

More development planned near Sandy Boulevard

By: Chuck Slothower in Scrolling Box February 19, 2019 1:33 pm



A full-block industrial building in Northeast Portland is among a portfolio of former Sunshine Dairy properties acquired by NBP Capital. (Sam Tenney/DJC)

A Portland-based company has snapped up a property near Northeast Sandy Boulevard in the latest demonstration that developers see strong bones for future growth in the midcentury auto corridor.

NBP Capital has purchased the former **Sunshine Dairy** building and adjacent properties totaling 1.2 acres for \$8.1 million, and is now looking to develop it.

An early assistance request filed with the city of Portland indicates NBP Capital is considering plans for a 271,000-square-foot mixed-use building. It would hold 300 to 350 apartments, including a percentage of rent-restricted inclusionary housing units. The building would be seven stories, but also have one floor of below-grade parking.

“Our business plan will consider vertical development of the Sunshine Dairy site,” NBP Capital Vice President Ryan Feigelson stated in a news release. “When we first saw this deal, we were initially drawn to the rapid transition and development of the immediately surrounding area. NBP Capital is excited to be a part of the area’s continued growth and long-term future.”

Feigelson was out of the office and did not respond to messages seeking additional comment. The company, which has Los Angeles billionaire Nicolas Berggruen as a passive capital partner, has a track record as a long-term holder of capital assets.

NBP Capital purchased the property from **Karamanos Holdings Inc.** CBRE's Charles Safley, Josh McDonald, Joe Nydahl and Phil Oester represented the seller. NBP Capital represented itself in the deal. The transaction closed on Feb. 12.

The move is the latest from NBP Capital, which has steadily expanded its footprint in Portland's commercial real estate market. The company, which also has an office in Los Angeles, purchased the former **Multnomah County Courthouse** building for \$28 million. NBP Capital also is co-owner of the **Woodlark Hotel**, which opened recently in downtown Portland following a renovation.

NBP Capital is in the early stages of developing the proposed RiverPlace site in the **South Waterfront District**. The 8-acre site could have up to 3 million gross square feet of buildable area, according to a pre-application notice filed with the city. The Sunshine Dairy holdings comprise parcels at 801, 915 and 959 N.E. 21st Ave. The land is zoned for large-scale commercial mixed-use with a design overlay, or CM3(d). The zoning allows for high capacity commercial development.



Three former Sunshine Dairy properties on Northeast 21st Avenue, including a 1,530-square-foot office building, left, and a full-block industrial building, right, are being targeted for redevelopment. (Sam Tenney/DJC)

"It is such a flexible zone," said Marty Stockton, a planner with the **Bureau of Planning and Sustainability**.

The maximum building height is 120 feet with a planned development review. Without the planned development review, allowable heights top out at 75 feet with bonuses.

The NBP Capital development will follow one by **Security Properties** on the Pepsi Blocks nearby. That 4.7-acre project will include from 485 to 1,297 housing units. Security Properties

opted to undergo a planned development review to gain additional height, and the site plan won approval in December.

Both developments represent a new chapter for Sandy Boulevard, a once-gritty commercial corridor that has begun to show signs of gentrification. Before Security Properties and NBP Capital took an interest in the area, **Guerrilla Development's** Kevin Cavanaugh built there a series of adaptive-reuse commercial projects. They house hip tenants such as Han Oak, which The Oregonian named its 2017 Restaurant of the Year.

NBP Capital's purchase is likely to only add to the growing interest around Sandy Boulevard.

"I think it's exciting for that area," said Joren Bass, project manager for **Urban Development + Partners**, a developer that is not involved in the project. "It's really going to be a benefit for that district and neighborhood. It will be transformative."