

6040 SE Belmont | Sale Offering

6040 SE Belmont Street, PORTLAND OR

SE Portland Investment or Redevelopment Opportunity
84%+ Leased Building Anchored by National Senior Living Tenant
131,000+ Sq. Ft. Building + Excess Land • 3.77 Total Acre Site
Mt. Tabor, Southeast Portland



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6040

SE BELMONT



PROPERTY OVERVIEW

6040 SE Belmont

OFFERING SUMMARY

6040 SE Belmont is comprised of a **131,640 SF 84%+ leased building** on a 2.86 acre parcel plus an additional 0.91 acre parcel across the street for a total of **3.77 acres**.

The former site of the historic Seventh Day Adventist Sanitarium, **6040 SE Belmont** provides strong value-add opportunities and also has established tenants on-site providing immediate in-place income.

MAJORITY TENANT

The majority tenant at the property, **Marquis Mt. Tabor**, specializes in senior, post-hospital and long-term care services. Marquis currently occupies 102,094 SF with 4 years remaining on their lease, which provides a gross rent of \$47,121 per month or \$565,452 annually, on a triple-net (NNN) structure. Marquis currently pays a rate of of \$5.54 / SF and has a rolling 6-month option to terminate but has not given any indication of a desire to exercise the option.

Due in part to proximity to Providence Medical Center and the existing operations, Marquis has expressed interest in extending their lease and remaining at the property. In conjunction with an extension, Marquis is open to revising their aforementioned rolling termination clause from 6 months to a longer period, ie. 2 or 3 years.

ADDITIONAL INCOME

In addition to the majority tenant, the property is currently home to a variety of **creative office tenants** on the upper floors of the north section of the building, bolstering in-place income and providing a value-add opportunity through leaseup of vacancy. Additionally, renovation and conversion of existing under-utilized space within the building to rentable tenant space is another value-add possibility.

DEVELOPMENT OPPORTUNITY

The separate **0.91 acre / 39,780 sq. ft. parcel** included in the sale - currently used as surface parking for Marquis - could eventually be developed as multifamily per RM1 zoning.

LOCATION

6040 SE Belmont is well located in the Mt. Tabor market within SE sector of close-in Portland, characterized by historic residences with a mix of commercial office and retail businesses, contrasted with the natural beauty of Mt. Tabor and the sprawling 191-acre Mt. Tabor Park.

Owing to its relative proximity to downtown Portland and the close-in east side, the area is experiencing high growth with new-construction townhome, condo, apartment and mixed use projects.

HIGHLIGHTS

Price: \$15,250,000 \$115.85 / SF

6040 SE Belmont St, Portland OR 97215

Total Building Area 131,640 SF

Occupied Area 111,033 SF

Occupancy 84.35%

2022 NOI Forecasted \$640,406

2022 NOI / SF Forecasted \$4.86

South Lot Area 2.86 AC
Main Building 124,580 SF

North Lot Area 0.91 AC
Parking Lot 39,780 SF

Portland Zoning RM1



VALUE STRATEGIES

MARQUIS MT. TABOR VACATES THE PROPERTY

In this scenario, the majority tenant, **Marquis Mt. Tabor**, vacates their occupied space at the property. The current lease term has approximately 4 years remaining, with a 6-month rolling termination clause.

In this scenario and with Marquis Mt Tabor no longer at the property, various **development opportunities** may be feasible:

- **Main Property: Housing conversion of the current building** through the Tabor Commons¹ model using historic building designation and historical tax credit, allowing a conceptual **200 units / 100,000 SF** - see page on historical designation benefits

- **Vacant Land: Development of the 39,780 SF parcel** (which is currently surface parking for Marquis Mt. Tabor) into a variety of potential uses such as multifamily, office or medical - see zoning and development standards page for details

1. Tabor Commons was a 2020 rehabilitation, remodel and seismic retrofitting project of a 1928 building into 76 multifamily units and 35,000 SF by applying historical tax credit.

MARQUIS MT. TABOR REMAINS WITH NEW LONG-TERM LEASE

In this scenario, the majority tenant, **Marquis Mt. Tabor**, remains at the property after signing a new, potentially long-term lease effective after their current lease term, which has approximately 4 years remaining.

This is the most likely scenario - although no guarantee is made - as Marquis Mt. Tabor has expressed an interest in remaining at the property through an additional lease term, with interest in a potential long term such as 10 years, with a longer termination clause such as 2 or 3 years, rather than the current 6-month rolling termination clause.

In this scenario and with Marquis Mt. Tabor remaining at the property, there would be the potential for:

- **Investment in Marquis Mt. Tabor physical infrastructure** such as HVAC and plumbing upgrades, at revised long-term lease structure, allowing for isolation of Marquis Mt. Tabor operations to the west portion of the building, making possible the repurposing or redevelopment of the east end

- **Value-add opportunity through increased lease rate**, as Marquis Mt. Tabor is currently paying a below-market rate

- **Potential expansion of Marquis Mt. Tabor** into a larger percentage of the property through renovation / rehabilitation of currently unutilized building area, if owner elects not to house additional office tenants in that area





MAJORITY TENANT INFORMATION





About **Marquis Companies**

A family-owned company since 1989, Marquis Companies provides long-term, post-hospital and memory care to seniors at 5-star facilities nationwide.

Marquis takes pride in its commitment to residents and staff members to provide the highest level of care and support. This focus shows in their low staff turnover rate and their top notch reviews from residents.

