

## DOWNTOWN REDMOND OFFICE-RETAIL

222 NW 7th Street | Redmond, Oregon



**Offered at \$1,256,000**

- Owner-User opportunity plus cash flow!
- Mixed-use office/retail in Redmond, Oregon
- Zoned Central Business District Commercial (C-2)
- Two-story building with 24 dedicated parking stalls on 0.25 Acres
- Building Professionally Managed by Fratzke Property Management

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**With You Every Square Foot of the Way.**

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**DISCLAIMER:** This information is from sources we deem reliable, but for which we assume no liability. This is an exclusive listing. The information contained herein is given in confidence with the understanding that all negotiations pertaining to this property be handled through Fratzke Commercial Real Estate. All measurements are approximate.



**1. PROPERTY DETAILS**

**2. RENT ROLL**

**3. PROPERTY PHOTOS**

**4. BUILDING SITE PLAN & FLOOR PLANS**

**5. TAX MAP & AERIAL**

**6. ENTERPRISE ZONE MAP & INFORMATION**

**7. CENTRAL OREGON AREA INFORMATION**



**Offered at \$1,256,000**

**Property Details:**

Originally constructed in 2007, this 4,694 RSF building with two floors of leasing space, with mixed-use office/retail space. This property has great visibility to 7th Street in downtown Redmond, Oregon.

- One Tax lot with 0.25 Acres.
- Zoned Central Business District Commercial (C-2).
- Hardy plank siding with high quality finishes throughout the building.
- The building totals two (2) floors as follows:
  - Half of the **First Floor** is leased to Feathered Salon.
  - The **Second Floor** is set up as an apartment with a full kitchen, two-bedroom/two bathrooms and office space.
- 24 parking stalls plus on-street parking available.
- Smaller suites remain in high demand throughout all market conditions.



Suite #	Tenant	Lease Execution Date	Term Remaining	Rentable Square Feet	Lease Rate/RSF/month	Monthly Rental	Security Deposit on File
1 & 3	Feathered Salon	6/1/2018	5/31/2026	1,600	\$1.29	\$2,064.00	\$2,000.00
2	Finance of America	4/1/2020	1/31/2023 ***	750	\$1.34	\$1,005.00	\$0.00
4	Skyline Home Loans	6/1/2016	1/31/2023 ***	650	\$1.34	\$871.00	\$0.00
5	Vacant			1,654	\$1.35 Proforma	\$2,232.90	
<b>Total RSF</b>				<b>4,654</b>	<b>Total GRI/Month</b>	<b>\$6,172.90</b>	

