MADRAS REDEVELOPMENT COMMISSION

125 SW "E" Street Madras, OR 97741
Phone: 541-475-2344 Fax: 541-475-7061

Agenda

City Hall
Council Chambers

December 2, 2015
5:30 P.M.

1. Call to Order

2. Consent Agenda

   A. Adoption of Agenda
   B. Approval of the November 2015 MRC Vouchers

3. Visitors Comments:

4. Annual Audit Presentation FY 2014-15

   Brenda Bartlett, SGA CPA's (Auditors will provide a verbal and written report at the meeting)

5. Urban Revitalization Action Plan Project Update (Video Conference)

   Nicholas Snead, Community Development Director
   Lorelei Juntunen, EcoNorthwest
   Emily Picha, EcoNorthwest

6. Adjourn

Pursuant to ORS 192.640, this agenda includes a list of the principal subjects anticipated to be considered at the above referenced meeting; however, the agenda does not limit the ability of the Madras Redevelopment Commission to consider additional subjects. Meetings are subject to cancellation without notice. This meeting is open to the public and interested citizens are invited to attend. This is an open meeting under Oregon Revised Statutes, not a community forum; audience participation is at the discretion of the Madras Redevelopment Commission. **Anyone wishing to address the Commission will need to register prior to the meeting.** The meeting will be audio taped; minutes of this and all public meetings are available for review at the Madras City Hall. The meeting place is handicapped accessible; those needing assistance please contact the City of Madras Community Development two (2) days in advance of the meeting.

DISBURSEMENTS LIST-November 2015

Madras Redevelopment Commission
Review and Approval

Date	Vendor	Description		Amount
11/11/2015	Coriant LLC	700 Urban Growth Plan Mailers	$	433.35
11/24/2015	ECONorthwest	Madras Urban Revitalization Action Plan	$	18,494.68
11/27/2015	Mail Copies and More	Foam Board for Open House	$	63.00
11/2/2015	Safeway	Open House URAP Snacks	$	19.97
11/2/2015	Erickson's	Open House URAP Snacks	$	6.99
11/2/2015	Erickson's	Open House URAP Beverages	$	20.38
11/2/2015	Madison Coffee House	Open House URAP Meal	$	250.00
11/3/2015	Erickson's	Open House URAP Snacks	$	6.99
11/10/2015	SGA Consultants	MRC Audit Payment	$	2,000.00
11/18/2015	Great Earth Café	Madras Action Plan Survey Gift Card	$	25.00
		Total	$	21,320.36

** Committee Review and approval of checks cut in the previous month**

Report Criteria:
Report type: Summary
Bank.Bank number = 2

GL Period	Check Issue Date	Check Number	Payee	Description	Check Amount
11/15	11/11/2015	192	CORIANT LLC	Urban Growth Plan Postcards- 700 count	433.35
11/15	11/24/2015	1293	ECONorthwest	Madras Urban Revitalization Action Plan	18,494.68
Grand Totals:					18,928.03

Purchase Date / Post Date / 1099 reporting	Vendor Name / Item Description	Item GL Combination / Item Total	Receipt Status / Receipt Comment
10/26/2015	PHILS HARDWARE	101-106-520-1406-	
10/28/2015	Slimplug to install TV Cable boxes in training room	14.98	
10/27/2015	SQ COVE ELECTRIC, INC.	503-030-520-2702-	
10/28/2015	COVE ELECTRIC - NWWTP Light Replacement	288.87	
10/27/2015	GALLS	101-106-520-1406-	
10/28/2015	Patrol Ready Tactical Gear Bag	58.94	
10/27/2015	CASELLE	802-101-520-1204-	
10/28/2015	CASELLE - Monthly Services (October)	987.67	
10/27/2015	MAIL COPIES & MORE LLC	505-505-520-2501-	
10/29/2015	MAIL COPIES & MORE - PC Name Plate	12.65	
10/27/2015	MAIL COPIES & MORE LLC	505-505-520-2401-	
10/29/2015	MAIL COPIES & MORE - Paper for Community Dev	15.99	
10/27/2015	MAIL COPIES & MORE LLC	701-701-520-2401-	
10/29/2015	MAIL COPIES & MORE - Foam Board for Open House	63.00	
10/27/2015	PHILS HARDWARE	503-030-520-2810-	
10/29/2015	ACE - Hose Parts Wash Deck: Golf Course	10.98	
10/27/2015	GOVERNMENT FINANCE	802-101-520-2203-	
10/29/2015	GOVERNMENT FINANCE - Budget Book	45.00	
10/27/2015	FIGAROS PIZZA	802-101-520-2203-	Yes
10/29/2015	FIGAROS PIZZA - Admin. Semi Annual Eval. Exec. Session	55.97	
10/27/2015	PHILS HARDWARE	503-030-520-2702-	
10/29/2015	PHILS HARDWARE - Purchase sewer cleanout and supplies	28.97	

Purchase Date Post Date	Vendor Name Item Description	Item GL Combination Item Total	Receipt Status Receipt Comment
1099 reporting			
11/02/2015 11/04/2015	CARSON OIL CO., INC - COR CARSON OIL - 100 GAL Non Ethanol Blended	805-101-520-1601- 291.22	
11/02/2015 11/04/2015	CARSON OIL CO., INC - COR CARSON OIL - 25 GAL Biodiesel	503-030-520-1401- 50.06	
11/02/2015 11/04/2015	CARSON OIL CO., INC - COR CARSON OIL - 14 GAL Biodiesel	503-030-520-1401- 26.71	
11/02/2015 11/04/2015	BENDBROADBAND BEND, OR BENDBROADBAND - Airport Services (Oct-Nov)	509-090-520-3003- 91.90	
11/03/2015 11/04/2015	CENTURYLINK CENTURYLINK - Sewer Efficient Services (Oct-Nov)	503-030-520-2810- 105.98	
11/03/2015 11/04/2015	PLATT ELECTRIC 115 PLATT ELECTRIC - 115 Cord Grip for Wire Hanger	502-020-520-2702- 21.15	
11/02/2015 11/04/2015	ELMERS FLAG AND BANNER LL ELMERS FLAG AND BANNER -Veterans Memorial POW Flags	206-206-520-2702- 177.87	
11/02/2015 11/04/2015	SAFEWAY STORE00019604 SAFEWAY STORE -Open House URAP	701-701-520-2203- 19.97	
10/31/2015 11/04/2015	SCHS GIFT SHOP BEND SCHS GIFT SHOP BEND - Credit Flowers for Karen	802-101-520-2401- (69.90)	No transaction over the phone
11/02/2015 11/04/2015	COVENANT TECHNOLOGY SOLUT COVENANT - Wireless Printer for Mayors Office	802-101-520-1223- 255.00	
11/03/2015 11/04/2015	BUREAU OF LABOR 8390 BUREAU OF LABOR-R. Tombleson: Payroll Law	802-101-520-2203- 285.00	

Purchase Date / Post Date	Vendor Name / Item Description	Item GL Combination / Item Total	Receipt Status / Receipt Comment
1099 reporting			
11/02/2015	ERICKSONS TW MADRAS	701-701-520-2203-	
11/04/2015	ERICKSONS - URAP Open House Snack	6.99	
11/02/2015	GOWDY BROS ELECTRIC INC	804-101-520-1101-	
11/04/2015	GOWDY BROS ELECTRIC - Earth Quake Testing	112.50	
11/03/2015	CENTRAL ELECTRIC COO INC	206-206-520-1401-	
11/04/2015	CENTRAL ELECTRIC - Yarrow Round-a-Bout (Oct)	21.76	
11/03/2015	CENTRAL ELECTRIC COO INC	204-040-520-2804-	
11/04/2015	CENTRAL ELECTRIC - LIG (Oct)	218.19	
11/03/2015	CENTRAL ELECTRIC COO INC	503-030-520-1401-	
11/04/2015	CENTRAL ELECTRIC - Dogwood Runway (Oct)	3,258.55	
11/03/2015	CENTRAL ELECTRIC COO INC	206-206-520-1401-	
11/04/2015	CENTRAL ELECTRIC - Yarrow Round-a-Bout #2 (Oct)	21.76	
11/03/2015	SNOWS CLEANERS	101-106-520-3001-	
11/04/2015	Unifrom Cleaning	23.00	
11/02/2015	ERICKSONS TW MADRAS	701-701-520-2203-	
11/04/2015	ERICKSONS - URAP Open House Beverages	20.38	
11/03/2015	LES SCHWAB #0013	805-101-520-2907-	
11/04/2015	Winter tire change over	57.56	
11/03/2015	STARBUCKS #10330 OREGON C	101-106-520-2203-	
11/04/2015	Breakfast - Sex Offernder Profiling Conf	6.20	
11/02/2015	MAIL COPIES & MORE LLC	206-206-520-2702-	
11/04/2015	MAIL COPIES & MORE - Custom Signs, Desk Holder	40.20	

Purchase Date / Post Date / 1099 reporting	Vendor Name / Item Description	Item GL Combination / Item Total	Receipt Status / Receipt Comment
11/03/2015	BULLET RENTAL MADRAS	502-020-520-2702-	
11/04/2015	BULLET RENTAL MADRAS - Air Fitting Bore	10.00	
11/03/2015	RICOH USA, INC	803-101-520-2401-	
11/04/2015	RICOH USA, INC - Public Works Copies (Oct)	100.82	
11/03/2015	PACIFIC POWER GROUP	805-101-520-1403-	
11/04/2015	PACIFIC POWER repairs and dot # 89 po 10748	1,858.81	
11/03/2015	PANERA BREAD #1264	101-106-520-2203-	
11/04/2015	Sex Offender Profiling Conference	7.98	
11/03/2015	IN QUANTUM COMMUNICATION	101-106-520-2503-	
11/04/2015	Ethernet Port for Radio Traffice PD to JCSO	50.00	
11/02/2015	SUBWAY 00308874	101-106-520-2203-	
11/04/2015	lunch at Sex Offender Profiling Conf	7.70	
11/03/2015	LES SCHWAB #0013	503-030-520-2810-	
11/04/2015	LES SCHWAB - Tire for Rough Mower @ Golf Course	77.60	
11/02/2015	MADISON COFFEE HOUSE	701-701-520-2203-	
11/04/2015	MADISON COFFEE - URAP Open House Meal	250.00	
11/04/2015	CASCADES EAST TRANSIT/	505-505-520-2503-	
11/05/2015	CASCADES EAST TRANSIT-Rob D. Bus Pass	100.00	
11/04/2015	EDGE ANALYTICAL INC	503-030-520-1206-	
11/05/2015	EDGE ANALYTICAL INC - Purchase BOD and TSS oct 27	162.00	
11/04/2015	STARBUCKS #10330 OREGON C	101-106-520-2203-	
11/05/2015	breakfast - Sex Offender Profiling Conf	4.25	

Purchase Date / Post Date	Vendor Name / Item Description	Item GL Combination / Item Total	Receipt Status / Receipt Comment
1099 reporting			
11/03/2015	BENDBROADBAND BEND, OR	101-106-520-1204-	
11/05/2015	BENDBROADBAND - Nov Services	142.16	
11/04/2015	FLINT TRADING, INC.	204-040-520-2702-	
11/05/2015	FLINT TRADING,Thermal Plastic for B St. Crosswalks	2,596.41	
11/04/2015	BULLET RENTAL MADRAS	204-040-520-2702-	
11/05/2015	BULLET RENTAL MADRAS - gloves sweepr	18.85	
11/03/2015	ERICKSONS TW MADRAS	701-701-520-2203-	
11/05/2015	ERICKSONS - Stakeholder Interview at Airport Meal	6.99	
11/04/2015	CONSOL SUPP-BEND	502-020-520-3203-	
11/05/2015	CONSOL SUPP-BEND - Purchase meter box lid	93.66	
11/04/2015	PACIFIC POWER GROUP	805-101-520-1403-	
11/05/2015	PACIFIC POWER # 89 po 10721 repairs &dot insp.	1,644.92	
11/03/2015	TS & S FORD	805-101-520-1004-	
11/05/2015	Replace Instrument Cluster	784.14	
11/03/2015	ADT-PROTECT YOUR HOME	503-030-520-2810-	
11/05/2015	ADT- Golf Shop Security (Dev)	59.99	
11/05/2015	TS & S FORD	805-101-520-1403-	
11/06/2015	TS & S FORD - # 65 Ford F250 parts	18.12	
11/04/2015	DIEGOS SPIRIT KITCHEN	802-101-520-2203-	
11/06/2015	DIEGOS - R. Tombleson/B. McNamee: Training Meal: PERS	27.60	
11/04/2015	PHILS HARDWARE	204-040-520-2702-	
11/06/2015	PHILS HARDWARE -truck window cleaner	32.47	

Purchase Date Post Date 1099 reporting	Vendor Name Item Description	Item GL Combination Item Total	Receipt Status Receipt Comment
11/10/2015	STAPLES DIRECT	802-101-520-2401-	
11/11/2015	STAPLES - Card Stock, Kleenex, Clorox Wipes, Pens	49.82	
11/10/2015	LES SCHWAB #0013	805-101-520-2907-	
11/11/2015	Veh 701 Winter Tires Change Over	57.56	
11/09/2015	SUBWAY 00116871	802-101-520-2203-	Yes
11/11/2015	SUBWAY - Lunch Meeting: Solar Eclipse	90.00	
11/10/2015	MISSION LINEN	804-101-520-1101-	
11/11/2015	MISSION LINEN - Wastewater Mat Services (Nov)	17.34	
11/10/2015	CHEVRON 00210224	805-101-520-1004-	
11/12/2015	Veh 601 car wash	6.00	
11/10/2015	CHEVRON 00210224	805-101-520-1004-	
11/12/2015	Veh 1001 Car Wash	6.00	
11/10/2015	SEVEN FEATHERS HOTEL	803-101-520-2203-	
11/12/2015	SEVEN FEATHERS HOTEL - Purchase supervisor training	116.70	
11/10/2015	SGA CPAS CONSULTANTS	701-701-520-1003-	
11/12/2015	SGA CPAS CONSULTANTS - MRC Audit Payment	2,000.00	
11/10/2015	CHEVRON 00210224	805-101-520-1004-	
11/12/2015	Veh 602 Car Wash	6.00	
11/10/2015	GENERAL EQUIPMENT CO	805-101-520-1403-	
11/12/2015	GENERAL EQ # 72 aquatec switch	20.63	
11/11/2015	JUNIPER PAPER&SUPPLY	802-101-520-2401-	
11/12/2015	JUNIPER PAPER&SUPPLY - Towels, Toilet	87.20	

Purchase Date Post Date 1099 reporting	Vendor Name Item Description	Item GL Combination Item Total	Receipt Status Receipt Comment
11/18/2015	MADRAS AUTO PARTS	805-101-520-1403-	
11/19/2015	MADRAS AUTO # 99 BOI SPREADER MUD	17.39	
11/18/2015	UMPQUA RESEARCH COMPANY	502-020-520-1206-	
11/19/2015	UMPQUA - MTF P/A Drinking Water	192.00	
11/18/2015	COURTYARD LLOYD	803-101-520-2203-	
11/19/2015	COURTYARD - J. Burchell: Training Lodging: Pesticide	281.67	
11/18/2015	OFFICEMAX CT IN#395289	802-101-520-2401-	
11/19/2015	OFFICEMAX - Lanyard and Cardholders	17.05	
11/18/2015	AMAZON MKTPLACE PMTS	207-207-520-1218-	
11/19/2015	AMAZON - Downtown Bows: Council Approved: Holiday Decor	379.79	
11/18/2015	GREAT EARTH CAFE AND MARK	701-701-520-2203-	
11/19/2015	GREAT EARTH - Madras Action Plan Survey Gift Card	25.00	
11/18/2015	GREAT EARTH CAFE AND MARK	505-505-520-2203-	
11/19/2015	GREAT EARTH - Tech Mtg w/ M. Foster Economic Dev	54.60	
11/18/2015	MADRAS AUTO PARTS	503-030-520-2810-	
11/19/2015	MADRAS AUTO - Window Wash for Golf Course	19.80	
11/18/2015	CORP CARSON OIL	805-101-520-1601-	
11/19/2015	CARSON OIL - PO 10813: 193 G Biodiesel/100 G Non Ethanol	671.73	
11/19/2015	STAPLES DIRECT	803-101-520-2401-	
11/20/2015	STAPLES - Dry Erase Erasers	6.56	
11/19/2015	STAPLES DIRECT	509-090-520-1204-	
11/20/2015	STAPLES - Airport Cordless Phones	186.00	

Madras Action Plan Update

Madras Redevelopment Commission

December 2, 2015

ECONorthwest

ECONOMICS • FINANCE • PLANNING

SEPT OCT NOV DEC JAN

Gather Input on Priorities

Investment Framework and Project List

Prioritize Projects and Confirm Investment Framework

Draft and Final Action Plan

TECHNICAL ANALYSIS

2006 Progress Report

Retail Needs Analysis

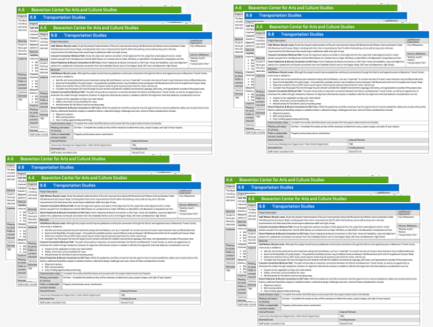
PUBLIC OUTREACH

Public and Stakeholder Outreach *(interviews)*

ADVISORY COMMITTEE

Advisory Committee Input

A big list of projects...



Investment Framework and Guiding Principles

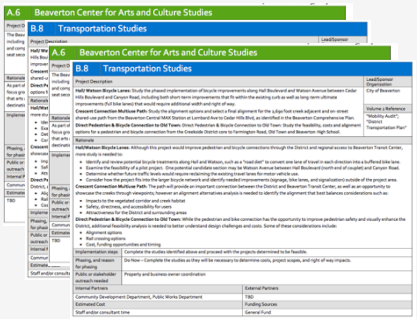
Cost Analysis

TIF Generation Analysis

Public Outreach *(Nov Workshops)*

Advisory Committee Input

A refined, targeted list of projects...



<u>For each project, refined:</u>

Name
Description
Rationale
Partners
Phasing
Cost Estimate
Funding Sources
Next Steps

Agenda

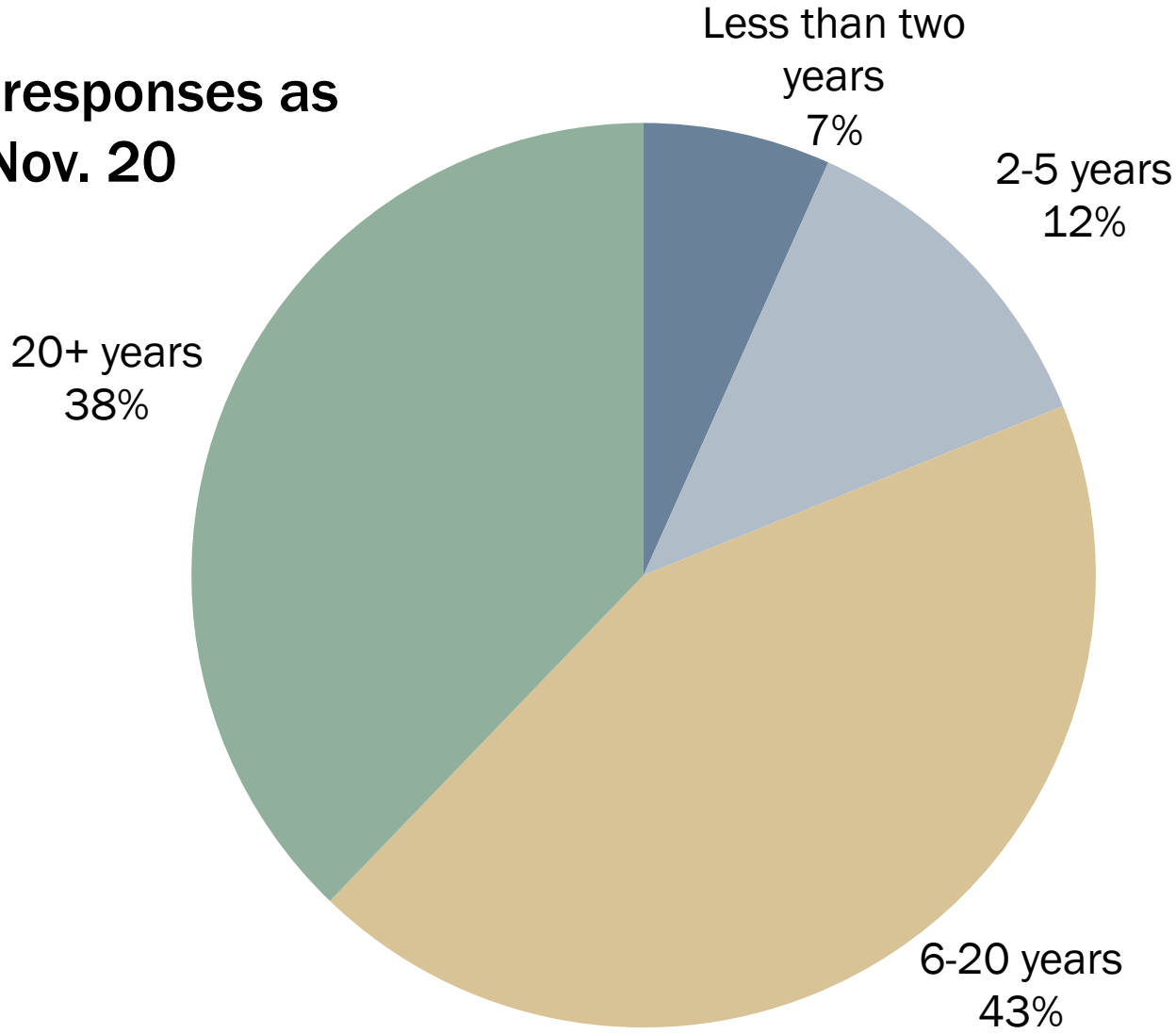
- Public Outreach
  - Interim survey results draft urban design framework (have these from WM)
  - Outreach with Hispanic community
- Investment Framework, refined
  - Development opportunities (WM content)
  - Criteria
- Initial results of the baseline financial analysis
- Refined, prioritized list of projects

Remaining Public Outreach

- Outreach with Hispanic community
- Diversity coalition meeting (mid December)
- Surveys:
  - Community survey: 90 responses
  - Employee survey: 70 responses
  - Spanish-language survey (close date end of December)

How long have you lived in Madras?

