

Development Concepts



808 SW Third Avenue
Suite 300
Portland, OR 97204
Phone (503) 287-6825
Fax (503) 415.2304

To: Jason Locke, City of Dallas
Bill Holmstrom, TGM Code Assistance Program

From: Tom Litster, Otak

Copies: Project Management Team

Date: August 23, 2013

Subject: Summary of Development Options

Project No.: 16871: Dallas Mill Employment Area Plan

This project is partially funded by a grant from the Transportation and Growth Management (TGM) Program, a joint program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. This TGM grant is financed, in part, by federal Moving Ahead for Progress in the 21st Century (MAP-21), local government, and the State of Oregon funds.

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

Overview of the Options

Three potential development options have been illustrated as conceptual site plans (attached separately). Each option assumes a diversification of uses rather than a single large-scale user. Development opportunities and users within each option are indicated as A through D, with smallest opportunity area being less than 10 acres and largest one being more than 20 acres. Option 1 includes an opportunity for the expansion of Forest River operations onto the site. Option 2 illustrates continued use of some existing buildings, including the storage building currently used by Van Well Building Supply. Option 3 includes a transload facility for non-rail served shippers to reach rail served receivers. Potential ownership models for the facility are discussed below.

Each opportunity has its own external access point, utilizing currently permitted railroad crossings and new access points from Main Street and Uglow Avenue. Primary internal circulation routes are shown, along with parking areas and new on-site stormwater facilities. Depending on ownership and development agreements, primary circulation may be marking drive aisles, private streets or public streets. Each option assumes that the creek stays in its current location, partially daylighted and partially in culverts, and that no buildings may be placed on top of it.

Undevelopable Hillside

The hillside area along the southern edge of the property is shown as undevelopable land in each alternative. There are concerns about stability of the lower portions of the hillside and the potential

for contaminated fill having been placed there over time. Further examination of these concerns is recommended in order assess the viability of placing buildings or other structures near the hillside. With that in mind, each of the options suggests initial development on the northern portion of the site with later expansion to the south.

A second concern is how the current owners will dispose of that portion of the property given its lack of value for industrial uses. Other uses, such as small scale commercial or even residential uses, do not appear to be strong possibilities at this time. Dedication to the City of Dallas as an open space with limited uses and capital improvements may be a possibility worth further discussion.

Option I Summary

This option features an opportunity for Forest River to utilize the northeast corner of the property to expand their operations. Expansion of this viable business may be the best short-term opportunity to catalyze redevelopment. Continuing discussion with company representatives is encouraged. Industrial users requiring large footprint buildings and rail access could occupy the northwest corner of the property. The rail access would be privately owned and maintained by that business. The mix of uses is:

- Craft Industrial or Flex Incubator/Employment Space
- Industries with building floor areas less than 100,000 sf¹
- Forest River expansion

¹ See Dallas Mill Market Reconnaissance, Table 2 – Willamette Valley Industry Clusters.

Option 2 Summary

This option features four development areas of approximately 10 acres each. The development areas have separate access points and circulation systems. The existing office building and storage shed are retained for adaptive reuse and the Van Well lease building continues in its current use. If the property is subdivided and the areas sold to separate business interests, one or more public streets may be required unless City of Dallas codes allow them to be maintained as private streets under a HOA structure. one or more public streets would be required. The mix of uses is:

The mix of uses is:

- Craft Industrial or Flex Incubator/Employment Space
- Industries with building floor areas greater than 100,000 sf¹
- Industries with building floor areas less than 100,000 sf¹

¹ See Dallas Mill Market Reconnaissance, Table 2 – Willamette Valley Industry Clusters.

Option 3 Summary

This option has three distinct development opportunities with future expansion areas. It also includes a transload facility with newly configured private tracks to access the existing UP railroad spur. A potential build-out scenario is for Opportunity A, accessed from Main Street and Opportunity C, accessed from Uglow Avenue, to develop before Opportunity B in the middle portion of site develops. The mix of uses is:

- Craft Industrial or Flex Incubator/Employment Space
- Transload facility
- Industries with building floor areas greater than 100,000 sf¹
- Future expansion areas for on-site industries

¹ See Dallas Mill Market Reconnaissance, Table 2 – Willamette Valley Industry Clusters.

