



COCC Board Real Estate Committee Meeting Agenda

COCC Board of Directors: Joe Krenowicz (chair), Laura Craska Cooper, Jim Porter, Alan Unger (alternate)

Tuesday, October 1, 2024

4:30 – 6:30 p.m. Via Zoom

	<u>EXHIBIT</u>	<u>ACTION</u>
1. Call to Order – Joe Krenowicz		
2. Approval of Meeting Minutes – Joe Krenowicz		
a. July 2, 2024	2a.1-3	X
3. WSPI Updates – Peter McCaffrey and Courtney Hofstetter		
a. Ongoing Projects	3a.1-16	
b. Request to Forgive Rent Until 75% Leased	3.b1	X
c. Hiring a Real Estate Agent		
4. Sale of Land to the City of Redmond – Jake Sherman, Jessica MacClanahan and Zach Bass	4a.1-4	X
5. Updates on the Redmond Campus – Jeremy Green		
6. Proposal to Sell Strip of Land on Westside of Mt. Washington, North of Shevlin Park – Michael LaLonde		X
7. Dates – Joe Krenowicz		
a. Quarterly Real Estate Committee Meetings		
i. Thursday, January 14, 2025, 4:30 – 6:30 via Zoom		
ii. Tuesday, April 1, 2025, 4:30 – 6:30 via Zoom		
iii. Tuesday, July 1, 2025, 4:30 – 6:30 via Zoom		
iv. Tuesday, September 30, 2025, 4:30 – 6:30 via Zoom		
8. Adjourn – Joe Krenowicz		



Central Oregon Community College
Board Real Estate Committee Meeting

MINUTES

Tuesday, July 2, 2024

4:30 - 5:30 p.m.

BEC Boardroom / Zoom

MEETING ATTENDEES:

COCC BOARD OF DIRECTORS: Joe Krenowicz (Chair), Laura Craska Cooper, Jim Porter
COCC Staff: Laurie Chesley (President), Michael LaLonde (Vice President of Finance and Operations), Jeremy Green (Madras Campus Director/Branch Campus Capital Projects Manager), Kyle Matthews (Executive Assistant to the President and VPFO)
COCC Legal Counsel: Paul Taylor (Bryant, Lovlien & Jarvis)
William Smith Properties, Inc.: Peter McCaffrey (Vice President) and Courtney Hofstetter (Project Manager)

CALL TO ORDER: Krenowicz called the meeting to order at 4:36 p.m.

APPROVAL OF MEETING MINUTES:

- I. May 29, 2024 quarterly meeting
 - a. 1st Laura Craska Cooper
 - b. 2nd Jim Porter
 - c. Motion approved unanimously.

MADRAS CAMPUS EXPANSION:

Green shared images of the construction progress since the groundbreaking on June 17. Permits were still coming in. Some high demand electronic equipment, including a switch gear, was purchased directly in order to ensure the builders would be able to install them on time. This also helped COCC save money as it did not require a handling fee from the project's general contractor. The contractors have been working on site since groundbreaking. Green has been meeting weekly with the project's general contractor, Kirby Nagelhout Construction Co., and the project's architect, Mark Stoller of Opsis Architecture. As of this meeting, the project was on track for the new building's foundation to begin as early as July 23.

Green asked the Real Estate Committee (REC) what updates on the project they would like to hear during their quarterly meetings moving forward. Craska Cooper asked to be kept up to date on the project's timeline and budget, as well as if there have been any unexpected delays. Green said they had not paid any expenditures to Kirby as of this meeting, but would start the following week. An un-known factor they were currently facing was whether extra excavation was necessary in order to drill deep enough to hit bedrock or bed dirt, but they expected to know the answer the following Monday.

Craska Cooper recused herself for the remainder of the meeting due to a conflict of interest.

WILLIAM SMITH PROPERTIES, INC. (WSPI):

- I. The Veridian Apartment Development
 - a. Hofstetter said that the developer would begin making monthly payments on their ground lease. Three units were occupied and three others were pre-leased. The stormwater agreement was signed and sent to the City of Bend. There were no construction changes to report.
 - b. LaLonde asked how the developer felt about leasing the property, noting they were waiving the ground leasing fee for residents for the first month.
 - i. McCaffrey explained that this is a standard practice for new residential projects. It may have not been as apparent in the past four years due to the growing demand for residential development. He expected to learn more later that month after meeting with The Veridian's lead developer.
 - c. McCaffrey said that Phase 2 of the development remained on hold until the developers could see the results of the initial lease. If they are satisfied with the leasing rates, they will move forward with Phase 2.
- II. Outcrop Phase 2
 - a. Hofstetter said that the development's PFIA had been approved by the City of Bend, but they were waiting for the development's INFR. Pacific Power had said that they need five months before their drawings will be ready, and no other franchise utilities can be implemented until that happens. WSPI has been working with Pacific Power to see if the drawings can be ready sooner in order to begin earthwork during the first week of July. It was still undetermined whether Pacific Power's timeline could be shortened. In the meantime, contractors were conducting exploratory work on site. WSPI is hopeful that they can form an agreeable timeline with Pacific Power in order to start paving in July. The cost is considered a prevailing wage job.
 - b. McCaffrey shared an update on the financial analysis for this development. The only change since the Real Estate Committee (REC) previously saw this in May was that the prevailing wage job increased the estimated cost by \$100,000. This reduced the net forecasted return to COCC from 18% to 17%. WSPI forecasted about \$12 million in revenue on the sale of 35 lots and estimated an additional \$2.3 million would be needed to construct said lots. McCaffrey planned to propose to COCC's Board the following week for the college to fund the \$2.3 million, and in return receive an enhanced preferred return and eliminate what would otherwise be the interest expenses on the project. COCC would then earn an incremental \$400,000 net on the project.
 - c. Porter asked if anyone could explain how the prevailing wages were applied on this project.
 - i. McCaffrey explained that, if a public entity is investing in real estate or construction on public land, even if they have a development partner like WSPI, it must meet full standards.
- III. Village Core and Commercial District
 - a. McCaffrey reported, since the REC's last meeting with WSPI in May, a medical practice had discussed building its own space on the property, but they ultimately passed due to the terms of the ground lease, which is not uncommon. WSPI has been communicating with other potential clients. One contact wanted to know if WSPI would be open to their business having a drive-thru window. While McCaffrey did not think it would necessarily

