



WELCOME!

URBAN RENEWAL ADVISORY BOARD

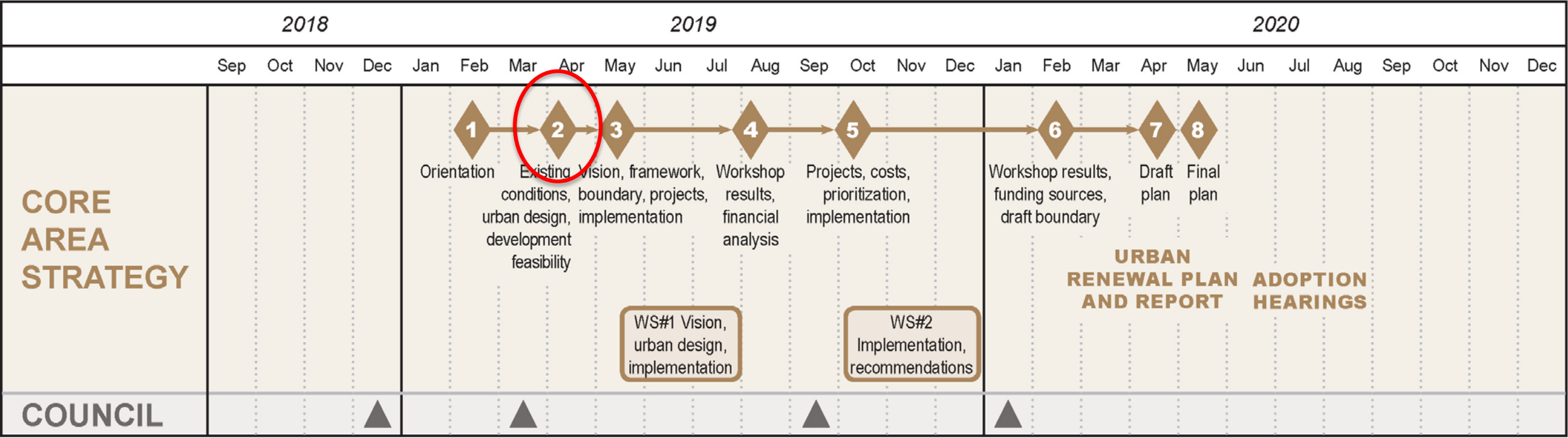
MEETING #2

APRIL 2, 2019



BEND TRANSPORTATION AND LAND USE PROGRAM

Core Area Project Work Plan and Process*



GUIDING PRINCIPLES



- Create a place where you can **live, work and play**.
- This plan leads to **direct outcomes**, it is **implemented**.
- This area **connects the East and West** sides of Bend.
- There is **affordable housing**.
- This is a **walkable area** with a **balanced transportation system**.
- Public investments support and **catalyze private development**.
- **Transparent and open** public process that ensures that those affected by the decisions are involved in the process.