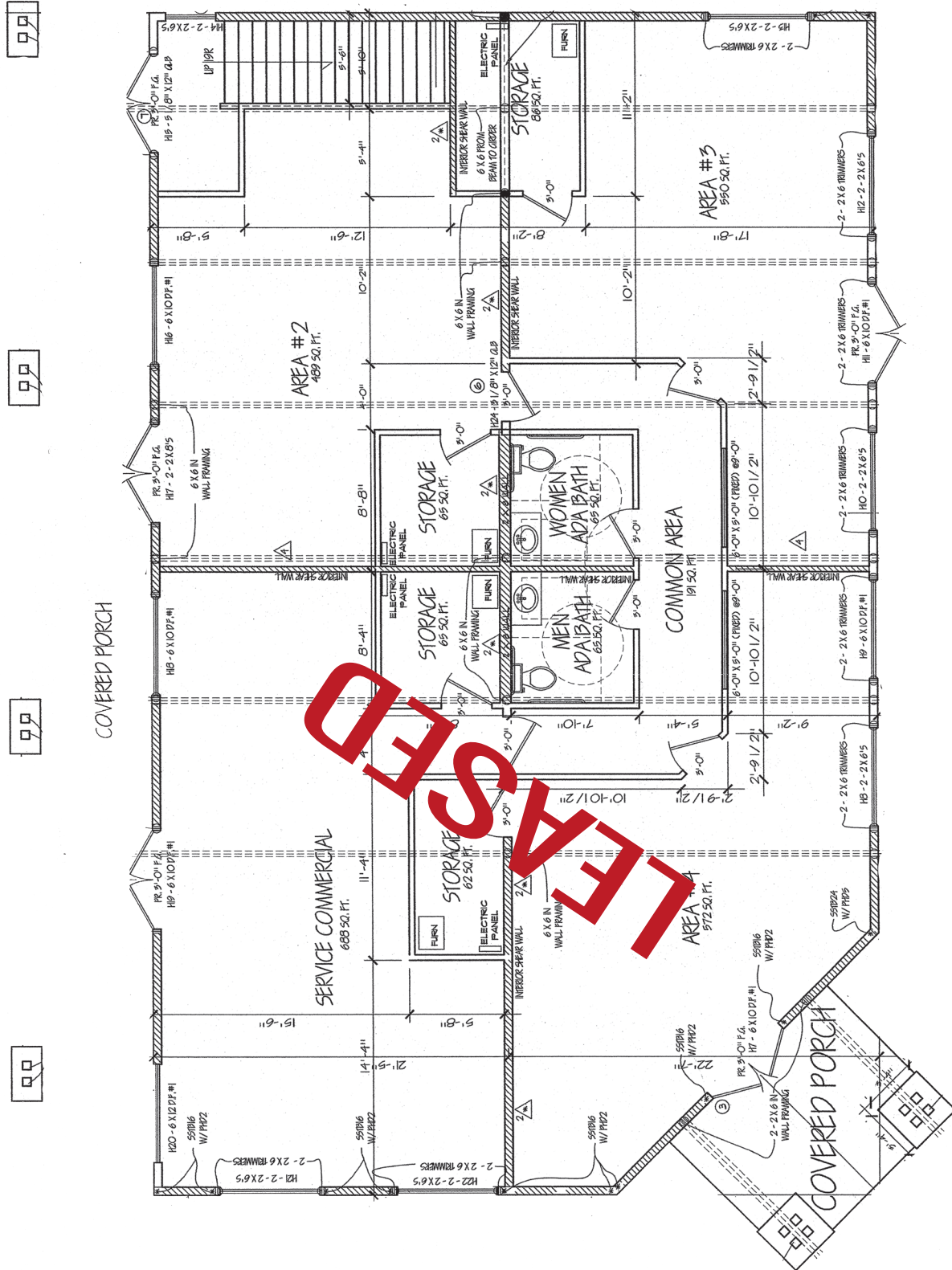
\*\*\* Tenant will not be renewing, and willing to vacate early.







Note: For reference only



MAIN LEVEL FLOOR PLAN





NW CEDAR AVE

7TH STREET

6TH STREET

SUBJECT PROPERTY

NW BIRCH AVE

## Overview

The Greater Redmond Area Enterprise Zone (E-Zone) incentive program encourages economic development by waiving property taxes on declared investments for eligible businesses for three years and reduces or waives many City fees. The property tax waiver may be extended to five years if the qualifying company creates jobs compensated at 150% of Deschutes County's annual wage as published by the Oregon Employment Department.

The Redmond Enterprise Zone was established in 1988, renewed in 1998, and reconfigured in 2009 to include the City of Sisters. It is one of the most successful rural Enterprise Zones in the State of Oregon.



Medline Renewal Building  
-Photo Courtesy: Tim Park

## Tax Incentives

### Standard Abatement

This economic development incentive offers 100% property tax relief on normally assessed significant new plant and/or equipment. Abatement lasts for three years after the property has been placed in service.

### Extended Abatement

Local sponsors may extend the standard exemption to four or five consecutive years if the qualifying company creates jobs compensated at 150% of Deschutes County's annual wage.

### Super Enterprise Zone

An additional provision allows zone sponsors (cities of Redmond and Sisters and Deschutes County) to exempt larger scale projects for a period of 7 to 15 years. In addition to property tax abatement, participants are also eligible for income and payroll tax credits based on employment. While each project is evaluated individually, minimum levels of investment, employment and compensation are outlined at right.