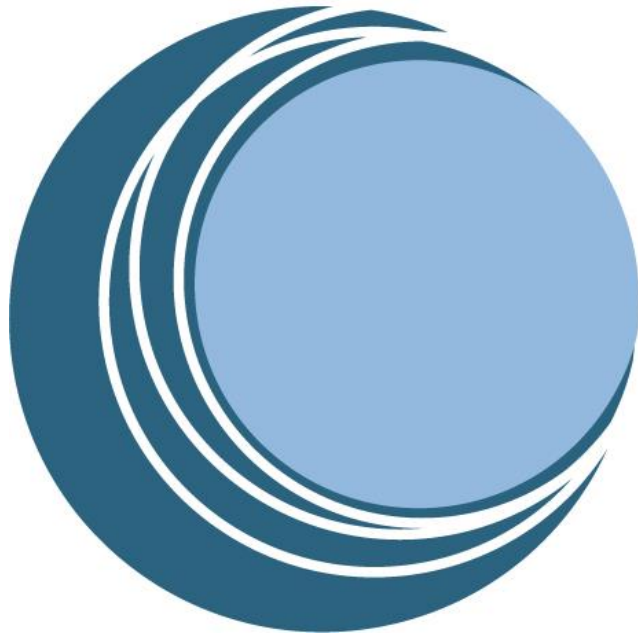
be flawed, he suggested it would be optimal for the development if a drive-thru were avoided. LaLonde concurred. WSPI is also still interested in finding a hotel chain and a mid-sized grocery store as potential clients.

- b. Porter asked what the deadline might be for a particular type of business, such as a grocery store or a restaurant, to be confirmed as a tenant.
 - i. McCaffrey suggested that the land appreciates in value as it remains unoccupied. WSPI's partners have said that they would prefer waiting for the right tenant to come in, rather than choosing one now and regretting it later.
- c. Krenowicz asked how the possible faults of a drive-thru might compare with the potential for crowded parking from a 40,000 square foot grocery store.
 - i. McCaffrey explained that the land was originally zoned as single family residential. When COCC had it rezoned as mixed use, the college committed to not exceed the traffic that would have otherwise been developed by single family residential homes. The proposed grocery store would need to fit within the original trip generation.

IV. Addendum 5 to the Development Agreement

- a. McCaffrey planned to attend the COCC Board's meeting on July 10 to explain the financial details and answer any questions they might have.
- b. LaLonde said that Taylor would prepare a resolution for the addendum.
- c. Taylor asked if there was a plat that includes any information on dedications, easements or other things like that.
 - i. McCaffrey said that the developer has preliminary plat approval, which shows lot boundaries, rights of way and the alley on the land. He offered for Hofstetter to send Taylor the preliminary plat. There would not be dedicated public areas, but there would be common areas owned by the homeowners' association.
- d. The REC decided to discuss the addendum and the Outcrop purchase and sale agreement during an executive session at the upcoming Board meeting. The financial analysis would be discussed in open session.

ADJOURN: Krenowicz declared the meeting adjourned at 5:30 p.m.



CENTRAL OREGON
community college

COCC / WSPI

COCC RE Committee Update – October 1, 2024

Agenda

Neighborhood Ventures

- 180+ Unit Campus Village Apartments
- 3-Acre RH Land

Outcrop Subdivision

Village Core & Commercial Development



The Veridian – 186-unit Apartment Development

- July – First ground lease payment Received
- 4 of 19 Buildings complete
 - 36 of 186 units delivered
 - 18 occupied
 - 1 pre-leased
- Concessions:
 - Multiple offers available to future residents
 - Staying competitive in the market
- Construction Update:
 - Entire site paved
 - Framing underway on remaining buildings
 - Pool deck poured
 - Landscaping at completed buildings
 - Offsite work substantially complete



Veridian – Partial Rent Period

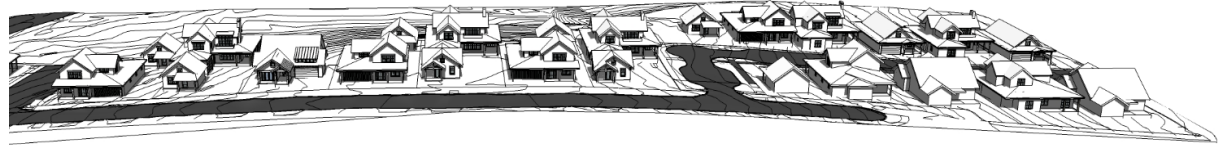
- Per the terms of our lease with Neighborly Ventures, the Veridian project is presently paying “Partial Rent” with monthly rent payments based on project occupancy.
- Full rent commencement presently occurs at the sooner of 75% occupancy of the project or 3/1/2025
- Due to project delays (much of which beyond their control), Veridian believes they will be at 75% occupancy in June of 2025 and has consequently requested to continue their Partial Rent period through June of 2025 (full rent commencing sooner of 75% occupancy or July of 2025).
- **Recommendation:** Please reference the attached one-page analysis to supplement discussion. We recommend granting this concession – we believe having a partnering approach to their current ground lease will help solidify the decision for them to proceed with Phase 2, helping to deliver greater ground lease income in a shorter timeframe.