Marquis Companies specialize in:

- Post Hospital Care
- Long Term Care
- Memory Care

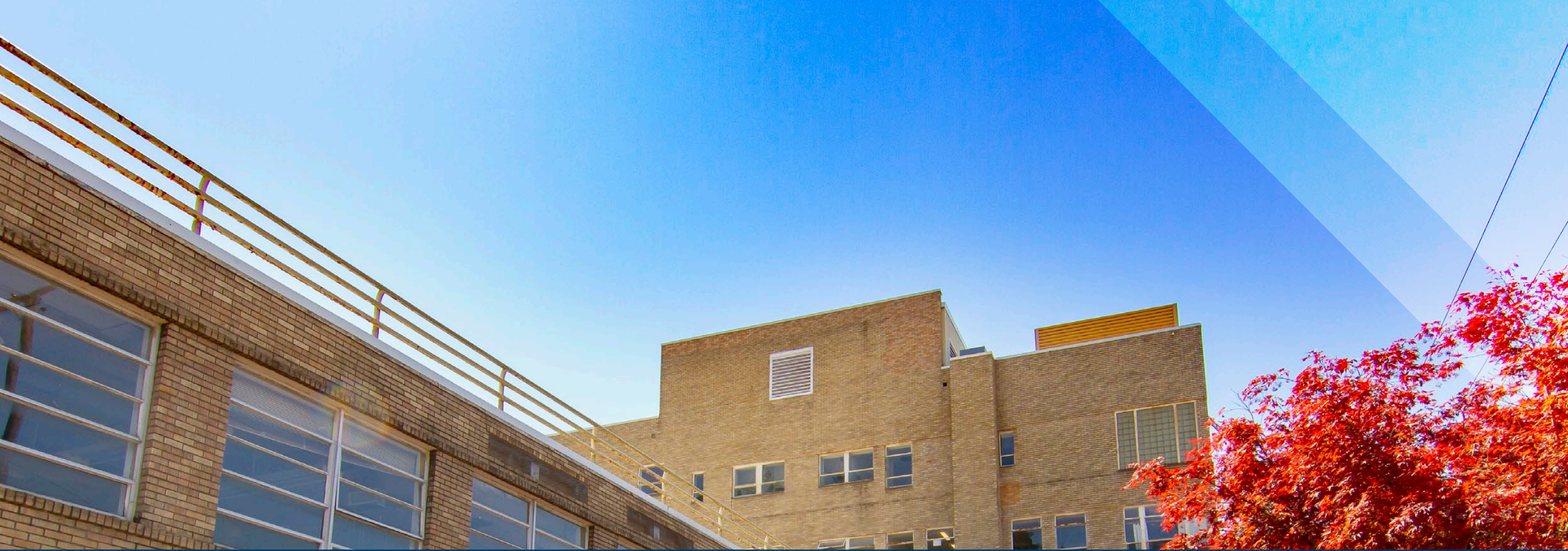
Resident Services & Amenities Provided at **Marquis Mt. Tabor:**

- 24-Hour Licensed Nursing Services
- Personal Assistance with Daily Activities
- Scheduled Activities Including Gardening and Music Therapy
- Laundry and Housekeeping Service
- Room Service
- Three Meals a Day plus Snacks
- Beauty Salon and Rooftop Garden
- Utilities (Excluding Telephone Services for Long-Term Residents)
- Panoramic Views of Downtown Portland

[Marquis Companies Website](#)
[Marquis Mt. Tabor Website](#)

MAJORITY TENANT INFORMATION *Marquis Companies at Marquis Mt. Tabor*





SITE PLAN & ZONING

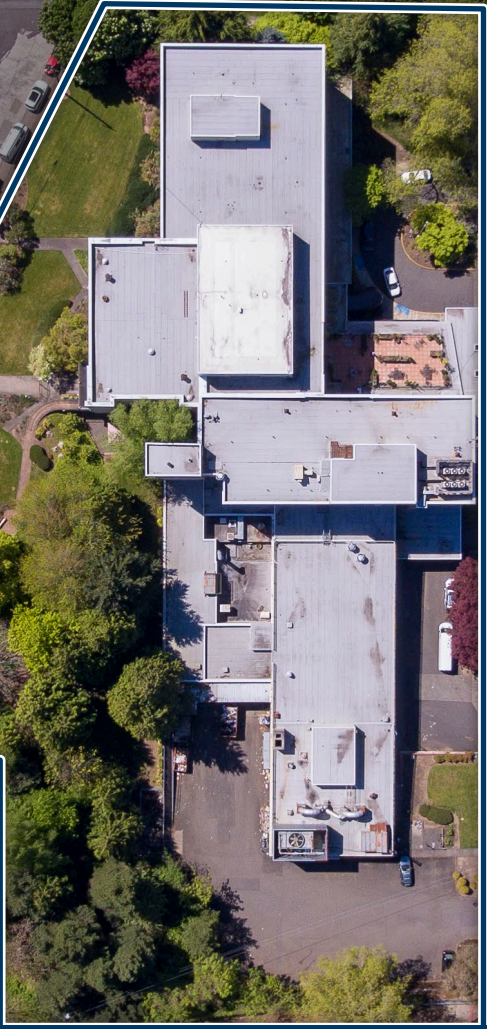


6040
SE BELMONT

SE 60TH AVE

6040 SE BELMONT SITE PLAN

SE BELMONT ST



PARCEL 1 - MAIN BUILDING
Marquis Mt. Tabor • Creative Office • Vacancy / Rent Upside



PARCEL 2 - PARKING LOT
0.91 AC / 39,780 SF • Parking for Marquis Mt. Tabor

The RM1 zone is a low-scale multi-dwelling zone that is generally applied in locations intended to provide a transition in scale to single-dwelling residential areas, such as the edges of mixed-use centers and civic corridors, and along or near neighborhood corridors.