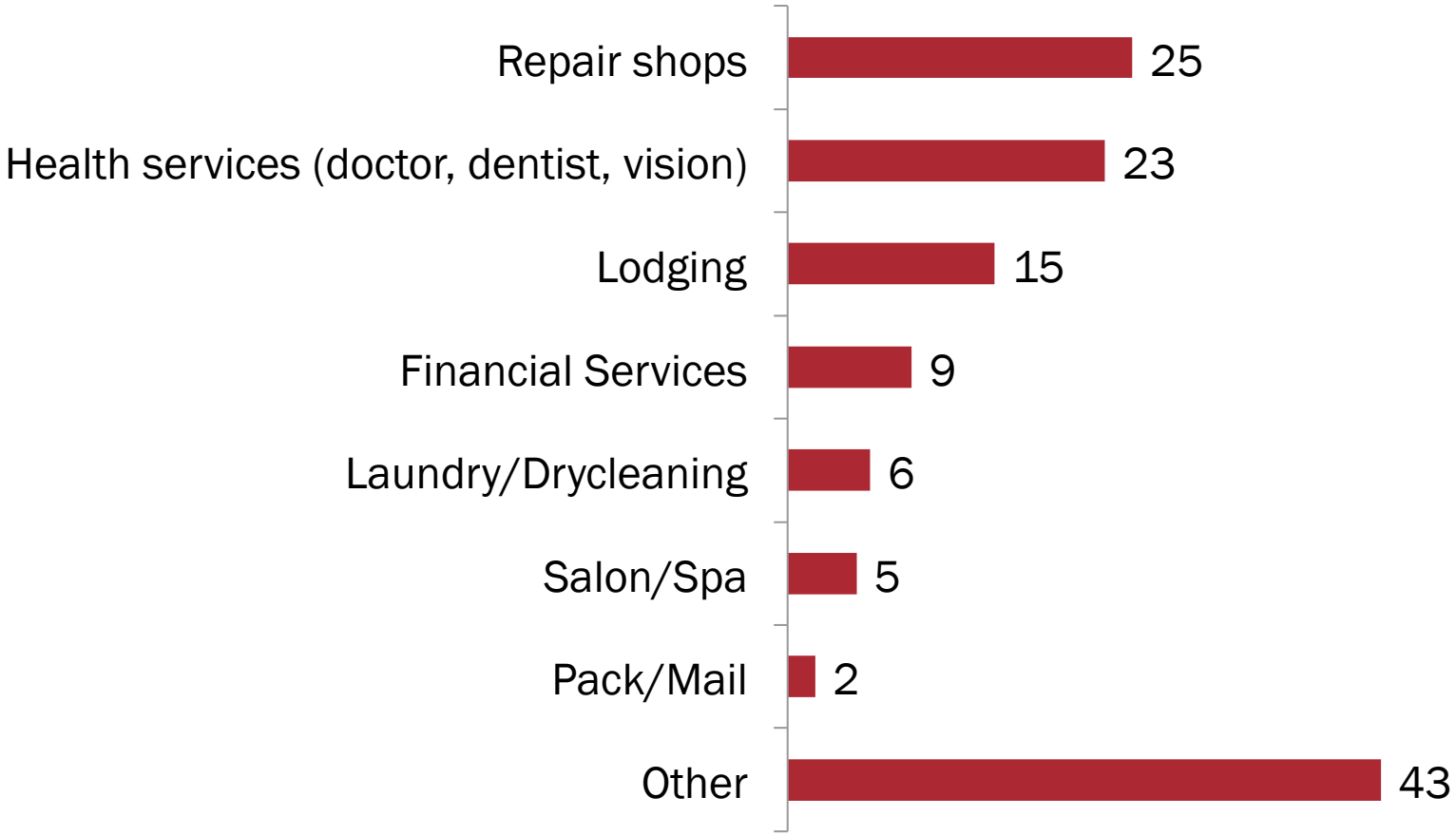
90 responses as of Nov. 20



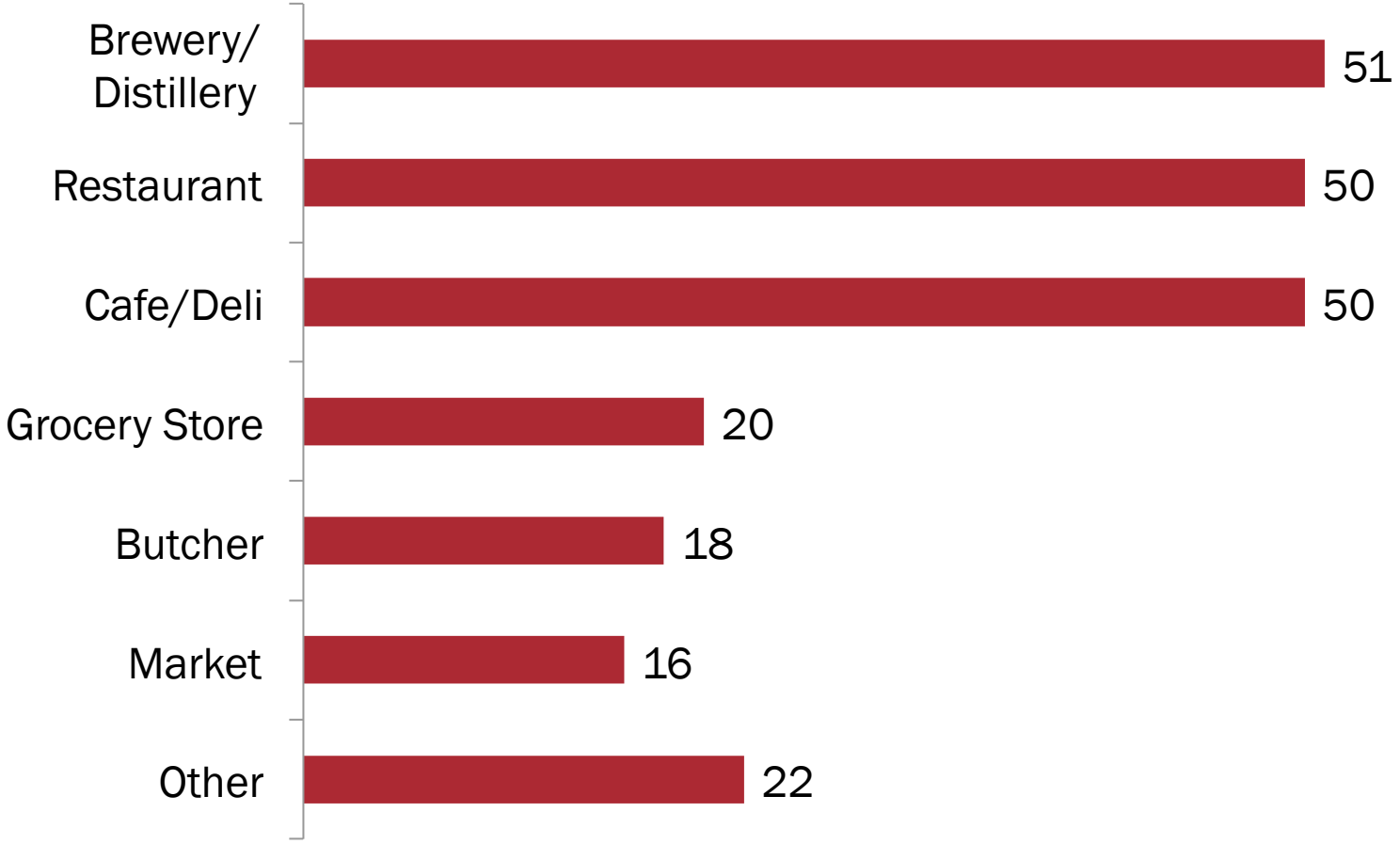
What describes you most?

Community Survey

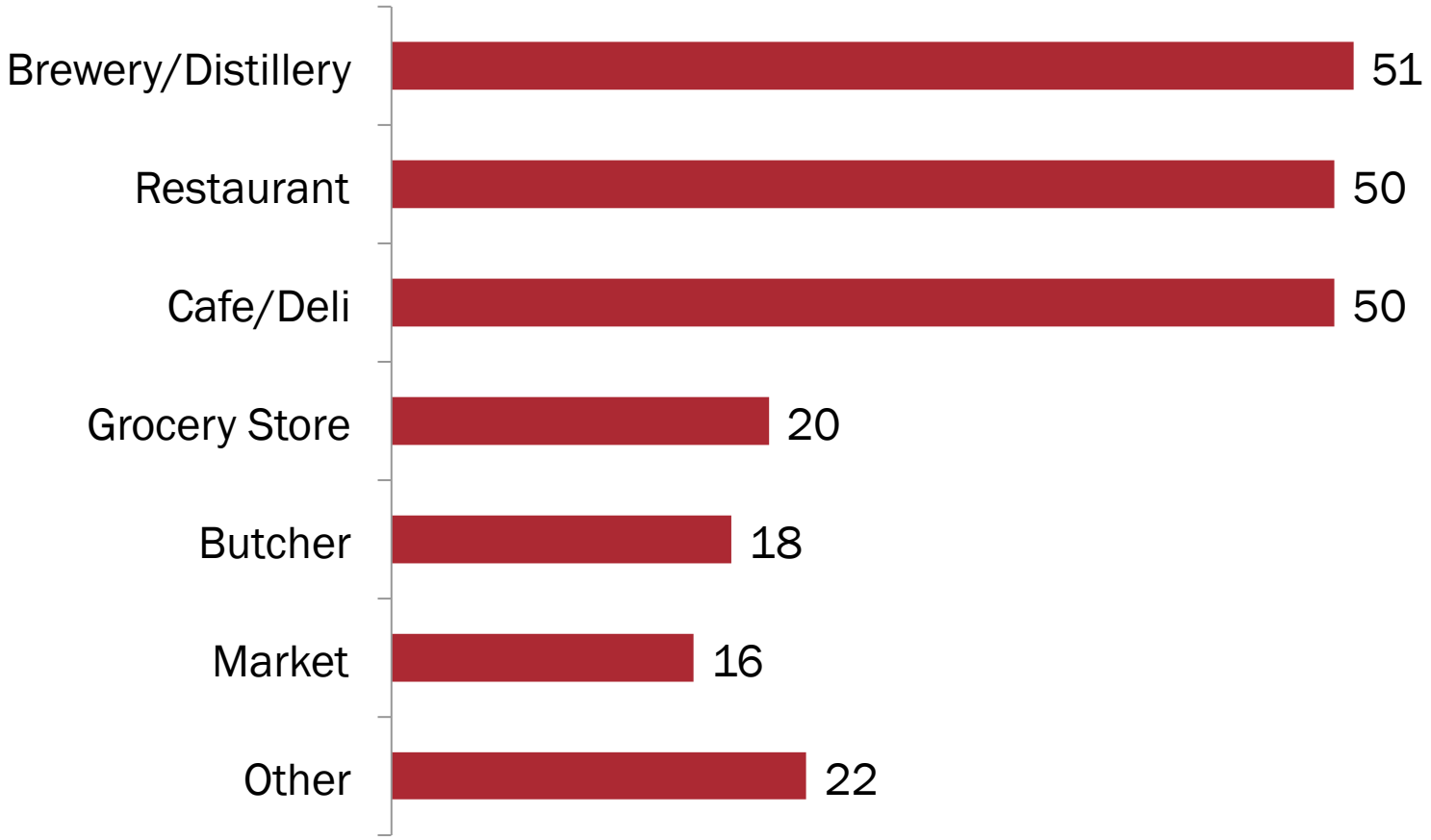
What services would you most like to see?



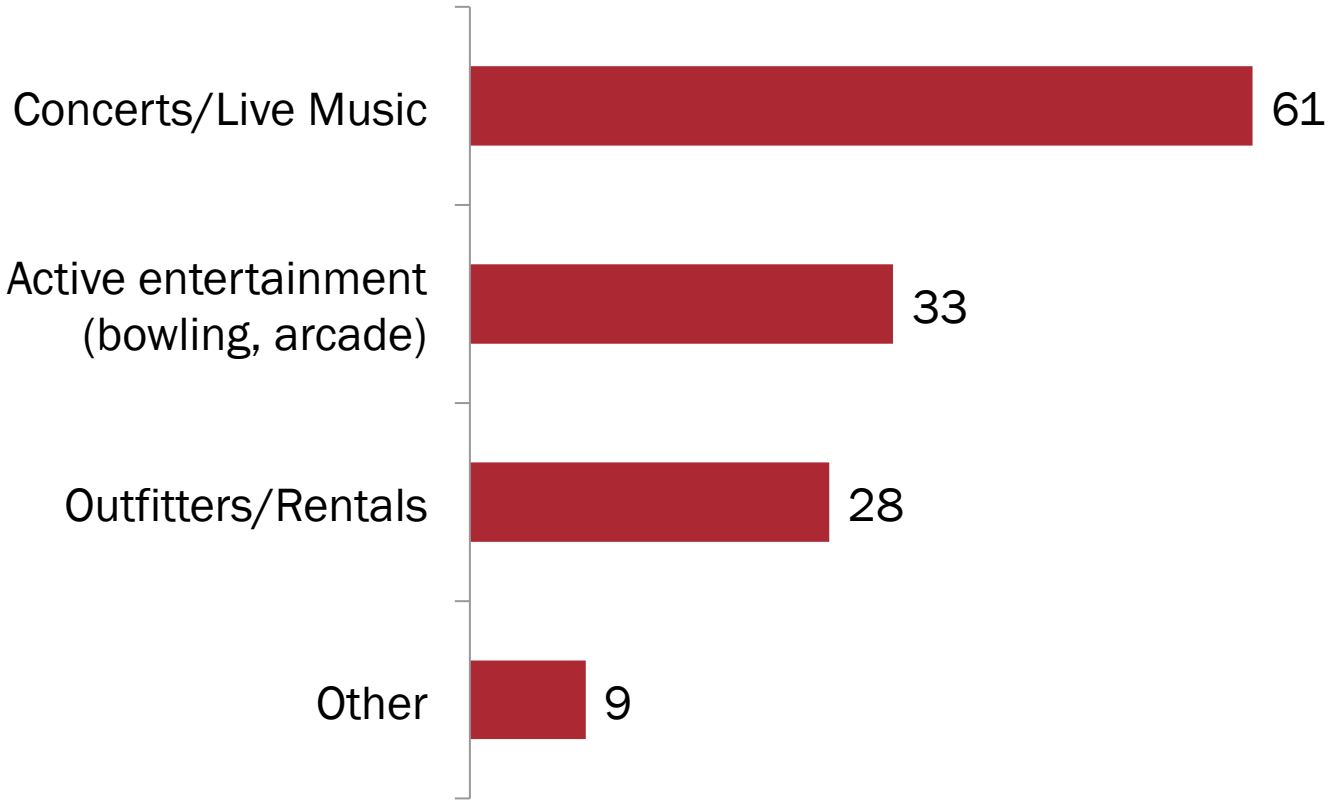
What food businesses would you most like to see?



What types of retail would you most like to see?

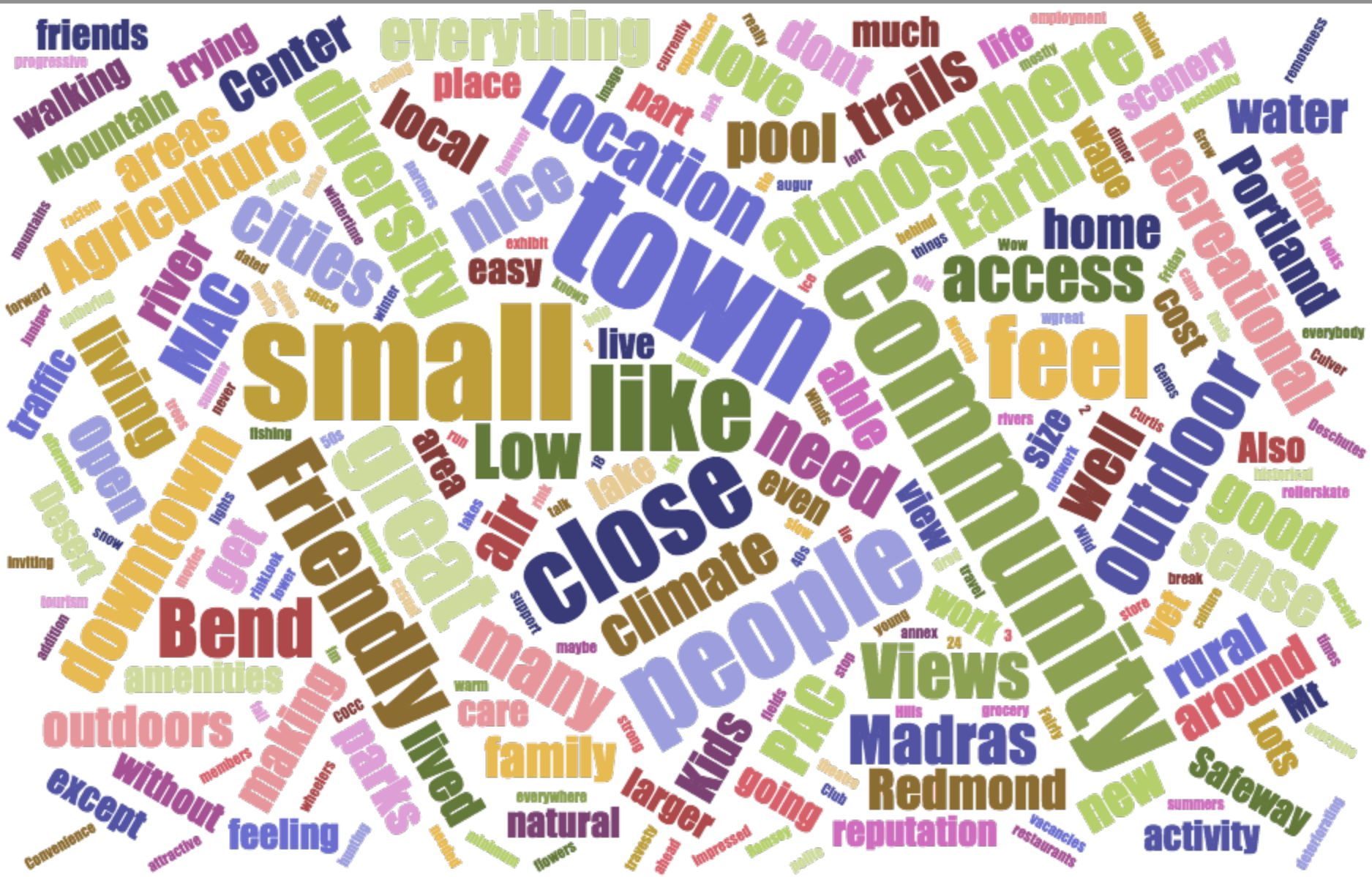


What entertainment options would you like to see?