Phase 2: 3-Acre RH Land

3a.5

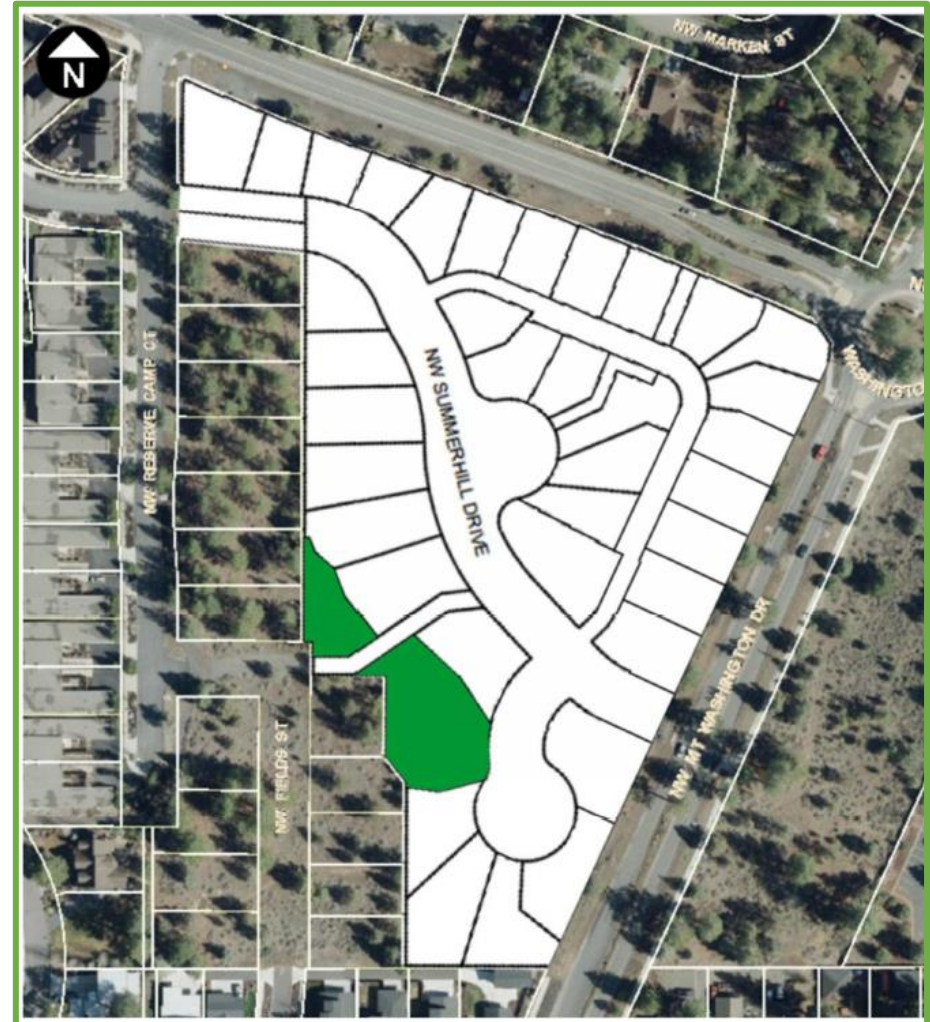
- Neighborly Ventures working with City of Bend on a pilot program for some rent-controlled units.
- Preliminary Plan: Veridian Phase 2 will receive a 12-yr property tax abatement in return for providing 15% of units (12 of the 69 planned) at 90% of AMI or lower.
- Neighborly Ventures has experience with a similar plan on a project in Salem.
- Opportunity is promising for Phase 2





Phase II Lots 17-51

- **Preliminary Plat Approval** - Engineering: PFIA*
– Signed & w/ City of Bend
 - Awaiting INFR Permit: Pacific Power actively working on drawings, other franchise utilities to follow
 - Anticipated start date: January 2025
- **Builder Interest** – Meetings/Communication with:
 - Curtis Homes (and affiliates)
 - Stilson Builders
 - SunWest Builders
 - CS Construction
 - R&H Construction
 - Winsome Construction



*PFIA - Public Facilities Improvement Agreement

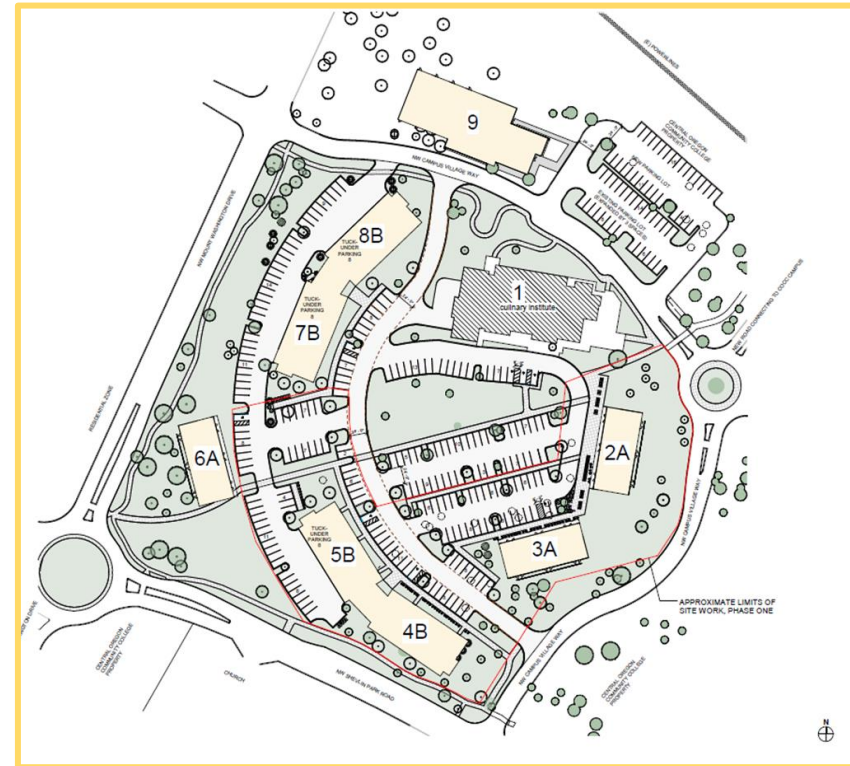
**INFR - Infrastructure

Village Core & Commercial District

Strategy: Draft off Veridian and Outcrop projects to enhance ground lease rates; find harmony between residential projects and commercial businesses/tenants who enhance the COCC experience.