Allowed housing is characterized by one to three story buildings that relate to the patterns of residential neighborhoods, but at a somewhat larger scale and building coverage than allowed in the single-dwelling zones.

The major types of new development will be duplexes, triplexes, rowhouses, courtyard housing, small apartment buildings, and other relatively small-scale multi-dwelling and small-lot housing types that are compatible with the characteristics of Portland's residential neighborhoods.

Description	Area Figures		Zoning & Development				
	Gross Land Area	Building Area	Base Zoning	Comp. Plan	Maximum FAR	Base Height	Minimum Density
PARCEL 1 R114530 Parcel 1 - Main Building Marquis Mt. Tabor, Creative Office Space & Vacancy Upside	124,580 SF 2.86 AC	131,640 SF	RM1 Residential Multi-Dwelling 1	MD-N Multi-Dwelling Neighborhood	1:1 (No Bonus) 1.5:1 (Thru Bonuses) 2:1 (Thru 'Deeper Housing' Bonus)	35'	Minimum 1 Unit per 2,500 SF of Site Area ----- No Maximum
PARCEL 2 R114529 Parcel 1 - Parking Lot Currently Used as Staff and Resident Parking for Marquis	39,780 SF 0.91 AC	None Parking Lot	RM1 Residential Multi-Dwelling 1	MD-N Multi-Dwelling Neighborhood	1:1 (No Bonus) 1.5:1 (Thru Bonuses) 2:1 (Thru 'Deeper Housing' Bonus)	35'	Minimum 1 Unit per 2,500 SF of Site Area ----- No Maximum
	164,360 SF 3.77 AC				164,360 SF (1:1) 246,540 SF (1.5:1) 328,720 SF (2:1)		



PROPERTY ZONING

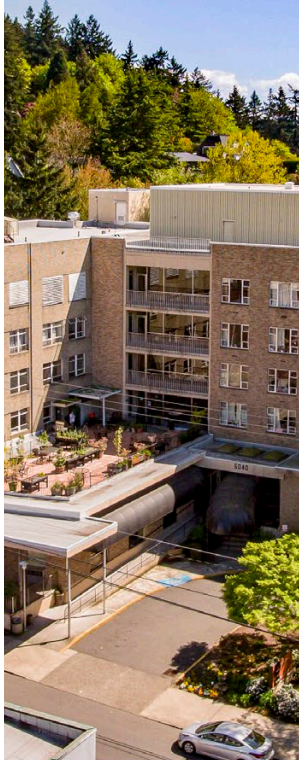


Table 120-1

Multi-Dwelling Zone Primary Uses

Use Categories	RM1	RM2	RM3	RM4	RX	RMP
Residential Categories ▼						
Household Living	Y	Y	Y	Y	Y	Y
Group Living	Y	Y	Y	Y	Y	Y
Commercial Categories ▼						
Retail Sales & Service	L [1]	L [1]	L [1]	L [1]	L [1]	L [10]
Office	L [1]	L [1]	L [1]	L [1]	L [1]	N
Quick Vehicle Servicing	N	N	N	N	N	N
Vehicle Repair	N	N	N	N	N	N
Commercial Parking	N	N	N	N	CU [2]	N
Self-Service Storage	N	N	N	N	N	N
Commercial Outdoor Recreation	N	N	N	N	N	N
Major Event Entertainment	N	N	N	N	N	N
Industrial Categories ▼						
Manufacturing & Production	N	N	N	N	N	N
Warehouse & Freight Movement	N	N	N	N	N	N
Wholesale Sales	N	N	N	N	N	N
Industrial Service	N	N	N	N	N	N
Bulk Fossil Fuel Terminal	N	N	N	N	N	N
Railroad Yards	N	N	N	N	N	N
Waste-Related	N	N	N	N	N	N
Institutional Categories ▼						
Basic Utilities	L/CU [8]	L/CU [8]	L/CU [8]	L/CU [8]	L/CU [8]	L/CU [8]
Community Service	L/CU [4]	L/CU [4]	L/CU [4]	L/CU [4]	L/CU[3]	L/CU [4]
Parks & Open Areas	L/CU [5]	L/CU [5]	Y	Y	Y	L/CU [5]
Schools	CU	CU	CU	CU	L/CU[3]	CU
Colleges	CU	CU	CU	CU	CU	CU
Medical Centers	CU	CU	CU	CU	CU	CU
Religious Institutions	CU	CU	CU	CU	CU	CU
Daycare	L/CU [6]	L/CU [6]	L/CU [6]	L/CU [6]	Y	L/CU [6]
Other Categories ▼						
Agriculture	L [9]	L [9]	L [9]	L [9]	L [9]	L [9]
Aviation & Surface Passenger Terminals	N	N	N	N	N	N
Detention Facilities	N	N	N	N	N	N
Mining	N	N	N	N	N	N
Radio Frequency Transmission Facilities	L.CU (7)	L.CU (7)	L.CU (7)	L.CU (7)	L.CU (7)	L.CU (7)
Rail Lines & Utility Corridors	CU	CU	CU	CU	CU	CU

Table 120-2
Housing Types Allowed In The Multi-Dwelling Zones

Housing Type	RM1	RM2	RM3	RM4	RX	RMP
House	Yes	Yes	Yes	Yes	Yes	No
Attached House (See 33.120.270.C.)	Yes	Yes	Yes	Yes	Yes	No
Accessory dwelling unit (See 33.205)	Yes	Yes	Yes	Yes	Yes	No
Duplex	Yes	Yes	Yes	Yes	Yes	No
Attached Duplex (See 33.120.270.F)	Yes	Yes	Yes	Yes	Yes	No
Triplex	Yes	Yes	Yes	Yes	Yes	No
Fourplex	Yes	Yes	Yes	Yes	Yes	No
Multi-Dwelling Structure	Yes	Yes	Yes	Yes	Yes	No
Multi-Dwelling Development	Yes	Yes	Yes	Yes	Yes	Yes [1]
Manufactured Dwelling (See Chapter 33.251)	Yes	Yes	Yes	Yes	Yes	Yes [2]
Manufactured Dwelling Park (See Chapter 33.251)	Yes	No	No	No	No	Yes
Houseboat (See Chapter 33.236)	Yes	Yes	Yes	Yes	Yes	No
Congregate Housing Facility	Yes	Yes	Yes	Yes	Yes	No

Yes = allowed; No = prohibited.