Community Survey

What do you like most about Madras?



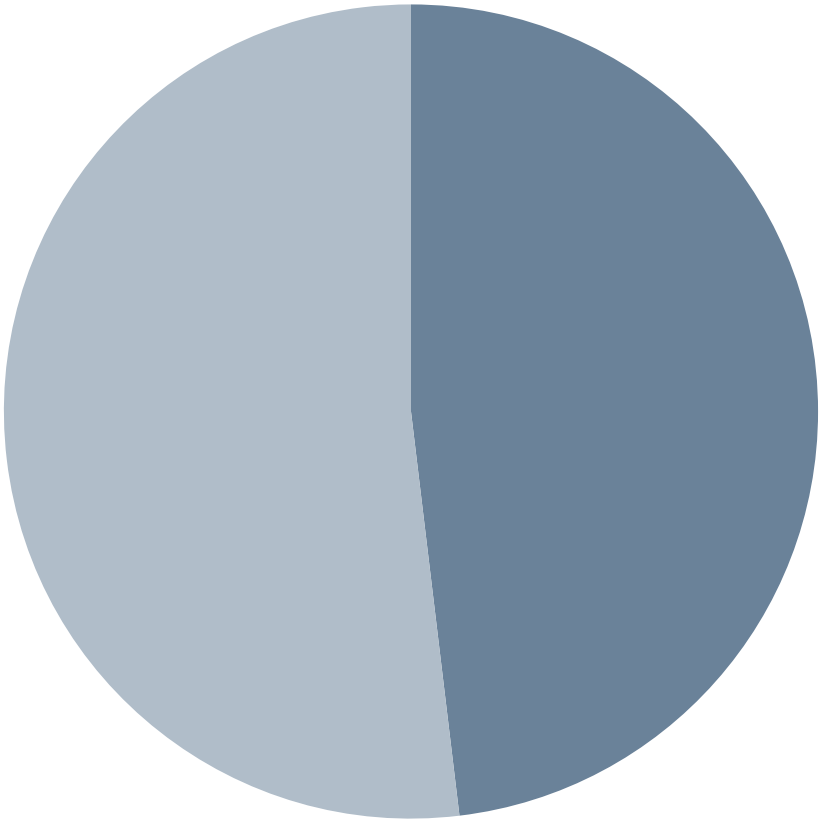
Community Survey

Three words that describe Madras today?

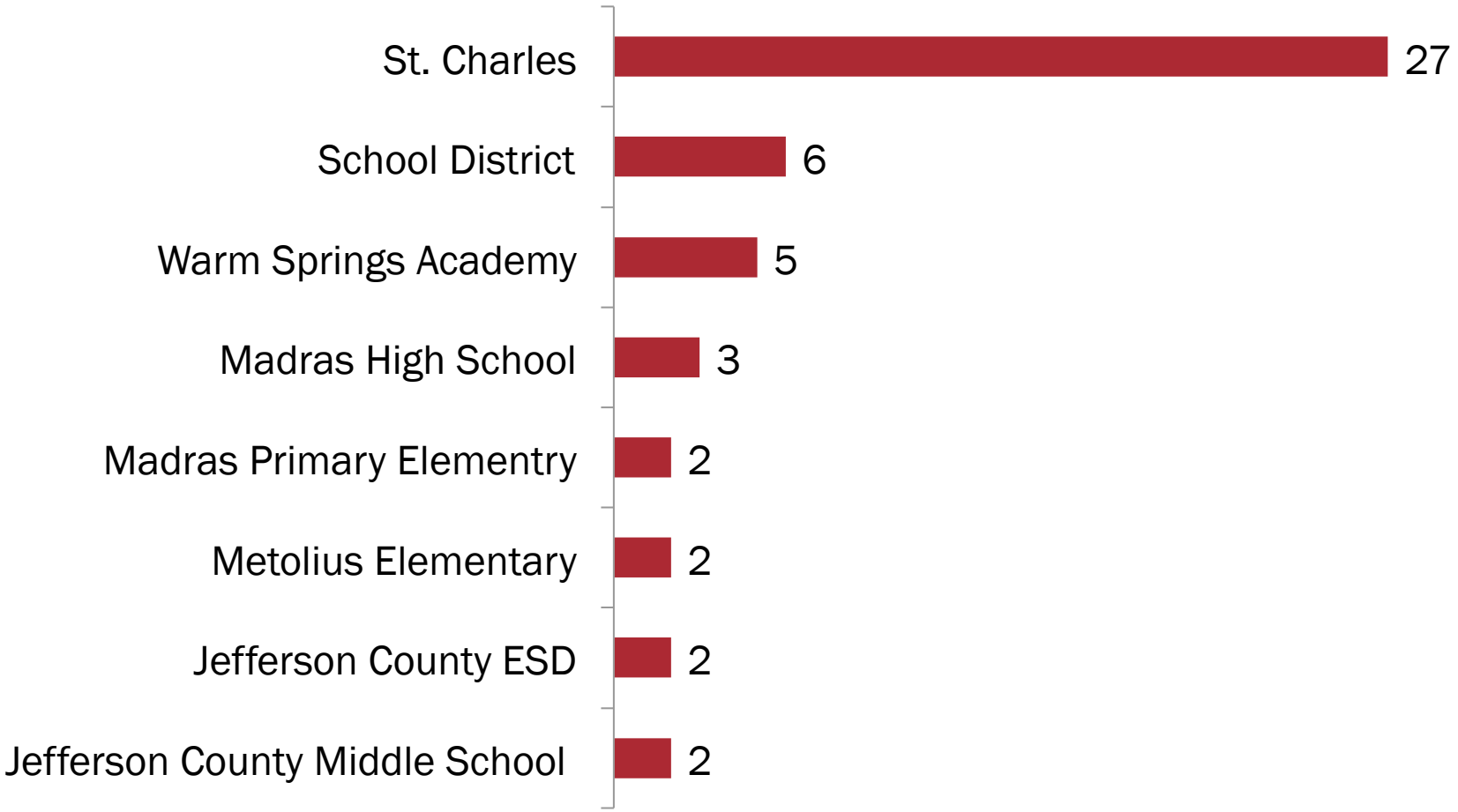
What three words you would like to describe Madras?

Madras Employee Survey

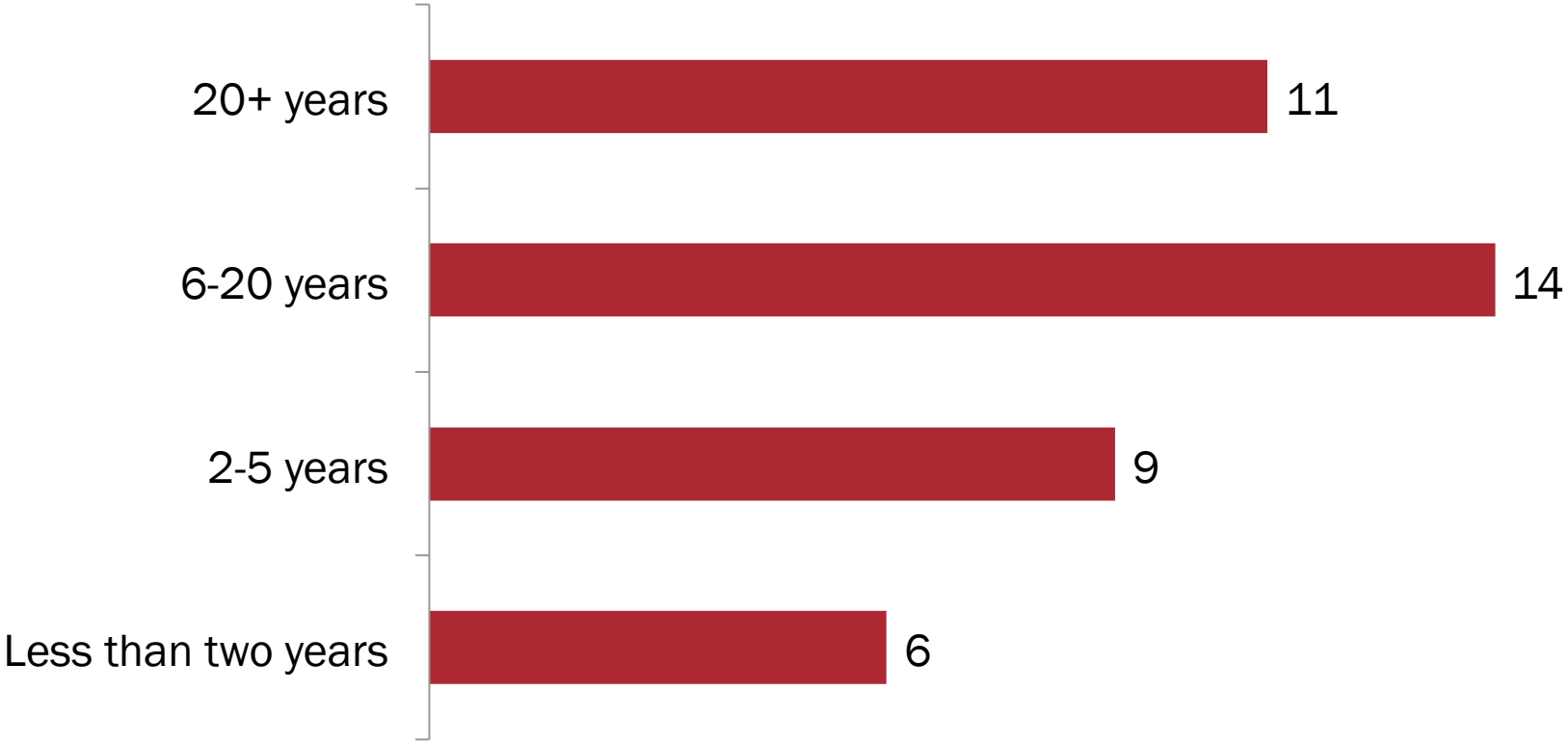
70 responses as of Nov. 20



Where do you work?

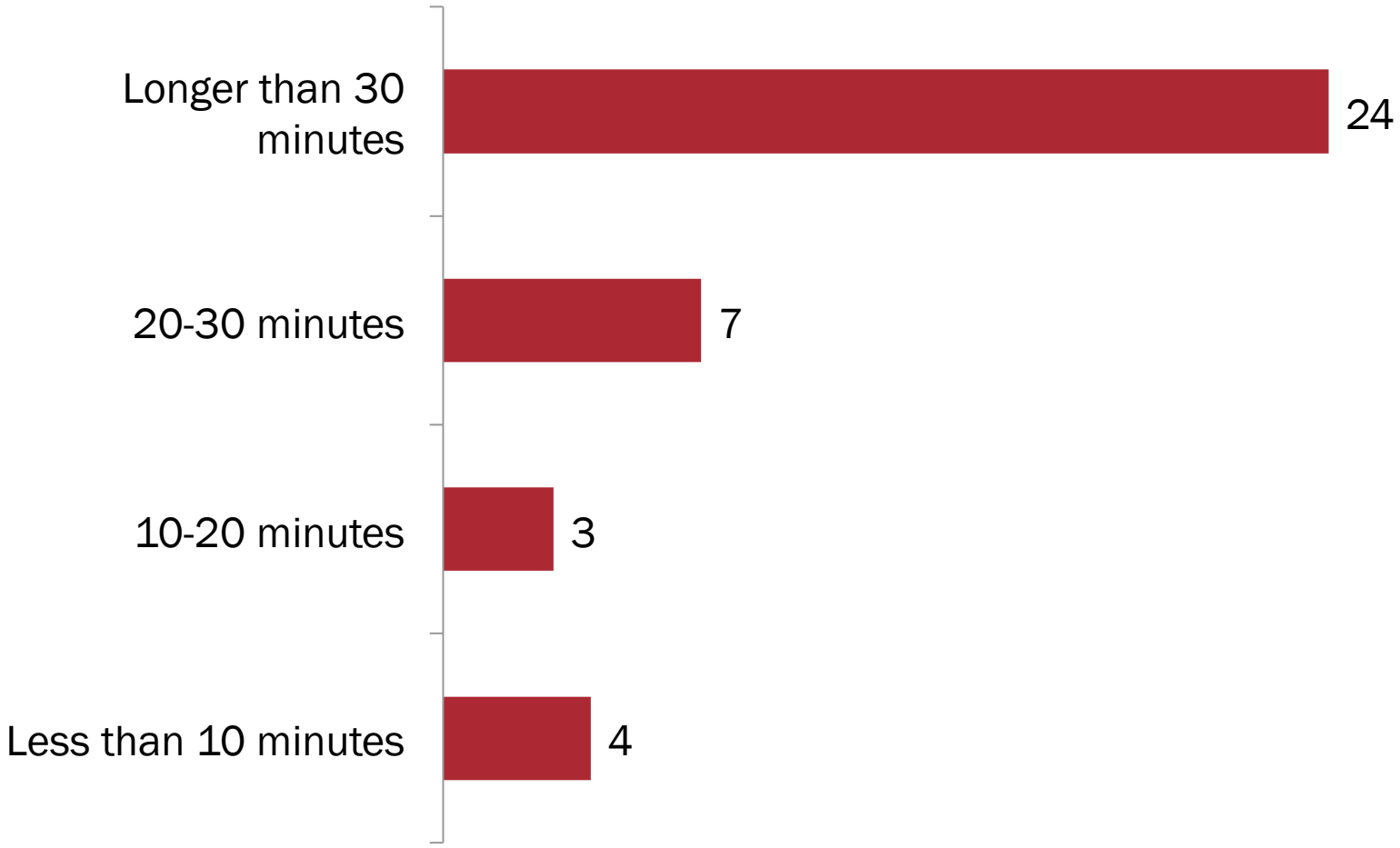


How long have you lived here?

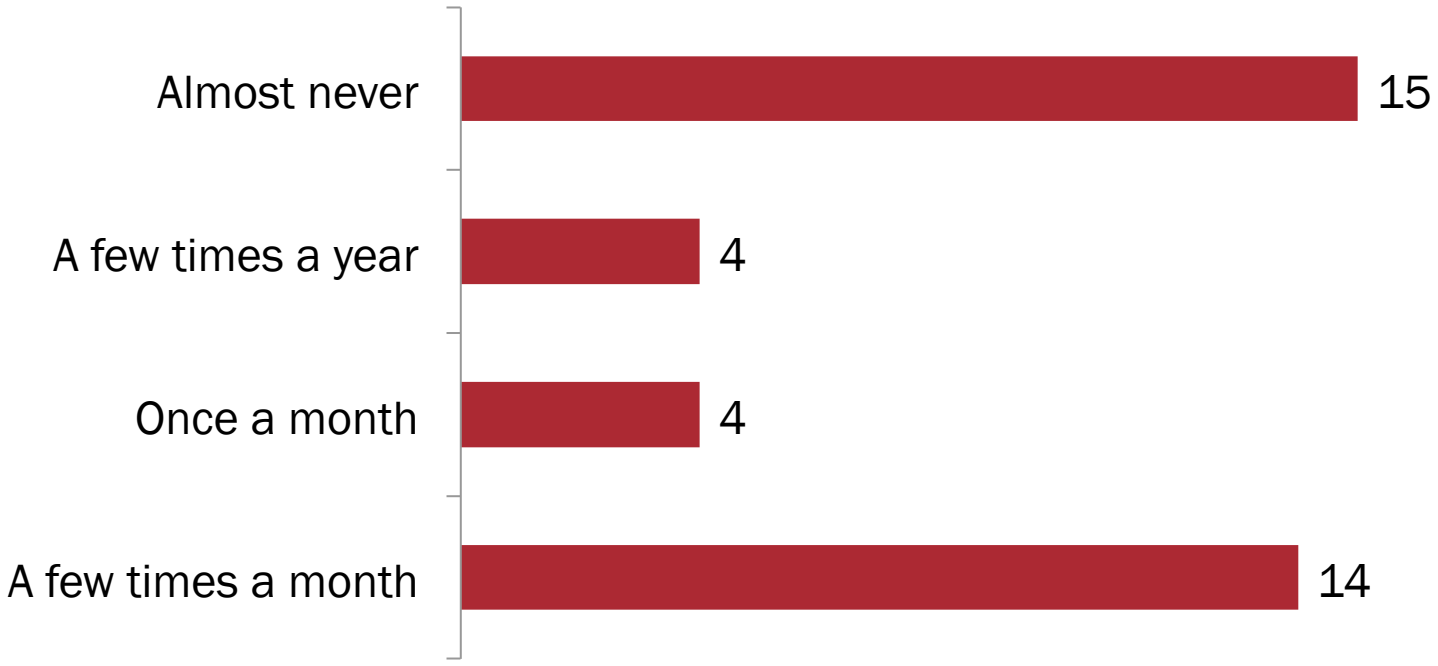


What influenced your decision to live outside of Madras?

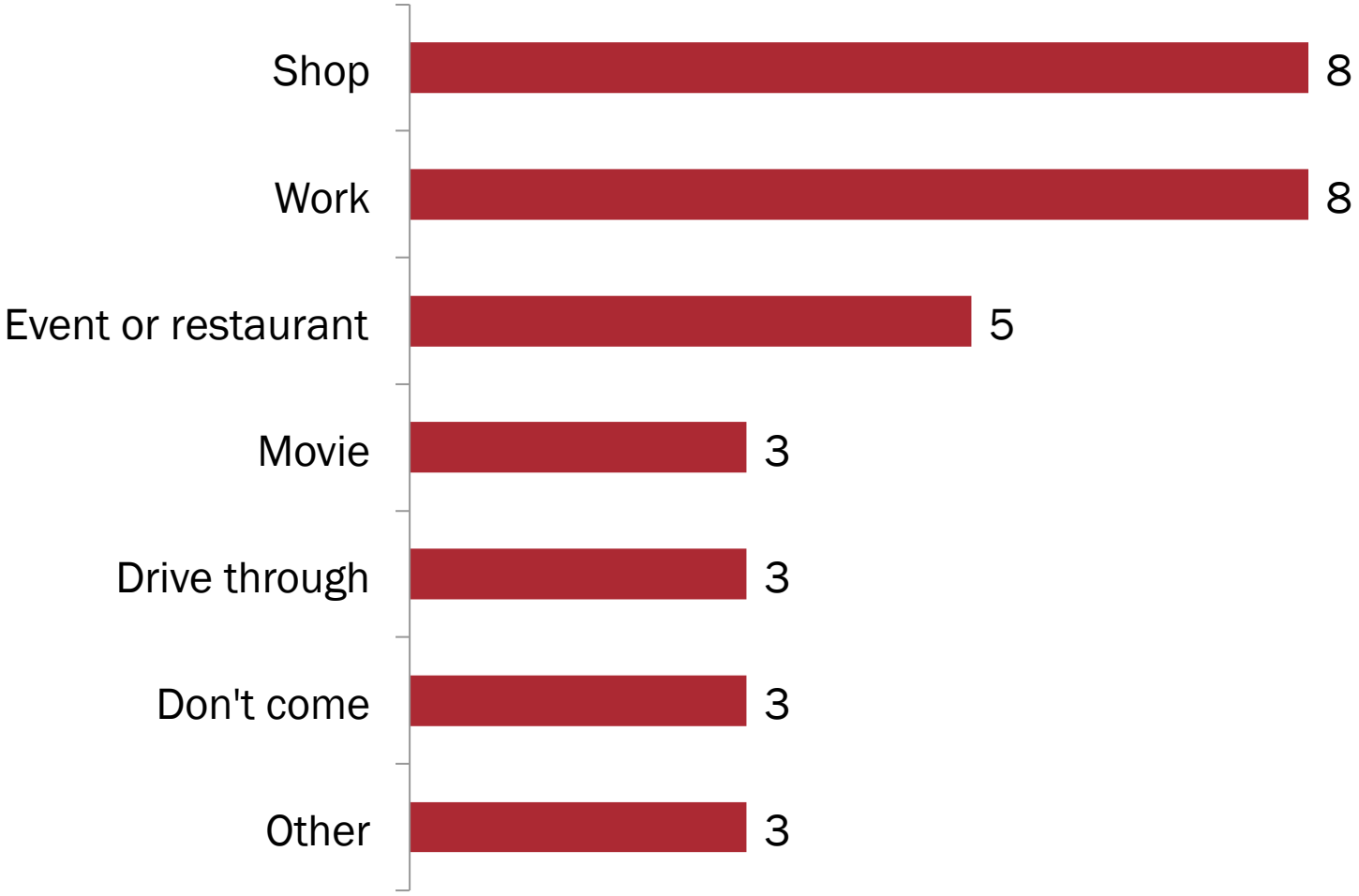
How long is your daily commute?