Village Core Development Opportunities:

- Two meetings held in Q3 with local brokers to help refine the marketing & development strategy for the Village Core
- Brokers indicate promising demand from medical office owner/operators
- Brokers to provide commission agreements for consideration



Reference Slides

Progress Pictures



Progress Pictures

3a.10



Building 2



Pool Deck

Progress Pictures

3a.11





SITE INFORMATION

CITY OF BEND DEVELOPMENT CODE
 CENTRAL OREGON COMMUNITY COLLEGE
 SPECIAL PLANNED DISTRICT OVERLAY (S.P. 1000)
 CAMPUS VILLAGE AREA
 SETBACKS: NONE EXCEPT ADJACENT TO A RESIDENTIAL ZONE:
 25' FROM THE BOUNDARY WHERE IT ADJUTS A RESIDENTIAL ZONE
 ALL BUILDINGS WITHIN 100 FEET OF THE CAMPUS BOUNDARY
 WHERE THE BOUNDARY LINE ADJUTS A RESIDENTIAL ZONING
 DISTRICT ARE SUBJECT TO THE APPLICABLE DESIGN STANDARDS
 OF BDC2 1.900 AND 2.1.1000
 LANDSCAPE REQUIREMENTS: APPLY 25' BEYOND THE PERIMETER
 OF THE FOOTPRINT OF PROPOSED NEW DEVELOPMENTS SITES
 FOR BUILDINGS AND OR PARKING LOTS.
 LANDSCAPE BUFFER REQUIREMENTS: 25' LANDSCAPE
 PRESERVATION BUFFER REQUIRED ADJUTTING STREETS ALONG
 THE EXTERNAL BOUNDARY OF THE CAMPUS.
 100' LANDSCAPE PRESERVATION BUFFER IS REQUIRED ADJUTTING
 RESIDENTIAL ZONED PROPERTY (EXCLUDING RIGHTS OF WAY)
 ALONG THE EXTERNAL CAMPUS BOUNDARY OF THE CORE
 CAMPUS AREA.

BUILDING AREAS

RETAIL	APARTMENT
1. 16,000 SF	
2A. 5,378 SF	
3A. 5,378 SF	
4B. 5,070 SF	14,000 SF - 20 1-BED UNITS
5B. 5,070 SF	14,000 SF - 20 1-BED UNITS
6A. 5,378 SF	
7B. 5,070 SF	14,000 SF - 20 1-BED UNITS
8B. 5,070 SF	14,000 SF - 20 1-BED UNITS
9. 15,896 SF	
GRAND TOTAL: 81,303 SF	62,000 SF - 80 UNITS

PARKING

PARKING REQUIRED	PARKING PROVIDED
PLANNING ESTIMATE: 4 SPACES/1000 SF 274 SPACES	

CITY OF BEND ZONING (TABLE 5.3.300):
 AUTO: STANDARD
 RETAIL (GENERAL TRADE) AND OFFICE
 AT 1 SPACE PER 300 SF
 MULTI-FAMILY RESIDENTIAL AT:
 STUDIO+1-BED: 1 SPACE/UNIT

STANDARD AUTO SPACES REQUIRED:
 RETAIL 28,303 / 196 SPACES REQUIRED
 300

MULTI-FAMILY RESIDENTIAL
 80 UNITS: 80 SPACES

TOTAL: 278 SPACES

ACCESSIBLE AUTO PARKING
 REQUIRED (OSBO TABLE 1198.1)
 313 SPACES PROVIDED
 7 ADA SPACES REQUIRED
 (WITH 2 WHEELCHAIR ONLY OF THE 7)

