STREETS ENHANCEMENTS

The following street enhancements are necessary to create a walkable and bikeable neighborhood environment that supports street oriented retail/commercial development and makes the overall site attractive for development. The following complete streets enhancements will need to be initiated and implemented by the City of Grants Pass and will require Council acceptance and approval. The design of the Dimmick and A Streetscape and the initiation of the relocation of the rail crossing with the Central Oregon & Pacific Railroad (CORP) should occur in the short term. Implementation of the Dimmick and A Streetscape plan should occur in conjunction with planned development of the hub sites.

A Street Enhancements (west of Dimmick Street) — Construct a fully improved 60' right of way from Dimmick Street to Elm Street with 12' sidewalks, 7' parking lanes and two 11' travel lanes

On-Street Parking—Add on-street parking to the north side of A Street along the entire Josephine County Hospital Site to Dimmick Street. No on-street parking along Dimmick Street between Bellevue Place and B Street for the City planned Dimmick Street bike lanes

New and Widened Sidewalks—Widen sidewalks along County owned Dimmick Street and A street parcel frontages to 11' 6" (requires a 3' easement along the A Street frontage of Josephine County Hospital Site) and add new sidewalks, per City standard, along Dimmick Street (west side of street) between Birch Street and Bellevue Place and Dimmick Street both sides of street between the county owned properties (south of A Street) and B Street

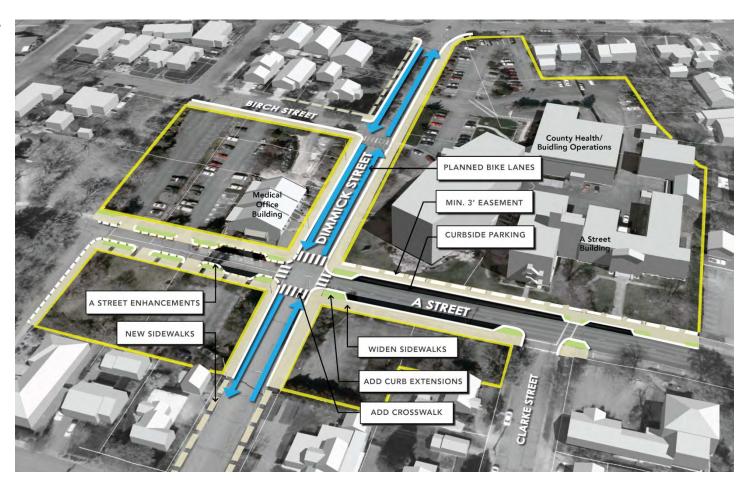
Curb Extensions—add curb extensions to A Street at Dimmick Street and Clarke Street

Crosswalk—add a crosswalk at the intersection of Dimmick Street and A Street

Bike Lanes—The City is in the process of design and constructing bike lanes along the west side Highland Avenue and Dimmick Street from Sandy Drive to C Street that will supplement the existing bike lane along the eastside of the street with expected completion in the spring/summer months of 2014

Dimmick Street Rail Crossing—The Dimmick Street rail crossing should be implemented in the near term to improve access and visibility to the Dimmick Site in an effort to support redevelopment. The City's long range Master Transportation Plan has identified a future extension of Dimmick Street across the CORP rail line to G Street. As a part of the City's current update to that plan the Dimmick Street rail crossing and necessary street improvement should be identified as a priority project and an implementation schedule identified.

# COMPLETE STREETS **ENHANCEMENTS**



# POTENTIALLY SUITABLE DEVELOPMENT SCENARIOS

A range of land use development scenarios including office, commercial, multi-family/senior apartments, and townhomes were developed for the Josephine County Hospital Site and Hub Sites. These alternatives coupled with necessary transportation improvements such as the Dimmick Street rail crossing and associated Dimmick and A Street enhancements represented potentially market viable uses, at a scale and character that complemented the neighborhood.

The suitability for development of the Dimmick site is based on basic assumptions for demolition, rehab or maintaining the existing buildings or site elements and market and zoning considerations.

# **DEVELOPMENT ASSUMPTIONS**

The development concept is based on the following parameters:

- 1) Redevelopment will likely occur within two distinct areas—the Josephine County Hospital Site and the Hub Sites.
- 2) Parcels within each area are to remain contiguous, not subdivided into smaller lots, in an effort to maximize the County's return on lease or sale of the property and to ensure efficient land redevelopment and use of existing infrastructure.

# **Josephine County Hospital Site**

The development assumptions include:

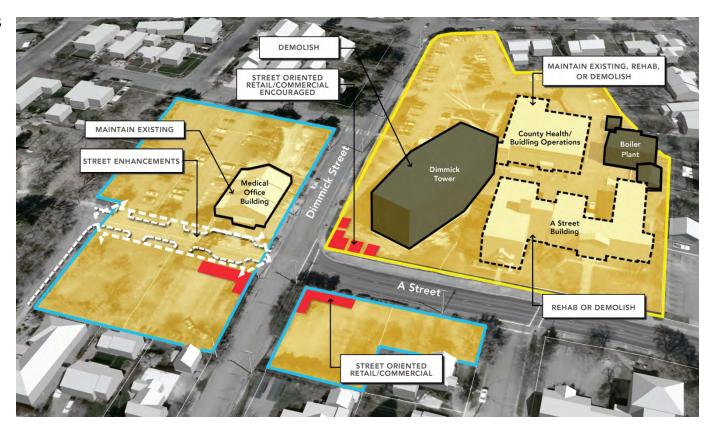
- Demolition and remediation of the Dimmick Tower, boiler plant and ancillary buildings
- Maintaining as existing, rehabilitating or demolishing the County Health/Building Operations Building
- Rehabilitating or demolishing the A Street Building
- Locating a street oriented retail/commercial use at the intersection of A Street and Dimmick Street

#### **Hub Sites**

The development assumptions include:

- A Street enhancements west to Elm Street
- Maintaining the existing the Medical Office Building
- Locating small scale street oriented retail/commercial uses at the intersection of A Street and Dimmick Street

# **DEVELOPMENT ASSUMPTIONS**



Josephine County Hospital Site Hub Sites

# MARKET CONSIDERATIONS

The market analysis identified that:

- A contiguous redevelopment site versus parcelization is suggested to provide greater certainty and predictability for development and offer the greatest opportunity for the County to pay back and service its debt for the Dimmick tower demolition and remediation.
- Large Floor plate speculative office development is potentially supportable but is a riskier prospect due to its proximity within a primarily residential neighborhood, and will require the Dimmick Street rail crossing to improve drive-by traffic, and visibility. Long term ability to re-lease for office use over time may be a limiting factor for development financing.
- Single Family Housing does not meet the City's goal for nodal development and limits the County's ability to recoup the value of the Dimmick properties.
- For Sale or Lease Townhomes is an emerging product within the local market, however, competition from readily available and inexpensive single family homes within the neighborhood and throughout the community make this a riskier development type in the near term.
- Retail and Commercial Development in the form of small scale neighborhood serving uses is limited without improving access and needed drive-by traffic to support retail and commercial development.
- Senior Housing is well suited to the local market and demographics, is financially feasible and provides potential significant returns on investment.
- Multi-Family Apartments remain in short supply and demand is high, however, relatively low local housing and existing apartment rents make it difficult for new development to be financially feasible.

# **DEVELOPMENT SCENARIOS**

Alternative development scenarios were created for the Josephine County Hospital site and Hub Sites respectively. These scenarios represent the potential capacity of the Dimmick site to physically support a range of development types and offer the City, County and community a range of alternatives to consider and identify preferences for development that meet the project goals.

# **Josephine County Hospital Site**

Four primary scenarios were developed for the Josephine County Hospital site including office, senior housing, multi-family apartments and a mix of commercial/retail and townhomes

#### **Hub Site**

Three primary scenarios where developed for the Hub Sites that included commercial and office uses, commercial, office and multi-family apartments and commercial and townhomes.