How often do you come to Madras on weekends?

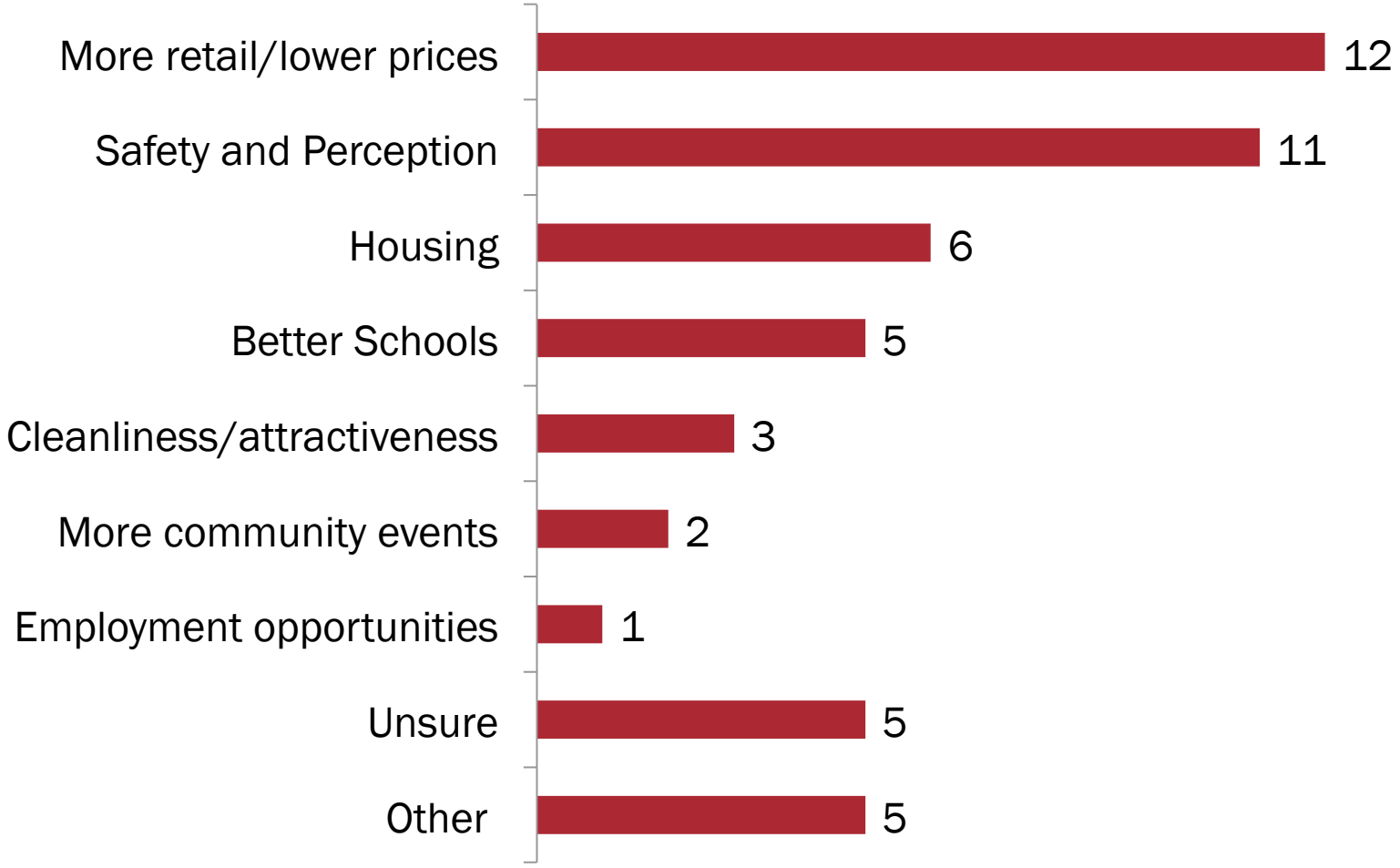


What do you do when you come to Madras on the Weekends?



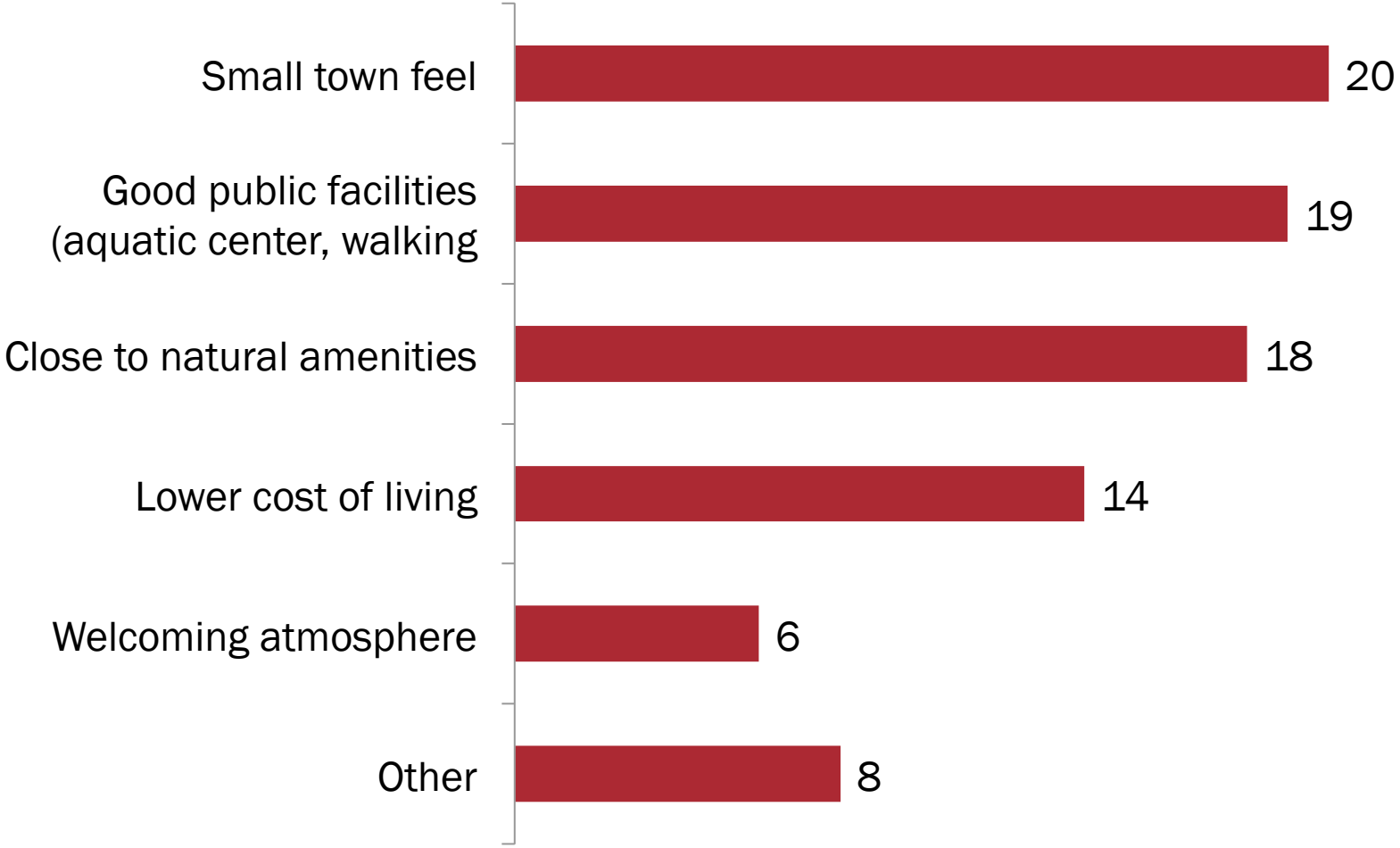
What businesses do you visit most in Madras?

What would the City of Madras need to do to attract families like yours?



What other improvements would you most like to see in Madras? Please

What do you like most about living in Madras?



What do you like most about Madras?

The Public Role

Current focus, as opportunities arise

2006 Plan Projects

SUPPORT

Manage success
- Parking demand management
- Affordable housing
- Code enforcement

CAT ALYZE

Public-Private Partnerships
- Fund critical infrastructure projects
- Provide incentives (abatements, loans, land write-downs, etc.)
- Recruit developers
- Remove regulatory barriers

SET THE STAGE

Foundational activities
- Plan for infrastructure improvements and public amenity (parks, streetscapes, etc.)
- Develop incentive programs
- Develop vision that reflects market reality
- Support existing businesses

Greater development feasibility

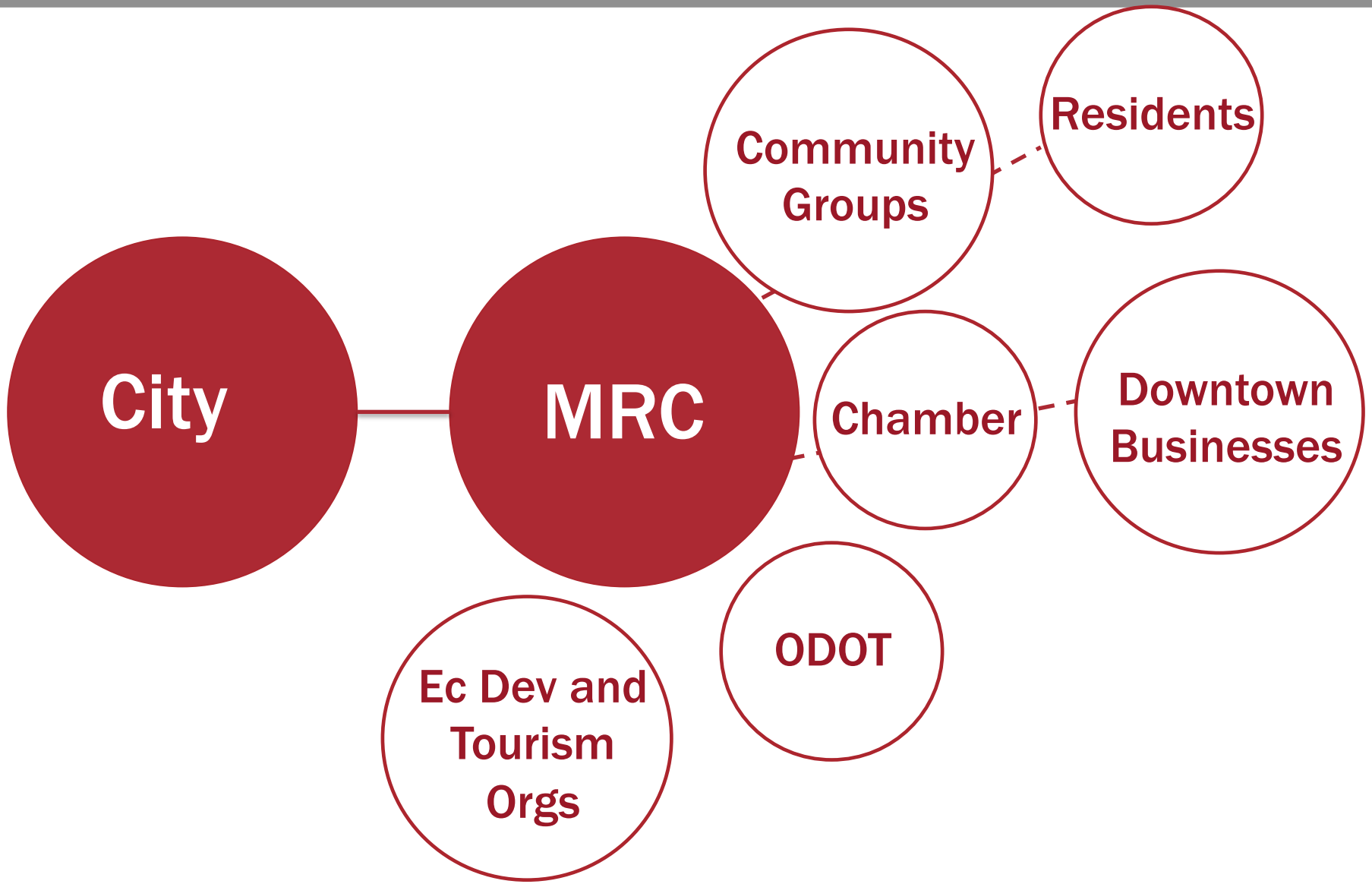
Feasibility hurdle

Less development feasibility

Action Plan Investment Framework

- Who: MRC and partners
- What: A 20 year vision for the future
- When: Focus on TIF generation and partner projects in short term; longer-term investments in amenities/placemaking
- Where: Different strategies for different areas
- Why/How: Objective and evaluation criteria

Who: MRC and Partners

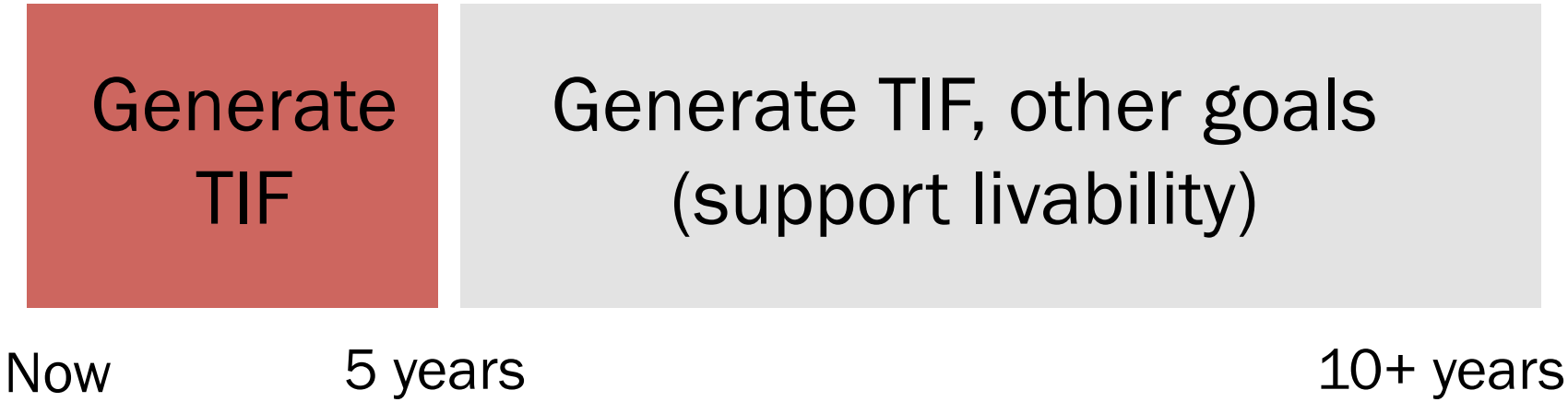


What: 20 Year Vision for Downtown

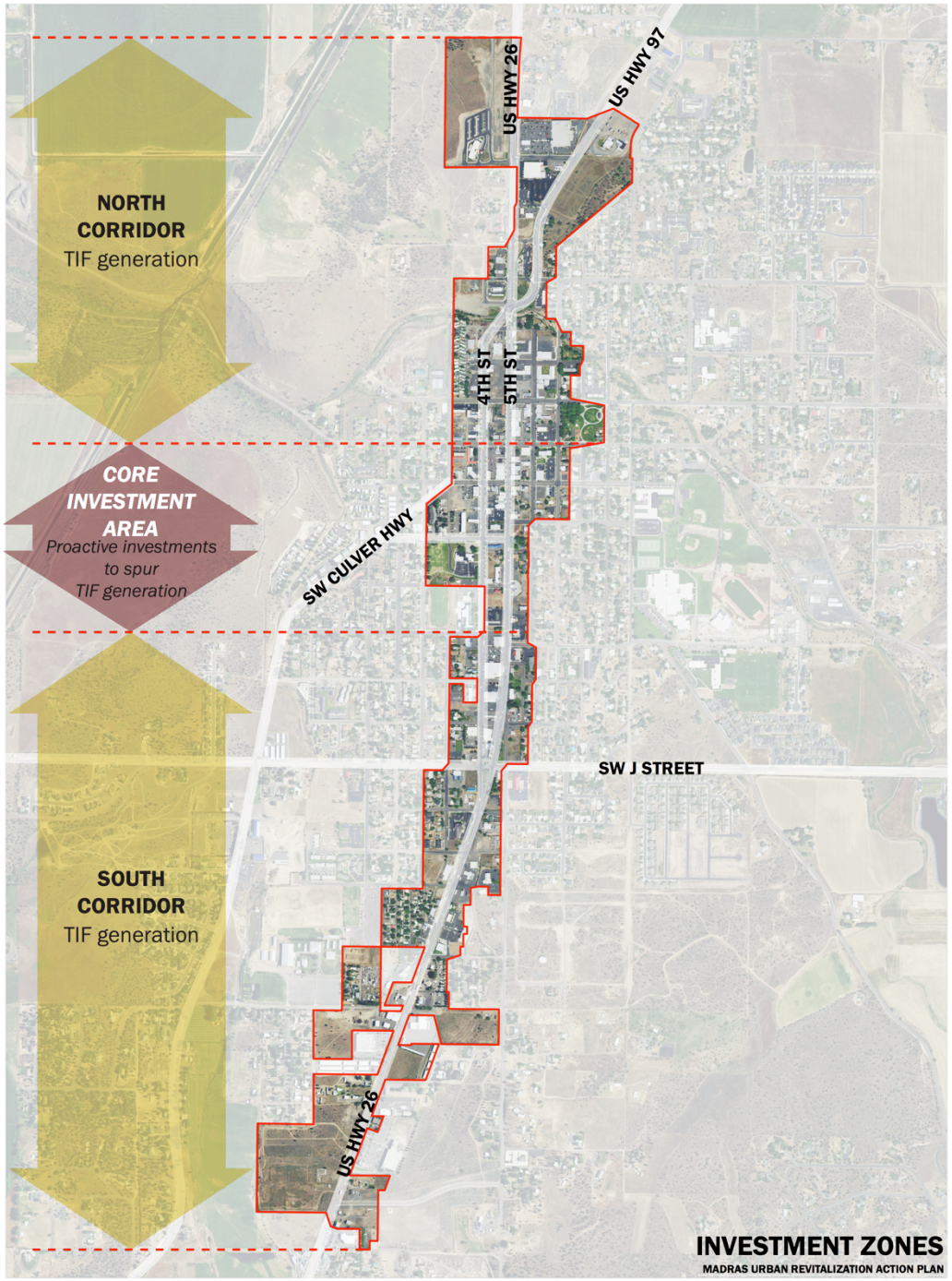
Downtown Madras is a recognizable, vibrant destination with public and private investment in small scale shops, a mix of restaurants, and cultural amenities that reflect the area's diversity.