BICYCLE PARKING REQUIRED:
 MULTIPLE USE (COMMERCIAL OR
 MIXED USE CENTER) 1 FOR EVERY 10
 REQUIRED AUTO SPACES

205 / 25.5 = 8 SPACES REQUIRED
 TO

AUTO SPACES PROVIDED:
 MAIN LOT 220
 EXISTING NORTH LOT 25
 NEW NORTH LOT 8 SPACED 8

ACCESSIBLE PARKING PROVIDED:
 8 PROVIDED
 WITH 2 WHEELCHAIR ONLY (WC)
 DESIGNATED SPACES

BICYCLE PARKING PROVIDED:
 8 NEAR BUILDING 7
 12 NEAR BUILDING 7
 BETWEEN BUILDINGS 4B/5B 8

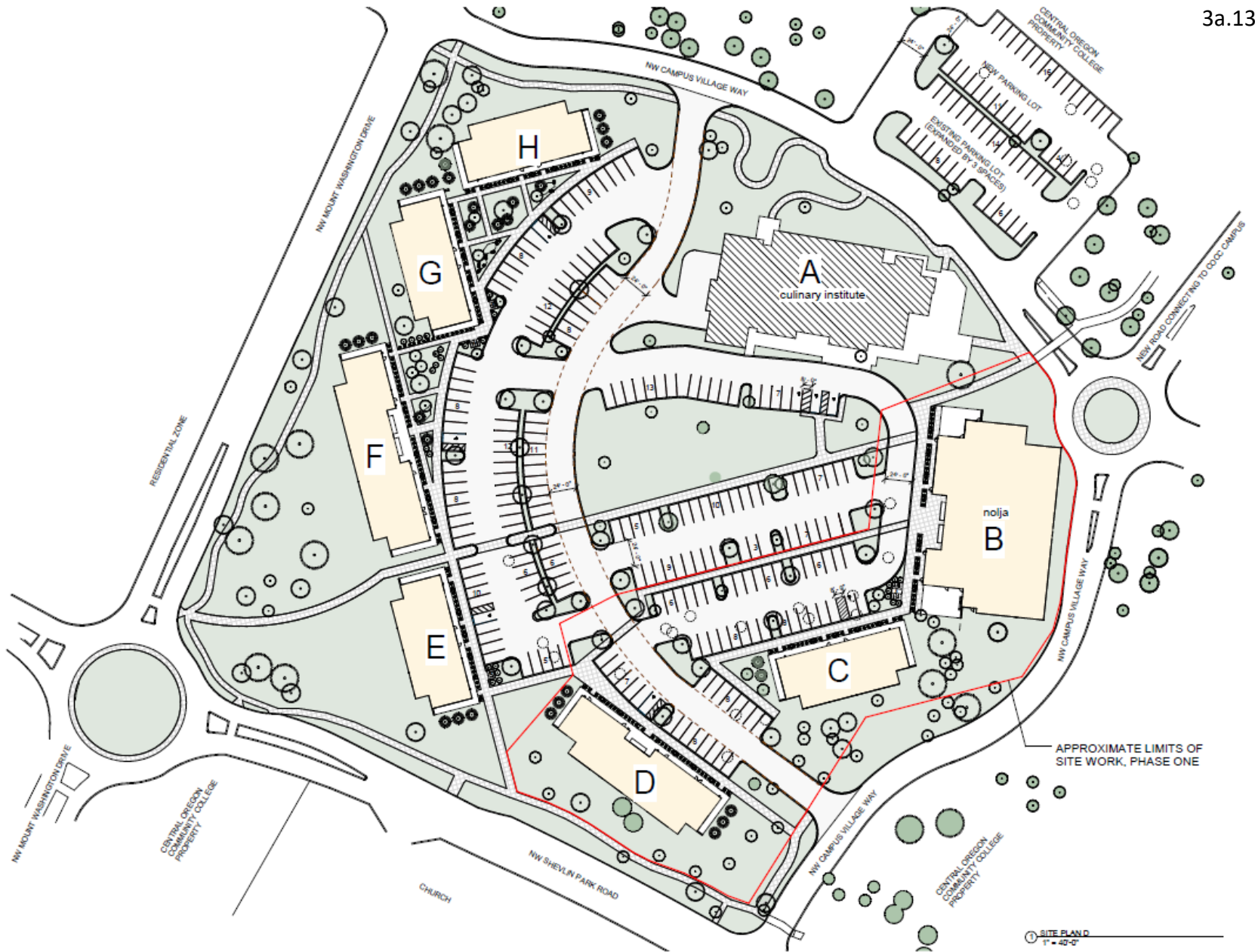


WSP Village Center
 Bend Oregon

Revisions:
 No. Date Description

CONCEPTUAL PRICING

SITE PLAN OVERALL	
Project #	18007
A1.00	
Date	3.22.2019





SOUTH SITE DATA:

SITE AREA: 3.02 ACRES; 131,494 SQUARE FEET

ZONING: RH (HIGH DENSITY RESIDENTIAL)

DENSITY = 21.7 UNITS / AC. MIN., 43 UNITS/ AC. MAX.
= 65 UNITS MIN.; 129 UNITS MAX.

PROPOSED LIVING UNITS:

ONE BEDROOM UNITS= (18) UNITS

TWO BEDROOM UNITS= (51) UNITS

TOTAL APARTMENT UNITS = 69 UNITS

PROPOSED DENSITY = 22.85 UNITS / ACRE.

PARKING REQUIRED:

1 BR = (18) X 1.0 STALLS / UNIT = 18 STALLS REQ'D.

2 BR = (51) X 1.5 STALLS / UNIT = 77 STALLS REQ'D.

TOTAL PARKING REQ'D. 95 STALLS MIN.

PROPOSED PARKING: 90 STANDARD STALLS

28 COMPACT STALLS

5 HANDICAP STALLS

TOTAL PARKING : 123 TOTAL STALLS PROVIDED

TOTAL PARKING RATIO= 1.78 STALLS / UNIT

BICYCLE PARKING: (69) SPACES MINIMUM REQUIRED

PROPOSED SITE DESIGN:
 (186) LIVING UNITS
 (348) PARKING STALLS
 PARKING RATIO=
 1.87 STALLS PER UNIT

PARCEL MODIFIED DUE TO BIND PLANNING REQUIREMENT FOR ALL PARALLEL PARKING ALONG MAIN EAST-WEST DRIVE AISLE.

ORIGINAL SITE DESIGN:
 (180) LIVING UNITS
 (346) PARKING STALLS
 PARKING RATIO=
 1.90 STALLS PER UNIT

PRIOR TO REQUIREMENT FOR ALL PARALLEL PARKING ALONG MAIN EAST-WEST DRIVE AISLE.



PROPOSED NATURE RESERVE
 AREA= 0.75 ACRES +/-

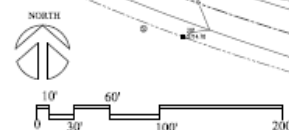
ORIGINAL NATURE RESERVE
 AREA= 0.60 ACRES +/-

PROPOSED SITE
 BOUNDARY= 412,080 s.f. +/-
 9.46 ACRES +/-

ORIGINAL SITE
 BOUNDARY= 409,028 s.f. +/-
 9.39 ACRES +/-

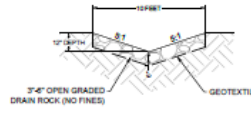
REVISED SITE PLAN

scale: 1"=50'