URBAN RENEWAL ADVISORY BOARD: URBAN RENEWAL BACKGROUND

ECONorthwest
ECONOMICS • FINANCE • PLANNING

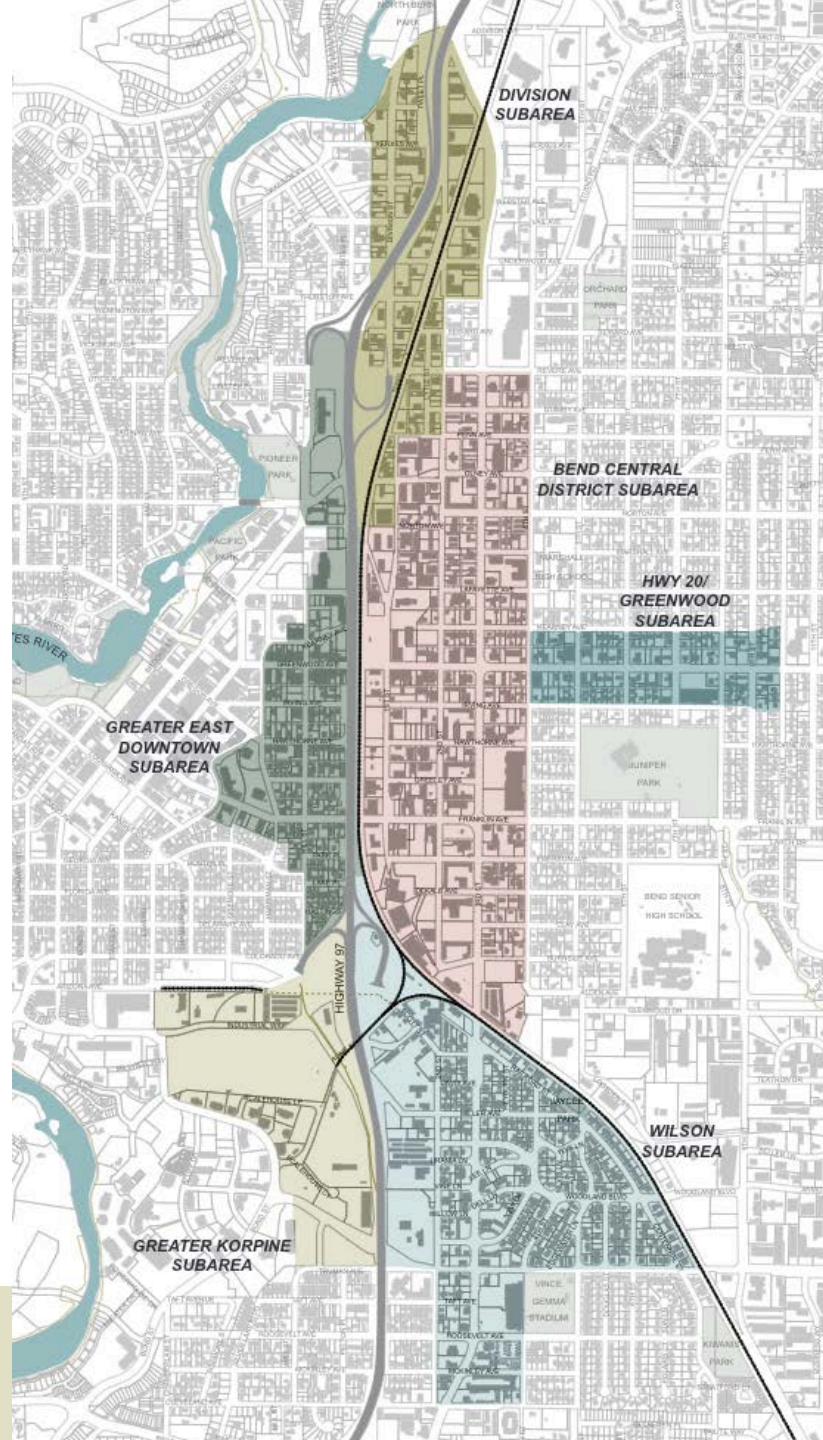


- Urban Renewal 101 Refresher
- Urban Renewal 201 Topics:
 - UR's Bermuda Triangle: Maximum indebtedness, project costs, revenue projections
 - UR Financing: Unscrambling chickens from eggs
- Your questions