Table 120-3
Summary of Development Standards in Multi-Dwelling Zones

Standard	RM1	RM2	RM3	RM4	RX	RMP
Maximum FAR (See 33.120.210)	FAR of 1 to 1	FAR of 1.5 to 1	FAR of 2 to 1	FAR of 4 to 1 or 3 to 1	FAR of 4 to 1	NA
Maximum Density (See 33.120.212)	none	none	none	none	none	1 unit per 1,500 sq. ft. of site area
Maximum Density with Affordable Housing Bonus (See 33.120.212.C)	NA	NA	NA	NA	NA	1 unit per 1,000 sq. ft. of site area
Minimum Density (See 33.120.213)	1 unit per 2,500 sq. ft. of site area	1 unit per 1,450 sq. ft. of site area	1 unit per 1,000 sq. ft. of site area	1 unit per 1,000 sq. ft. of site area	1 unit per 500 sq. ft. of site area	1 unit per 1,875 sq. ft. of site area
Base Height (See 33.120.215)	35 ft.	45 ft.	65 ft.	75/100 ft.	100 ft.	35 ft.
Max. Building Coverage (See 33.120.225)	50% of site area	60/70% of site area	85% of site area	85% of site area	100% of site area	50% of site area

Table 120-5
Summary of Bonus FAR

	RM1	RM2	RM3	RM4 & RX
Overall Maximum Per Site [1]				
Maximum FAR with deeper housing affordability bonus (see 33.120.211.C.2)	2 to 1	3 to 1	4 to 1	7 to 1 or 6 to 1 [3]
Maximum FAR with other bonuses [2]	1.5 to 1	2.25 to 1	3 to 1	6 to 1 or 4.5 to 1 [3]
Increment of Additional FAR Per Bonus				
Inclusionary Housing (see 33.120.211.C.1)	0.5 to 1	0.75 to 1	1 to 1	2 to 1 or 1.5 to 1 [3]
Deeper Housing Affordability (see 33.120.211.C.2)	1 to 1	1.5 to 1	2 to 1	3 to 1
Three-Bedroom Units (see 33.120.211.C.3)	0.25 to 1	0.4 to 1	0.5 to 1	1 to 1 or 0.75 to 1 [3]
Visible Units (see 33.120.211.C.4)	0.25 to 1	0.4 to 1	0.5 to 1	1 to 1 or 0.75 to 1 [3]

[1] Overall maximum FAR includes FAR received from a transfer.
 [2] Other bonuses are the Inclusionary Housing, Three-Bedroom Units, and Visible Units bonuses.
 [3] The lower FAR applies in the RM4 zone in Historic and Conservation districts.



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SE BELMONT

Major Improvements Since 2016 have been made to the building which include:

- Full tear off and replacement of the roof system on the entire building
- Replacement of an abandoned elevator and refurbishment of the interior cab in the north wing
- Fourth floor remodel in north wing; fifth floor partial remodel north wing
- New lobby and entry in north wing
- New mini split HVAC system on north wing roof with capability to service the entire north wing.
Not all rooms have the split style installed





