



**Commercial Building “Green Building”
Request For Proposals
DUE January 22, 2019**

The Port of Brookings Harbor currently owns an unfinished commercial building located on Lower Harbor Road in Brookings, Oregon and is soliciting “Request For Proposals” for a marketing plan to sell the building and/or development the unfinished Commercial Building “Green Building” with a ground lease.

Building & Site Description

The first-floor footprint is 10,613 square feet of which approximately 35% is common area including an elevator, two stair cases, utility rooms, public restrooms, entryways and the large open area in the center. This leaves approximately 6,900 square feet of usable space for retail and/or other uses on the first floor.

The second floor was designed with the intention of having a fine dining restaurant with a lounge on the west side and the Port offices on the east. There is approximately 3,500 square feet of usable area on the second floor including a public restroom, if needed.

The building is located on a 2.49-acre parcel approximately in the center of the Port area. Some earthwork and stormwater drainage were done but are unfinished.

2011 Report by Eagle Two Development Corp.

Attached to this RFP is a report by Eagle Two Development Corporation dated March 30, 2011 which contains more detailed information about the property. The Port does not guarantee the accuracy of the information contained in the report. Proposers are responsible for ascertaining and verifying all facts and circumstances relevant to their proposal.

Request for Proposals

Proposals must be submitted to the Port Office located at 16330 Lower Harbor Road, Brookings Oregon on or before 4:00 p.m. on January 22, 2018.

Proposal Content

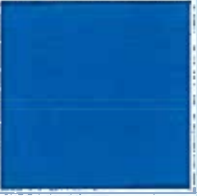
Proposals, together with letter of transmittal, should include a detailed marketing plan and/or plan for development. Proposals must also include details regarding the proposer, including the legal name of the proposer and the person authorized to act on behalf of the proposer. Proposers are encouraged to include examples from past projects that reflect projects of a similar nature.

Note: The Port of Brookings Harbor reserves the right to waive or reject any or all proposals and to negotiate terms with any selected proposer.

March
2011

Port of Brookings Harbor

Commercial/Retail Building



Prepared by
Eagle Two Development Corporation
March 30, 2011



Introduction

The Port of Brookings Harbor currently owns an unfinished commercial building located on Lower Harbor Road in Brookings, Oregon. The original concept for the building was developed prior to 2003 as an addition to the existing commercial/retail mix of development and an overall master plan for the immediate area. The design was prepared by MSS Inc. and The Research Group both of Corvallis, Oregon.

The engineered plans were prepared, reviewed by the county building department and a building permit (number 03-0026) was issued to the Port in May, 2003 for construction of the building shell. This did not include any inside tenant improvements. Construction moved forward and the shell of the building was framed out and enclosed. However, the building was never finished nor can an occupancy permit be obtained until it is completed and inspected.

During the past 6 years potential tenants and buyers have considered the facility for a variety of uses ranging from a medical facility to a distillery. However, because of the unique design of the building which limits some uses and the many unknown requirements and cost of improvements, the building still sits idle. At this time, the Port does not have the information readily available to tell a potential tenant what the cost is to complete the shell or for that matter what is required.

The Port of Brookings Harbor retained Eagle Two Development to prepare this report identifying what is required and an estimated cost to complete the site improvements for the building including utilities, parking and transportation. In a leased building these are often referred to as owner improvements and are usually constructed and maintained by the owner. Other improvements which are often the responsibility of the owner may include the electrical service panel, elevator, inside plumbing, electrical, public bathrooms, etc. However, until the final use of the building is determined it is impossible to estimate what is required or the cost of those improvements.

Unfortunately, the Port could not locate a complete set of construction plans for the building. However, Eagle Two Development was able to obtain a hard copy set from Curry County Building Department. It appears that this set is complete except for 3 or 4 pages of electrical plans. These electrical plans will need to be located or reproduced before proceeding with the inside wiring. The plans obtained from County have been scanned to PDF electronic version which has

been provided to the Port. Eagle Two Development also provided the Port with one printed 24"x 36" hard copy of the 31 page set of plans. Eagle Two Development has also printed several 8"x 11" copies for Port Commissioners and other interested parties.

Site Description

The building is located on a 2.49 acre parcel approximately in the center of the Port area. The northern portion of the parking lot is located on a portion of a 2.96 acre parcel on which Harbor Drive and the Boat Shop are also currently located. If and/or when this building is ultimately finished and developed the Port may want to have a lot line adjustment so the entire development is on one lot.