## Eligibility

Enterprise zone policy focuses on "for profit" business operations that do not compete significantly with the local economy. Eligible businesses provide goods, products or services to other business operations or organizations. This includes not only conventional manufacturing and industrial activities, but also processing plants, distribution centers, maintenance facilities, warehouses and even operations that handle bulk clerical tasks or post-sale technical support.



Redmond Industrial Zone | Desert Rise | Photo Courtesy: Timothy Park

Eligible businesses must invest in new property or equipment not already on the County's tax rolls. The property must be owned or leased by the business and located in the Greater Redmond E-Zone boundary.

- Investment cost must be \$50,000 or more, in total, for qualified "real property," which includes newly constructed buildings or structures; new additions or modifications to existing buildings or structures; heavy/affixed machinery and equipment.
- Land, non-inventory supplies, rolling stock, vehicles, and motor propelled devices do not qualify.

Existing firms must increase and maintain full time employment by ten percent (10%) for the full term of their exemption. New firms to the area must employ at least one person.

Minimum Qualifying Criteria	3 Years (Standard)	5 Years (Extended)	7-15 Years (Super)
Investment	\$50,000	\$50,000	\$12.5 M
New employment for existing company	10% increase in first year	10% increase in first year	50 within three years
Average compensation per employee	No minimum	\$71,393*	\$71,393*

*\*150% of 2019 Deschutes County average annual wage \$47,595; may include non-mandatory benefits, overtime and profit sharing*

Eligible businesses must provide 75% or greater of its goods, products or services to other business operations or organizations. Typically, this requirement makes the following types of operations ineligible: entertainment, tourism, health care, child care, finance, housing, construction, and retail. Please contact the Zone Manager with eligibility questions.

## E-Zone Incentive Savings

Estimated property tax savings resulting from a \$2 million investment are illustrated below. Assumptions include: a 12,000 sf building used for manufacturing, \$150/sf construction costs, \$200,000 equipment investment, a 1" waterline, 10 new jobs, Redmond property tax mileage rate of \$18.011 per \$1,000 of assessed valuation, and 3 year savings below 150% and 5 year savings above 150% of Deschutes County 2020 average wage. Numbers reflect a standard building permit only. Additional cost savings may apply to mechanical, electrical and/or plumbing permits.

\$2M Investment in Redmond		
Savings	3 Years (Standard)	5 Years (Extended)
E-Zone	\$66,440	\$114,173
City of Redmond	\$7,900	\$9,748
<b>Total</b>	<b>\$73,341</b>	<b>\$123,871</b>

## City Benefits

The City of Redmond offers the following benefits:

- 2% reduction in building permit fees for every new job created, up to a 40% maximum;
- Expedited permitting process for E-Zone projects;
- Waiver of water and sewer hook-up fees;
- Waiver of 50% of land use fees for businesses that meet the 150% salary and benefit threshold of Deschutes County's annual wage;
- Waiver of 25% of the land use fees for businesses that do not meet the 150% threshold;
- 1% reduction in System Development Charges (SDCs) for every new job created, up to 25%;
- 25% reduction in monthly water and sewer charges for three years, and;
- Waiver of \$200 application fee.

## Summary of Success

The Redmond Enterprise Zone has been one of the most active of Oregon's 73 zones. Since 1988, the Zone has effectively helped 158 companies create 3,373 jobs and has generated over \$165 million in capital investment.

## E-Commerce Zone

Redmond is one of a limited number of Oregon's zones with special status to encourage electronic commerce investments. "E-commerce" is defined as engaging predominantly in transactions via the Internet or an Internet-based computer platform. Transactions can include taking orders, closing sales, making purchases, providing customer service, or other activities that serve the firm's overall purpose, even if retail in nature.

## Frequently Asked Questions

**My company is eligible for the E-Zone, but I've already started construction. Can my facilities be exempted?**

Typically not. Companies wishing to access the program need to complete the two-page pre-certification application prior to breaking ground on new or expanded facilities. It is strongly recommended that pre-certification occur prior to obtaining building permits.