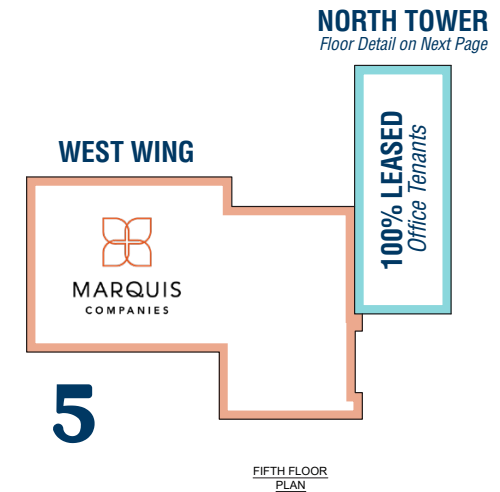
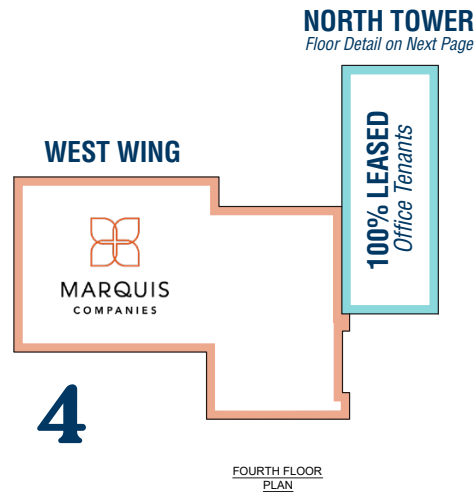
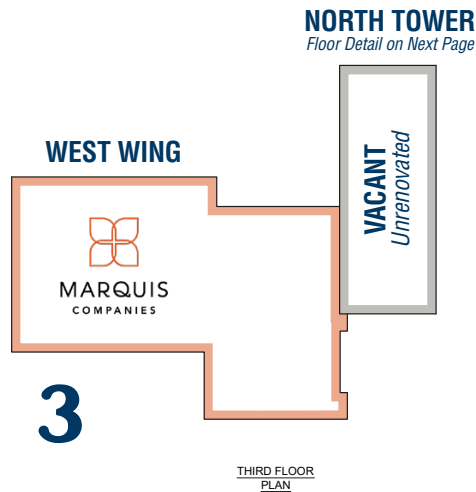
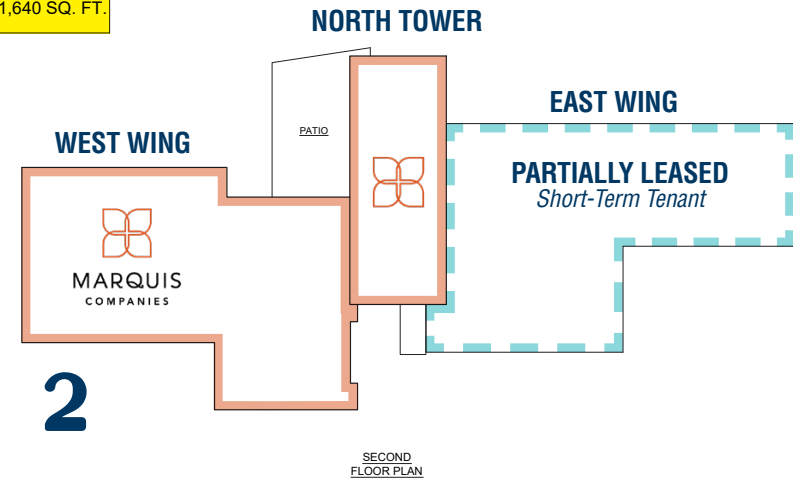
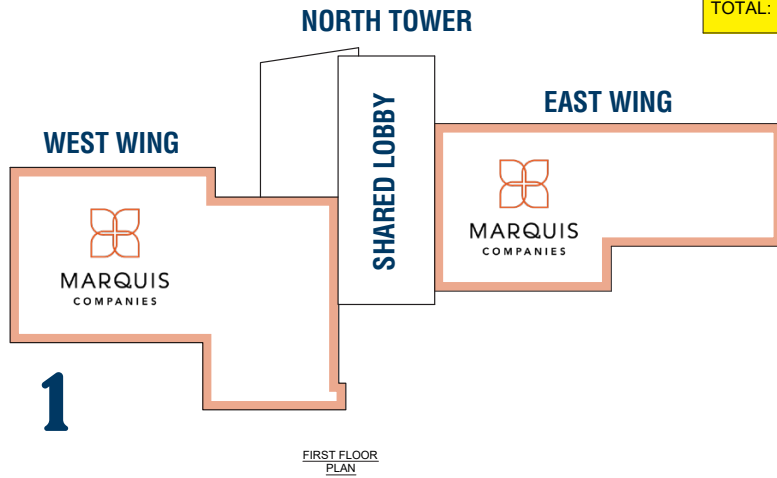
BUILDING PLANS



6040
SE BELMONT

BUILDING OVERVIEW BY FLOOR

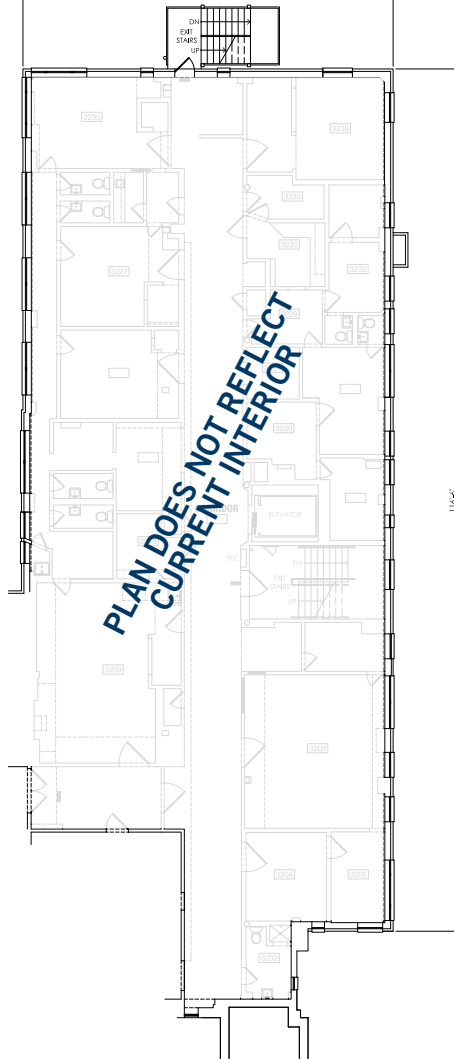
BUILDING AREA:	
1ST FLOOR:	35,634 SQ. FT.
2ND FLOOR:	35,135 SQ. FT.
3RD FLOOR:	20,207 SQ. FT.
4TH FLOOR:	20,207 SQ. FT.
5TH FLOOR:	20,207 SQ. FT.
TOTAL:	131,640 SQ. FT.