URBAN RENEWAL 101 REFRESHER

CORE STUDY AREA



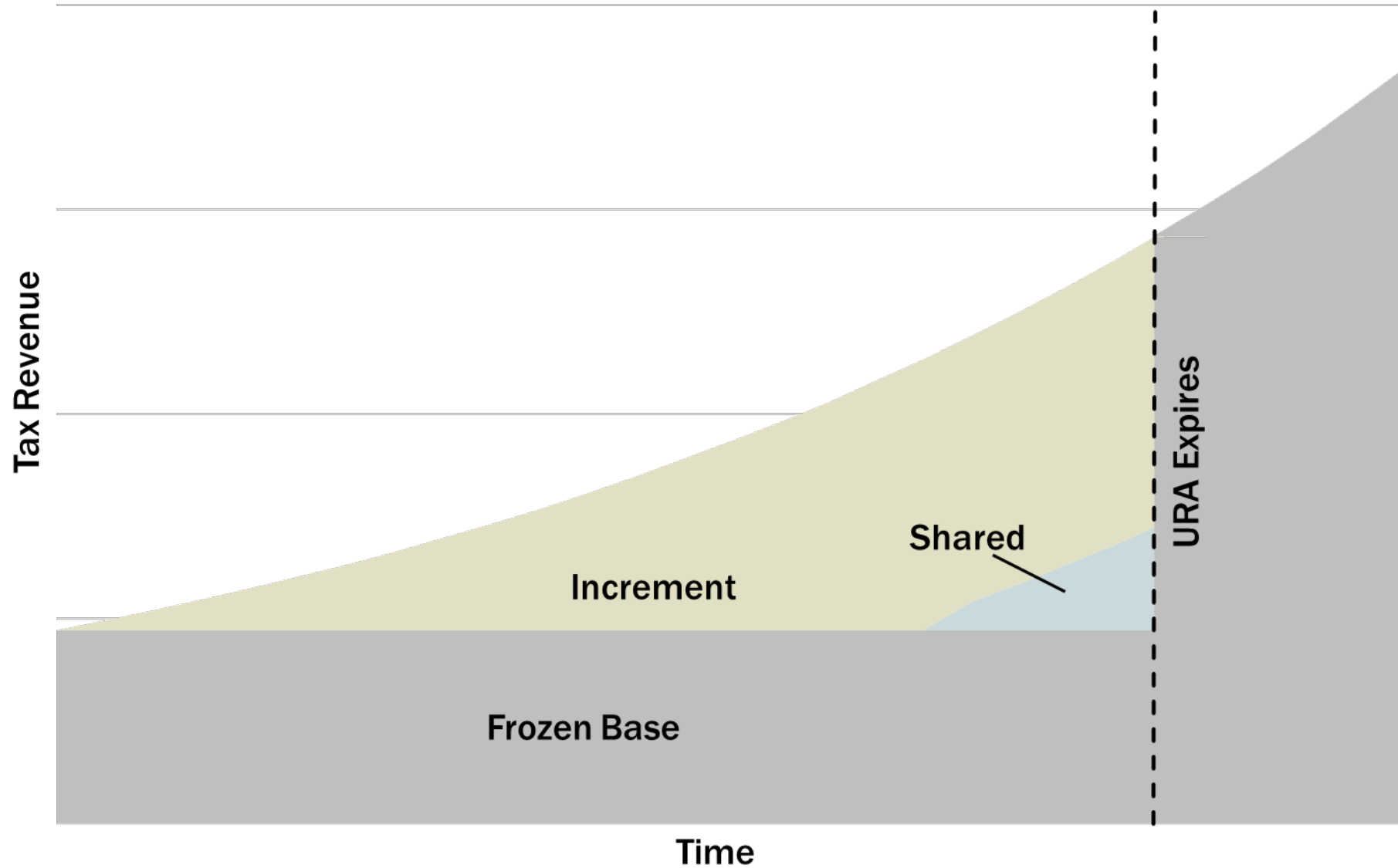
WHAT IS URBAN RENEWAL?



- Used throughout Oregon
- Authorized through State Statutes (ORS 457)
- Purpose:
 - Provide financing mechanisms to implement plans
 - Address 'blighting' influences in designated areas
 - Increase tax base