Building Description

The first floor of the building was designed to accommodate several retail outlets with a large area in the center open to the ceiling with skylights. The first floor footprint is 10,613 square feet of which approximately 35% is common area including an elevator, two stair cases, utility rooms, public restrooms, entryways and the large open area in the center. This leaves approximately 6,900 square feet of usable space for retail and/or other uses on the first floor.

The second floor was designed with the intention of having a fine dining restaurant with a lounge on the west side and the Port offices on the east. There is approximately 3,500 square feet of usable area on the second floor including a public restroom, if needed.

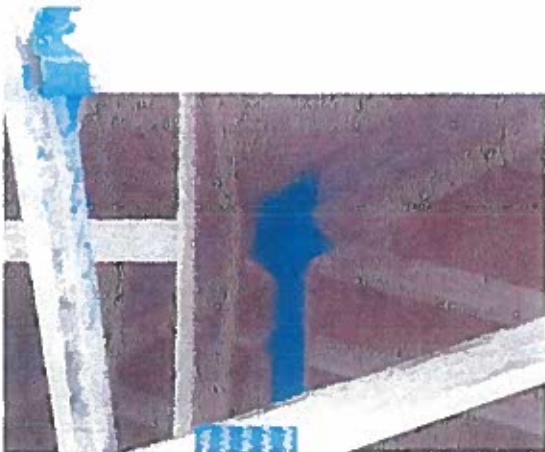
The open area from the first floor to the ceiling is a prominent feature of the building. This area was intended for public display of art or other things of public interest. While it is impressive, it also limits the type of uses and could be considered wasted area. It may be possible, but likely expensive, to redesign the building eliminating the open area on second floor to expand the usable area upstairs by approximately 2,500 square feet and giving more flexibility to the interior design. The first floor open area could remain without going through to

the ceiling or the area could be reduced if it was deemed more efficient for a specific use.

Inside Framing

In our discussions with the Curry County building officials and after examination of the inspection reports it was concluded that only two official inspections were made and include a stem wall pour and the roof. A courtesy inspection of the framing of the building was performed and found that the framing had not been constructed in accordance with the engineered framing plan. The main issue appears to be the notching of laminated beams at the posts located along the four corners of the roof (see pictures below). It appears that no further work on the building took place after this time.

Prior to continuing any inside construction a structural engineer will need to determine if the integrity of the framing has been compromised and if so how or if it can be repaired. Once a structural engineer determines the framing is safe a report of such will need to be submitted to the County for review and approval.



These pictures are of the corner roof trusses. As can be seen here the beams have been improperly notched to fit the upright support piers. A structural engineer may be able to design an adequate support without removing the beams. If not, the beams may need to be replaced.



Building Permit

Any building permit issued by Curry County expires after six months unless an extension has been requested. As stated earlier, the permit for construction of this building was issued to the Port in May, 2003. Eagle Two Development filed the most recent extension on behalf of the Port on March 18, 2011. The next extension request must be filed by August 18, 2011. This date should be noted on a calendar so it is not forgotten.

At this time there is no cost for an extension, but if it is not filed by the deadline the building permit it will expire and a new permit must be obtained before commencing work. The significance of this is that there have been building code changes since 2003 and these changes would need to be incorporated in the design prior to applying for a new building permit. This would require significant changes in the construction plans by a certified structural engineer.

The following sections describe site improvements which must be done outside of the building before a final occupancy permit is obtained from the County.

Parking Improvements:

The original configuration of the building includes paved parking areas with 122 parking spaces, sidewalks, planter areas, and anticipated lighting standards. Although the configuration of use may change over time the overall design has been completed and can be estimated.

Those costs include:

- Parking lot paving and stripping..... \$125,000
- Sidewalks and Planter areas \$ 35,500
- Lighting Standards \$ 22,500

Total Estimated Cost of Parking Improvements \$183,000

Street Improvements:

Improvements to Lower Harbor Road and accesses are required by “Special Conditions” of building permit #03-0026 issued by Curry County Building Division on May 15, 2003.

Below are the four special conditions of the building permit:

1. The north access shall be as shown on the Alternative 1 sketch. In order to meet access management standards for Lower Harbor Road existing accesses within 250 feet of this proposed access shall be abandoned or combined with the new proposed access.
2. A center left turn/merge lane shall be constructed for the north access. The Port of Brookings Harbor shall provide right of way for this improvement. Plans for this work shall be submitted to and approved by the Road Department prior to beginning construction, which must be completed prior to occupancy of the new commercial building.
3. The south access shall be as shown on the Alternative 1 sketch (see appendices). In order to mitigate for the failure to meet the access spacing requirements of 250 feet this access shall allow only right turn in and tight turn out traffic movements. In the future, the access from Lower Harbor Road to the small triangle owned by Robert Busch et al (16224 Lower Harbor Road) shall be eliminated if the Port acquires ownership of this small parcel. To qualify for consideration as an unrestricted access, the Busch access onto Lower Harbor Road must be eliminated and a center left turn/merge lane must be constructed with needed right of way furnished by the Port.
4. The accesses shall be paved a minimum of 50 feet from the edge of Lower Harbor Road.