NORTH TOWER FLOORS 3-5

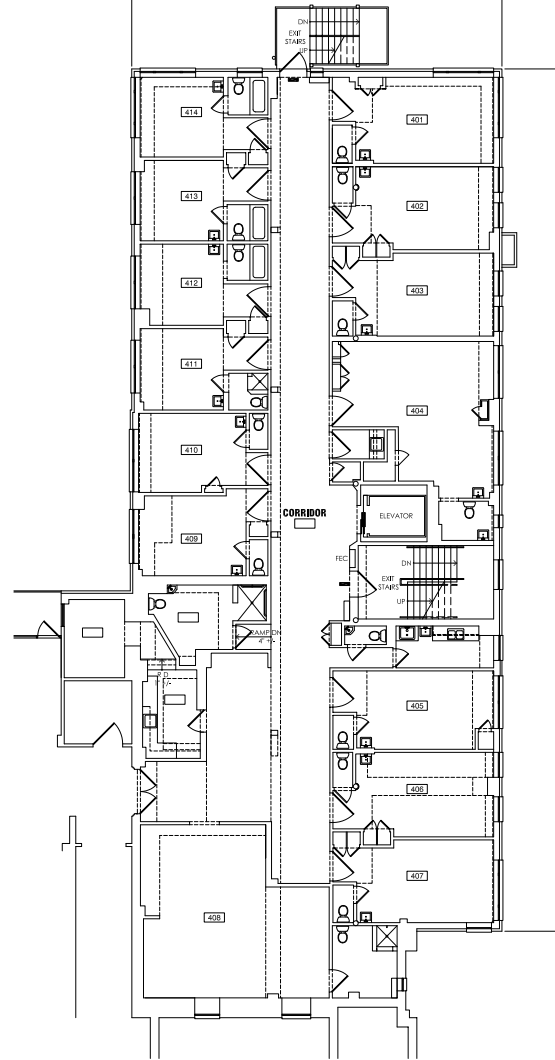
THIRD FLOOR

0% Leased - Unrenovated
Value-Add Opportunity thru Renovation &
Leasup of Space to Additional Tenants



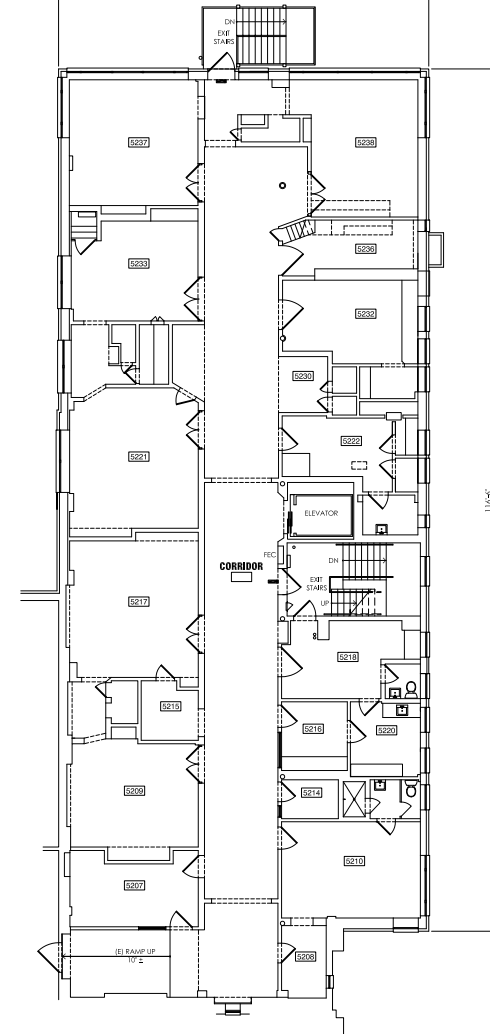
FOURTH FLOOR

100% Leased (14 Tenants)
Floor Currently Fully Leased to a Variety of
Creative Office Tenants - In-Place Income