**Does the Enterprise Zone take away from the existing tax base?**

No. The Legislature, in coordination with cities and counties across Oregon, has structured the Enterprise Zone to ensure that no property (land, buildings, equipment) previously on the tax rolls can be removed through an exemption process. Only new investment qualified by an application process with the local Enterprise Zone Manager, and coordinated with the local tax assessor, can be exempted.

**Are commercial developments eligible for Enterprise Zone exemptions?**

No. Only primary employers are eligible. The general test for commercial versus primary or industrial is that 75% of a company's products or services must be sold or delivered outside the region. However, zone benefits may apply to business-to-business operations

**May my company use the Enterprise Zone multiple times for future expansions?**

Yes. Expansion projects for qualifying employers are eligible as long as the employer adds at least 10% to their existing workforce each time the program is used.

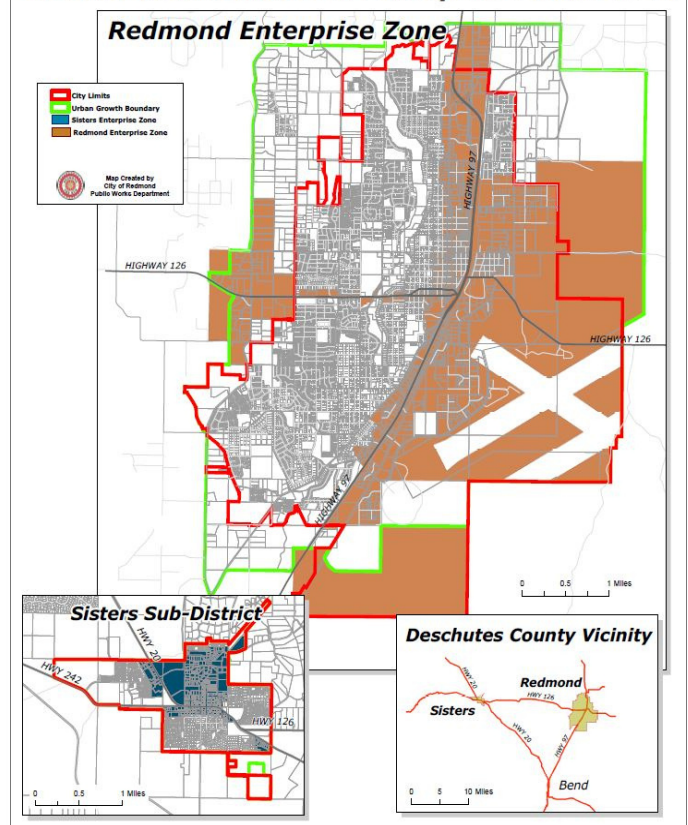
**When the exemption period expires, does my property come back on the tax roll?**

Yes. Property (buildings and equipment) are assessed throughout the exemption period, but come back on the tax rolls at a depreciated or appreciated value. During the period that a company participates in the Enterprise Zone, property taxes on real and some personal property are exempted, not deferred.

**Can eligible employers who rent their facilities qualify?**

Yes. If a facility has not been previously occupied or is a build-to-suit for an eligible company, landlords are required to pass on savings resulting from property tax exemptions to their tenants.

## Greater Redmond Area Enterprise Zone 2020



## Application Process

To receive incentives, businesses must file an Enterprise Zone Authorization Application with the local Zone Manager and be approved *prior* to any eligible investments. For information about E-Zone use in Redmond, contact Jon Stark, Sr. Director of Redmond Economic Development, Inc. (REDI).

**Contact: Zone Manager - Jon Stark**

jon@edcoinfo.com  
541.923.5223  
www.rediinfo.com  
Redmond Economic  
Development, Inc.  
411 SW 9th St., Ste 203  
Redmond, OR 97756

# CENTRAL OREGON MARKET OVERVIEW

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Welcome to Central Oregon where the commute times are short and breathtaking views await you at every turn. The region features dramatic snow-capped mountain ranges and high desert plateaus within Deschutes, Crook and Jefferson counties.