There appears to be a least two options to address these four conditions or at least the safety concerns of the County. These two options are explained below along with a cost estimate. Improvements to Harbor Drive will be necessary regardless which option is implemented. The estimate for improvements to Harbor Drive is only to the end of the parking lot of the commercial building.

Option 1 (as originally approved)

The original submission to the County provided for a north bound left hand turn lane on Lower Harbor Road into Harbor Drive. It also provided for a merge lane onto north bound Lower Harbor Road from Harbor Drive. At least two utility poles carrying power, phone, and cable will need to be relocated to make room for the turn land and approaches. Cost of these road improvements including utility relocations is provided below.

Estimated Cost of Option 1:

- Lower Harbor Road Improvements \$40,000
- Utility Pole Relocation..... \$50,000
- Harbor Drive Improvements \$47,500

Total Estimated Cost of Option 1 \$137,500

Option 2

In discussion with Curry County Roadmaster, Dan Crumley another option was explored. This option involves the review by a transportation specialist to determine turning requirements for the new building. To that end, traffic engineers at H. Lee & Associates stated that it is very unlikely that a traffic safety analysis would result in warranting any turn or merge lane. However, Mr. Lee did say that proper access management would likely result in consolidating as many accesses as possible to Lower Harbor Road. Mr. Crumley indicated that he would be willing to consider modification of the conditions if access were consolidated to meet safety standards. Costs associated with this option will include a traffic analysis and consolidating accesses. For the purpose of this report we have estimated closing 5 accesses.

Estimated Cost of Option 2:

- Traffic Analysis \$ 5,000
- Access Consolidation..... \$40,000
- Harbor Drive Improvements \$47,500

Total Estimated Cost of Option 2 \$92,500

	<u>Option 1</u>	<u>Option 2</u>
Summary of the Total Estimated Cost:	\$137,500	\$92,500

Storm Drainage:

Storm Drainage was designed and installed to handle roof drains and impervious areas identified on the plans for parking and sidewalks. The County had no record of inspection of the drainage system; however it appears that it was properly installed. Regardless, it would be prudent to examine the entire storm drainage network that exists including, cleaning, testing, checking the system for complete integrity. The catch basins will require leveling before paving.

Total Estimated Cost for Storm Drainage \$15,000

Wastewater

Wastewater is provided by the Harbor Sanitary District (HSD). The Port has installed a 4" service connection from the HSD mainline to the building. The connection enters the building at its north side and is installed through the floor to various connection points including the public restrooms.

System Development Charges (SDC's) are shared between the City and HSD to help fund capacity building improvements. Equivalent Dwelling Units (EDU's) is the unit of measurement for determining the SDC on each type of use of the system. The base for one EDU is one single family residential unit. According to HSD, the Port currently has credit for 3.06 EDU's which is adequate to allow the public restrooms and possibly some other uses such as offices or retail. If in the future the building is used for a restaurant or other uses requiring sewer service additional SDC's may be required. The cost of those SDC's will be determined by the EDU calculation. For example, a quality restaurant is equivalent to 2.8 EDU's per 1000 square feet of floor space. As of this date (March 24, 2011) the SDC per EDU is \$8,422. So, for a 2000 square foot restaurant the SDC is \$47,163 (2.8 x 2 x 8422).

At this point there is no additional construction is necessary to begin tenant (inside) improvements and/or installation of public restrooms.

Total Estimated Cost for Sewer Connection..... \$0.0

Water:

Water is provided by the Harbor Water Public Utility District (HWPUD) to the building on the south side. A 1½ inch domestic service line has been connected to the building; however, the meter has been removed and will not be reinstalled until the building is ready for occupancy. HWPUD has indicated that a fee of approximately \$500 would be required to reactivate the water system.

The building was originally configured to include a fire sprinkler system due to the anticipated use of a restaurant within the structure. The fire system water line was stubbed out of the building on the south side, however, no connection was ever made to the mainline which is located on the east side of Lower Harbor Road. Making the connection will require an 8” line across Lower Harbor Road to the fire system 6” water line which is located approximately in the middle of the south end of the building. A new fire hydrant to be located on the west side of Lower Harbor Road will also be required at that time. HWPUD agreed provide all materials for the line extension including the required fire hydrant. The Port or developer would bear the cost for the actual installation. Also, a backflow protection device would have to be placed on the fire service line.