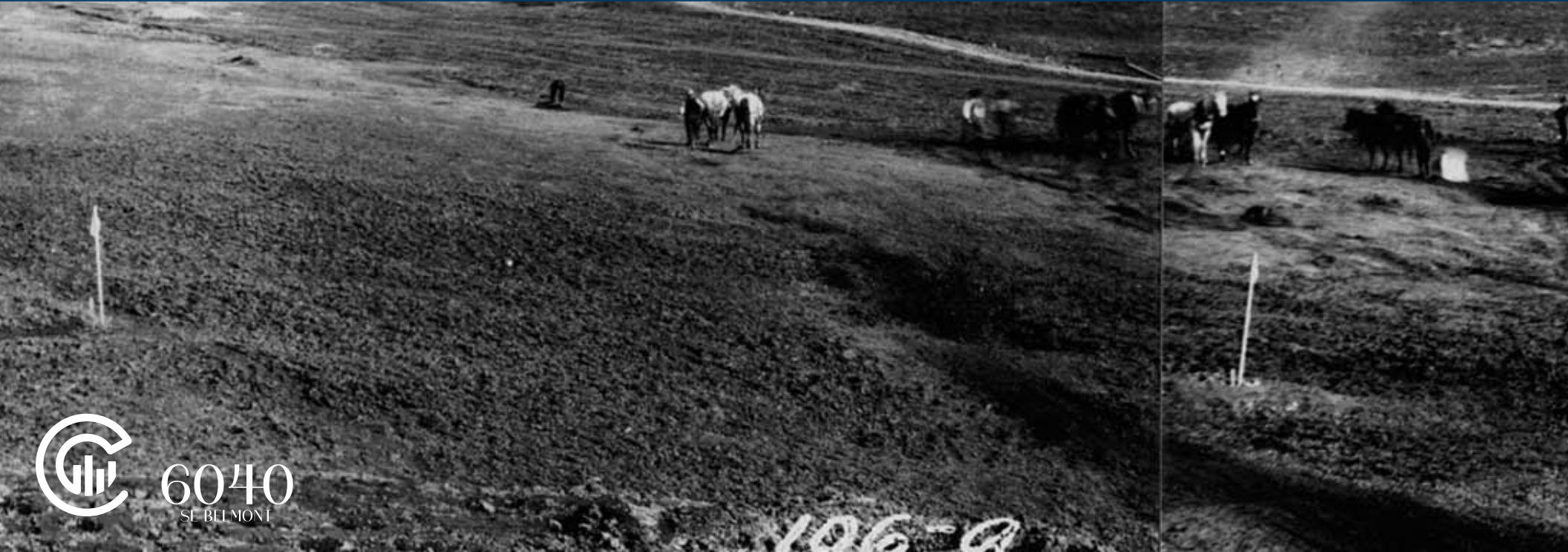
FIFTH FLOOR

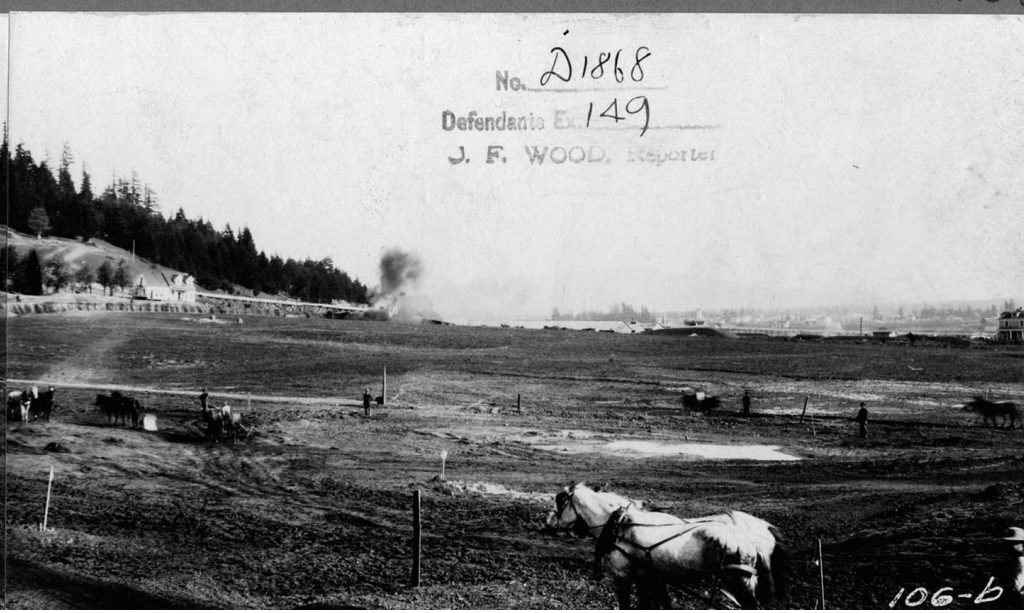
100% Leased (11 Tenants)
Floor Currently Fully Leased to a Variety of
Creative Office Tenants - In-Place Income





PROPERTY HISTORY





In 1893 Lewis Belknap, M.D., headed west from Michigan where he had been a student at Dr. Harvey Kellogg's Battle Creek Sanitarium, intending to start a similar sanitarium on the West Coast. He arrived in Portland, Oregon penniless after having been robbed while in San Francisco. An Adventist minister by the name of Starbuck lent him the first month's rent for small house where Belknap set up a medical practice. Along with his wife, he operated a six patient facility on East Twelfth St. in Portland.

The couple soon relocated to the Reed Mansion, which provided them with 20 patient beds, a surgical ward, office, kitchen and dining room. The stable was re-modeled into treatment rooms and a nurse's dormitory and in 1896, the Belknaps moved from the area and the Seventh-day Adventist (SDA) church obtained the facility. The church added a two-year nurses training program and formed a health food company in 1897.

In 1902, the need for expansion relocated the sanitarium to the base of Mt. Tabor. There a four-story wood building provided for 75 patients and was easily accessible from the train station a few blocks away. William Holden, M.D., joined the staff in 1903 and soon took the position of medical director, which he would hold until his death

in 1955. It was under his direction that the hospital transitioned from a long-term care facility to a surgical/medical facility. In the late 1920s the fire marshal condemned the top two floors of the Mt. Tabor facilities' building because it did not meet fire code. Rather than operate in limited quarters, the hospital board decided to raze the building and rebuild. It was closed on September 21, 1920, and reconstruction on the original site was completed in the spring of 1922. This modern facility was equipped with private rooms that had hot and cold running water, the first of its kind in Oregon.

Dr. Holden performed the first surgery, an emergency appendectomy, on April 21, 1922, while painters and plasterers were still working the interior. Two years after the new building was completed, more space was needed. A nurse's dormitory was added in 1928 and two new wings in 1949 and 1964.

During the 1950s and 1960s new additions were made including training programs in medical technology, radiological technology, practical nursing and a pediatrics department. In the mid-1960s it was determined that expansion and relocation was again necessary. A lack of funds prompted the hospital board to turn to the public for support. The \$2.5 million expansion also received aid from federal grants and the Seventh-day Adventist church.



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Administrators purchased the 232-acre (0.94 km²) Glendover Golf Course planning to reserve 46 acres (190,000 m²) for the hospital and redesigning the remaining land into a 27-hole championship golf course and driving range. Controversy over this plan arose resulting in the county purchasing the land back from the hospital and a new site was purchased on SE Market Street. During the construction plans, the desire to be linked with other denominational health care facilities prompted Adventist Medical Center (AMC), as it was now known, to join Adventist Health on February 8, 1973.