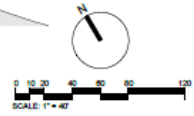
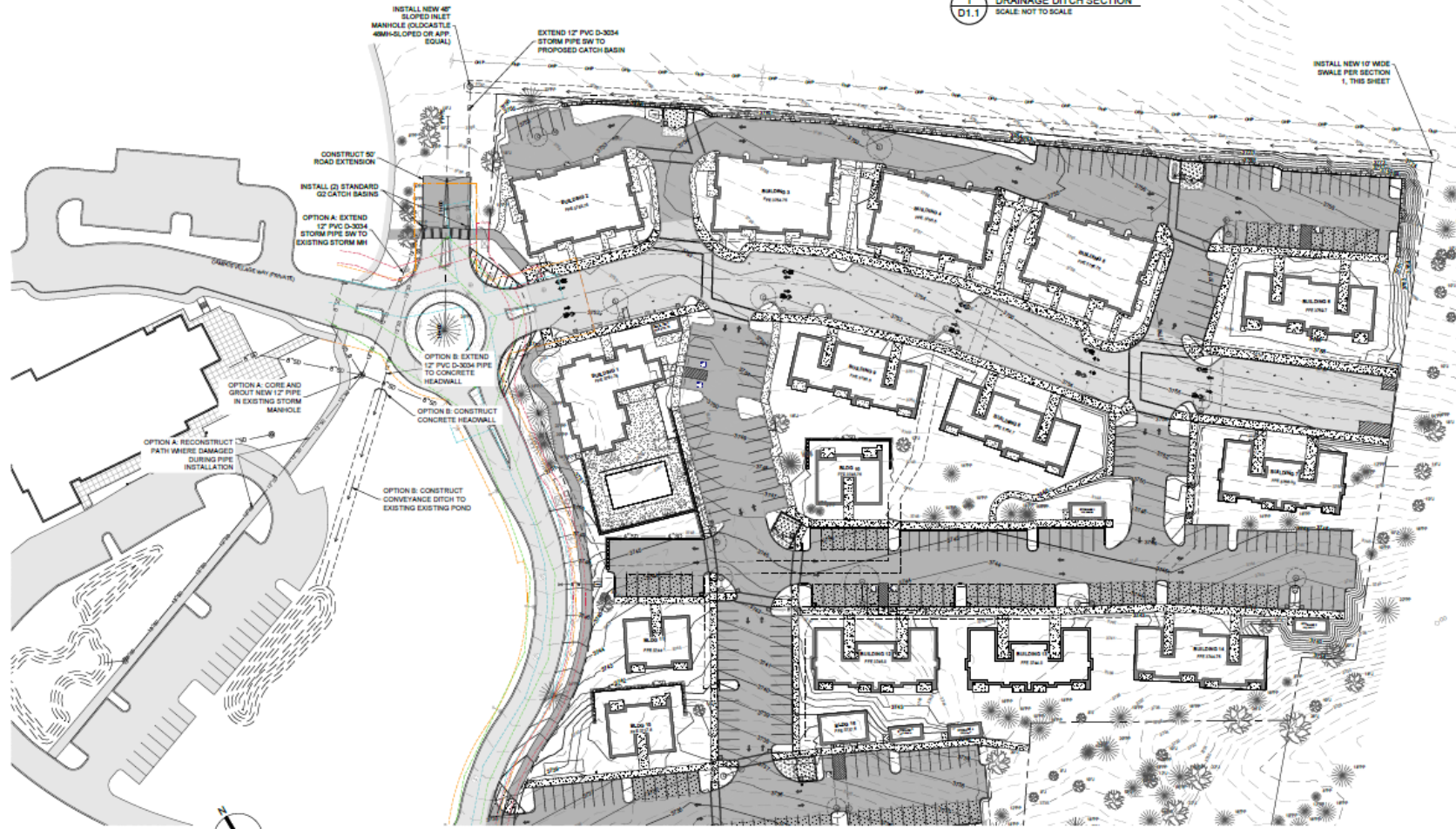


GRADING LEGEND

	DRAINAGE BASIN BOUNDARY		PROPOSED HMAC PAVEMENT
	PROPOSED 12" CONCRETE CURB		PROPOSED LIGHT-DUTY PCC PAVEMENT
	EXISTING 1' GROUND SURFACE CONTOUR		PROPOSED HEAVY-DUTY PCC PAVEMENT
	EXISTING 5' GROUND SURFACE CONTOUR		
	PROPOSED 1' GROUND SURFACE CONTOUR		
	PROPOSED 5' GROUND SURFACE CONTOUR		



CITY OF BEND APPROVAL



CAMPUS VILLAGE APARTMENTS
SITE IMPROVEMENT PLANS
GRADING & DRAINAGE PLAN
CITY OF BEND, OR



DESIGNED BY: SCAL
DRAWN BY: SCAL
CHECKED BY: OAH
SCALE: AS NOTED
DATE: 11/15/2022
PROJECT: 210203, IMP2, AS
JOB: 210203, IMP2, AS, L&D, CIVIL, ENGINEERING CONSULTING ARCHITECTS PLANNERS AND DESIGNERS

VERIFY SCALES
0 1' BAR SCALES ONE INCH ON ORIGINAL DRAWING
SHEET: D1.1
HWA # 210203
JOB # PRSIMP202202348

100% CONSTRUCTION DOCUMENTS

Neighbory Ventures - Ground Lease Summaries

Prepared by William Smith Properties, Inc.

9/16/2024

COCC Campus Village**Summary - William Smith Properties, Inc**

Neighbory Ventures has requested 4 additional months of ground lease rent paid relative to its leasing occupancy levels (defined as "Partial Rent" in our lease). This concession is estimated to be \$30,361. The request stems from considerable delays and challenges getting their project entitled, permitted, and constructed along with a slower lease-up period than they are accustomed. While COCC and WSPI are not responsible for the delays, we think the request is reasonable and advisable given our hope that they commit to the ground lease for Phase 2 of their project (3-acre RH land ground lease).

If Phase 2 progresses as outlined in our lease agreement, the forecasted 15-year net present value of their ground lease payments would equal \$850K+. If they reject the Phase 2 ground lease, we estimate that it will be 2031 before a new developer is recruited, signs a lease, completes due diligence, develops/constructs a project, and begins paying ground lease income. The net present value of that scenario is estimated to be \$448K, which is a difference of \$402K+/-.