Transload Facility

The concept assumes new private tracks to serve the facility. The tracks are approximately 800 feet in length and configured to provide loading from both sides and ease of unloading for freight trucks. Both covered and uncovered storage areas are shown, along with a scale and reuse of the existing office building.

Transload facilities already exist in Salem and Portland. Each of those locations has better access to I-5 than this site. The market viability and potential users of a new facility here will need to be carefully evaluated. The following are potential business models.

Public Ownership and Public Management. The land, tracks, loading docks, storage buildings and other physical assets are developed and owned by a public agency or jointly owned by public agencies. Day-to-day management is performed by one or more public agencies, with agency staff on-site.

Public Ownership and Private Management. The land, tracks, loading docks, storage buildings and other physical assets are developed and owned by a public agency or jointly owned by public agencies. Day-to-day management is performed by a private business that specializes in transload facility operations.

Private Ownership and Private Management. The private sector owns and operates the facility. Typically, this arrangement is feasible if the demand for services is high and a fee structure for using the facility will generate a profit. Private operators of transload facilities are usually either railroad companies or trucking companies.

Site Development Assumptions

Internal Circulation for Development

The design of internal circulation will depend on the ownership and development approach for the property. A development scenario under single ownership acting as a long-term master developer would allow internal circulation through minimally demarcated drive aisles or private streets. If the property were sold and subdivided as separate ownerships some of the internal circulation may need to be developed as public streets that meet City of Dallas standards. Public streets could also be used to extend utility services.

On-Site Parking

Parking assumptions are 1-1.5 spaces per 1,000 square feet of building except for the transload facility, which shows limited parking at the office building and one covered storage area. Users with a retail sales component would likely need additional customer parking spaces.

Stormwater Management

Bioretention stormwater facilities have been conceptually located within each option. Configurations could be basins or swales. The size of the facilities was roughly calculated as 6 percent of the impervious area. Additional conveyance systems and connections to the city's stormwater system would be required.

Building Service Costs

Services assumed for each building pad include water meter and backflow, fire backflow and extension of private/franchise utilities have been included as an allowance in the following cost estimates. No building costs or tenant improvement costs were included.

Site Development Costs

An opinion of site development costs for each option is summarized below (see Table 1). It reflects costs that may be publically and privately incurred based on assumptions about property ownership and the approach to development. The estimates are based on typical unit costs for new industrial development¹. They assume the existing paving is removed and the whole site is prepared with grading and earthwork and paving for parking, outdoor storage and site circulation/loading. Site development costs accounted for utilities, parking lot lighting, stormwater facilities, and building services. All costs include a contingency factor. An allowance for internal streets and utilities has been included even though the requirement for streets may vary significantly with development ownerships and scenarios.

Costs for environmental cleanup are not included. The Phase I and II Environmental Assessment of the property did not include an estimate, citing the need for additional investigation in order to predict costs.

Table 1: Site Development Costs

Option:	1	Project Total:	\$ 9,860,000
Development Opportunity:	A	Project Total:	\$ 4,436,000
Development Opportunity:	B	Project Total:	\$ 754,000
Development Opportunity:	C	Project Total:	\$ 2,767,000
Total Site Street/Utilites:		Project Total:	\$ 1,903,000

Option:	2	Project Total:	\$ 10,612,000
Development Opportunity:	A	Project Total:	\$ 2,882,000
Development Opportunity:	B	Project Total:	\$ 2,198,000
Development Opportunity:	C	Project Total:	\$ 2,445,000
Development Opportunity:	D	Project Total:	\$ 2,318,000
Development Opportunity:	E	Project Total:	\$ 225,000
Total Site Street/Utilites:		Project Total:	\$ 544,000

Option:	3	Project Total:	\$ 9,213,000
Development Opportunity:	A	Project Total:	\$ 1,783,000
Development Opportunity:	B	Project Total:	\$ 2,925,000
Development Opportunity:	C	Project Total:	\$ 4,277,000
Total Site Street/Utilites:		Project Total:	\$ 228,000

¹ Detailed breakdown of costs and assumptions are available upon request.