Estimated Cost for Water Connection:

Power:

Power for the building is available from the Coos-Curry Electric Cooperative, Inc. (CCECI). Temporary power has been installed and is currently available to the building on the northeast side.

A utility room is located east of the north entrance to the building. Conduits from the utility room have been stubbed outside and can currently be located in an open pit at the northeast corner of the building. From that open pit, conduits have been installed to an electrical utility vault located on the southeast side of the building. When electrical panels and meters are installed a new transformer will be required near the open pit. CCECI indicated that this was the planned location and configuration for powering the building and internally the building has been configured for this improvement.

The conduit that has been installed, but will require inspection and cleaning to insure the correct type and integrity still exist for this component. Once the final use of the building is determined, CCECI will configure the utility vault for the energy load that new development and install the appropriate transformer.

CCECI has indicated a switch may need to be installed to properly service this property and other properties in the immediate area. The estimated cost of this switch is \$50,000. However, the full cost of placing a switch to enhance the entire electrical infrastructure for the area should not be borne entirely by the Port or this one particular development. Some consideration will likely be placed on the electric utility and/or other property owners. However, for the purpose of this estimate we have considered the full cost of the switch to be borne solely by this development.

Although the exact transformer size cannot be precisely determined an estimated cost of \$20,000 is anticipated for this component (this component also has a six to eight month lead time according to CCECI). Wiring from the vault/switch to the transformer, building wiring, meter, and labor associated with the work is estimated at approximately \$15,000 to \$20,000.

Once a final use is determined an electrical panel and meter will need to be installed in the utility room. Until the type of use of the building is determined it is impossible to provide a cost estimate for, but could range from \$5,000 - \$15,000.

Estimated Cost for Electrical Connection:

- Conduit (cleaning and modifications)..... \$ 2,000
 - Switch..... \$50,000
 - Transformer \$20,000
 - Wiring and Labor..... \$20,000
- Total Estimated Cost..... \$92,000

Cost Summary

The total estimated cost for required site improvements outside of the building is \$401,700. This does not include any improvements to the inside of the building. As mentioned earlier, there are still improvements required to the inside of building such as the elevator installation, electrical service, plumbing etc., etc.

This cost estimate for the outside improvements assumes Option 1 as described in the street improvements section of this report as the preferred option. If Option 2 is chosen instead the cost would increase by \$45,000.

Summary of Estimated Cost

- Sanitary Sewer \$ 0.0
 - Water \$ 19,200
 - Power..... \$ 92,000
 - Storm Drainage \$ 15,000
 - Street..... \$ 92,500
 - Parking..... \$183,000
- Total Estimated Cost..... \$ 401,700**

Conclusion

This building has been left vacant and unfinished for several years. The unique design of the building severely limits the type of uses it can accommodate. The highest and best use of the building may be the original concept of an indoor retail area, restaurant and Port and/or other offices. However, given, the cost of completing the building, the existing market conditions and other priorities it is unlikely the Port will take on this task anytime soon.

As stated above the estimated cost of site improvements is approximately \$401,000. Depending on what the building is ultimately used for, the cost to finish the inside common portion of the building (i.e., open area, entryways, elevator, public restroom, etc.) will likely be around \$500,000. This makes a total investment of approximately \$900,000 to finish the building inside and out to the point that it is ready to turn on the lights and occupy. This does not include the expense already made in the building or any value for the land.

There is approximately 10,000 square feet of leasable area in the building. At 75% occupancy and \$1.00/square foot the monthly income would be \$7,500. A \$900,000 loan for 15 years at 6% interest would require a monthly payment of \$7,594, not enough to make the monthly loan payment. At 20 years the monthly payment would be \$6,448, leaving just over \$1,000 per month to cover any common utilities and/or maintenance. Of course this potential profit could increase if the building was more occupied, higher lease rates were justified, development cost reduced or if the Port was able to obtain funds through grants or at better terms than considered here.

The Port has several options of what to do with the building. It could be offered for sale, leased, donated to a non-profit or demolished. We recommend that the Port leave the building as is with all options open until an overall master plan is prepared for the entire area of the Port. That master plan should be the deciding factor as to the future of this building. The master plan should be prepared with the option to remove the building if it does not fit in with the overall scheme. As shown above, it is not going to be a significant revenue generator for the Port and there may very well be better uses for the property. If the building appears to fit in the scheme of the master plan, by all means it should be finished and occupied per that master plan.