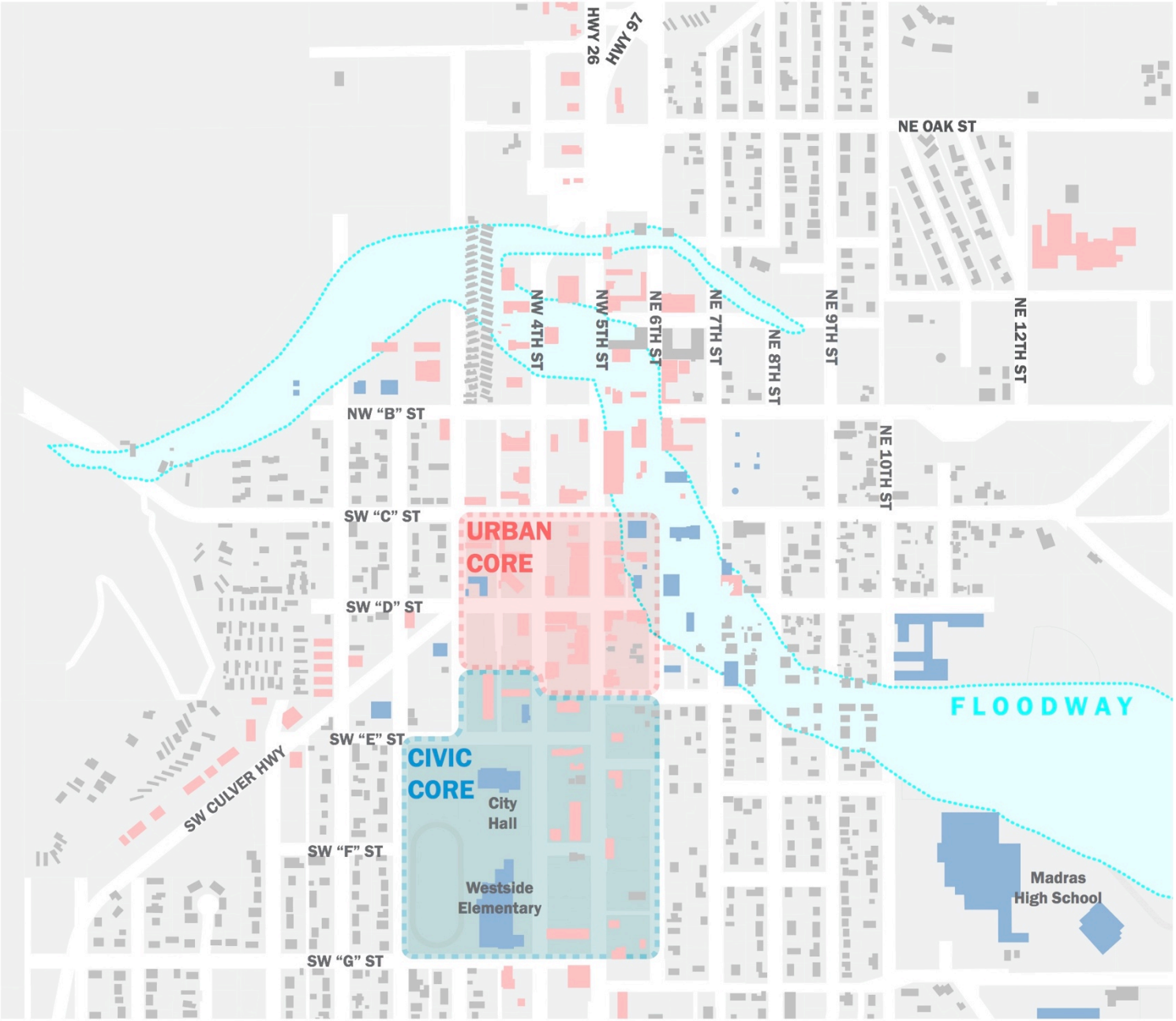
Madras' position as the hub of River Canyon Country attracts visitors and new residents who appreciate the community's commitment to quality of life.

When: Prioritize TIF



Where:

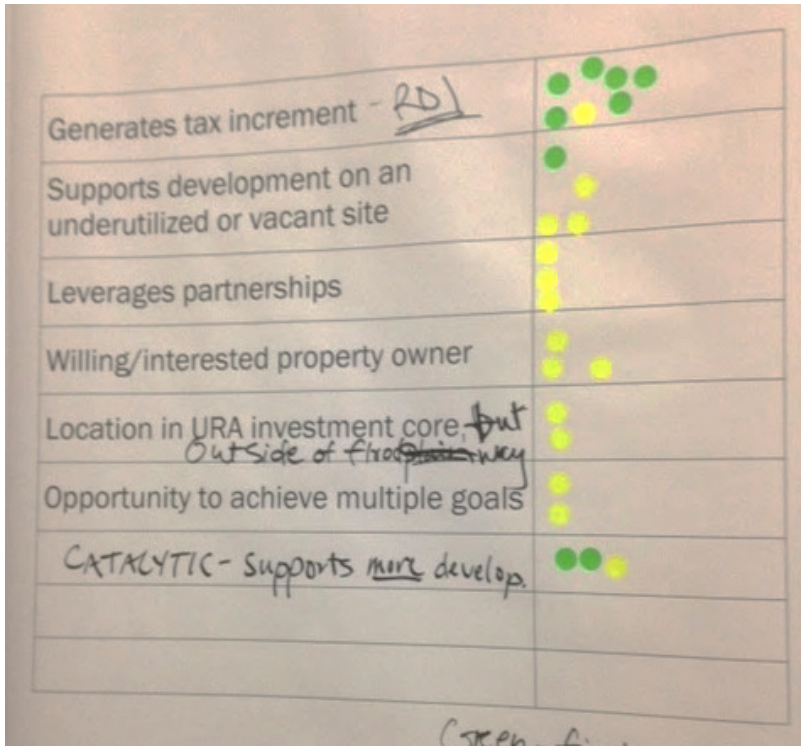

NORTH CORRIDOR
TIF generation
CORE INVESTMENT AREA
Proactive investments to spur TIF generation
SOUTH CORRIDOR
TIF generation
US HWY 26
US HWY 97
4TH ST
5TH ST
SW CULVER HWY
SW J STREET
US HWY 26
INVESTMENT ZONES
MADRAS URBAN REVITALIZATION ACTION PLAN



CORE AREAS

MADRAS URBAN REVITALIZATION ACTION PLAN

How/Why: Draft Project Prioritization Criteria



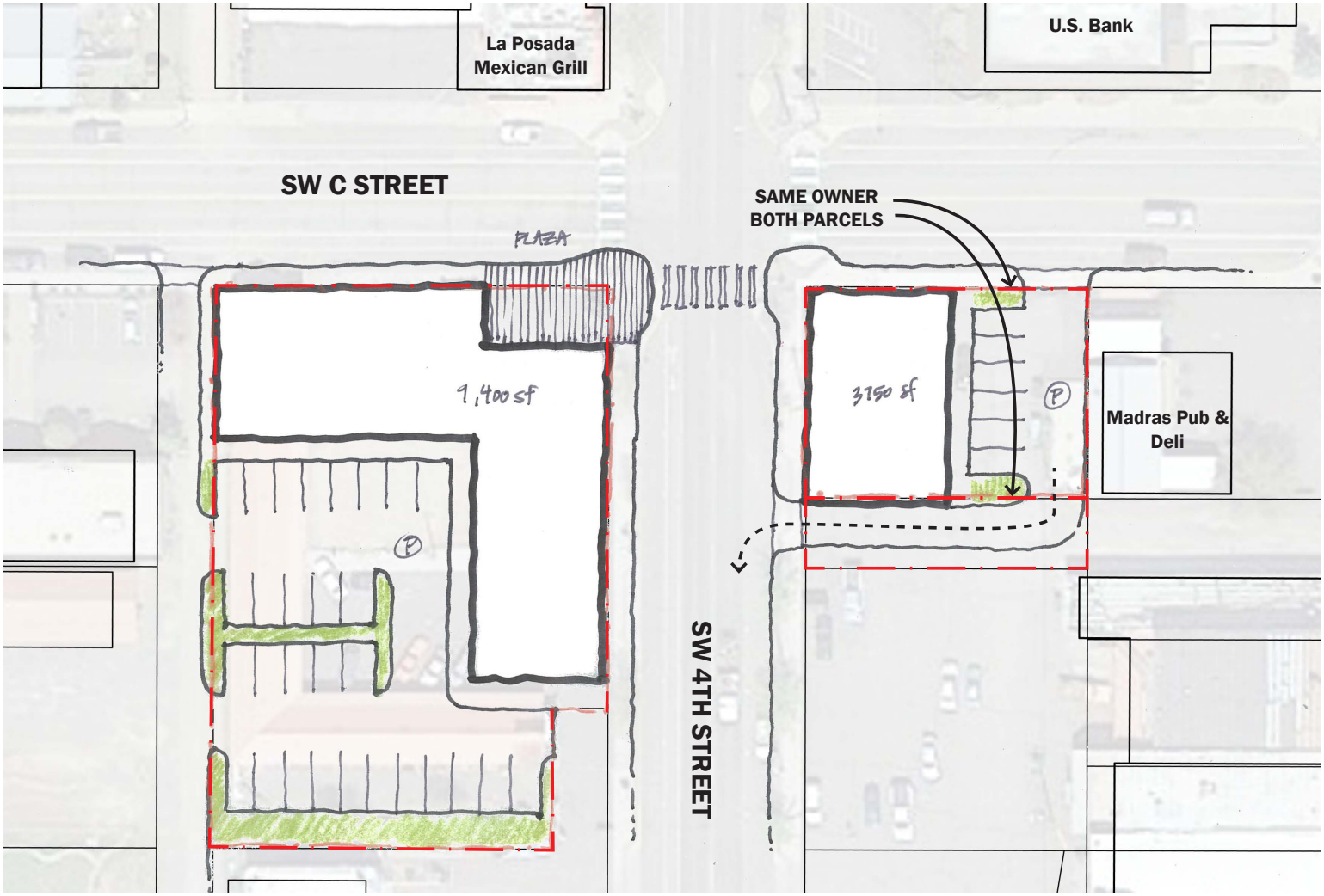
- <u>Generates tax increment</u>
- Supports development on an underutilized or vacant site
- Likely to catalyze additional redevelopment
- Leverages partnerships
- Willing/interested property owner
- Location in URA investment core
- Opportunity to achieve multiple goals

TACO DEL MA

First Tech

UMPQUA BANK

STARBUCKS COFFEE



SW 4TH AND C STREET

DEMONSTRATION PLAN

0' 20' 40' N

Project Prioritization

- Surveyed preferences of community members, business owners, and MRC
  - Encouraging development
  - Funding physical improvements
- Counted frequency with which different investment options appeared in top three preferences
- Calculated and ranked the weighted averages of counts

	Community Survey	Emp Survey	MRC	Combined Ranking
Encourage Development				
Recruit department store or general merchandise store	2	1	2	1
Make improvements to storefronts	1	3	6	2
Recruit brewery and/or restaurants	4	2	2	3
Attract developer attention and provide financial support to developers	3	4	5	4
Create new downtown events in partnership with local community groups	6	6	9	5
Acquire key properties in downtown for redevelopment	9	5	6	6
Support formation of a downtown business association that can market downtown	5	8	9	7
Increase convenience for visitors by creating a “welcome center” with clean restrooms, a place to walk dogs, etc.	8	7	11	8
Clarify development processes, including permitting process and development fees	6	12	4	9
Other	10	11	1	10
Install public wifi	10	9	12	11
Explore possibilities for workforce and other housing in downtown	12	9	8	12
Physical Improvements				
Develop new program to clean up downtown, led by local community groups	1	1	4	1
Make repairs to sidewalks and complete sidewalk network	3	2	2	2
Make pedestrian safety improvements on Highway 97	2	3	8	3
Install street furniture and street trees	4	7	6	4
Install signage to help people find major attractions and promote businesses	6	4	1	5
Expand downtown flower program, plant new trees, and develop strategy to maintain downtown landscaping	5	6	4	6
Initiate mural program and other improvements to improve vacant lots and buildings	7	5	6	7
Other	8	8	3	8

Project Prioritization

Encourage Development	Ranking
Recruit department store or general merchandise store	1
Make improvements to storefronts	2
Recruit brewery and/or restaurants	3
Attract developer attention and provide financial support to developers	4
Create new downtown events in partnership with local community groups	5
Acquire key properties in downtown for redevelopment	6
Support formation of a downtown business association that can market downtown	7
Increase convenience for visitors by creating a “welcome center” with clean restrooms, a place to walk dogs, etc.	8
Clarify development processes, including permitting process and development fees	9
Other	10
Install public wifi	11
Explore possibilities for workforce and other housing in downtown	12

Project Prioritization

Physical Improvements	Ranking
Develop new program to clean up downtown, led by local community groups	1
Make repairs to sidewalks and complete sidewalk network	2
Make pedestrian safety improvements on Highway 97	3
Install street furniture and street trees	4
Install signage to help people find major attractions and promote businesses	5
Expand downtown flower program, plant new trees, and develop strategy to maintain downtown landscaping	6
Initiate mural program and other improvements to improve vacant lots and buildings	7
Other	8

Madras Projects (Draft 11/24/15)

		Type of Project	Rationale	Lead	Potential Partners	Funding Needed	Comm Support	Meets Short Term Criteria
A	Recruit department store or general merchandise store to the City	Redev	Top community need, would help to catalyze other development in downtown	MRC	Edco	$$$	High	High
B	Make improvements to storefronts	Biz support	Top community desire, supports existing businesses and creates a feeling of "investment" in the area.	MRC	Downtown biz owners, Chamber	$$	High	Med
C	Recruit brewery and/or restaurants	Redev	Top community need, would help to catalyze other development in downtown	MRC	Chamber, biz owners, farming comm.	$$$	High	High
D	Attract developer attention and provide financial support to developers when necessary	Redev	Creates a "business is open" climate and allows Madras to create relationships with local development partners.	MRC	Edco	$$$	High	High
E	Create new downtown events in partnership with local community groups (festivals, multi-cultural events, etc.)	Biz support	Supports local community and promotes celebration of local assets.	Chamber	Local comm groups, Chamber	$	Med	Low
F	Acquire key properties in downtown for redevelopment	Redev	The City can play a role of positioning properties for redevelopment through marketing and decreasing land costs.	MRC		$$	Med	High
G	Support formation of a downtown business association that can market downtown	Biz support	Creates a more cohesive downtown business community that can co-market itself.	MRC	Local comm groups, Chamber, RARE Program	$	Med	Low
H	Increase convenience for visitors by creating a "welcome center" with clean restrooms, a place to walk dogs, etc.	Amenities	Promotes Madras as a good stopping place for travelers with good amenities.	ODOT/ MRC	Central OR Visitors Association	$$$	Med	Low
I	Clarify development processes, including permitting process and development fees	Redev	Removes development barrier	City	Local developers	None	Low	High
J	Install public wifi	Amenities	Increases amenities in downtown.	City	Local biz sponsors	$$	Low	Low
K	Explore possibilities for workforce and other housing in downtown	Redev	Creates opportunities for more customers of downtown businesses, and allowing built form to look less "empty."	MRC	Local housing nonprofits	$$$	Low	High

		Type of Project	Rationale	Lead	Potential Partners	Funding Needed	Comm Support	Meets Short Term Criteria
1	Develop new program to clean up downtown, led by local community groups	Placemaking/ Infra	Promotes community ownership of downtown maintenance, allows for creative solutions toward addressing blight in downtown.	Comm. groups	Local comm groups	$	High	High
2	Make repairs to sidewalks and complete sidewalk network	Placemaking/ Infra	Removes a development barrier and supports connectivity.	City	Local comm groups, ODOT	$$	High	Med
3	Make pedestrian safety improvements on Highway 97 (new crosswalks, traffic calming improvements, etc.)	Placemaking/ Infra	Supports pedestrian safety and allows for easier movement.	ODOT	ODOT, Jefferson County	$$$	High	Med
4	Install street furniture (benches, drinking fountains, etc.) and street tree	Placemaking/ Infra	Creates a sense of amenity, especially when coupled with an active ground floor use.	City	Comm. groups	$$	Med	Low
5	Install signage to help people find major attractions and promote businesses	Placemaking/ Infra	Promotes downtown Madras as a cohesive destination.	Chamber	Comm. groups	$$	Med	Med
6	Expand downtown flower program, plant new trees, and develop strategy to maintain downtown landscaping	Placemaking/ Infra	Promotes downtown Madras as a cohesive destination.	City/MRC	Comm. groups	$	Med	Med
7	Initiate mural program and other improvements to improve vacant lots and buildings	Placemaking/ Infra	Creates visual interest and supports local culture.	Comm. groups	Comm. groups	$	Low	Med

Madras Downtown Action Plan Update

Commercial Development Opportunities and Barriers Analysis

November 2015

Prepared for:

City of Madras

***DRAFT* REPORT**

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Acknowledgments

For over 40 years ECONorthwest has helped its clients make sound decisions based on rigorous economic, planning, and financial analysis. For more information about ECONorthwest: www.econw.com.

ECONorthwest prepared this report for the City of Madras. It received substantial assistance from City staff, the Madras Redevelopment Commission, and local stakeholders. Other firms, agencies, and staff contributed to other research that this report relied on.

That assistance notwithstanding, ECONorthwest is responsible for the content of this report. The staff at ECONorthwest prepared this report based on their general knowledge of urban economics and planning, and on information derived from government agencies, private statistical services, the reports of others, interviews of individuals, or other sources believed to be reliable. ECONorthwest has not independently verified the accuracy of all such information, and makes no representation regarding its accuracy or completeness. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

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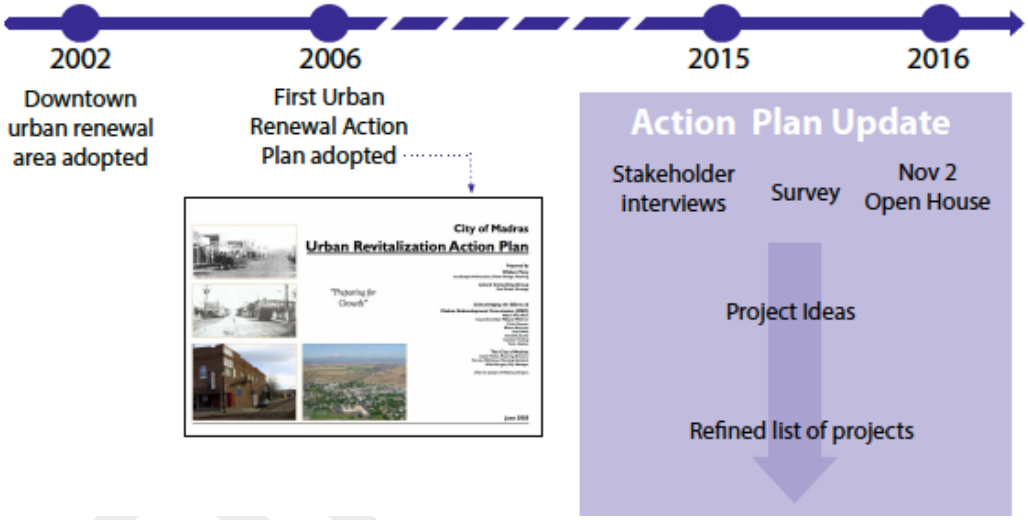
Background and Purpose

Madras' Urban Renewal Agency (the Agency) adopted *the Madras Urban Renewal Plan* in 2002. The plan's purpose is to eliminate blight in downtown Madras while supporting new development through strategic investments. In 2006, the City developed the Madras Urban Revitalization Action Plan to identify specific actions that would accomplish those goals. Since 2006, significant progress has been made, and many of the actions in the 2006 Plan have been completed. The Agency is now undertaking an updated look at implementation in the Urban Renewal Area (URA), to prioritize incomplete projects and consider new actions that can be taken to achieve the original plan's vision and goals in the remaining years of the plan. EXHIBIT 1 shows the action plan's timeline.

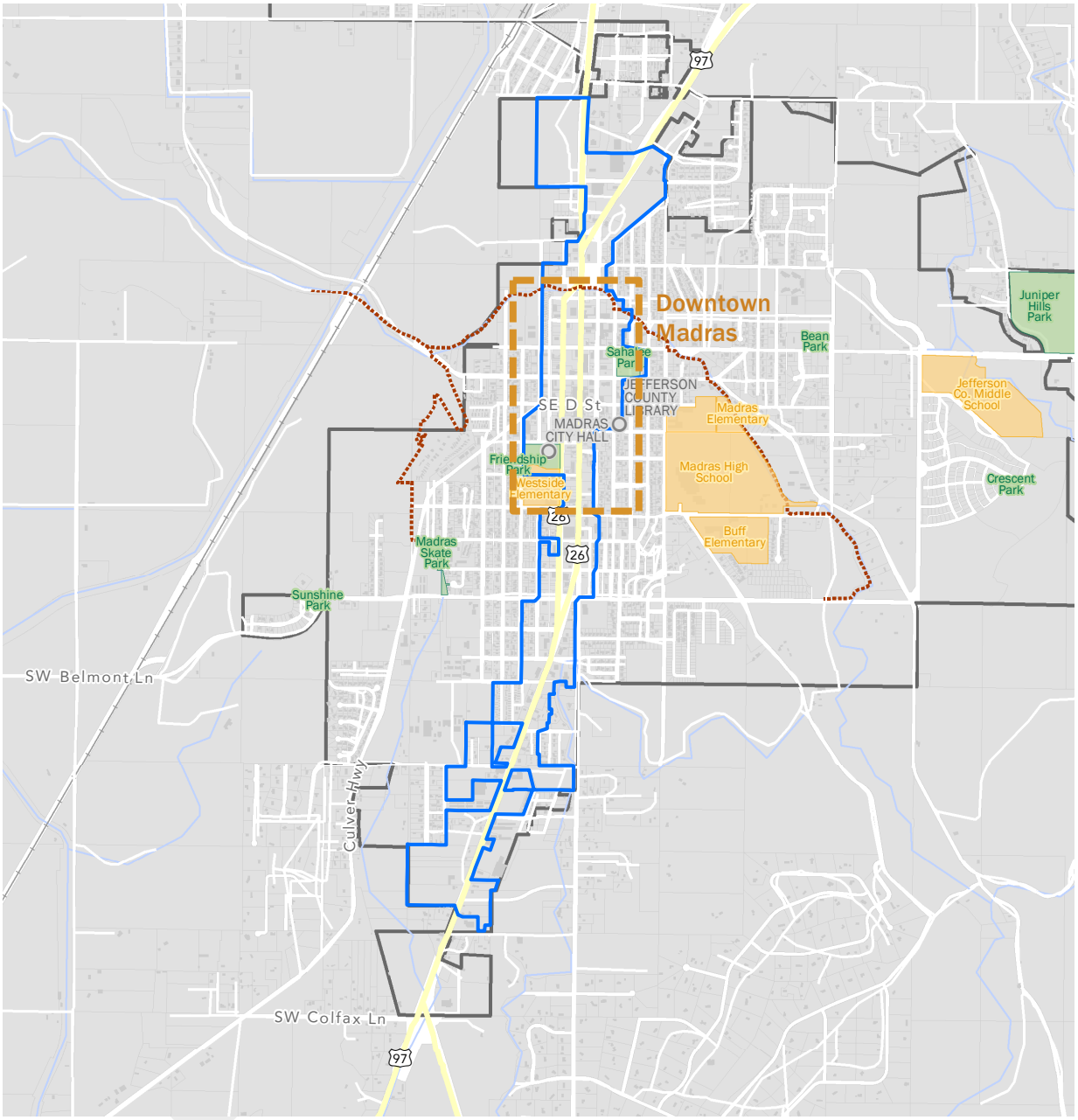
EXHIBIT 1. ACTION PLAN TIMELINE



The Madras Action Plan Update is an approximately six month-long process that will identify and prioritize actions in the Madras Urban Renewal Area to catalyze new development. This includes funding and financing techniques, public-private partnerships, and strategic investment of urban renewal dollars. This report, which evaluates the market for commercial development in the area and identifies potential opportunities for redevelopment in the URA, is one input to that plan update. Specifically, it provides demographic, market, and land use analysis to inform the priorities in the Action Plan document, with a focus on commercial development opportunities.