#### JOSEPHINE COUNTY HOSPITAL SITE ALTERNATIVES



Office





**Multi-Family** Townhome/Commercial

#### **HUB SITES ALTERNATIVES**



Commercial



Multi-Family/Commercial



Commercial/Townhome

# **Josephine County Hospital Site**

# Office- Option 1

Development consists of:

- Redevelopment of the Dimmick Tower and A street **Building site**
- A single story office building oriented to the intersection of A and Dimmick Streets
- Rear and side yard loaded parking
- 20' Building and parking setbacks along streets and 10' setback along adjacent parcels
- Direct internal sidewalks linking building and parking to adjacent streets
- Maintaining the existing two-story County Health/Building Operations and parking to the north

# **Development Summary**

- New office building- 20,000 square feet
- New surface parking- 80 spaces
- Existing County Health Building- 20,8700
- Existing surface parking-80 spaces



# **Josephine County Hospital Site**

# Office- Option 2

Development consists of:

- Redevelopment of the entire site
- A two-story office building oriented to the intersection of A and Dimmick Streets
- Rear and side yard loaded parking
- 20' Building and parking setbacks along streets and 10' setback along adjacent parcels
- Direct internal sidewalks linking building and parking to adjacent streets
- Open Space

# **Development Summary**

- New office building- 65,000 square feet
- New surface parking- 122 spaces
- Existing surface parking- 68 spaces



# **Josephine County Hospital Site**

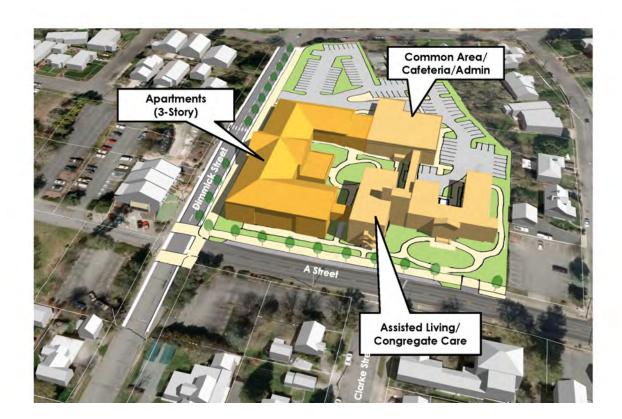
# **Senior Housing- Option 1**

Development consists of:

- Redevelopment of the Dimmick Tower site and repurposing the County Health Building and A street **Building**
- A three- story senior apartment building and courtyard
- Rear and side yard loaded parking
- Maintaining the existing building setbacks along A Street and the 10' setbacks along Dimmick Street and adjacent parcels
- Direct internal sidewalks linking building and parking to adjacent streets

# **Development Summary**

- Repurpose County Health for common area, cafeteria and administrative offices- 20,870 square feet
- Repurpose A Street Building for assisted living- 33,375 square feet
- New senior housing- 65 units
- Existing surface parking- 108 spaces



## **Senior Housing- Option 2**

### Development consists of:

- Redevelopment of the Dimmick Tower and A Street Building sites and repurposing the County Health Building for common area, cafeteria and administration or maintaining current use
- A three- story senior apartment building and courtyard
- Rear and side yard loaded parking
- Maintaining existing building setbacks along A Street and 10' setbacks along Dimmick Street and adjacent parcels
- Direct internal sidewalks linking building and parking to adjacent streets

- County Health Building 20,870 square feet
- New senior housing- 126 units
- Existing surface parking-86 spaces
- New surface parking- 44 spaces



## Multi-Family- Option 1

### Development consists of:

- Redevelopment of the Dimmick Tower and A street **Building site**
- Three-story apartment buildings oriented to the intersection of A and Dimmick Streets
- Rear and side yard loaded parking
- Zero building setbacks along A Street and Dimmick Street and 10' setback along adjacent parcels
- Direct internal sidewalks linking buildings and parking to adjacent streets
- Maintaining existing two-story County Health/Building Operations and parking to the north
- Street oriented retail at the corner of Dimmick and A Streets

- New ground-floor retail- 3,250 square feet
- New apartment buildings- 74 units
- New surface parking- 74 spaces
- Existing County Health Building- 20,8700
- Existing surface parking- 77 spaces



## Multi-Family- Option 2

Development consists of:

- Redevelopment of the entire site
- Three-story apartment buildings oriented to the intersection of A and Dimmick Streets
- Rear and side yard loaded parking
- Zero building setbacks along A Street and a portion of Dimmick Street and 10' setback along adjacent parcels and a portion of Dimmick Street
- Direct internal sidewalks linking building and parking to adjacent streets
- Open Space and clubhouse
- Street oriented retail at the corner of Dimmick and A Streets

- New ground-floor retail- 3,250 square feet
- New apartment buildings- 130 units
- New surface parking- 140 spaces



## Townhome/Commercial- Option 1

### Development consists of:

- Redevelopment of the Dimmick Tower and A street **Building site**
- Townhomes oriented to a new Clarke Street extension
- Clarke Street extension with two travel lanes, 8' sidewalks, 4' planting strip and on-street parking
- Rear and side yard loaded parking
- One-story retail building at the corner of Dimmick and A streets
- Zero building setbacks at the corner of A Street and Dimmick Street and 10' setback along a portion of A Street and along adjacent parcels
- Direct internal sidewalks linking buildings and parking to adjacent streets
- Maintaining existing two-story County Health/Building Operations and parking to the north

- New retail building- 5,500 square feet
- New townhomes- 14 units with 2 cars per unit
- New surface parking- 32 spaces
- Existing County Health Building- 20,8700
- Existing surface parking- 102 spaces



## Townhome/Commercial- Option 2

Development consists of:

- Redevelopment of the entire site
- Townhomes oriented to a new Clarke Street extension from A Street to Dimmick Street
- Clarke Street extension with two travel lanes, 8' sidewalks, 4' planting strip and on-street parking
- Rear and side yard loaded parking
- One-story retail building at the corner of Dimmick and A streets
- Zero building setbacks at the corner of A Street and Dimmick Street and 10' setback along a portion of A Street and Dimmick Street and along adjacent parcels
- Direct internal sidewalks linking buildings and parking to adjacent streets

- New retail building- 5,500 square feet
- New townhomes- 47 units with 2 cars per unit
- New surface parking- 32 spaces



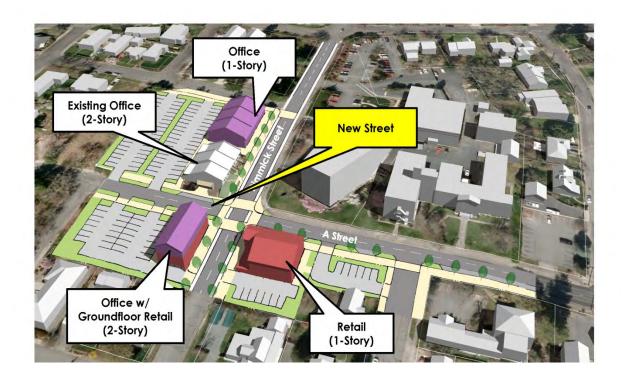
### **Hub Sites**

### **Commercial Option**

Development consists of:

- Maintaining the existing County owned office building along the west side of Dimmick street
- Maintain existing parking lot behind existing County owned building
- A new single story office building north of the existing building west of Dimmick Street
- A new two-story building south of A Street and West of Dimmick Street with ground-floor retail oriented to the corner and upper floor office use
- One-story retail building at the southeast corner of Dimmick and A streets
- Rear and side yard loaded parking
- Zero building setbacks at the corner of A Street and Dimmick Street and maintain existing building setback along Dimmick Street and 10' setback
- Direct internal sidewalks linking buildings and parking to adjacent streets
- New A street enhancements to include two travel lanes, 12' sidewalks and on-street parking

- New retail 7,400 square feet
- Existing office- 8,850 square feet
- New office- 9,750 square feet
- New surface parking- 42 spaces
- Existing surface parking- 82 spaces



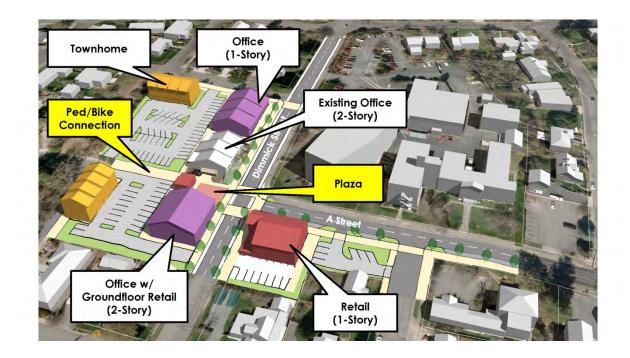
### **Hub Sites**

## **Commercial/Townhome Option**

Development consists of:

- Maintaining the existing County owned office building along the west side of Dimmick street
- A new single story office building north of the existing building west of Dimmick Street
- A new two-story building south of A Street and West of Dimmick Street with ground-floor retail oriented to the corner and upper floor office use
- One-story retail building at the southeast corner of Dimmick and A streets
- Townhome units along the west boundary of the site
- Rear and side yard loaded parking
- Zero building setbacks at the corner of A Street and Dimmick Street and maintain existing building setback along Dimmick Street and 10' setback
- Direct internal sidewalks linking buildings and parking to adjacent streets
- Public Plaza aligned with A Street west of Dimmick Street

- New retail 4,500 square feet
- Existing office- 8,850 square feet
- New office- 11,400 square feet
- New townhomes- 8 units
- Plaza- 3,850 square feet
- New surface parking- 51 spaces
- Existing surface parking- 59 spaces



### **Hub Sites**

### **Commercial/Townhome Option**

Development consists of:

- Maintaining the existing County owned office building along the west side of Dimmick street
- A new single story office building north of the existing building west of Dimmick Street
- A new three-story building south of A Street and West of Dimmick Street with ground-floor retail oriented to the corner and upper floor apartments
- Three-story building at the southeast corner of Dimmick and A streets with ground-floor retail and upper floor apartments
- Townhome units along the northwest boundary of the site
- Rear and side yard loaded parking
- Zero building setbacks at the corner of A Street and Dimmick Street and maintain existing building setback along Dimmick Street and 10' setback
- Direct internal sidewalks linking buildings and parking to adjacent streets
- Public Plaza aligned with A Street west of Dimmick Street

- New retail 4,500 square feet
- Existing office- 8,850 square feet
- New office- 6,450 square feet
- Plaza- 3,850 square feet
- New townhomes- 8 units
- New apartments- 30 units
- New surface parking- 45 spaces
- Existing surface parking- 59 spaces



### ALTERNATIVES EVALUATION

The development alternatives were evaluated against the project goals utilizing a consumer reports type of evaluation. The project goals and the nodal development alternatives that respond to those goals are as follows.

### County identified goals include:

- Maintaining at a Minimum, a Revenue Neutral Redevelopment Scenario
- Encouraging Future Use(s) that Contribute to the Tax Rolls (private development)
- **Exploring Reuse and Rehabilitation of the A Street Building**

### City identified goals include:

- **Ensuring Redevelopment Uses are Consistent with Nodal Development**
- Identifying Future Uses that are Generally Consistent with Current Zoning

### Community identified goals include:

- Ensuring Compatible Uses with the Neighborhood—Neighborhood compatibility included concerns with aggregating a concentration of low income housing or heavy traffic generating uses that would negatively impact the neighborhood. While uses such as a library, park, some limited commercial, coffee shop, senior housing, medium density housing, and townhomes/duplexes were identified as desirable.
- Managing Costs of Remediation and Demolition—Concern about the County's ability to repay the loan and unknown costs that will hinder or delay development
- Minimizing Remediation and Development Impacts on the Environment and the Neighborhood—Community and existing site users were concerned with community health associated with the demolition, remediation and future construction
- Minimizing Traffic Impacts on the Neighborhood
- Developing a Reuse and Redevelopment Concept Plan that Incorporates the Whole Site—Concern that retaining buildings will limit redevelopment potential

### **ALTERNATIVES EVALUATION**

# Josephine County **Hub Sites** Hospital Site Commercial & Townhome Senior Housing Option Housing option Multi-Family Option 1 Option 1 Multi-Family Option2 Commercial & Office Townhome Option 1 Office Option 2 Office Option 1 Senior **Project Goals** Ensure Compatible Uses with the Neighborhood Manage Costs of Remediation and Demolition Minimize Neighborhood Traffic Impacts Minimize Neighborhood Health Impacts Encourage Use(s) that Contribute Taxes Redevelop the Entire Site Revenue Neutral Redevelopment Scenario Identify Uses Consistent with Zoning **Encourage Nodal Development**

# CRANDALL ARAMBULA

## Revitalizing America's Cities

Date: February 3, 2014

To: Bill Holmstrom, Project Manager, Oregon department of Land Conservation and Development

From: Jason Graf, Associate Principal, Crandall Arambula

## Community Outreach Meeting #2 Summary and Response Sheet Tally

The Dimmick Site Concept Plan is a Transportation and Growth Management (TGM) Quick Response funded project and is part of a larger project including brownfield planning funds provided by Business Oregon. The overall project purpose is to create a redevelopment plan for the former Josephine General Hospital site including

necessary remediation activities that will permit redevelopment to occur. Other planning efforts not covered by this scope will provide key inputs into this TGM Quick Response project, and this Quick Response project will provide outputs necessary for the continuation of the overall project.

Project Area (See Figure 1) includes the Dimmick Site, which is the former County hospital at the intersection of NW "A" and Dimmick Streets, and adjacent properties owned by Josephine County. Project activities and analysis may include areas outside of the Project Area to evaluate the market potential of proposed redevelopment and potential connections and impacts on the transportation system.

The objective of the Dimmick Site Concept Plan is to:

- 1. Determine the physical and market feasibility of potential uses for redevelopment at the Dimmick site.
- 2. Produce potential concepts for the redevelopment of the Dimmick Site.
- 3. Provide key information leading to a plan to successfully remediate the Dimmick Tower and other portions of the Project Area requiring remediation.



Figure 1- Project Area

### Dimmick Site Concept Plan Community Outreach Meeting #2 Summary

The second of the Dimmick Concept Plan outreach meetings was held on January 30, 2014. During that period, the consultants (Crandall Arambula and Maul Foster Alongi (MFA), and George Kramer (Historic Preservation)) presided over a Community Outreach Meeting.

The Outreach Meeting #2 was held in Council Chambers from 6:00-7:30 pm and was attended by approximately 50 people.

### **Meeting Purpose**

The purpose of the Outreach Meeting was to:

- Present project objectives and existing conditions information
- Obtain Public Input to Assist County Decision-Making
- **Identify Next Steps**

The meeting began with the consultants' review of the project process and schedule (see Figure 2), summary of the Community Outreach Meeting on December 3, 2013, and presentation of Neighborhood and Dimmick Site Concepts. Following the presentation, attendees discussed and filled out a public response sheet (see Figure 3) asking respondents to rank their top three alternatives for each of the development sites. The workshop portion concluded with table reports from each group summarizing their discussion.



Figure 2- PROCESS and SCHEDULE

## **Community Outreach Response Sheet**

A two sided response sheet was provided to illicit feedback from the outreach meeting attendees and included alternative development scenarios for the Josephine County Hospital Site, Additional County Sites and Complete Streets improvements.

The front page of the Response sheet included four distinct development alternatives that included sub-options, or an "Other" option for the Josephine County Hospital site. Respondents were asked to rank their top three in order of preference.

## JOSEPHINE COUNTY HOSPITAL ALTERNATIVES—RANK YOUR TOP THREE (#1, #2, & #3)







13.711	OMMERCIAL	16.5	
Retail (1-Story)	County wealty Stig. Operations	Retail (1-Story)	
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Alfred			A Short
	Townhome		Townhome

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## **Community Outreach Response Sheet, Continued**

The back page of the Response sheet included three distinct development alternatives or an" Other" option for the Additional County Sites. Respondents were asked to rank their top three in order of preference. In addition, respondents were asked to comment on the suggested Complete Streets improvements.

A tally of the response sheets and comments are identified on the following pages.