Located halfway between San Francisco and Seattle, the hottest small metropolitan market in the U.S. is Central Oregon. In the last decade the region has seen some of the highest sustained GDP growth, job growth and population growth. With these factors in mind, The Milken Institute has named the region the best small metropolitan in the nation three years in a row – an accolade no other location has ever received.

Central Oregon is pulling extraordinary talent and capital, fostering a diverse and highly entrepreneurial business ecosystem. Lured by natural scenic beauty and big city amenities (world-class health care, education, dining) without big city costs or hassle, people are learning that having a true work-life balance is possible. Employees are happier; companies are more innovative and capital-efficient. All in a region dominated by small to mid-sized firms that compete globally – and win.

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**240,280**

**REGIONAL POPULATION**

*2019 estimates from  
Portland State University*

**117,050**

**REGIONAL LABOR FORCE**

*Seasonally adjusted total for Q1 2019  
from Oregon Employment Department*

**#6**

**FASTEST POPULATION  
GROWTH IN THE U.S.**

*U.S. CENSUS, 2018*

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## WHY CENTRAL OREGON?

Central Oregon has been among the fastest growing regions anywhere in the U.S.

In-migration has been the dominating factor in the region's growth with approximately 7,000 new residents moving to the area from all over the country every year. At the same time, the region's ability to attract young families has resulted in strong birth rates.

When compared against its neighbors to the north and south, Oregon's overall business costs rank significantly lower. Average electricity rates, natural gas rates, state and local sales tax rates, and business tax climates in particular are significantly lower than the national average.

For a relocating business, Central Oregon has a reputation for welcoming new companies without sacrificing workforce, talent, quality healthcare, transportation, or infrastructure.

**GROWTH**

The combination of a collaborative culture, a supportive attitude among government and economic development agencies, plus a location that attracts talent and investment all help Central Oregon compete nationally.

***"BEND ENJOYS A TRULY COLLABORATIVE ENVIRONMENT.  
Everyone is not only supportive of each other, but excited to see one another grow. We share the same trails, rivers and slopes and ultimately share a similar vision to help Bend succeed."***

*—Scott Allan, GM, Hydro Flask*

**#2**

**FASTEST JOB GROWTH  
IN THE U.S.**

*BLS, 2017*

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**DESCHUTES COUNTY**

**#1**

**COUNTY RECEIVING MOST  
INVESTMENT IN OREGON**

*SMARTASSET, 2019*

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# TRANSPORTATION

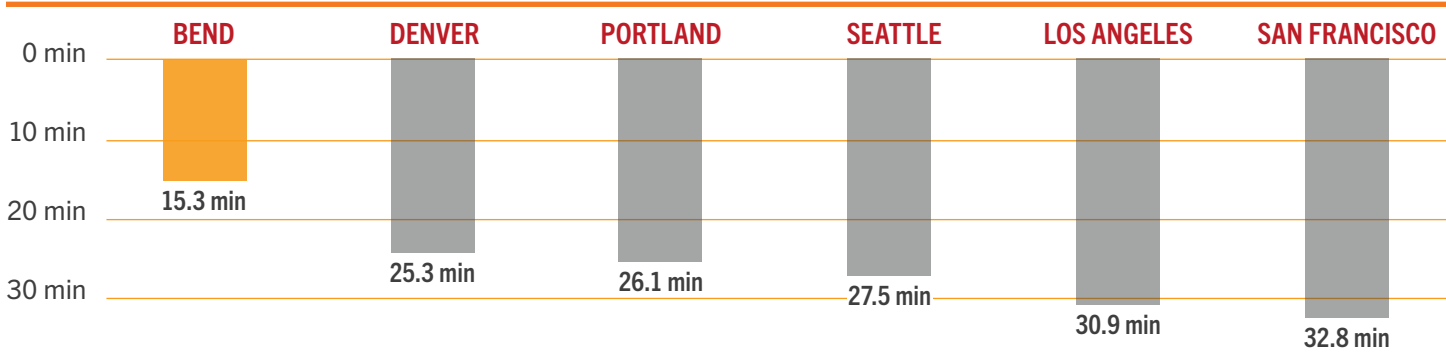


Redmond Municipal Airport (RDM) provides commercial air service with 26 daily round-trip flights to Denver, Portland, Seattle, Los Angeles, San Francisco, Mesa, Phoenix, Salt Lake City, Las Vegas, and Chicago via six carriers (Alaska, SunCountry Airlines, Allegiant, American, Delta, and United.)