Groundbreaking for the new hospital took place in 1974 at the site of the former Morningside Hospital. A physician's office building opened in 1976 followed by the hospital's grand-opening in 1977. "Operation Keep Step," consisting of eleven ambulances and five wheelchair cars transferred all patients, equipment and staff without seriously disrupting hospital services. AMC moved 204 beds to the new facility immediately while 72 remained at the Mt. Tabor site until the north wing was completed the following year. In 1978, the construction of a residence hall and classroom building for the Walla Walla College School of Nursing completed the hospital.



A historical black and white photograph of a two-story wooden building. The building features a prominent sign above the entrance that reads "ERECTED 1891". The architecture includes decorative elements like a balcony on the upper floor and ornate window surrounds. In the foreground, a horse-drawn carriage is being prepared or used, with several men in period clothing standing around it. A horse is harnessed to the carriage. The scene is set on a street with utility poles and wires visible in the background.

HISTORIC DESIGNATION BENEFITS



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SE BELMONT

HISTORIC DESIGNATION BENEFITS *Thru Buyer Application to Historic Designation*

There is currently no historic designation on the subject (6040 SE Belmont).

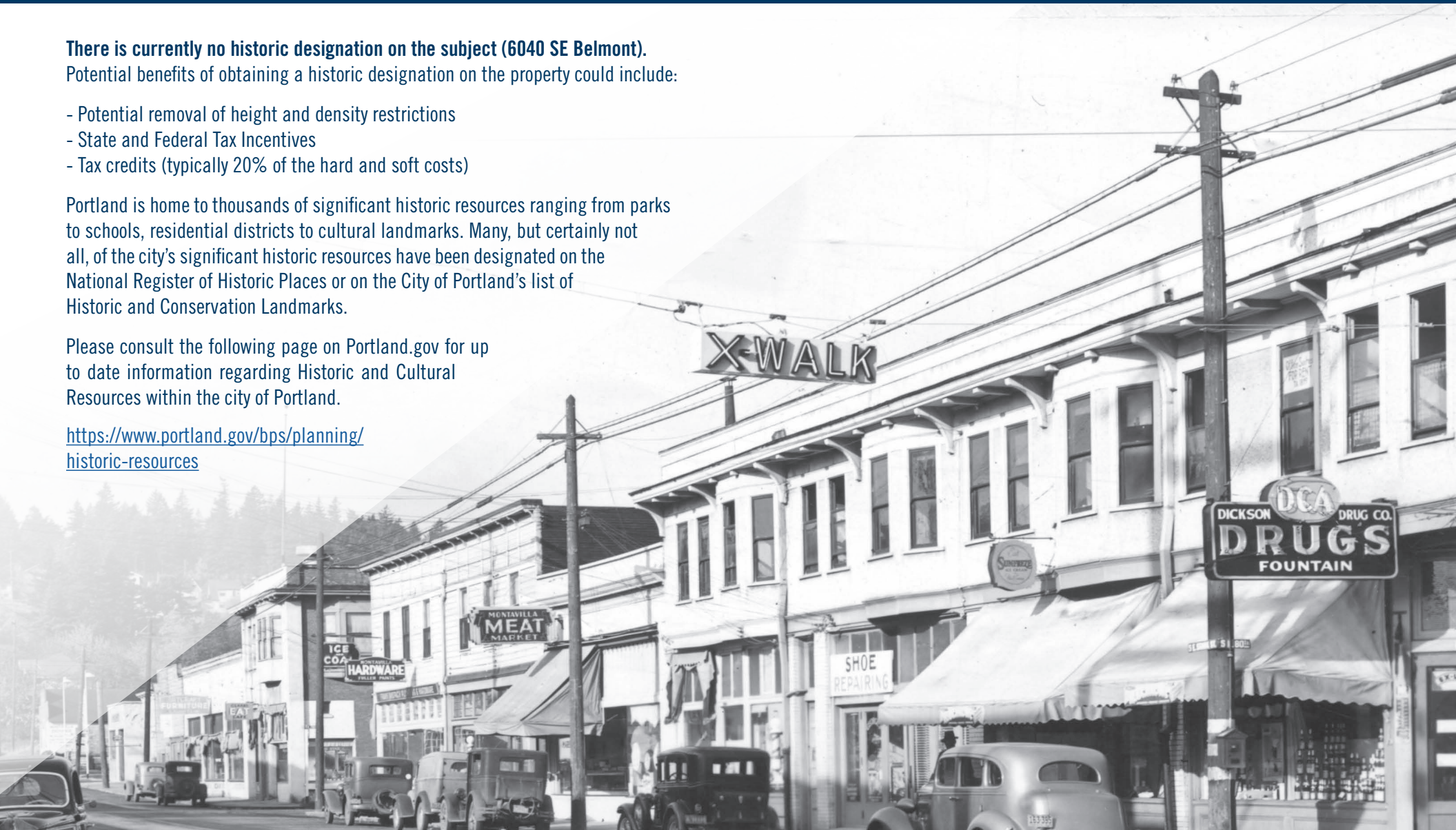
Potential benefits of obtaining a historic designation on the property could include:

- Potential removal of height and density restrictions
- State and Federal Tax Incentives
- Tax credits (typically 20% of the hard and soft costs)

Portland is home to thousands of significant historic resources ranging from parks to schools, residential districts to cultural landmarks. Many, but certainly not all, of the city's significant historic resources have been designated on the National Register of Historic Places or on the City of Portland's list of Historic and Conservation Landmarks.

Please consult the following page on [Portland.gov](https://www.portland.gov) for up to date information regarding Historic and Cultural Resources within the city of Portland.

<https://www.portland.gov/bps/planning/historic-resources>



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