## ADDITIONAL COUNTY SITES ALTERNATIVES— RANK YOUR TOP THREE (#1, #2, & #3)



Name (optional):

## **Community Outreach Response Sheet Tally**

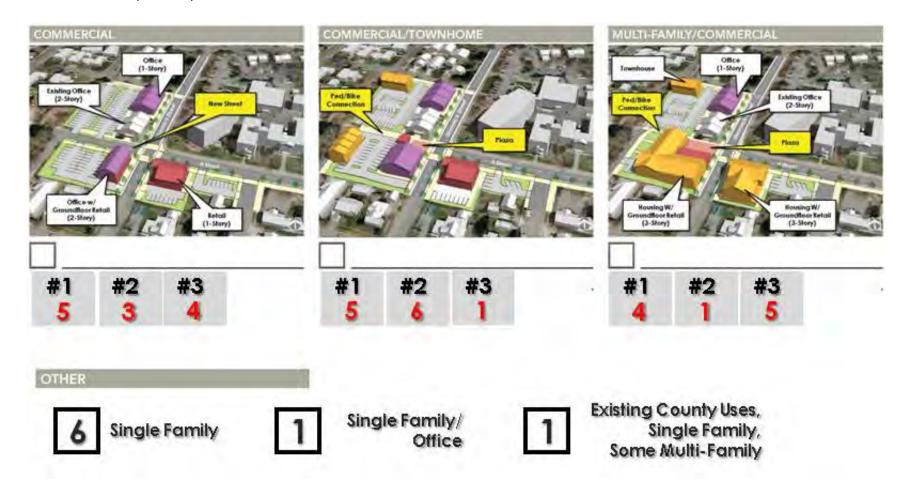
In all, twenty six response sheets were collected. A tally of the response sheets identified a preference for the Senior Housing alternative on the Josephine County Site and generally an even split for the three 'commercial' alternatives identified for the Additional County Sites as indicated in the tally on the following pages.

The Josephine County Hospital Site Tally is as follows:



## **Community Outreach Response Sheet Tally, continued**

The Additional County Sites Tally is as follows:



### **Outreach Meeting Response Sheet Comments**

A summary of the response sheet comments are as follows:

#### JOSEPHINE COUNTY HOSPITAL ALTERNATIVES -OFFICE

- No way to handle the increased traffic an office use would generate-A Street and Dimmick Street are too limited
- No viable office user if County leaves and not a good investment for a private owner
- Not healthcare because not close to a hospital
- The one story option with small professional offices could be useful
- If this includes medical office that work with County Health
- Building orientation stinks and too large
- This concept might be workable
- Keep the County Health use with new offices (one story option)
- I don't think our community needs more vacant office (two story option)

### JOSEPHINE COUNTY HOSPITAL ALTERNATIVES -SENIOR HOUSING

- Prefer to repurpose the A Street Bldg
- Good use and good HUD use with either option
- Senior housing means less traffic
- The old hospital preserves the character of the site and allows for clinical care to support assisted living
- I like using the existing building and getting historical status
- I don't think senior housing will create a center
- Prefer two-story over three-story apartments
- This is the most viable option that serves our demographics of thirty percent seniors. Also like leaving existing structures
- Keep public health building as current use and retain old hospital
- Add some retail to the ground floor
- Keep old hospital but no cafeteria so that restaurants can be supported
- No apartments too congested!





### **Outreach Meeting Response Sheet Comments continued,**

### JOSEPHINE COUNTY HOSPITAL ALTERNATIVES -MULTI-FAMILY

- HUD and senior housing could work well here
- This is a good use and county needs to sell the land
- I do not like these block buildings
- This will impact the schools!
- Low income here would serve our demographic
- Imposing-No three story, too congested

#### JOSEPHINE COUNTY HOSPITAL ALTERNATIVES -TOWNHOME/COMMERCIAL

- Senior townhomes
- If county will sell the property
- Commercial will not work
- Keeping the County health Building seems prudent
- Assuming the County Health Building gets a facelift to blend in with the neighborhood
- Townhomes don't sell in our area
- Move retail across the street. The second option has too much housing
- I strongly object to the retail is draws undesirables, litter, and congestion

### JOSEPHINE COUNTY HOSPITAL ALTERNATIVES-OTHER

- Demo tower and sell property it sits on. Restore other building and stipulate that only single family houses can be built (That fits into neighborhood)
- I would like to see single family homes. I feel that would keep our neighborhood more of the way it is-nice, peaceful and quiet.
- I favor parkland or single family homes
- Keep only single family dwellings





### **Outreach Meeting Response Sheet Comments continued,**

### ADDITIONAL COUNTY SITES ALTERNATIVES -COMMERCIAL

- Too much office space and too much parking lot
- I like this design with less retail west of Dimmick Street
- The amount of parking seems excessive

#### ADDITIONAL COUNTY SITES ALTERNATIVES -COMMERCIAL/ TOWNHOME

- I like the plaza and residential next to neighborhood
- No this is not for our neighborhood
- No Plaza
- Plaza serves medical uses
- Townhomes with office on first floor
- Keep through street on A and move plaza to the side
- I like the plaza to help create feeling of openess
- Do not block off A Street with a plaza
- Move the plaza and don't dead end A Street
- No to plaza-less tax revenue
- Townhome here with no commercial
- Townhome have a poor sales record here

### ADDITIONAL COUNTY SITES ALTERNATIVES -MULTI-FAMILY COMMERCIAL

- Like the plaza and retail with housing above. Not townhomes
- No plaza and tto much retail
- Low income housing and plaza
- The existing building needs to be remodeled to fit with new buildings
- Keep through street on A and move plaza to the side-really think this is too dense, keep two story
- Smaller buildings-two story max
- Move the plaza and don't dead end A Street

#### ADDITIONAL COUNTY SITES ALTERNATIVES-OTHER

- Single family homes. Sell lots! (mentioned four times)
- Retail County health offices. All the rest should be a combination of single family with some multifamily buildings
- Keep the county office with maybe 2 to 3 office buildings the rest should be single family







### **Outreach Meeting Response Sheet Comments continued,**

#### **COMPLETE STREETS**

- Close A Street and put the plaza concept in
- Is there right of way for a traffic circle at the intersection
- With more traffic we will need traffic calming and enforcement
- Dedicate land on corner properties for traffic circle after Dimmick railroad crossing works
- Keep A Street west of Dimmick open to Grant street our whole neighborhood uses that A Street portion each day
- Need to know more about impacts but I like the concept
- Make a four way stop at Dimmick and A Streets (mentioned twice0
- I think adding a crossing at Dimmick would help traffic on 4 Street and B Street intersection
- Crosswalks on A Street are not usable due to visibility over crest of hill
- I don't see the value in the traffic control enhancements

#### **GENERAL COMMENTS**

- I am glad that the County is investing time and money into this. We must continue to reinvest in our community. It is a great opportunity for growth.
- The northwest section of Grants Pass is a highly desirable neighborhood to live. I object to commercial. Should be single family dwellings. There is plenty of traffic on Dimmick Street already.
- This area is not a viable commercial location and Grants Pass has lots of potential office space. There is no economical use for the A Street Building
- I am very disappointed in the proposed scenarios. My desire is to significantly reduce the amount of traffic and people in the area. This is a very quiet, peaceful neighborhood. The senior housing, apartments and townhomes would bring too much traffic and noise to the area. I feel offices would have the least impact as the workers would arrive in the morning and leave in the evening-leaving daytime and nighttime hours peaceful. I see no proposal here for single family housing. There are not enough people to support retail development.
- This property is not a good commercial location. I do not see a lot of people using this area to do business. I also object strongly to townhomes and multi-family dwellings.
- 15 to 18 single family homes would be the best alternative to keep my neighborhood quiet, peaceful and less traffic.
- I am currently looking at some major improvement work on A Street between Elm and Fry. I am wondering if I can work the improvement work with the planning of all of A Street.
- I think you can do a better job of saving some of the more important trees around the old hospital
- There needs to be a market study for commercial development
- Will the A Street right-of-way accommodate anything other than residential uses?

### **Table Report Summaries**

Below is a summary of the comments presented by a member of each table during the Outreach Meeting #2.