Burlington Northern-Santa Fe (BNSF), Union Pacific (UPRR), and the City of Prineville Railway (COPR) provide direct connections for shipping to any market in the United States, Canada, and Mexico.

U.S. Highways 97 and 20 are two of the state’s major trucking routes, with access to major metro areas with connections to Interstate 5 (N-S) and Interstate 84 (E-W).

**AVERAGE COMMUTE TIMES** The Central Oregon average commute time is 21 minutes each way, saving the average worker over one work week per year! (*Census.gov 2019*)



TRAVEL TIME/  
DISTANCE



CAR



TRAVEL TIME



AIR



- Bend, OR
- Portland, OR • 3 hrs. 13 min./153 mi.
- Medford, OR • 3 hrs. 22 min./173 mi.
- Olympia, WA • 4 hrs. 55 min./269 mi.
- Boise, ID • 5 hrs. 19 min./317 mi.
- Seattle, WA • 5 hrs. 45 min./328 mi.
- San Francisco, CA • 7 hrs. 54 min./491 mi.
- Los Angeles, CA • 12 hrs. 39 min./821 mi.

- Redmond, OR (RDM)
- Portland, OR • 40 min.
- Seattle, WA • 1 hr.
- Salt Lake City, UT • 1 hr. 30 min.
- San Francisco, CA • 1 hr. 40 min.
- Los Angeles, CA • 2 hrs. 10 min.
- Denver, CO • 2 hrs. 15 min.
- Phoenix & Mesa, AZ • 2 hrs. 25 min.
- Chicago, IL • 3 hrs. 40 min.

## SERVICES AND INFRASTRUCTURE

### Utilities



Because most of our region has been built new in the past two decades, our telecommunications infrastructure is one of the Northwest's most technologically advanced, meeting business and telecommuting requirements for capacity, redundancy, and reliability.

### Education



Central Oregon is well-recognized for its high level of education, with some of the best K-12 public schools in the nation. In 2018, the Bend-La Pine school district's average SAT scores surpassed the national average by over 100 points. Additionally, higher education opportunities abound. From Oregon State University-Cascades ongoing expansion, to Central Oregon Community College's four campuses in the region, there are opportunities for all to obtain a quality education.

### Healthcare



Top quality healthcare is one of the crown jewels of Central Oregon. St. Charles Health System is the largest healthcare provider in the region, and is also the largest employer with over 4,400 employees across the tri-county area. A network of more than 100 clinics and specialty practices further support the community.

## LIFESTYLE

Central Oregon is blessed with a rare mix of city amenities and restful isolation. It offers the slower speed of a small town with a medical community and infrastructure not normally seen in a region of its size. Additionally, Central Oregon residents maintain a work/life balance that is difficult to achieve elsewhere.



30 Golf Courses



Miles and Miles of Trails



Thriving Arts and Culture Scene



33 Breweries and Counting



300 Days of Sunshine

**#1**

**BEST PERFORMING  
SMALL CITY THREE  
YEARS IN A ROW!**

—MILKEN INSTITUTE, 2016, 2017, 2018

**#1**

**SMALL CITIES FOR  
BUSINESS AND CAREERS**

—FORBES, 2016

**BEST**

**PLACES TO LIVE  
ON \$55,000**

—SMARTASSET, 2017

**#8**

**BEST PLACES TO LIVE  
IN THE U.S.**

—NEW YORK POST, 2016

**BEST**

**MULTI-SPORT TOWN**

—OUTDOOR MAGAZINE, 2017