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Madras Officials Working Toward Creative Redevelopment of South Gateway Site

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(The South Madras Gateway | Photo courtesy of the City of Madras)

The South Madras Gateway, a landmark spot in the City of Madras, will likely see redevelopment in the near future. Jefferson County, in close consultation with the City of Madras and the Madras Redevelopment Commission, have been seeking expressions of interest from creative, experienced development teams to redevelop the site, and several interested parties have stepped up at this point.

“I’ve talked with several developers, design professionals representing developers and property owners about the project,” says Nicholas Snead, AICP, Community Development director for the City of Madras. “At the January 12 Pre-Submittal meeting, we had three individuals attend. That might not seem like very many people attending. However, those who attended represent those who I believe have interest in the project and are likely to submit proposals.”

The goal for the site is to redevelop it and add retail, dining, entertainment and/or office spaces that aren’t currently being offered in the community, says Snead. “Additionally, we’d like to see quality development that includes aesthetically pleasing architecture and uses that visually communicate activity through outdoor seating for dining or recreation, a prominent plaza or otherwise. This site is unique in that it has over 15,000 vehicles that pass by it every day. We want to see high-quality development and uses.”

At this point, Snead has received five inquiries from parties interested in the project, but none that can be made public yet. “I’ve been asked to keep the specifics of one particular project confidential to maintain the developer’s ability to move forward on the project,” he says. “Others I’ve talked to have not disclosed the uses or tenants that they are seeking.”

The redevelopment of the site comes about after Jefferson County strategically acquired the property from the Oregon Department of Transportation (ODOT) in late 2020, which had declared the site surplus after completion of the Highway 97 South Y highway realignment project. The County wanted to ensure that this highly visible property in downtown Madras — located at 813 SW Highway 97 at the South Y gateway — would be redeveloped to advance community plans. The site is 38,042 square feet (approximately 0.7 acres) and is essentially flat. An approximately 1,980 square-foot, single-story building constructed in the 1990s occupies a portion of the site.

According to historic records on the City of Madras website, the project site was first developed between 1951 and 1961. The commercial building was constructed between 1951 and 1961 and a shop building was added between 1961 and 1968. Modifications to the commercial building occurred between 1968 and 1976 and between 1976 and 1982. In 1988, the project site was operated as a tire shop. The commercial building is currently occupied by two businesses, Miller’s Discount Groceries and Central Oregon Heating and Cooling. The records show the earliest owners as William and Pauline Steinke and Jesse Hobson in 1910; Northwest Townsite Company and Jane Y Richards in 1911; J W Wood in 1916; United Assets Company in 1920 and Metropolitan Company in 1920.

The County and its partners (the City of Madras and Madras Redevelopment Commission) envision a project for the site that both contributes to the area economy and benefits Downtown Madras. The County is open to a broad range of ideas and uses — new mixed-use development; a jobs-generating business (preferably one that is new to the city and/or region or will allow for the expansion of an existing company); or retail, office/commercial and/or the incorporation of adjoining parcels in addition to the site itself. While preferring an outright purchase, the County may consider other deal structures, such as land sale contract, ground lease, lease with an option to purchase or some form of joint venture.

The team has identified a variety of measures that they will consider to evaluate the financial feasibility of the project, depending upon the responsiveness of the proposal in meeting the identified objectives. They intend

to select a developer who will actually develop the site, not merely purchase it and hold it in its current condition for a considerable period of time. The County will select the developer who, in the County's judgment, is most responsive to its objectives, and enter into an Exclusive Negotiating Agreement that will culminate in a Disposition & Development Agreement.

The suggested proposal submittal deadline date is February 4; however, the Request for Expressions of Interest (RFEI) project timeline is intended to be flexible in order to allow time for the best scenario. "There will undoubtedly be unforeseen circumstances that may cause the Jefferson County Commissioners to delay a key decision," explains Snead. "For example, if there was a developer who wanted to submit a proposal for new uses and businesses that is absolutely fantastic, but the developer needed a few more weeks to pull together details so that they could submit a proposal, I think the County would pause and allow additional time for that proposer to file. That said, the Commissioners will evaluate all proposals that have been submitted on February 25. Later, on March 24, they will select a proposal to move forward with."

Snead says that those interested in receiving updates on the project can sign up to do so on the project

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