#### TABLE 1

- Our first choice for the additional county sites was the commercial/townhome with the plaza moved so as not to dead end A Street
- Senior housing that preserves the A Street and County Health Buildings on the Josephine County Hospital site
- For Complete Streets we suggest adding a four-way stop and we are not fans of 'bulb-outs'
- We want the Dimmick extension south across the rail tracks

#### TABLE 2

- We all agreed there was too much commercial-keep more of a neighborhood
- The NW section of Grants Pass is desirable as single family development and would add to the tax rolls
- All agreed the tower should go
- The County Health Building should stay
- On the tower site add one single story office building
- No apartments, townhomes or senior housing-single family only
- I worked in administration for Josephine County Hospital and when the county bought homes and sold the land homes were refurbished or new homes were built
- Downtown is where we want density and plazas
- Add some open space to this area

### TABLE 3

- We liked the Josephine County Hospital site with senior housing, but keep existing County Health and use A Street Building to serve seniors-No office building
- We chose the Commercial option for the additional county sites
- For the complete streets, the enhancements only serve this project and will affect other parts of A Street downstream
- The rail crossing at Dimmick is questionable-do not add to traffic in neighborhood

#### TABLE 4

- There was a lack of consensus, but generally we liked the concept of a walkable small scale neighborhood commercial node
- We are concerned that retail with senior housing won't work
- We liked the idea of the plaza
- We liked the Dimmick crossing—traffic speed will need to be addressed
- We liked the idea of keeping the A Street Building
- Maybe consider bringing back the old B Street Market in this area

#### TABLE 5

- We agreed on the senior housing with A Street and County Health Buildings on the Josephine County Hospital site
- We liked the townhome/commercial option for the additional county sites and based on what we see down on Allen Creek this is likely to change the demographic of the neighborhood and bring in new families
- Not sure commercial/retail is viable-the issue is this location is on a hill and not good for walking or biking
- The crosswalks won't work due to the curve on the hill at Highland Avenue-you will be roadkill
- We would not like to see the plaza because it will attract loitering and undesirables
- The multi-family with commercial option felt too large and imposing

### **TABLE 6**

- The first step here is demolition and remediation of sites. Go for as many grants as possible to fund this work
- Consider flexible zoning on these sites so as best to attract private development to the site
- There is a lack of average daily traffic to support commercial development
- Residential development that is two to three stories doesn't work in Grants Pass
- Don't tear down existing useable buildings
- Be as flexible as you can and let the private market take the risks
- Many of these concepts are too dense to fit in the neighborhood

# CRANDALL ARAMBULA

## Revitalizing America's Cities

Date: March 12, 2014

To: Bill Holmstrom, Project Manager, Oregon Department of Land Conservation and Development

Jason Graf, Associate Principal, Crandall Arambula From:

Ed Starkie, Principal, Urban Advisors

## The Dimmick Site: Market Considerations and Financial Feasibility Analysis

## **Market Overview**

A variety of mixed-use development scenarios were assembled as potentially viable development opportunities for the Josephine County Hospital Site and Hub Sites respectively. Evaluated through meetings with the County, City and the community, the following uses were selected for further market analysis and feasibility and include multi-family and senior housing, assisted living, office and commercial, and retail uses. These uses comprise a mix of development types that together form a neighborhood node (one of the central goals of the project); are complimentary with existing site uses such as office that will likely stay on a portion of the site; and can utilize, through repurposing, the existing buildings on site such as the A Street Building, and County Health Services Building.

The following is an overview of market considerations for those selected land uses suggested by the public process for rehabilitation of the Josephine County owned sites at A Street and Dimmick Street in Grants Pass Oregon.. Each use is evaluated using projections from the State of Oregon, existing rental and leasing rates and a comparison of construction costs versus returns to assess feasibility.



## **Demographics and Housing**

Housing markets rely on several factors: population growth, household income and wealth, and costs of land and construction versus rental or sale values.

The following tables illustrate population change for Josephine County from projections by the Office of Economic Analysis. Based on Census data, the rental to ownership ratio in GP currently is 47% to 53%. The tables show that sufficient growth is projected to provide some demand for units at the site within the time from now to 2020.

Josephine County Components of Population Change

	2010-15	2015-20	Totals
Births	4,039	4,352	8,392
Deaths	(5,605)	(5,973)	(11,577)
Net Migration	4,103	7,084	11,187
	2,538	5,463	8,001

Source: Office of Economic Analysis, State of Oregon

Grants Pass Change in Households by Tenure

_	2010-15	2015-20	Totals
GP Share of County Population	0.42	0.42	0.42
Grants Pass Population Change	1,066	2,295	3,360
Average Household Size	2.34	2.33	2.33
Grants Pass Household Change	455	985	1,440
Rental Ratio	0.47	0.47	0.47
Rental Household Change	214	462	675
Owner Household Change	242	523	765

Source: Office of Economic Analysis, State of Oregon, Urban Advisors Ltd

The projection for change by tenure implies a demand based upon average household growth. This may, however, understate demand for units. The reason for this is that if the population growth is shifting toward older households, there will be a greater need for units for single person households. Population change by age and sex is shown in the following table.

Josephine County Population Change

By Age and Sex

	Change 2010-2020		Percent	
Age	Male	Female	Total	of Total
0-19	(261)	(186)	(447)	-5.6%
20-24	125	102	227	2.8%
25-29	618	435	1,052	13.1%
30-34	465	407	872	10.9%
35-39	427	181	608	7.6%
40-44	145	(30)	115	1.4%
45-49	(330)	(544)	(874)	-10.9%
50-54	(523)	(635)	(1,158)	-14.5%
55-59	(25)	2	(22)	-0.3%
60-64	385	531	916	11.4%
65 and Over	2,952	3,760	6,712	83.9%
Total	3,979	4,023	8,001	100.0%

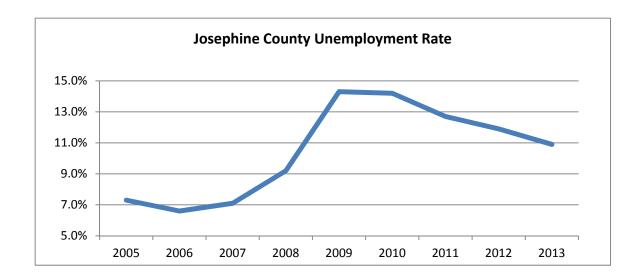
Source: Office of Economic Analysis, State of Oregon

In Josephine County, the expected growth of senior households is expected to comprise approximately 84 percent of population growth. Because the male population dwindles with age, by 2020 a household size in the range of 1.5 persons for seniors would result in the occupation of approximately 4,475 units by seniors. Many will age in place and not require new housing, but many will need to leave owned units due to physical infirmity or an inability to take care of the many tasks required of property owners. For these reasons, the number of units of housing by tenure shown previously is likely a conservative estimate when considering senior housing.

An obstacle for apartments on the Dimmick site, as they are across Grants Pass, is the current structure of rental rates and house pricing citywide. Rental apartments lease for less than a dollar per square foot up to about \$1.10 per square foot. If employment increases and local incomes increase, a high quality rental project will be feasible. Assisted living and rental senior housing, while perhaps having base rents similar to other multi-family, may be immediately feasible because of higher demand and the fact that services are added to rents as part of the income of both housing types, and add substantial margins to income.

## **Employment**

Office is customarily believed to be driven by employment. Projections from the Oregon Employment department for Region 8 show that employment in Josephine County is expected to rebound by 2020. Unemployment trends are shown in the following chart.



Unemployment rose in the county due to the national economic malaise, but has been declining steadily, if slowly, since 2009. The projections below show expected job gains by 2020 for Josephine County as a share of Region 8 employment growth. Given the projections there should be demand for a variety of kinds of employment space, over time.

While the table below is for Josephine County, most of the office and commercial uses take place in Grants Pass.

Projected Employment Change	Projected Change	Josephine	Josephine
Region 8 and Josephine County	2010 to 2020	Share	Share
	Region 8	Percent	Employment
Total nonfarm employment	14,350	22%	3,198
Total private	13,730	22%	3,062
Mining and logging	440	24%	104
Construction	60	20%	12
Manufacturing	650	26%	167
Trade, transportation, utilities	270	20%	55
Wholesale Trade	3,040	31%	934
Retail trade	480	20%	98
Transportation, warehousing, utilities	580	11%	62
Information	150	15%	22
Financial activities	570	25%	142
Professional and business services	1,470	22%	320
Educational and health services	4,130	24%	983
Health care and social assistance	4,040	24%	982
Ambulatory health care services	3,650	12%	446
Nursing and residential care facilities	1,510	12%	175
Leisure and hospitality	1,330	23%	312
Other services	520	27%	139
Government	620	22%	138
Federal government	-200	14%	(27)
State government	210	19%	40
Local government	90	62%	56
Local education	610	19%	117

Source: Oregon Employment Department

Although these job gains are positive, the time over which they occur does indicate that speculative employment development at the site are unlikely to be viable in the short term unless a specific tenant showed interest in the site. Since there will be processes such as developer engagement, design and construction that need to take place, the timeline for re-use of the site may realistically take some years, allowing for the market to gain impetus for such projects.