While the estimated \$30K concession is not a small number, WSPI believes it is a reasonable request and a meaningful support for their project. We want Veridian to be successful both so that Phase 1 takes root to help generate further development of the Village Core (commercial area around the culinary institute) and so that Neighbory Ventures will feel confident in committing to Phase 2. We welcome your questions and further discussion on the topic.

	2025 ⁽¹⁾	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Rent Abatement Request - Summary Analysis														
(A) Veridian Lease - Present	205,018	231,621	231,621	231,621	231,621	266,364	266,364	266,364	266,364	266,364	306,319	306,319	306,319	306,319
Net Present Value	8% disc. rate	2,093,914												
(B) Veridian Request	172,228	231,621	231,621	231,621	231,621	266,364	266,364	266,364	266,364	266,364	306,319	306,319	306,319	306,319
Net Present Value	8% disc. rate	2,063,553												
NPV Difference: (A) - (B)		30,361	<i><-- The request from Neighbory Ventures is estimated to be a \$30K abatement of rent</i>											
(1) 2025 numbers estimate rent as follows:														
Scenario A: \$12K from Jan-Feb of '25 - WSPI estimate of rent through Jan/feb ramp-up period														
Scenario B: \$56K from Jan-Jun of '25 - WSPI estimate for Jan/feb and Neighbory estimate for Mar-Jun of '25														
Denotes year of inflation true-up. Assuming 15% increase in rent.														

	2025	2026 ⁽²⁾	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Phase 2 Ground Lease - Summary Analysis														
(Y) Phase 2 Ground Lease - Neighbory Ventures	-	55,756	111,512	111,512	111,512	111,512	128,239	128,239	128,239	128,239	128,239	147,475	147,475	147,475
Net Present Value	8% disc. rate	850,113												
(Z) RH land - Pursue New Lessee ⁽³⁾	-	-	-	-	-	-	64,119	128,239	128,239	128,239	128,239	147,475	147,475	147,475
Net Present Value	8% disc. rate	448,246												
NPV Difference: (Y) - (Z)		401,866	<i><-- If we lose the ground lease on the 3-acre RH land, we estimate this will be a \$400K+ cost in future ground lease income</i>											
(2) Assumes Partial Rent period generates 50% of contract rent in 2026														
(3) Estimated timing if Neighbory Ventures rejects the lease - accounts for recruitment of new developer, completion of design and due diligence, construction of project, and ground lease commencement														
Denotes year of inflation true-up. Assuming 15% increase in rent.														



CITY OF REDMOND

Engineering Department
243 E Antler Avenue
Redmond, OR 97756
541-504-2000
www.redmondoregon.gov

4a.1

TO: **Central Oregon Community College**
2030 SE College Loop
Redmond, OR 97756

FROM: Jake Sherman, PE
Principal Engineer, City of Redmond

DATE: September 19, 2024

SUBJECT: **Eastside Arterial Project (TR2403)**
Valuation Summary for taxlot 151322B000100

The following is the determination of value for land acquisition.

Real Property Purchase:

Real Market Value for the land at the property (taxlot 151322B000100) is \$0.00 (source: Deschutes County Assessor's Office) as the land was previously transferred from the City of Redmond to COCC. The property in question is undevelopable given that it is located within the Runway Protection Zone of the Redmond Municipal Airport. Therefore, the property value from the taxlot just north of the airport (taxlot 1513150000300), which is currently owned by the City of Redmond (leased by the FAA), was utilized instead.

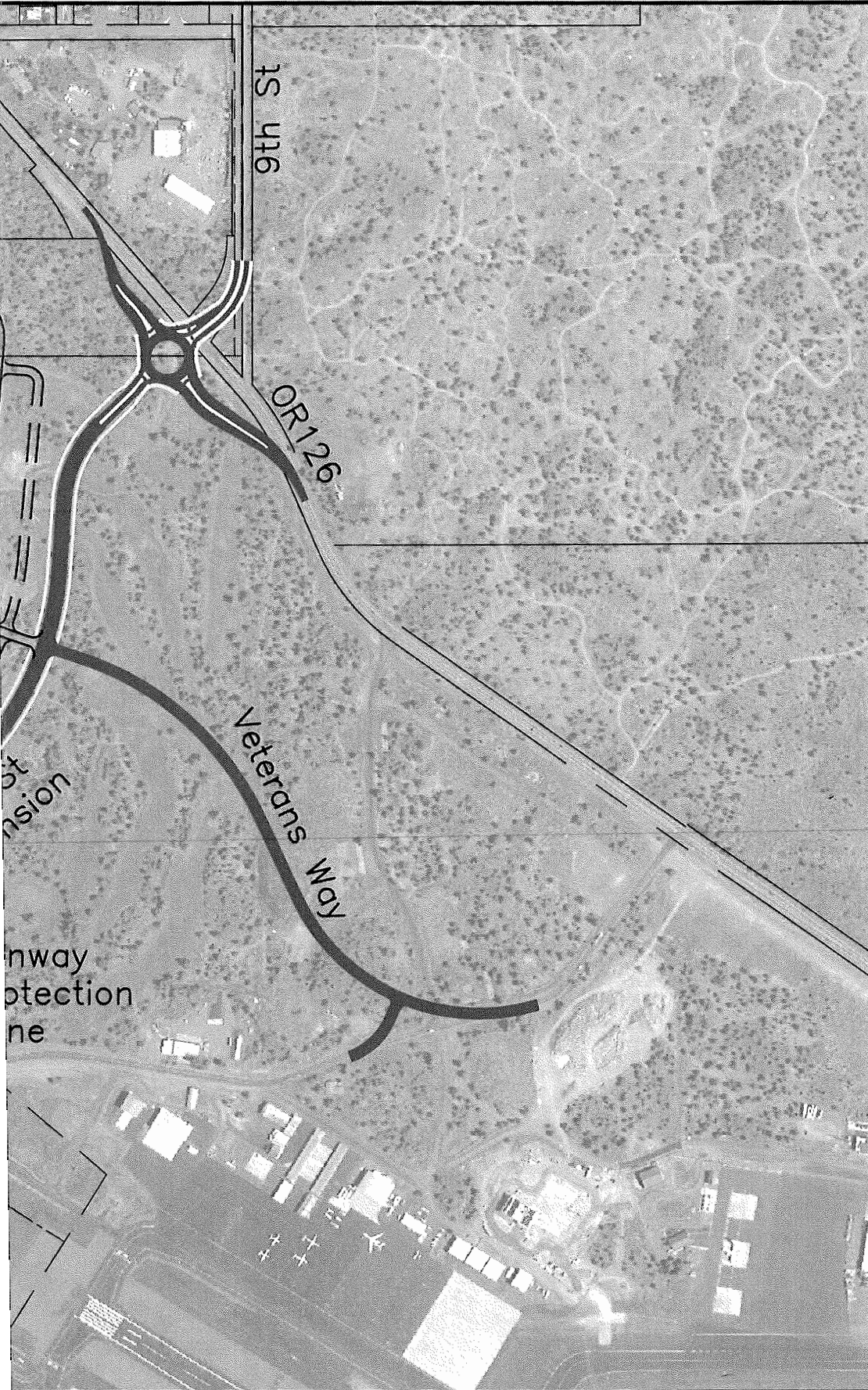
The Real Market Value for the land at the adjacent property (taxlot 1513150000300) for the 2023-2024 tax year is \$2,314,960.00 (source: Deschutes County Assessor's Office). Size of the property is 8,229,355.2 square feet (188.92 acres – source: Deschutes County Assessor's Office).