As shown in EXHIBIT 2, the Plan area comprises 308 acres, with the northern boundary at NW Lee Street and the southern boundary at SW Merritt Lane.

EXHIBIT 2. MADRAS URBAN RENEWAL AREA



City of Madras Urban Renewal Area

0.5 Miles

- Madras Urban Renewal Area
- Schools
- Parks
- Willow Creek Trail
- Building Footprints
- Madras City Limits
- Tax lots

Source: ECONorthwest, City of Madras GIS, ESRI Datamaps 10

Supporting existing businesses and encouraging new commercial development will be key to the success of downtown Madras. As such, the updated Madras Action Plan Update will focus on how to: (1) incent private development or leverage public funding to support current businesses, (2) add to the existing stock of commercial / retail space downtown, and (3) generate tax increment finance revenues for the City of Madras. This report provides the technical foundation for identifying and prioritizing related actions. This assessment is based on existing research and new analysis, and describes the competitive advantages and disadvantages of the area. The research and analysis will help identify strategies for overcoming major barriers to the area's redevelopment.

The report has three parts:

Part 1: Demographic and Employment Conditions

This section describes the demographic trends in the City of Madras that will affect market feasibility for development in the study area. It defines the market segments that are likely to generate demand for new commercial businesses and development.

Part 2: Market Conditions

Assesses current conditions within the City for commercial and residential development.

Part 3: Development Opportunities and Needs

Identifies a set of potential opportunity sites for further analysis through the action plan process and outlines specific barriers that the City and local stakeholders need to address before new development can happen in the area. This section then provides implications for the next steps in the action plan process.

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Part 1:
Demographic and Employment Conditions

This section provides an overview of major economic trends in the Urban Renewal Area, the City of Madras, and comparator geographies. It includes information on who lives, works, and travels through the City of Madras. The purpose of this section is to identify sources of demand for future commercial development in the URA, and serve as the basis for the recommendations for future development opportunities (both the types of development and where that development would go).

Overall, the findings in this section imply that there is limited spending power for new, higher-end retail businesses. However, more could be done to capture sales from: (1) employees who do not live in the Madras; (2) residents of Madras or surrounding rural areas who may shop elsewhere creating an untapped market; (3) drive-through traffic en route to Bend, Portland, or other area destinations. Each of these demand segments has unique needs and desires, as outlined in EXHIBIT 3 below.

EXHIBIT 3. MARKET SEGMENT NEEDS

Market Segment	What They Need	Opportunities / Approach to Attracting
Residents	Everyday services Food Merchandise Entertainment	Support existing businesses, improve Latino biz support Flex/maker space with retail
Employees	Everyday services Food Merchandise	Improved mix of merchandise and service offerings
Visitors (visiting nearby attractions)	Services Food Sundries Gifts Entertainment	Diversify dining options (brewery) General merchandise store Rental stores/outfitters Unique products
Visitors (traveling through)	Food Sundries	Diversify dining options (brewery) Local points of interest to keep them in Madras longer Unique products

Demographic Trends

This section provides an overview of major demographic trends in Madras, Redmond, Bend, Jefferson County, and Oregon. These trends affect demand for different uses in the study area. Unless otherwise noted, this section uses US Census On the Map data and US Census American Community Survey (ACS) 5-year estimates (2009-2013) for all geographies.

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21% of Jefferson County's population lives in Madras.

Population, 2013
Source: American Community Survey 2009-2013 5-year estimates

6,263	29,882	3,868,721
Madras	Jefferson County	Oregon

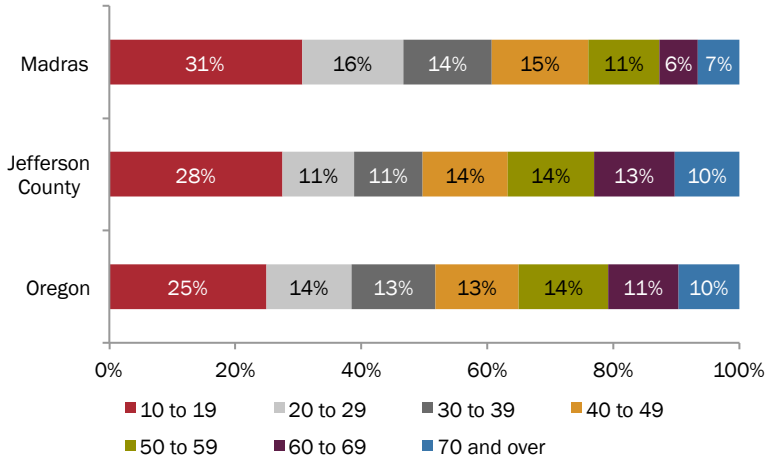
Madras' population growth is higher than that of Jefferson County and Oregon. However, population growth in Madras is significantly less than Redmond (97%) and Bend (50%).

POPULATION GROWTH, 2000-2013
Source: United States Census

23%	15%	13%
Madras	Jefferson County	Oregon

Madras' population is younger than both Jefferson County and Oregon. Almost half of the residents of Madras are under 30 years old.

AGE, 2013
Source: 2009-2013 American Community Survey 5-Year Estimates



Madras has a higher percentage of Hispanic or Latino residents than Jefferson County and Oregon. Madras also has a higher percentage of Hispanic and Latino residents than Bend (9%) and Redmond (12%)

PERCENT HISPANIC OR LATINO, 2013
Source: 2009-2013 American Community Survey 5-Year Estimates

34%	20%	12%
Madras	Jefferson County	Oregon

Madras has a higher percentage of Native American residents than Oregon but lower than Jefferson County. Madras also has a higher percentage than Bend (0.4%) and Redmond (0.9%)

PERCENT AMERICAN INDIAN AND ALASKA NATIVE ALONE, 2013
Source: 2009-2013 American Community Survey 5-Year Estimates

10%	17%	1%
Madras	Jefferson County	Oregon

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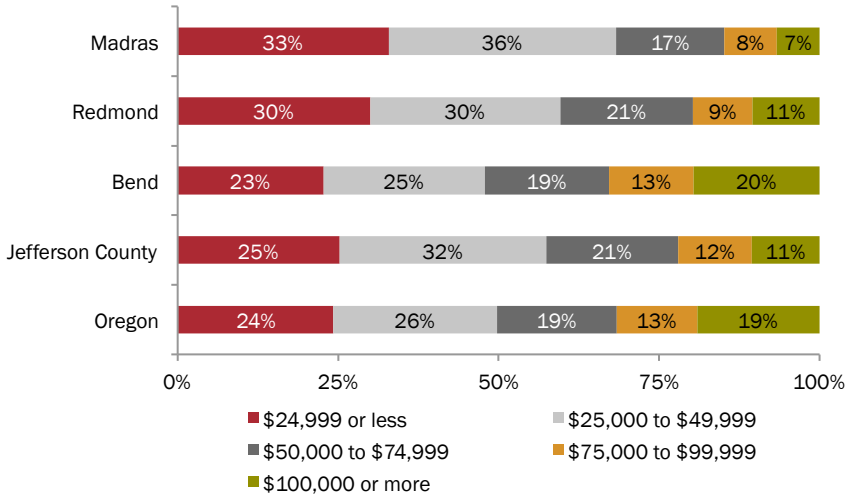
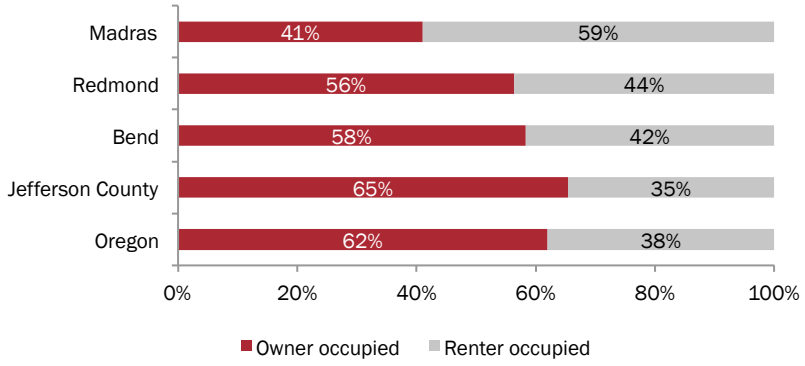
Incomes are lower in Madras compared to Jefferson County, Oregon, Redmond, and Bend. The median household income in Madras is $38,934, lower than that of Oregon ($50,229) and Jefferson County ($43,373).

HOUSEHOLD INCOME, 2013
Source: 2009-2013 American Community Survey 5-Year Estimates



More Madras residents rent housing, as compared to Jefferson County and Oregon. 59% of Madras residents rent housing, as compared to 35% in Jefferson County, 38% in Oregon, 44% in Redmond, and 42% in Bend.

TENURE, ALL OCCUPIED HOUSING UNITS 2013
Source: 2009-2013 American Community Survey 5-year Estimates



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Employment

Madras serves as a regional employment center; those employees present another potential demand segment. This section provides a sense of the potential spending power for that group, and also identifies growing industries that might demand space downtown.

The City of Madras has a total of 3,500 employees, according to Census data. The City of Madras has a concentration of employees in the manufacturing sector (25% of total employees) with an average annual wage of almost $39,000. Health care, social assistance, and private education make up 14% of employment citywide and have an annual wage of $41,533. Retail trade (13% of total) and accommodation and food services (10% of total) have lower average annual wages, $23,531 and $14,966 respectively.

Overall, the people who live in Madras earn less than people who work in Madras, making employees an important source of demand for commercial growth. EXHIBIT 4 shows a count of employees in each industry in the Madras Urban Renewal Area, with corresponding payroll and average pay per employee.

EXHIBIT 4. CITY OF MADRAS EMPLOYMENT AND PAYROLL BY MAJOR INDUSTRY, 2014

		Employees		Payroll	
Sector / Industry	Establish-ments	Number	% of Total Emp.	Total	Average Pay per Employee
Manufacturing	8	910	25%	$35,453,887	$38,960
Government	22	706	20%	$29,714,614	$42,089
Health Care/ Social Assistance/Private Education	29	494	14%	$20,517,303	$41,533
Retail Trade	39	481	13%	$11,318,606	$23,531
Accommodation and Food Services	29	368	10%	$5,507,434	$14,966
Other Services	49	123	3%	$2,023,695	$16,453
Construction and Wholesale Trade	15	104	3%	$4,571,289	$43,955
Agriculture, Forestry, and Mining	4	91	3%	$4,528,024	$49,759
Administrative and Support Services	8	78	2%	$1,875,594	$24,046
Finance and Insurance	14	69	2%	$2,615,443	$37,905
Professional Services / Management	16	48	1%	$1,400,713	$29,182
Arts, Entertainment, and Recreation	5	40	1%	$452,296	$11,307
Real Estate and Rental and Leasing	13	25	1%	$589,863	$23,595
Information	4	22	1%	$608,523	$27,660
Transportation and Warehousing and Utilities	3	14	0%	$1,019,335	$72,810
Total	**258**	**3,573**	**100%**	**$ 122,196,619**	**$ 34,200**

Source: City of Madras Quarterly Census of Employment and Wages

EXHIBIT 5 and EXHIBIT 6 show employment information for the Urban Renewal Area. Notably, none of the city's manufacturing establishments are inside of the Urban Renewal Area. EXHIBIT 6 shows retail trade, accommodation and food services, and government as top employment sectors in the URA.

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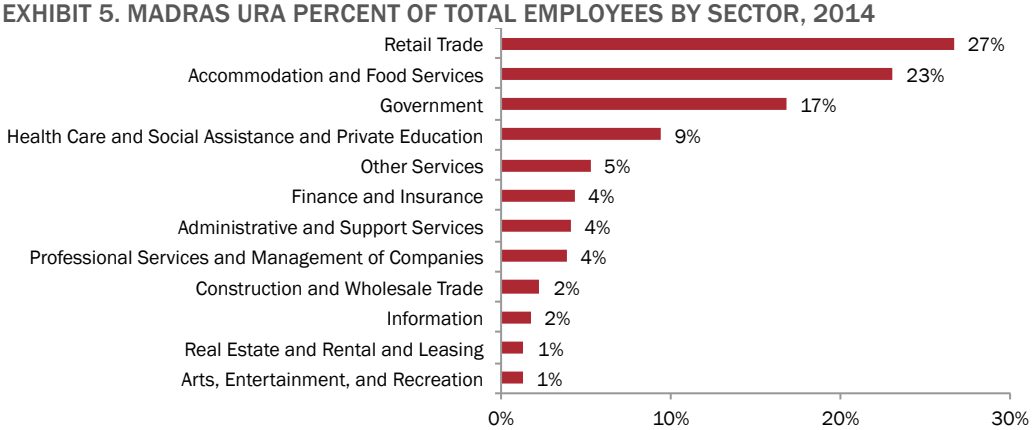
EXHIBIT 5. MADRAS URA PERCENT OF TOTAL EMPLOYEES BY SECTOR, 2014



Source: City of Madras Quarterly Census of Employment and Wages

EXHIBIT 6. MADRAS URA EMPLOYMENT AND PAYROLL BY MAJOR INDUSTRY, 2014

		Employees		Payroll	
Sector / Industry	Establish-ments	Number	% of Total Emp.	Total	Average Pay per Employee
Retail Trade	28	340	27%	$ 7,550,681	$22,208
Accommodation and Food Services	21	294	23%	$ 4,487,030	$15,262
Government	8	214	17%	$ 9,671,174	$45,192
Health Care and Social Assistance and Private Education	13	120	9%	$ 4,180,771	$34,840
Other Services	20	67	5%	$ 1,246,332	$18,602
Finance and Insurance	10	55	4%	$ 2,069,584	$37,629
Administrative and Support Services	3	52	4%	$ 910,700	$17,513
Professional Services and Management of Companies	14	49	4%	$ 1,320,336	$26,946
Construction and Wholesale Trade	4	29	2%	$ 1,201,297	$41,424
Information	4	22	2%	$ 608,523	$27,660
Real Estate and Rental and Leasing	5	17	1%	$ 345,766	$20,339
Arts, Entertainment, and Recreation	4	16	1%	$ 169,771	$10,611
Total	**134**	**1,275**	**100%**	**$ 33,761,965**	**$26,480**

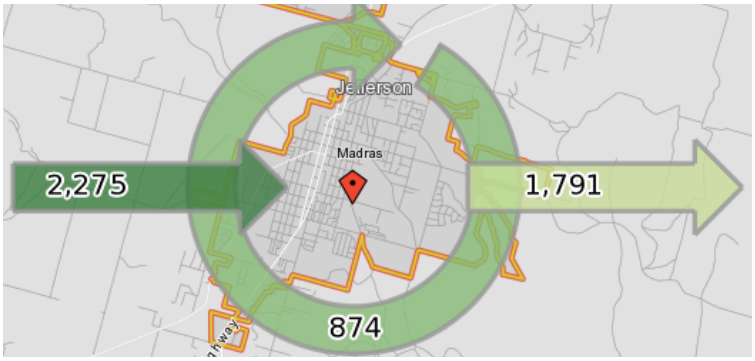
Source: City of Madras Quarterly Census of Employment and Wages

The following section provides information on employees and businesses in the City of Madras and the Urban Renewal Area.

Over 70% of Madras employees live outside of the city. Only 874 residents of Madras work within City limits. Workers commute into Madras primarily from within Jefferson County (62%) and Deschutes county (14%). Madras residents who work outside of the City primarily commute from other cities, including Redmond, Bend, Culver, and Prineville.

MADRAS INFLOW/OUTFLOW, 2013

Source: United States Census On the Map



Note:The dark green arrow shows people who live outside of Madras city limits but commute into the city to work. The medium green circular arrow shows people who both live and work within Madras city limits. The light green arrow shows people who live within City limits but commute elsewhere for work.

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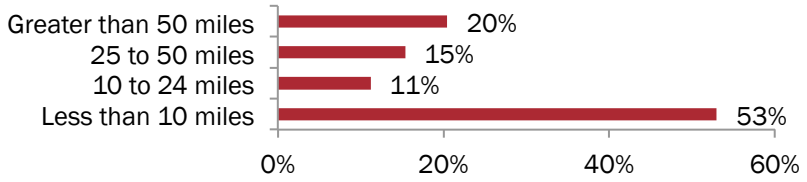
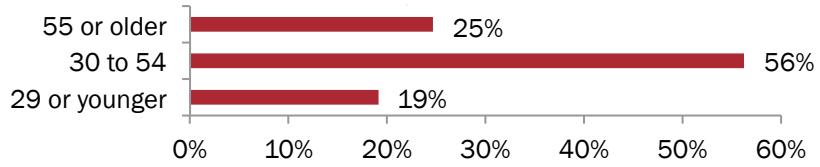
Over half of people who work in Madras commute less than 10 miles into the City. However, 20% of workers commute over 50 miles to Madras.

COMMUTE FROM HOME TO WORK, 2013
Source: United States Census On the Map



Most workers in Madras are between 30 and 54 years old.

AGE OF WORKERS, 2013
Source: United States Census On the Map



35% of workers in Madras work in the Urban Renewal Area. Half of all establishments with employees in Madras are in the Madras Urban Renewal Area.

NUMBER OF ESTABLISHMENTS, MADRAS URA AND UBG, 2014
Source: Quarterly Census of Employment and Wages

134
Madras URA

258
Madras UGB

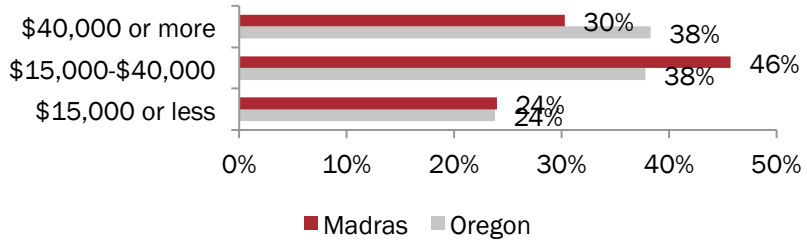
NUMBER OF EMPLOYEES, MADRAS URA AND UGB, 2014
Source: Quarterly Census of Employment and Wages

1,275
Madras URA

3,573
Madras UGB

Almost half of workers in Madras earn between $15,000 and $40,000 per year. A higher percentage of Oregon residents earn over $40,000 per year as compared to Madras.

