

## New blood in the heart of Bend

### • More businesses making the move downtown thanks to rent cool-down, hot location

By Rachael Rees / *The Bulletin*

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For five years, the former home of Boomtown records has stood vacant downtown, near the corner of Northwest Harriman Street and Northwest Greenwood Avenue in Bend.

After an interior transformation and the construction of a wall to divide the 7,000-square-foot space was completed, Rescue Moderne Consignment owner, Angela Dietrich, signed a lease for the south end of the building.

But it's not the only property changing in downtown Bend.

Businesses, many of them restaurants, seem to be playing musical chairs, said Chuck Arnold, executive director of the Downtown Bend Business Association.

"There's been some adjustments of rent over the past year," Arnold said. "Building owners have been more game to deal and negotiate lower rents, which has created opportunities for existing businesses to expand downtown."

Arnold said he thinks the movement is a good indicator of economic development downtown.

Brian Fratzke, principal broker of Fratzke Commercial Real Estate in Bend, agreed that lease prices are responsible for the increase of activity.

In 2005, monthly lease rates ranged from \$1.50 to \$2.50 per square foot, he said.

Because prices have dropped as low as 50 percent since then and are stabilized, Fratzke said more businesses have the ability to move.

Tenants are relocating downtown because they want more or less space, an upgraded location or a second location, he said.

According to the Commercial Brokers Association, 22,673 square feet of retail space is available for lease in downtown Bend, giving businesses looking to move several options.



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Brother Jon's Alehouse has been drawing about 250 people daily since it opened Feb. 1, said John Machell, co-owner.



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The restaurant at 1051 N.W. Bond St. has become Brother Jon's Alehouse, a second location for the owners of Brother Jon's Public House on Northwest Galveston Avenue. Co-owner John Machell said he underestimated how many people would be coming into the new restaurant.

About 9,000 square feet of that space is within the Franklin Crossing building. Darren Powderly, president of Compass Commercial Real Estate Services, said he's had significant interest in the vacancies within the building.

According to Compass Points, a market report from Compass Commercial Real Estate Services, the fourth quarter retail sector in Bend has stabilized and appears to be headed in the right direction as available space in key locations continues to shrink. It predicts rent rates will start to increase for locations in high demand.

Patagonia of Bend is moving to 1000 N.W. Wall St., the current location of Sports Vision Bend and The Blvd, said Rod Bien, owner of the Bend Patagonia store. He said he plans to open doors of the expanded store Aug. 1.

"We just needed more space," Bien said. "We're going to be doubling our size."

Not only will the location in the refurbished Penney Galleria give Patagonia 4,000 square feet of space, but it will also be located in the only LEED certified building in downtown Bend, he said.

"An important piece of the puzzle for us was to be in an environmentally conscious building," Bien said.

Although Sports Vision Bend has been in the Penney Galleria, on the corner of Northwest Wall Street and Northwest Oregon Avenue, for more than 23 years, owner Roberta Johnson said she knew it was time to make a move when lease rates doubled in her current location.

"With the change and ownership and the remodel, the rent was changed," she said. "It became apparent that I could own a building cheaper than I could lease one."

Because many buildings downtown have decreased lease prices and the Penney Galleria's rates have gone up, other businesses within the Galleria are also relocating.

When the former location of The Antiquarian Shop went on the market, she was eager to get that space on the corner of Northwest Oregon Avenue and Bond Street.

"I knew that I needed a corner location. It was pretty much a slam dunk," Johnson said. "Now's the time because interest rates are low and real estate isn't as expensive as it once was."

Johnson said she welcomes the change and believes it will be better for her store and her customers because of the high traffic on the street and the close access to the parking garage.



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The restaurant at 1051 N.W. Bond St. has become

"I believe that Bond Street, with the remodel of Deschutes (Brewery & Public House) and Brother Jon's Alehouse, is truly a hoppin' block," she said.

John Machell, co-owner of Brother Jon's Alehouse, said he underestimated how many people would be coming into the new restaurant, which opened Feb. 1. Machell and co-owner Stephen Barnette also own Brother Jon's Public House on Northwest Galveston Avenue. While Machell said the Alehouse location, 1051 N.W. Bond St., is nicer, he said the clientele and vibe is the same at both.

The menu and hours are still changing, but Machell said he's aiming to have the menu completed tomorrow.

Two other eating establishments have also recently opened: Letzer's Deli, in the remodeled building on Northwest Franklin Avenue housing Re/Max Key Properties, and La Magie, a bakery on Bond Street.

The Jackalope Grill plans to move downtown into a space in the Putnam Pointe building on Northwest Lava Road, from its location in the Scandia Plaza on Southeast Third Street near Reed Market Road, bringing even more food options to downtown.

"It's going to give us a lot more exposure," said Tim Garling, executive chef and owner of the Jackalope Grill. "We'll have the best access of any restaurant to the covered parking."

In conjunction with the following the restaurant already has, Garling said he believes he will see an increase in customers.

Because of the decrease in lease prices, Garling said he was able to relocate downtown. The building must be remodeled for a restaurant. He expects to make the move in April.

A couple blocks away, a Spanish-themed restaurant, Barrio, featuring paella and tapas, plans to start serving customers in the former Gatsby's Italian American location by March 1.

Operating it will be former food cart operators Steven Draheim and Joel Cordes.

"I'm still going to have the food cart," Cordes said, "but I'm not sure where its going to be."

Cordes said he's already established a downtown clientele with his cart and is hoping it will jump start the new restaurant.

"It's a great opportunity to be downtown," he said. "It's a fun place to be, (and) there's a lot more action."

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