The value of the land is calculated as follows: $\$2,314,960.00 \div 8,229,355.2 \text{ square feet} = \$0.28 \text{ per square foot}$

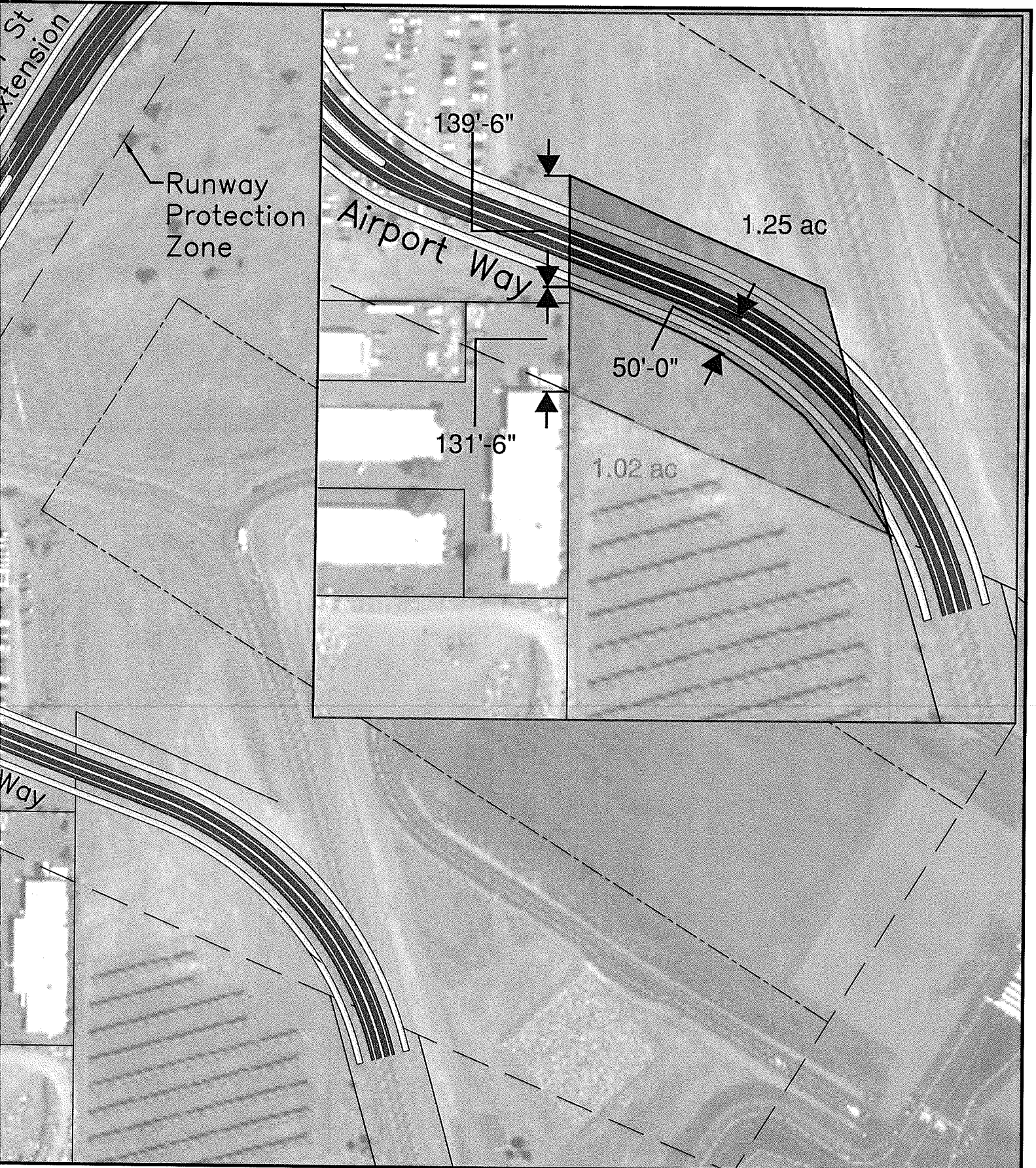
The size of the proposed land acquisition located on the north portion of the property (taxlot 151322B000100) is approximately 98,881.2 square feet (2.27 acres).

The value of the land acquisition is estimated as the following: $98,881.2 \text{ square feet} \times \$0.28 \text{ per square foot} = \$27,686.74$, rounded to **\$30,000.00**





9th Street Extension Concept



Veterans/9th Roundabout Concept