ANNUAL WAGE OF WORKERS, 2013
Source: United States Census On the Map



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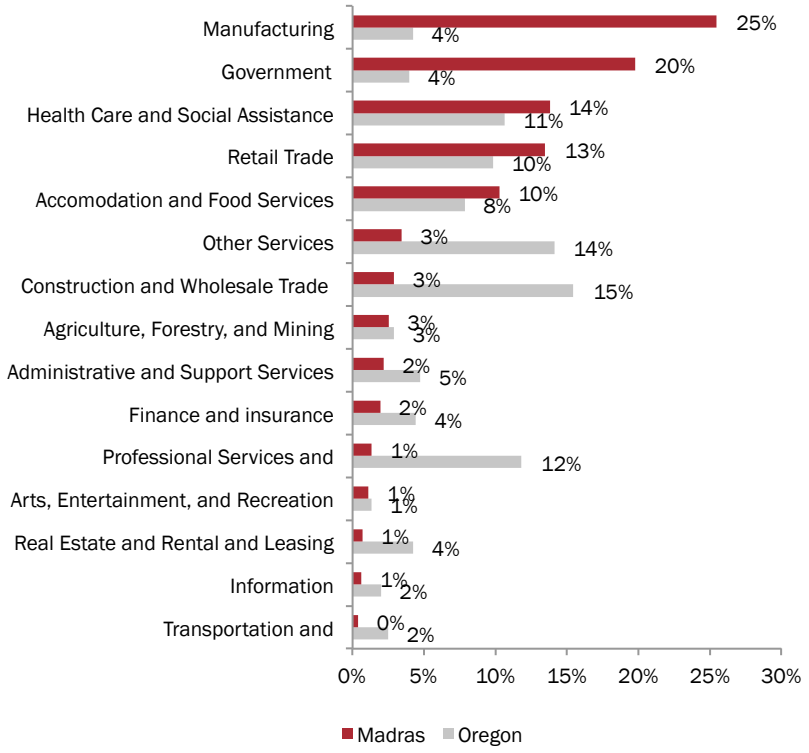
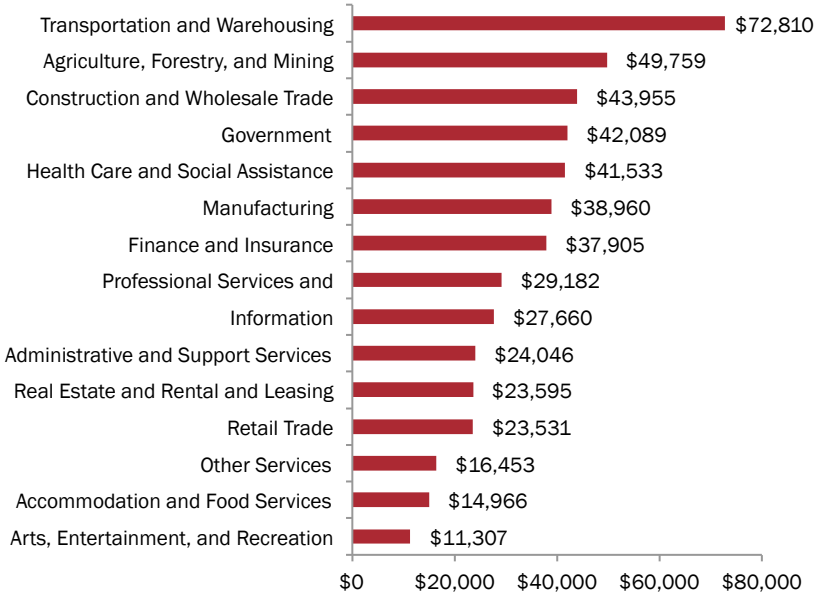
Compared to Oregon, a greater share of workers in Madras work in manufacturing. Only 4% of Oregon workers work in the manufacturing sector, compared to 25% in Madras, or 910 workers.

PERCENT EMPLOYEES BY SECTOR, MADRAS OREGON, 2014
Source: Quarterly Census of Employment and Wages



Workers in the Transportation, Warehousing, and Utilities sectors earn the highest annual wages in Madras, on average. Average annual pay per employee ranged from $10,611 for Arts, Entertainment, and Recreation to $72,810 for transportation and warehousing, and utilities.

MADRAS UGB AVERAGE PAY PER EMPLOYEE BY SECTOR, 2013
Source: 2014 Quarterly Census of Employment and Wages



Visitor Market

Understanding what brings visitors to Madras and Central Oregon now can help the City of Madras boost its tourism in the future. Many studies have attempted to describe the Central Oregon visitor market and visitor profiles, including Travel Oregon, the Central Oregon Visitors Association.

EXHIBIT 7 provides an overview of marketable and non-marketable trips to Madras. Marketable trips are taken by travelers that can be influenced by marketing efforts (e.g., international/national visitors, outdoor enthusiasts), whereas non-marketable trips are taken by travelers influenced by something other than the destination itself (e.g. visiting family/friends or business). Generally, non-marketable travelers are considered lower-value travelers, as they will eat fewer meals in restaurants and may or may not stay in a hotel.

EXHIBIT 7. VISITOR MARKET SEGMENTS

	Marketable Travelers	Non Marketable Travelers
Share of travelers	49% (about half of these travelers are from Oregon)	51%
What influences them	Travel influenced by marketing efforts: International/national tourism Outdoor enthusiasts	Little a destination can do to influence, besides offering additional activities Visiting friends/family Business
What they do	• 29% for outdoor rec • 23% for touring • 18% special event	• 7% business • 42% family/relatives
Wants	• Stops on the tour • Outdoor experience without risks • "Unique" experiences	• Things to do while there • Generally a lower value traveller: Will eat two meals there a day at $14-18, may or may not stay in a hotel

Source: Longwoods, International. Oregon 2013 Regional Visitor Report, Central Oregon

Of all overnight trips to Central Oregon in 2011, about half were marketable trips, and many visitors come from other areas of the Pacific Northwest. Of all marketable trips to Central Oregon, 34% come from Portland, followed by Seattle and Eugene.[1] Most visitors to Central Oregon are coming in the summer, as about fifty percent of annual Transient Room Tax, a hotel tax, is collected July through September.

The main purposes of marketable trips to Central Oregon were outdoor recreation, touring, special events, and resorts. When visitors were in Central Oregon, the most popular activities included visiting historical places, shopping, hiking/backpacking, cultural activities and attractions, visiting National and State parks, and camping.[2] Most non-marketable trips taken to Central Oregon were to visit family or friends. Some non-marketable trips were business trips.

[1] Longwoods International, http://industry.traveloregon.com/content/uploads/2014/11/OR-Central-Region-2013-Final-Report.pdf
[2] Longwoods International

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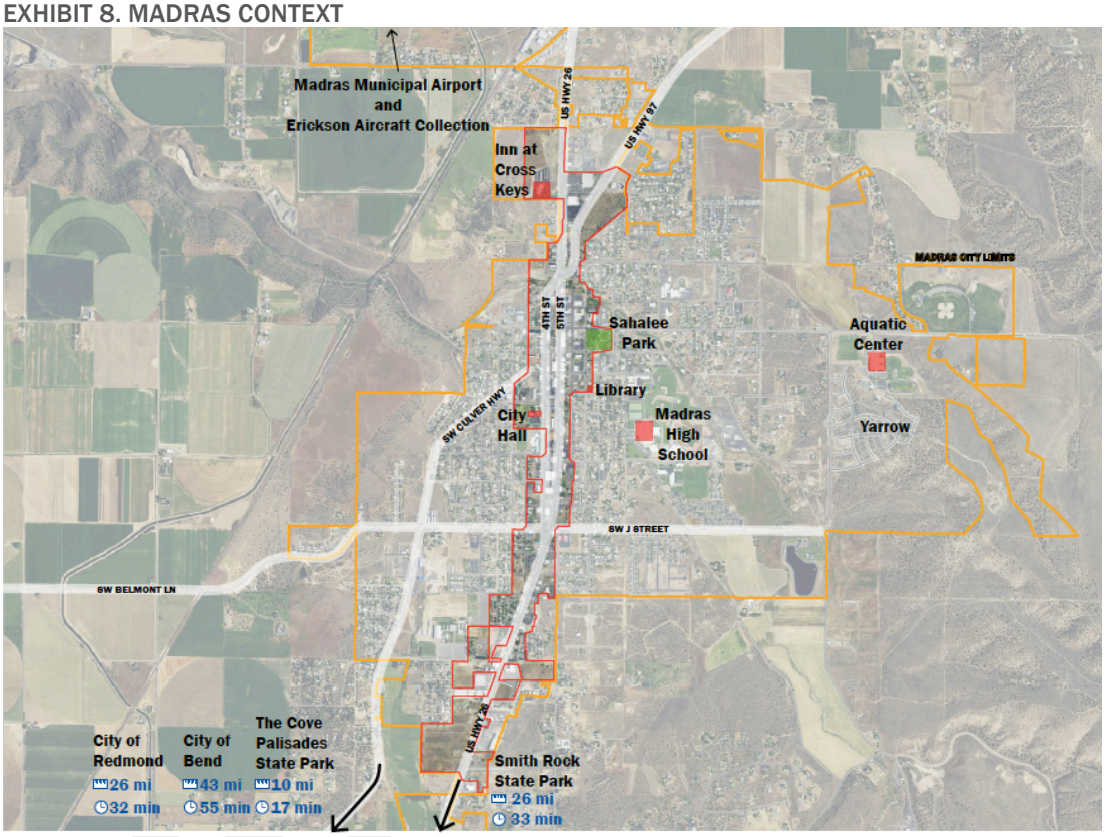
EXHIBIT 8 shows key destinations from Madras as well as local community assets. Madras is well positioned in between major visitor attractions in Central Oregon, some of which provide annual visitor counts. Cove Palisades State Park, a 25-minute drive from Madras, 515,000 visitors in 2014.[3] Smith Rock State Park, a 30-minute drive from Madras, reported around 650,000 visitors in 2014.[4] Kah-Nee-Tah Hot Springs and Family Resort, a 35-minute drive from Madras, reported 69,000 visitors.[5]

EXHIBIT 8. MADRAS CONTEXT



Source: Longwoods, International. Oregon 2013 Regional Visitor Report, Central Oregon

Second homes are also popular in Central Oregon. The American Community Survey provides the number of homes that are vacant for seasonal, recreational, or occasional use. According to the Census, this category is often referred to as vacation homes, but also includes corporate apartments ad other temporary residences.[6] The percent of homes identified as vacant for seasonal, recreational, or occasional use in Madras is 0.4% of total housing units, suggesting there are more second/vacation homes in Jefferson County (11.1%

[3] Cove Palisades State Park. http://oregonstateparks.org/index.cfm?do=parkPage.dsp_parkHistory&parkId=24

[4] Smith Rock State Park, http://oregonstateparks.org/index.cfm?do=parkPage.dsp_parkHistory&parkId=36

[5] Oregon Rural Tourism Studio. River Canyon Country Rural Tourism Studio Baseline Assessment, October 2012. http://industry.traveloregon.com/wp-content/uploads/2012/10/1.3.6.1_RCCBaseline.pdf

[6] https://www.census.gov/prod/cen2010/briefs/c2010br-07.pdf, page 4

of total housing units) relative to the percentage of Oregon housing units (3.4%), but the homes are located outside of the City of Madras.

Part 2: Market Conditions

In this section, we describe the existing conditions for residential, industrial, and commercial uses in and near the study area. The analysis provides insight into existing supply and potential demand for different land uses and redevelopment opportunities. Since the City recently completed a Buildable Lands Inventory for residential and industrial/commercial properties, this analysis focuses mainly on retail conditions in the area.

Real Estate Terms

Vacancy rate	All the available space for lease divided by the total space in the defined market. This gives a quick sense of whether it is a landlord or tenant's market. It is often an indicator for developers of when to enter or exit a market. Higher vacancy rates means it takes longer for property owners to lease-up buildings.
Absorption	The number of properties that have been leased or sold (absorbed) within a defined period. The absorption rate divides available properties by the absorbed properties.
Asking rent	The dollar amount the lessor is asking for in order to lease their building/space/land. It is represented as an annual or monthly amount depending on the area where the property is located. Most markets reflect an annual amount while some markets use a monthly amount.

Overall, the market for new development is likely to create feasibility challenges for new, higher-end construction. For retail, the number and demographics of households within the City creates challenges for the types of retail that are likely to locate in Madras, given the existing competitive landscape. Office and industrial uses will locate in Madras if the City has an advantage over other communities in Central Oregon. For example, some firms may be attracted to Madras given its lower cost of living, closer proximity to the Portland metro area, lower rents, or high quality water. Residential development continues to be challenged by the lack of demand for new housing in the area.

Retail

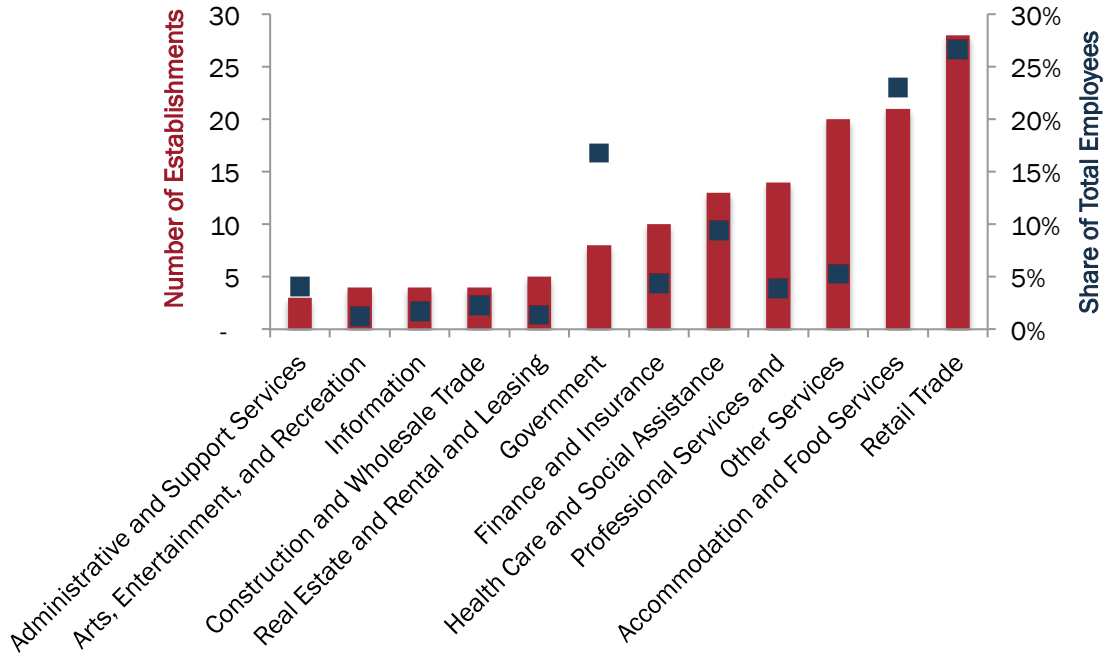
Business Inventory

The State of Oregon Employment Department conducts the Quarterly Census of Employment and Wages (QCEW). QCEW data provides data on employment and wages by industry, as well as the number of businesses in each industry. There are 259 establishments with employees in the City of Madras as a whole, and 134 establishments in the Madras Urban Renewal Area.

EXHIBIT 9 shows the breakdown of business types by employment sector in the Madras URA and the share of employees in each of those sectors. The area features a concentration of

services and retail businesses (29 businesses, 27% of all employees), along with accommodation and food service businesses (21 businesses, 23% of all employees). Over half the URA's employees work in these two business types.

EXHIBIT 9. ESTABLISHMENTS BY SECTOR, MADRAS URA, 2014



Source" City of Madras Quarterly Census of Employment and Wages, 2014

Retail leakage analysis

"Retail leakage" occurs when community members spend money outside of their community. By identifying what types of products residents are purchasing outside of Madras, a retail leakage analysis can provide some limited information about the types of new businesses and services the area could support.

EXHIBIT 10 and EXHIBIT 11 show the retail gaps for major industries in the City of Madras. Retail gaps are calculated by subtracting total sales from local retail demand. A positive retail gap shows local sales are lower than local demand and indicates that the industry may be supportable in the City. The City's retail gap is almost -$31 million, meaning residents spend $31 million outside of Madras on goods and services.

Residents of the City of Madras spend about $41 million on retail goods and services, $46 million including food and drink. In the City of Madras, retailers have around $63 million in sales and $77 million including food and drink sales. Industry groups in Madras with the most sales include automobile dealers, auto parts, accessories, tire stores, gas stations, and grocery stores.

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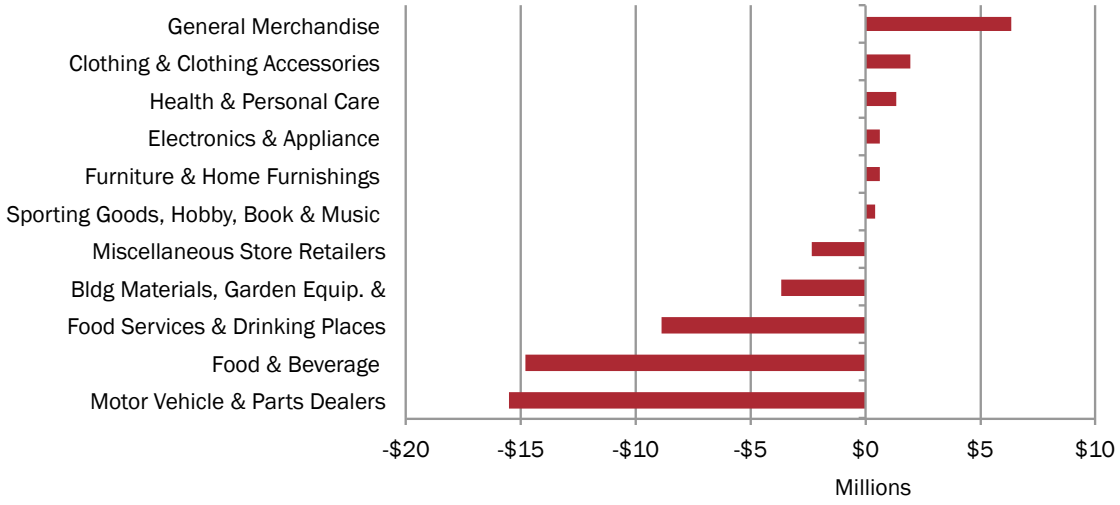
EXHIBIT 10. CITY OF MADRAS RETAIL LEAKAGE

Retail Industry Sector	Retail Gap
Motor Vehicle & Parts Dealers	-$15,562,339
Furniture & Home Furnishings Stores	$608,964
Furniture Stores	$225,824
Home Furnishings Stores	$383,140
Electronics & Appliance Stores	$661,511
Bldg Materials, Garden Equip. & Supply Stores	-$3,622,873
Food & Beverage Stores	-$14,831,719
Health & Personal Care Stores	$1,318,518
Gasoline Stations	$184,718
Clothing & Clothing Accessories Stores	$1,918,650
Clothing Stores	$1,520,894
Shoe Stores	$335,928
Jewelry, Luggage & Leather Goods Stores	$61,828
Sporting Goods, Hobby, Book & Music Stores	$373,344
Sporting Goods/Hobby/Musical Instr Stores	$301,883
Book, Periodical & Music Stores	$71,461
General Merchandise Stores	$6,366,989
Department Stores Excluding Leased Depts.	$2,788,366
Other General Merchandise Stores	$3,578,623
Miscellaneous Store Retailers	-$2,325,295
Nonstore Retailers	$2,912,311
Electronic Shopping & Mail-Order Houses	$2,534,079
Vending Machine Operators	$52,309
Direct Selling Establishments	$325,923
Food Services & Drinking Places	-$8,884,152
Total Retail Trade and Food & Drink	**-$30,881,373**
Total Retail Trade	**-$21,997,221**
Total Food & Drink	**-$8,884,152**

Source: ESRI Retail MarketPlace Profile, September 2015

EXHIBIT 11. RETAIL NEEDS



Source: ESRI Retail MarketPlace Profile, September 2015

However, there are several retail sectors with positive retail gaps. Notable industries with deficits in Madras include general merchandise stores (these sell a number of lines of merchandise such as dry goods, apparel and accessories, furniture and home furnishings, small wares, clothing stores, electronic shopping and mail-order houses, and health and personal care stores.

Regional retail contributes to high leakage rates in many retail industry subsectors. When deciding what retail would be best for downtown Madras, careful study of regional retail competition for the intended use will be necessary.

According to local realtors, there seems to be available commercial space available for lease, and there seems to be significant demand for more shopping (in particular, a clothing store) in Madras. However, few inquiries have been made about leasing commercial space for retail. Various explanations for the lack of retail include high City fees and the lack of households to support it. There have been very few inquiries for restaurant space, but somewhat more inquiries for general merchandise and grocery stores spaces.