Using the state projection it is possible to estimate space need for selected categories of office to understand the magnitude of market change. To evaluate demand, Information, Financial Activities, Professional and Business Services, Health and Social Assistance, and Other Services categories provided a starting-point, as these are all users of commercial space.

The table below shows change in jobs by 2020 and estimates space need for the increase in employment.

	2020: New Jobs	Space/Job	Space Required
Information	22	200	4,500
Financial activities	142	200	28,300
Professional and business services	320	200	64,100
Health care and social assistance	982	200	196,400
Other services	139	200	27,900
Totals	484.2	1000	321,200

According to state projections, we can estimate roughly that there will be a need for approximately 320,000 square feet of commercial space by 2020. This does not mean that there will be a need for that much new space— in Grants Pass there are vacancies and underutilized buildings that have additional capacity to absorb employment when the economy picks up. Nevertheless, the amount of office/commercial proposed for the sites owned by the county are relatively minor compared to future need.

The stumbling block to commercial development currently is that the economic malaise experienced nationally and locally has resulted in leasing rates for commercial development that make the risk of investment in new construction too high for lenders and developers in Grants Pass. Commercial space can be had in Grants Pass for \$6 per square foot annual rent, and yet new construction may require a triple net leasing rate over \$18 per square foot to cover land, construction, approval and financial costs. If it is not necessary to develop something immediately, the commercial space market will become progressively better as employment increases. This may take some time— in as much as projections can only be rough guideline to the future, at the current rate of job creation it would take over 8 years for the projected estimates to be realized.

## **Retail Use at the County Sites**

Retail in very small amounts has been included in the options suggested. The Grants Pass retail market covers a wide area beyond the city itself, and, on average, only ±35 percent of sales are to city residents (see table at right, "Retail in Grants Pass 2012"). This means that a well-located site that is easily accessible to customers from outside the city is likely to achieve ±65 percent of sales to customers residing outside of the city. For a retailer this is very positive.

A well-located site for retail in Grants Pass would include easy access from major automobile routes, an abundance of parking and a critical mass of shops to act as a destination. Poor Access and visibility within a lower density neighborhood is a problem for retail success on the Dimmick site. Improved access and increasing the population such as through additional density associated with redevelopment will improve the likelihood of retail success or targeting uses that are sufficiently unique to draw customers despite the location.

Destination uses are quite varied and range from restaurants and cafes to sales of specialty items unavailable elsewhere. That said the Dimmick site currently lacks the access, traffic counts, and density that would make retail immediately feasible. New construction requires higher rents than the current Grants Pass market for non-premium locations. The top of the market is around \$20 per square foot and between \$6 and \$12 for less perfect locations. New construction at the Dimmick site requires a minimum of \$16 per square foot triple net. This is not to say that the Dimmick site cannot work for retail, but is rather emphasizing that for retail this is not a low risk site for new construction. If, on the other hand, the retail can be located at lower rents in existing space while other uses occupy new space created, the risk is greatly diminished.

As with other commercial uses, a recovery in employment will make market feasibility more likely as household disposable income increases. Adding density to the site will assist in sales capture, but perhaps the most important factor is access. If a future connector as proposed is built to connect Dimmick across the train tracks to the south, traffic can be expected to increase and this will enhance market feasibility.

Retail in Grants Pass 2012			Demand %
Industry Group	Demand	Sales	of Sales
Furniture & Home Furnishings	\$5,102,332	\$17,936,339	28.4%
Electronics & Appliance Stores	\$6,564,982	\$18,234,613	36.0%
Bldg Materials, Garden Equip. & Supply	\$8,136,537	\$40,545,203	20.1%
Grocery Stores	\$45,565,043	\$132,816,834	34.3%
Specialty Food Stores	\$1,136,720	\$4,982,002	22.8%
Beer, Wine & Liquor Stores	\$1,710,470	\$2,121,798	80.6%
Health & Personal Care Stores	\$14,694,426	\$48,387,277	30.4%
Clothing Stores	\$9,896,349	\$17,173,145	57.6%
Shoe Stores	\$2,028,953	\$10,863,842	18.7%
Jewelry, Luggage & Leather Goods	\$1,454,771	\$5,030,637	28.9%
Sporting Goods/Hobby/Musical Instr	\$5,207,603	\$9,294,934	56.0%
Book, Periodical & Music Stores	\$1,062,491	\$4,047,853	26.2%
General Merchandise Stores	43991612	107037445	41.1%
Florists	\$308,957	\$640,187	48.3%
Office Supplies, Stationery & Gifts	\$2,549,115	\$5,449,187	46.8%
Used Merchandise Stores	\$1,164,222	\$3,487,727	33.4%
Other Miscellaneous Store Retailers	\$4,500,041	\$9,811,765	45.9%
Full-Service Restaurants	\$10,675,282	\$26,753,412	39.9%
Limited-Service Eating Places	\$11,251,908	\$39,997,674	28.1%
Special Food Services	\$904,998	\$6,828,636	13.3%
Drinking Places - Alcoholic Beverages	\$1,861,967	\$4,546,579	41.0%
Totals	\$179,768,779	\$515,987,089	34.8%

Source: ESRI BIS

## **Conclusions on Markets**

The re-use of the Dimmick site is in large part contingent upon continued recovery in regional employment that will add to demand for commercial space, add to household incomes and ability to afford rents for new construction, and enable higher disposable income in the immediate area to enhance retail sales. Continued recovery in employment will also reduce risk to development because of increasing demand for newer and better space.

Multi-family for Senior Housing is currently a viable option for the Dimmick site, particularly if associated with assisted living and offering services beyond typical multi-family development.

Retail and commercial on these sites may be more feasible in several years than currently if local leasing rates rise due to increased demand as existing space or adaptive reuse options are filled.

Improving site access will add feasibility for small retailers and commercial space. If this is accomplished within the same timeline as recovery in employment, feasibility will be greatly enhanced.

## **Feasibility of Options**

The following tables show first the site program and then outline financials for alternative development scenarios on the Josephine County Hospital Site and the Hub Sites. The project construction costs do not include the site acquisition residual costs or the costs for street frontages. The soft costs assume design, engineering, financing, approvals and SDC's.

The financials are intended to reveal the potential for income to the county by showing a gap or surplus, where the surplus is the ability to pay a site acquisition residual cost for the land and existing building improvements. Return on Cost is shown at the bottom of each option to indicate feasibility for leverage (financing with debt). Comparing the return on cost against the value at cap rate is the measure for financing a project. Cap rates are determined regionally by financial institutions based on development typefor instance apartments, senior housing and assisted living have lower cap rates for financing (6.5% to 7.5%)) than do speculative

commercial projects (7.5 to 8.5%). When the return on costs falls below the value at cap rate, financing is not feasible.

However, any of the scenarios could be feasible if the County is willing to work with a developer through a deferred sale or deferred lease to allow time for the development to have a stable return and income. A summary of deferred disposition options are identified in the following chapter Conclusion on Feasibility.



**DEVELOPMENT ASSUMPTIONS** 

Josephine County Hospital Site

## Option 1-Repurpose Buildings Site Program

Total Land Area					175,111 SF
	Avg SF/Unit	Gross SF/Unit	Units	Footprint	Square Feet
1A-Apartments	691	813	75	30,500	61,000
1B-Senior Housing	691	813	75	30,500	61,000
1A/B-Assisted Living 1A/B- Building Rehabilitation	500	742	45	16,688	33,375
A Street Building				16,688	33,375
County Health				10,435	20,870
1A/B- Parking (Existing 1A/B- Landscaped Area	•		108	32,400	32,400
(approximate)				70,000	70,000



Repurposed Buildings Senior Housing or Apartment Existing Parking Open Space

REPURPOSE BUILDINGS

## **Josephine County Hospital Site** Option 1A: Repurpose Buildings-Apartments and **Assisted Living**

## **Construction Costs**

	SF Use	\$\$/SF	Subtotal
Apartments	61,000	85	5,185,000
Rehab			
A St. Assisted Living	33,375	120	4,005,000
County Health	20,870	75	1,565,000
Landscaping	70,000	12 _	840,000
Subtotal Construction			11,595,000
Soft Costs (Indirect Costs)		25%	2,899,000
Total			14,494,000