According to Madras' 2015 Economic Opportunities Analysis (EOA), increases of retail and non-retail commercial employment will require 117 gross acres of commercial land in the City of Madras. The City has enough vacant commercially zoned land in the UGB to accommodate 20 years of growth, with 26 acres of surplus land. The majority of Madras' 28 vacant gross acres of commercial land is zoned C-1 and CC, with concentrations in southern Madras along Highways 97 and 26, and in the Middle of madras along Highway 97.

Office and Industrial

The EOA describes Madras' industrial conditions. Madras' industrial sector saw the largest decrease in employment between 2004 and 2013, falling by 530 employees (34%)[7]. However, companies have chosen to locate in Madras' industrial areas, including Erikson Air Tanker maintenance and manufacturing operations to Madras. Additionally, both Central Oregon Seeds and Central Oregon Basalt have expanded facilities in Madras. Four companies have investigated located solar arrays near Madras, both on city-owned land at the Airport and on privately owned land.

According to the EOA, increases in industrial employment (both general industrial and airport-related industrial) will require 141 gross acres of industrial land in the Madras UGB. The City has enough land for this industrial growth over the next 20 years, with 69 gross acres of surplus industrially zoned land available. All vacant industrial land in Madras is located in the northern part of the City, near the airport and along Highway 26. About two-thirds of the vacant land is in two parcels, which would allow large industrial operations to locate in Madras. Madras has a limited number of smaller general industrial sites, all of which are near the airport. Industrial sites in Madras will continue to provide critical land for employment uses within the City.

Future industrial sites will need to be a variety of sizes, and may need to rezone land in Madras to meet the need for smaller industrial sites. Additionally, the owner of a large industrial site may be unwilling to sell or lease the property, so the City must evaluate

[7] City of Madras Economic Opportunities Analysis, pg. A-21.

whether the other existing industrial land supply meets the City's economic development goals.[8]

Discussions with real estate agents indicated the Madras was most likely to continue to attract industrial development over office development.

Residential

Total housing units in Madras have almost doubled since 1990, increasing from 1,374 to 1,927 (2010) to 2,569 units in 2010.[9] The City of Madras Housing Needs Analysis (HNA) identifies that although Deschutes County has historically accounted for the majority of single-family residential development in Central Oregon, Crook and Jefferson Counties are accounting for an increasing share of single-family development.

Realtors in the City of Madras identified that a lack of shopping in Madras is an obstacle to bringing people to Madras. In addition, perception of the local schools and a need to accommodate the commuting needs of others in the household are key reasons why families choose to live outside of Madras. As part of this project, the City has released a survey of workers to determine how it could better attract more employees to live in Madras.

The HNA, completed in 2007, identified housing needs for 20 and 50-year population and employment forecasts. According to the HNA, the City will need an additional 221 acres for housing and associated public facilities in the 2007-2027 period and 1,997 acres for the 2007-2057 planning period to accommodate the expected increase in households.[10] Some of that housing could take the form of multifamily development in the core of Madras.

Hotel

Madras has six hotels and motels. ECONorthwest did not complete a full market analysis for hotels in Madras for the Action Plan Update, but has done recent analysis of hotel demand in Central Oregon. The analysis showed that the high-end hotel market is tight in Central Oregon, resulting from a long period with no added capacity paired with the surging Central Oregon visitor market. Additionally, Madras will continue to see increased traffic on Highway 97 as trucks seek alternate routes from I-5 and the Columbia Crossing. Half of hotel business is driven by local population growth (the best indicator is personal income of the area).

However, the existing seasonality of the Madras hotel market creates challenges for local hoteliers. The peak season in Madras is from April to October, with much higher vacancies during the slower winter months, when room rates decrease to up to $30 per night.[11] All these factors show that Madras is unlikely to support an additional hotel within the next five years, even a limited-service mid-scale hotel.

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[8] Madras EOA
[9] Madras Urbanization Report, United States Census
[10] ECONorthwest. City of Madras Urbanization Report, November 2007
[11] Interviews with local hoteliers, November 2015

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Part 3: Development Opportunities

This section provides an overview of development opportunities in the area. These are the sites that could accommodate additional commercial development that serves the market segments defined in Part 1, given the market conditions described in Part 2. This analysis is based on a technical analysis of development opportunities and conversations with area stakeholders, real estate professionals, and City staff.

The area has many sites that would be suitable for redevelopment, many of which are located in the core of the urban renewal area. However, some of these vacant sites are located within the floodway and floodplain, which prevent development or add additional development barriers.

Technical analysis

To get an overview of the sites that are most likely to redevelop within the URA, ECONorthwest conducted a preliminary technical analysis of development opportunities in the URA, using the City's 2015 Buildable Lands Inventory layer and parcel data from the Jefferson County assessor. EXHIBIT 12 provides an overview of findings. Of the parcel acres within the district, 37% are vacant or partially or vacant and 19% are underutilized (meaning that their land value is worth at least the value of the structure on the parcel).

EXHIBIT 12. DEVELOPMENT POTENTIAL WITHIN THE MADRAS URA

	Acres	Percent
Vacant & Partially Vacant	90.9	37%
Underutilized	45.9	19%
Developed	94.4	38%
Public	16.4	7%
Total	247.6	100%

Source: ECONorthwest, 2015

EXHIBIT 13 and EXHIBIT 14 show the *Improvement to Land Value Ratio* on parcels in the northern and southern sections of the URA based on Jefferson County Assessor data. This ratio is the assessed value of improvements divided by the assessed value of the land. This is a commonly used indicator of potential for redevelopment when the ratio is low, although it is not the only indicator.

In the northern section, 4th Street from A to E Streets have a number of underutilized and vacant parcels, particularly at the intersection of 4th and C. There are also many underutilized and vacant parcels at the northern tip of the boundary along Highway 97.

The southern section of the URA has many underutilized and vacant parcels. Vacant and partially vacant parcels are prevalent along the southern portion of Highway 26, as well as scattered along 4th Street between D to J Street.

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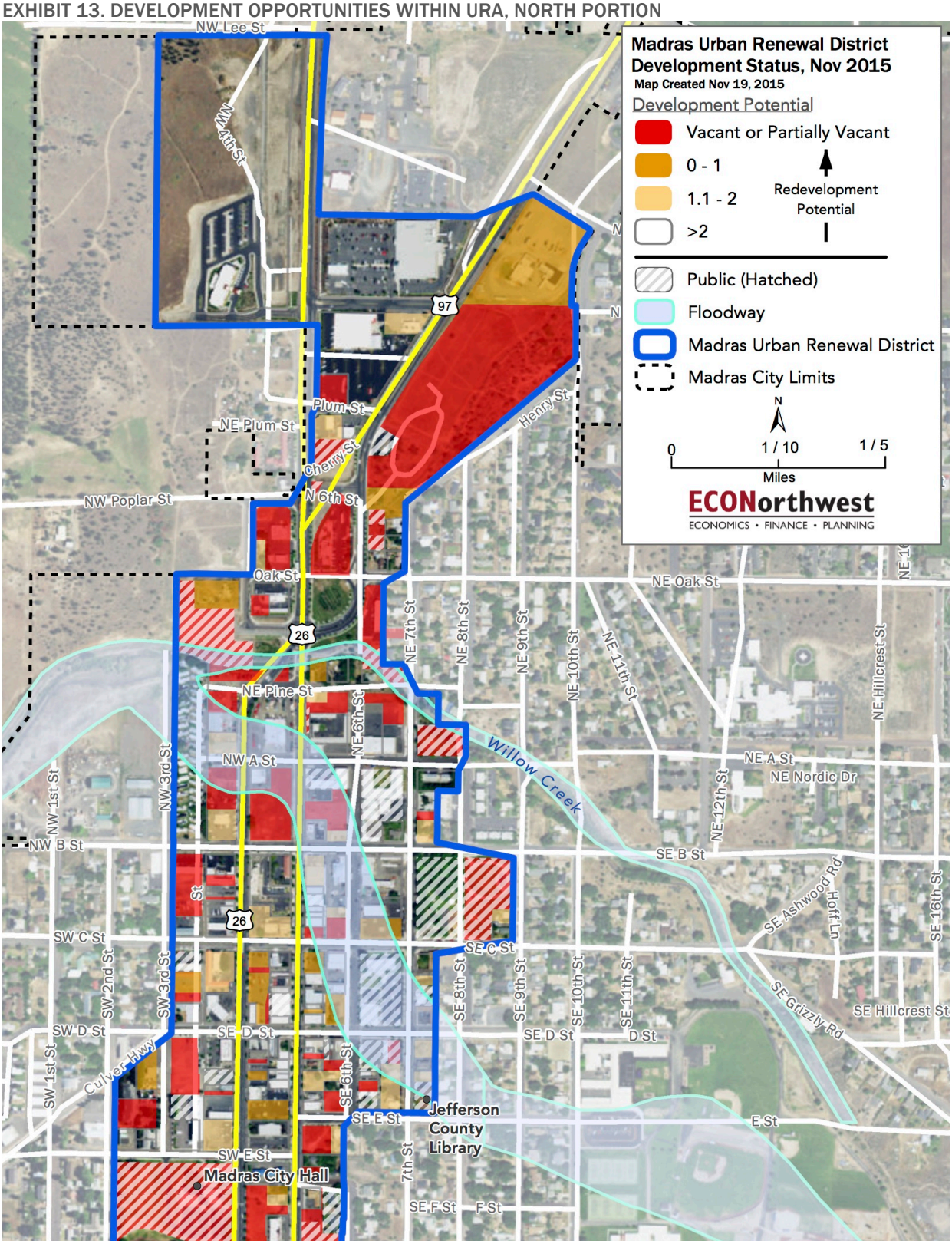
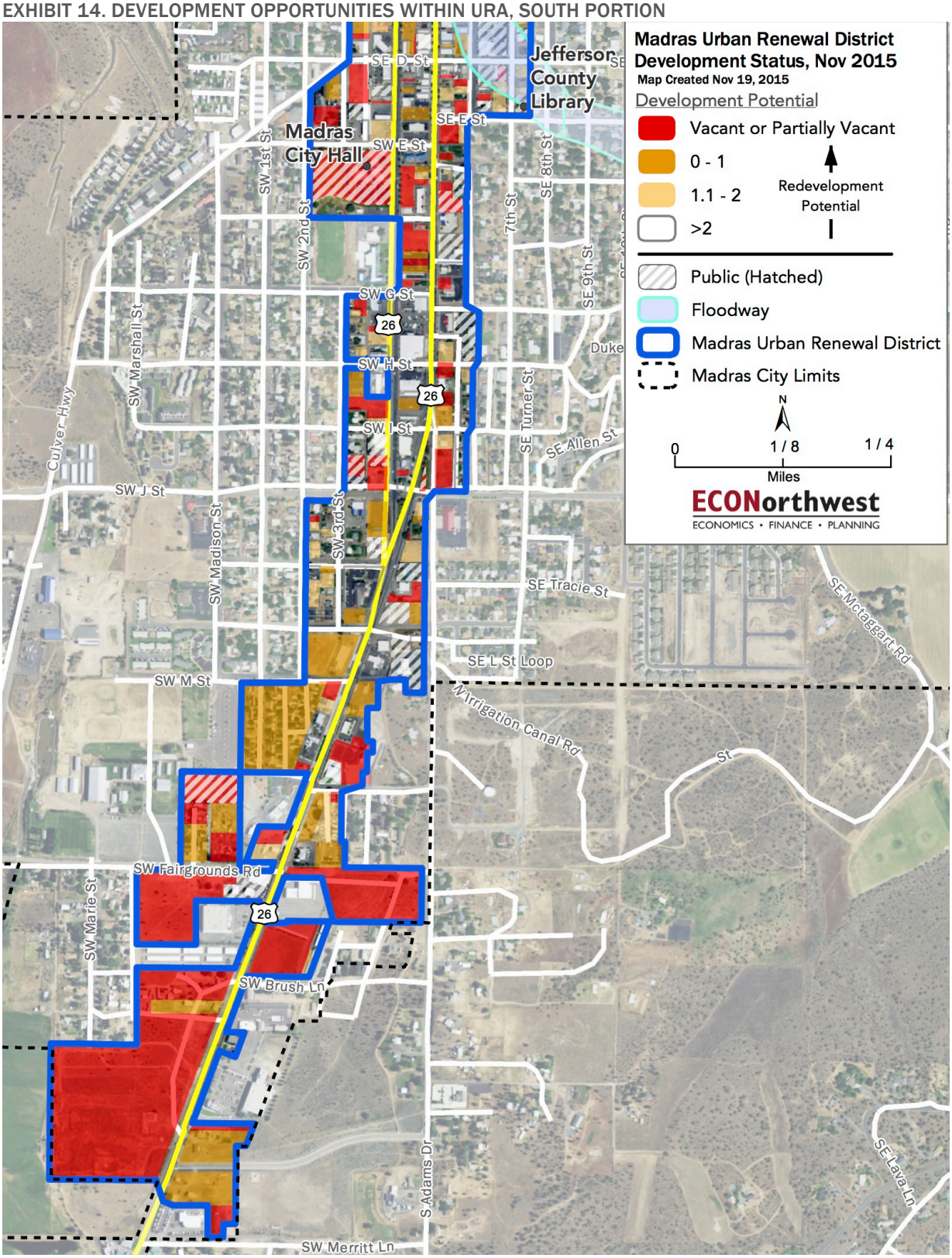
EXHIBIT 13. DEVELOPMENT OPPORTUNITIES WITHIN URA, NORTH PORTION



Source: Jefferson County Assessor and 2015 Economic Opportunities Analysis

EXHIBIT 14. DEVELOPMENT OPPORTUNITIES WITHIN URA, SOUTH PORTION



Source: Jefferson County Assessor and 2015 Economic Opportunities Analysis

Implications for Action Plan

The analysis so far finds that: (1) the City can do more to attract unexploited demand segments such as tourists and workers to the city's retail offerings, (2) the development market is challenged, and (3) there are many sites that could accommodate new development. Given those findings, the Action Plan Update needs to take the following actions:

1. Address Market Barriers to Attract Appropriate Retail Development

This section provides a preliminary description of the "niche" for downtown Madras in a regional context, and given findings from the research presented in this report. It also better defines how the Action Plan should be shaped, given the findings in this analysis.

Market barriers: What is keeping this area from redeveloping?

- **Underused storefronts in Madras' historic downtown.** Madras does have a concentration of downtown-scale retail and restaurants between B and E Street on Highway 97, but the presence of underutilized storefronts in this area sends a signal that the area cannot sustain retail. A critical mass of active retail is critical to retail success, and fragmentation of retail districts is problematic.
- **Access to financial capacity among small businesses.** Small and minority-owned businesses often do not have the same access to traditional sources of funding or investment as other businesses and could use technical support to obtain resources.
- **Relatively low buying power.** About 6,300 people live in Madras, which could be enough to support a small retail center if other factors align, such as business mix and site desirability. However, demographics often drive the types of retail that can locate in an area, and incomes and associated buying power in the area are relatively low.
- **Competing retail nodes.** Madras faces competition in retail from Redmond and in other regional destinations. The downtown also faces competition for retail from other retail nodes in Madras.

How can Madras overcome these barriers?

Attracting the demand segments described in this report will require strategic additions to the existing mix of businesses.

- **Madras should position itself to attract general merchandise stores that sell everyday goods like clothes and other dry goods**. With a combined retail gap for general merchandise and clothing stores around $8 million, the national average of $300 per square foot suggests that the City could accommodate roughly 25,000 square feet of general merchandise space. With the high amount of retail leakage discussed in Section 2, it is likely that general merchandise businesses will locate at the northern or southern ends of the urban renewal area where access is easiest.

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- **Madras would benefit from additional anchor restaurants and/or a brewery that can attract visitor through traffic as well as serve a local market.** There is already a good set of restaurants in downtown Madras located along the couplet. However, the area would benefit from the addition of a restaurant that specifically meets the needs of tourists and marketable travelers, as detailed in EXHIBIT 3.
- **There are likely properties in downtown Madras that can accommodate "flex" or "maker space" with a retail component**. This type of arrangement can buffer businesses against retail seasonality by allowing the business to produce goods year round.
- **While demand is currently low for a new hotel in the City of Madras, future investment in hotel capacity will likely be mid-scale and limited service in nature.**
- **This technical analysis can help to point toward general categories of retail demand, echoed by community member needs.** The City needs to be responsive to businesses that emerge outside of the status quo, but that support the URA objectives.

2. Strategically Target Investment

Given the concentration of underdeveloped and vacant parcels in the URA and the downtown, and the evaluation of demand segments presented in this document, the City's Action Plan should focus on near-term development opportunities and tenant attraction strategies. Further, the Action Plan should seek to concentrate downtown-scale retail and services in a smaller node that has some opportunity sites in it, and consider other kinds of uses in other parts of the URA.

As the Action Plan is finalized and implementation begins, the City of Madras should be prepared to be both proactive and responsive as development opportunities arise. Small, main-street level improvements can invigorate the downtown and civic cores of the City, as shown in EXHIBIT 15.

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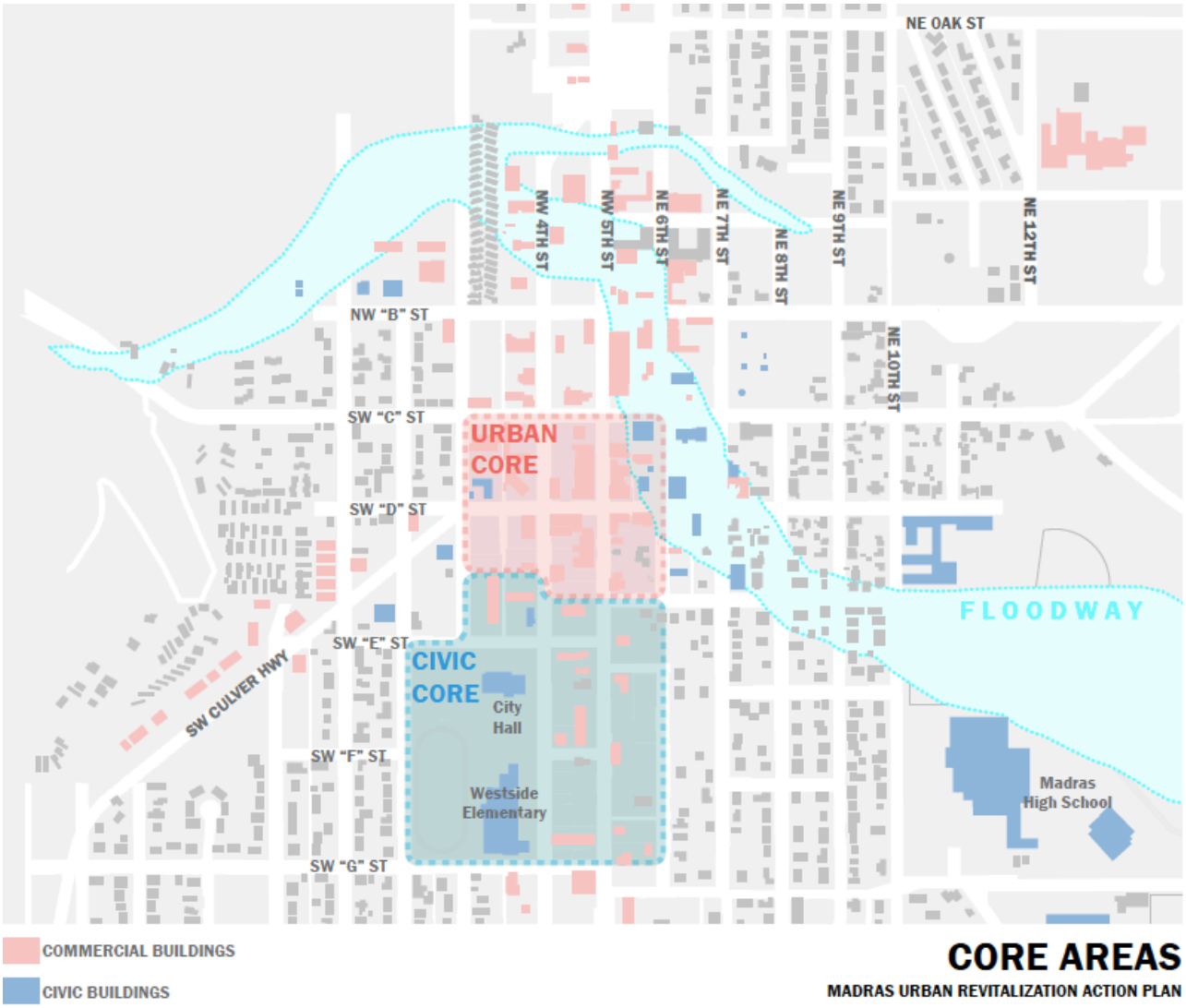
EXHIBIT 15. CORE INVESTMENT AREA