### Rental Pro Forma

Kentai Pro Forma			
	Units	Per Mo.	Annual
Apartments Gross Rent	75	800	720,000
Assisted Living Average Gross	45	4,400	2,352,000
Subtotal			3,072,000
Less Vacancy/Credit Loss		7%	(215,000)
Effective Gross Income			2,857,000
Less Apartment Expenses		38%	(293,000)
Less Assisted Living Expenses		60%	(1,510,000)
Net Income			1,054,000
Value at Cap Rate		6.5%	16,215,000
Project Surplus (Gap)			1,721,000
Available Site Acquisition Residual			1,721,000
Return on Cost			7.3%

## **Josephine County Hospital Site** Option 1B: Repurpose Buildings-Senior Housing and Assisted Living

### **Construction Costs**

	SF		
	Use	\$\$/SF	Subtotal
Senior Apartments	61,000	105	6,405,000
Rehab			
A St. Assisted Living	33,375	120	4,005,000
County Health	20,870	75	1,565,250
Landscaping	70,000	12 _	840,000
Subtotal Construction			12,815,250
Soft Costs (Indirect Costs)		25%	3,203,813
Total			16,019,063

#### **Rental Pro Forma**

	Units	Per Mo.	Annual
Senior Units Gross Rent	75	1,500	1,350,000
Assisted Living Average Gross	45	4,400	2,352,000
Subtotal			3,702,000
Less Vacancy/Credit Loss		7%	(259,140)
Effective Gross Income			3,442,860
Less Senior Unit Expenses		45%	(650,025)
Less Assisted Living Expenses		60%	(1,509,984)
Net Income			1,282,851
Value at Cap Rate		7.0%	18,326,443
Project Surplus (Gap)			2,307,380
Available Site Acquisition Residual			2,307,380
Return on Cost			8.0%

# **Josephine County Hospital Site**

# Option 2-New Construction Senior/Apartments Site program

Total Land Area					Square Feet
Total Land Area					175,111
	Avg SF/Unit	Gross SF/Unit	Units	Footprint	Square Feet
2A-Apartments	688	809	152	41,000	123,000
2B-Senior Housing	688	809	152	41,000	123,000
Common Area			-	10,000	10,000
2A/B- Parking (Existing					
Re-used)			130	39,000	39,000
Landscaped Area (approximate)				70,000	70,000



Senior Housing or Apartment Existing and New Parking Open Space

**NEW CONSTRUCTION** 

# **Josephine County Hospital Site Option 2A: New Construction Apartments**

#### **Construction Costs**

	SF Use	\$\$/SF	Subtotal
Apartments	123,000	85	10,455,000
Common Area	10,000	16	160,000
Landscaping	70,000	6	420,000
Subtotal Construction			11,035,000
Soft Costs (Indirect Costs)		20%	2,207,000
Total			13,242,000

### **Rental Pro Forma**

Return on Cost

Available Site Acquisition Residual

	Units	Per Mo.	Annual
Apartments Gross Rent	152	800	1,459,200
Less Vacancy/Credit Loss		5%	(82,080)
Effective Gross Income			1,559,520
Less Apartment Expenses		38%	(655,000)
Net Income			804,240
Value at Cap Rate		6.5%	13,916,000
Project Surplus (Gap)			674,000

6.8%

# **Josephine County Hospital Site**

# **Option 2B: New Construction Senior Housing**

## **Construction Costs**

Construction Costs			
	SF	\$\$/SF	Subtotal
Senior Apartments	123,000	105	12,915,000
Common Area	10,000	16	160,000
Landscaping	70,000	6	420,000
Subtotal Construction			13,495,000
Soft Costs (Indirect Costs)		25%	3,373,750
Total			16,868,750
Rental Pro Forma			
	Units	Per Mo.	Annual
Senior Units Gross Rent	152	1,500	2,736,000
Less Vacancy/Credit Loss		7%	(191,520)
Effective Gross Income			2,544,480
Less Senior Unit Expenses		45%	(1,317,384)
Net Income			1,227,096
Value at Cap Rate		6.5%	18,878,400
Project Surplus (Gap)			2,009,650
Available Site Acquisition Residual			2,009,650
Return on Cost			7.3%

## **Hub Sites**

## **Option 1- Commercial and Office Site Program**

			Square Feet
Total Land Area			100,825
	Units	Footprint	Square Feet
Commercial/Retail		7,406	7,406
Office		13,519	18,656
Parking (Existing Re-used)	128	38,400	38,400
Landscaped Area (approximate)		41,500	41,500
Streets			7,920
Sidewalks			5,280



COMMERCIAL AND OFFICE

## **Hub Sites**

## **Option 1: Commercial and Office**

### **Construction Costs**

	SF Use	\$\$/SF	Subtotal
Commercial/Retail	7,406	100	741,000
Office	18,656	108	2,015,000
Tenant Improvements	22,153	20	443,054
Landscaping	41,500	6	249,000
Streets	7,920	28	222,000
Sidewalks	5,280	8	42,000
Subtotal Construction			3,670,054
Soft Costs (Indirect Costs)		20%	734,000
Total			4,404,054
Leasing Pro Forma			
		Per	
		SF	Annual
Commercial Retail NNN	7,406	16	118,496
Office NNN	15,858	16	253,722
Subtotal			372,218
Less Vacancy/Credit Loss		10%	(37,000)
Net Income			335,218
Value at Cap Rate		8.0%	4,190,000
Project Surplus (Gap)			(214,054)
Available Site Acquisition Residual			-
Return on Cost			7.6%

# **Hub Sites** Option 2 Commercial and **Apartments Site Program**

					Square Feet
Total Land Area					100,825
	Avg SF/Unit	Gross SF/Unit	Units	Footprint	Square Feet
Commercial/Retail				4,093	4,093
Office				10,233	15,350
Apartments	796	937	29	13,586	27,172
Parking (Existing Re-used)			128	38,400	38,400
Landscaped Area (approximate	te)			34,513	34,513
Streets					7,920
Sidewalks					5,280



## **Hub Sites Option 2 Commercial and Apartments Site Construction Costs**

	SF Use	\$\$/SF	Subtotal
Commercial/Retail	4,093	100	409,000
Office	15,350	108	1,658,000
Tenant Improvements	16,527	20	330,531
Apartments	27,172	85	2,309,620
Landscaping	34,513	6	207,000
Streets	7,920	28	222,000
Sidewalks	5,280	8	42,000
Subtotal Construction			5,178,151
Soft Costs (Indirect Costs)		20%	1,036,000
Total			6,214,151
Leasing Pro Forma			
		Per SF/Unit	Annual
Commercial Retail NNN	4,093	16	65,488
Office NNN	13,048	16	208,760
Apartments	29	800	278,400
Subtotal			552,648
Less Vacancy/Credit Loss Comm/Office		10%	(27,425)
Less Vacancy/Credit Loss Apartments		7%	(19,488)
Less Apartment Expenses		38%	(98,387)
Net Income Commercial/Office			274,248
Net Income Apartments			180,013
Project Net Income			454,261
Value at Cap Rate		8.0%	5,678,268
Project Surplus (Gap)			(535,883)
) ()			(222)000)

7.3%

Return on Cost

Available Site Acquisition Residual

## **Conclusions on Feasibility**

What all of the outline analysis indicates is that the options other than the senior options are not likely to yield returns to the county in the short term. The analysis of returns and the market information presented suggest that, for options other than senior housing and assisted living, waiting for some recovery of employment and a more robust market, and improving site access with the Dimmick rail crossing will result in higher returns for the county. In an effort to allow for development stability that provides greater project financial stabilization and increased returns to the county, differed disposition options for sale or lease should be considered. Below is a summary that identifies immediate versus deferred disposition options as well as ground leasing.

### **Fee Simple Sale**

Low returns or no return—only Scenarios 1A, 1B, and 2B can pay more than the cost of demolition

#### **Ground Lease**

Puts cost of acquisition into project operating expenses and lowers net operating income (NOI), therefore;

- Reduces project valuation because it reduces NOI
- Precludes financing due to lowered valuation and returns, and therefore;
- Makes the project infeasible in the current market
- Yields very little return to county if adjusted for a feasible return on equity—less than a fee simple sale
- Suffers from a negative perception on the part of office, retail and housing developers—in Oregon it is most often done for properties with facilities that may have special requirements and a projected period of obsolescence such as industrial properties and warehouses

#### **Installment Sale**

Does not lower NOI and initial valuation for financing purposes and therefore;

- Allows financing
- Can enable an Increased return from sale of property
- Can be structured to adjust to market value for 5 year, 10 year, 15 year, 20 year payments, much like a ground lease

#### **Deferred Sale**

Does not lower NOI and initial valuation for financing purposes and therefore;

- Allows time for stable rent
- Does not reduce ability to finance
- Can increase return from property

### Interest Only (with a deferred buyout)

Can reduce cost to act as an incentive, but

- Reduces return in early years
- May require the county to become a lender rather than a seller and therefore;
- May introduce complex legal agreements and may leave county actions open to legal challenge

#### **Deferred Ground Lease**

Does not affect initial valuation and rate can be adjusted to market and project financials at time of commencement with adjustments to market value at five-year periods in later years so it functions in the same way as an installment sale, but;

- Restricts refinancing because of the impact on net income and thus;
- Is less attractive as an option for project developers who will typically wish to refinance periodically to recapture value from a successful project in a manner that is tax-free.

The trends in the market overview do indicate recovery over time for the Grants Pass economy—if the state analysts who prepared projections are correct then it is possible that the normal timeline of a project of three to four years from planning to occupancy may obviate the challenges presented by current market conditions. If this is possible, then crafting an agreement in which value is decided at full occupancy or a predetermined period of deferment of disposition rather than at the beginning of planning may result in significantly more revenue for the county.

# CRANDALL ARAMBULA

# Revitalizing America's Cities

Date: April 4, 2014

To: Bill Holmstrom, Project Manager, Oregon Department of Land Conservation and Development

From: Jason Graf, Associate Principal, Crandall Arambula

#### Community Outreach Meeting #3 Summary

The Dimmick Site Concept Plan is a Transportation and Growth Management (TGM) Quick Response funded project and is part of a larger project including brownfield planning funds provided by Business Oregon. The overall project purpose is to create a redevelopment plan for the former Josephine General Hospital site including

necessary remediation activities that will permit redevelopment to occur. Other planning efforts not covered by this scope will provide key inputs into this TGM Quick Response project, and this Quick Response project will provide outputs necessary for the continuation of the overall project. Project Area (See Figure 1) includes the Dimmick Site, which is the former County hospital at the intersection of NW "A" and Dimmick Streets, and adjacent properties owned by Josephine County. Project activities and analysis may include areas outside of the Project Area to evaluate the market potential of proposed redevelopment and potential connections and impacts on the transportation system.

The objective of the Dimmick Site Concept Plan is to:

- 4. Determine the physical and market feasibility of potential uses for redevelopment at the Dimmick site.
- 5. Produce potential concepts for the redevelopment of the Dimmick Site.
- 6. Provide key information leading to a plan to successfully remediate the Dimmick Tower and other portions of the Project Area requiring remediation.



Figure 1- Project Area

#### Dimmick Site Concept Plan Community Outreach Meeting #3 Summary

The third of the Dimmick Concept Plan outreach meetings was held on April 3, 2014. During that period, the consultant Crandall Arambula presided over a Community Outreach Meeting.

The Outreach Meeting #3 was held in Council Chambers from 6:00-7:30 pm and was attended by approximately 30 people.

#### **Meeting Purpose**

The purpose of the Outreach Meeting was to:

- Present project objectives and results from previous meetings
- Provide a summary of the Draft Report and Implementation Recommendations
- Obtain Public Input on the Draft Report and Implementation Recommendations

The meeting began with the consultants' review of the project process and schedule (see Figure 2), summary of the previous Community Outreach Meetings and presentation of the draft report and implementation recommendations for the Dimmick site. Following the presentation, attendees discussed and filled out a public comment sheet (see Figure 3).



Figure 2- PROCESS and SCHEDULE

## **Community Outreach Comment Sheet**

A comment sheet was provided to illicit feedback from the outreach meeting attendees regarding the report and implementation recommendations.

Response Sheet Outreach Workshop #3 April 3, 2014	3
The second secon	MMICK SITE PLAN
	Report and Recommendations
	JOSEPHINE COUNTY and CITY OF GRANTS PASS GRANTS PASS, OREGON
	DRAFT APRIL 2014
A	Fransportation and Growth Management Program Quick Response Projec Crandall Arambula Urban Advisors
COMMENTS: Please write your comments below—	for additional comments use back of sheet

If you need additional time to respond, please return your comments to City of Grants Pass
Tom Schauer — 101 NW 'A' Street, Grants Pass, OR 97526 tschauer@grantspassoregon.gov

#### **GENERAL COMMENTS**

- Senior housing and maintain A Street Building (Maybe 24 hour care at A Street Building)
- The NFA letter is a must in order to start any reuse of the site. An RFP will need the NFA letter in order to allow the RFP to be received by potential respondents with a degree of real time schedule. W/out NFA letter no actual start time for any deconstruction. Therefore any project with a 'need' today, can be realistically used to answer the RFP w/out the NFA letter.
- I live on Dimmick Street and I worked for the hospital starting here in 1974 and retired in 2011. I have lived in GP since 1968. I know my neighborhood. The neighbors don't come to these meetings. But I have talked with them and the consensus is to have single family dwellings. I have 'vote for the justice system 'signs taken off my lawn twice. We need people living nearby for our community security. Please don't put in store, offices, and high density housing. The tower site would be a wonderful area for several homes. A little street on smaller lots? Please no sidewalk in front of 802 Dimmick Street. It would go nowhere. It would be a better to have the bicycle lane vs sidewalk. Thank you.
- Please clarify that all options remove the standalone HVAC building on the east side which is very noisy 24/7 for Kinney Street neighbors
- For either senior facilities or high quality apartments, show a conceptual plan which focuses on the sites most salable features- the beautiful view all across the valley to the California mountains, instead of parking/road whose best views regardless of height orient toward view south and east.
- As neighborhood homeowners, my husband and I would like to make a suggestion for the Dimmick site plan. When the old hospital is demolished the grounds should be replaced with a botanical garden and park for local residents to enjoy. I know we have many parks around Grants Pass but the difference between this park and those will be obvious. Imagine our own version of Central Park. In the center of the grounds there is a nice man made pond with a fountain or waterfall feature for ducks and birds. Beside the pond are cement benches with local artists amazing creations of wildlife on them. Stepping stones, also inspired by local artists, pave the way thru a bamboo garden, colorful rose garden, cherry blossom and orchid trees. Gingkos, katsuras, witch hazel, smoke and purple leaf trees would make for a beautiful fragrant stroll thru this park no matter what the season. Last but not least, having a few BBQ pits and picnic tables for family to enjoy the grounds and each other's company. The reason we believe this would be great is because, not only will this bring the value up on all the homes in the surrounding area and our community. It will also utilize the space for our entire city to enjoy. Thank you for your time and considering our recommendations
- I was happy to see that for the area west of Dimmick, the plan showed the maintenance of the parking lots as a way of keeping a buffer for the neighborhood from the activities along Dimmick Street. Good work. I do have several concerns however- 1) How do we keep a developer from building commercial in the parking areas once the property is sold? I might suggest reviewing all the zoning west of Dimmick when the change for zoning west of Dimmick and south or as is considered for a change. 2) Rezoning to R-4 from R-1-6. There are no apartment buildings other than duplexes north of 'C' and west of Clark. How do we keep them at least east of Dimmick? It was unclear to me exactly what is really planned east of Dimmick. Is the county now planning to move off the site? It looked to me like there was little resolve to keep the old hospital as only on proposal in four kept it.
- I would like to see this area used as residential like the rest of the surrounding area. If the senior housing is to be the decision you make then I would prefer you save the original hospital building and make the area around it like a park. I do not want it to be general apartments due to the transient like tenants. Low income senior housing would be o.k. I see no reason for having any type of commercial units due to the vacancies around town indicating there is no need for more business sites. Perhaps a beauty salon to benefit the seniors in the housing unit. I would support office buildings indicated on page 25 at sites 2 and 3. However there needs to be enough setback for traffic to observe cars coming from the opposite direction. It is a busy corner at times. Perhaps a four-way stop would be necessary. Site #1 could be for residential housing. The development of this property will affect the entire community that surrounds it and we thank you for considering our opinions in making your decision.