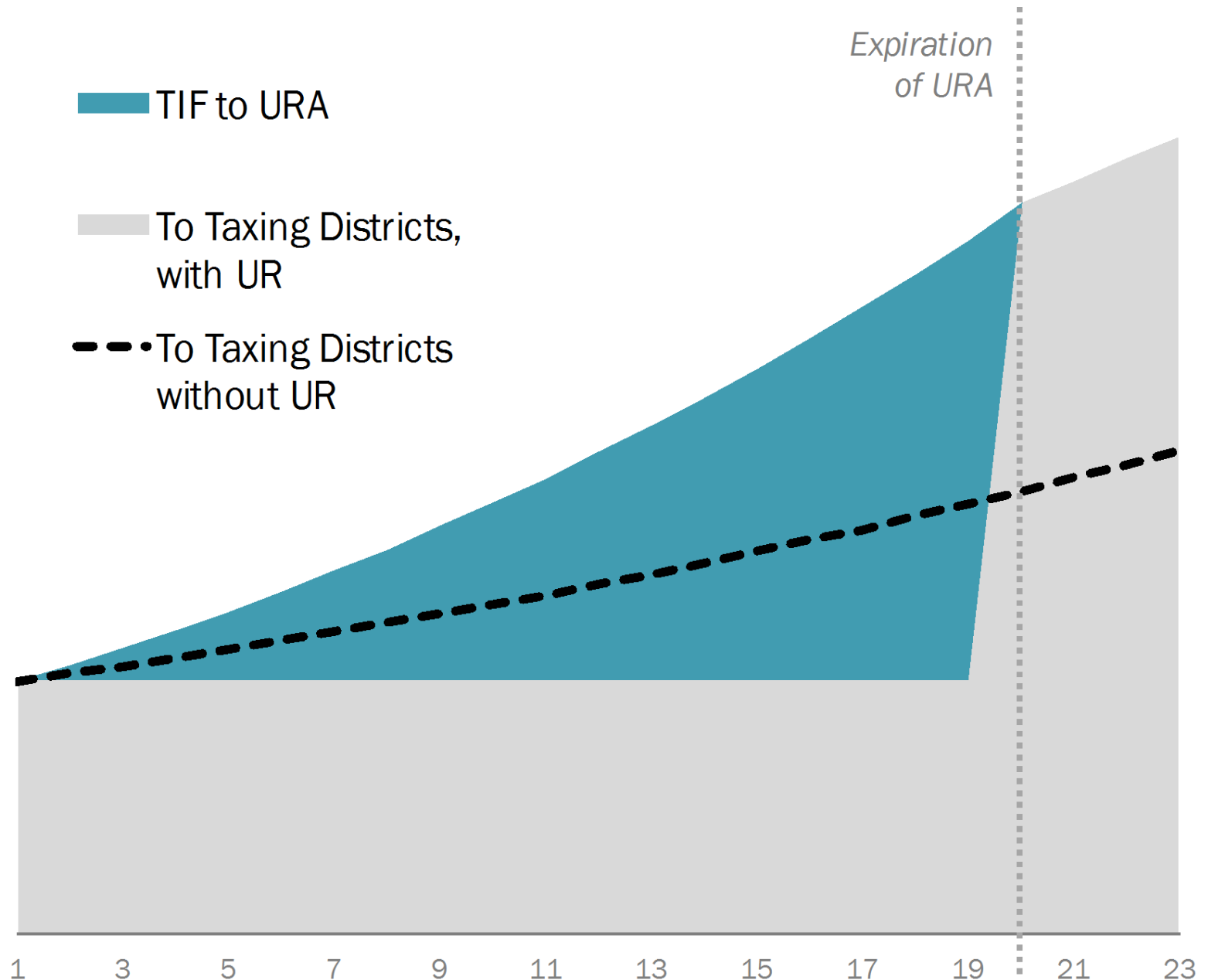
Data source: US Census Bureau, Population Research Center and PSU

HOW DOES URBAN RENEWAL FINANCING WORK?





FOREGONE REVENUE: 'BUT FOR' ARGUMENT





- Primarily: overlapping taxing districts, not property tax payers
- School district backfilled through state funding formula

HOW CAN \$\$ BE SPENT?



Requirements:

- Capital only (no O&M)
- Must be in the boundary
- Spending on city-wide projects must be proportional

Best practices:

- Informed by stakeholder priorities
- Support economic development and tax growth

POTENTIAL PROJECT TYPES



- Utilities or infrastructure
- Streetscapes
- Transportation
- Affordable housing
- Parks and open spaces
- Redevelopment
- Storefront improvement grants
- Capital improvement loans for small or start up businesses
- Historic preservation



URBAN RENEWAL 201

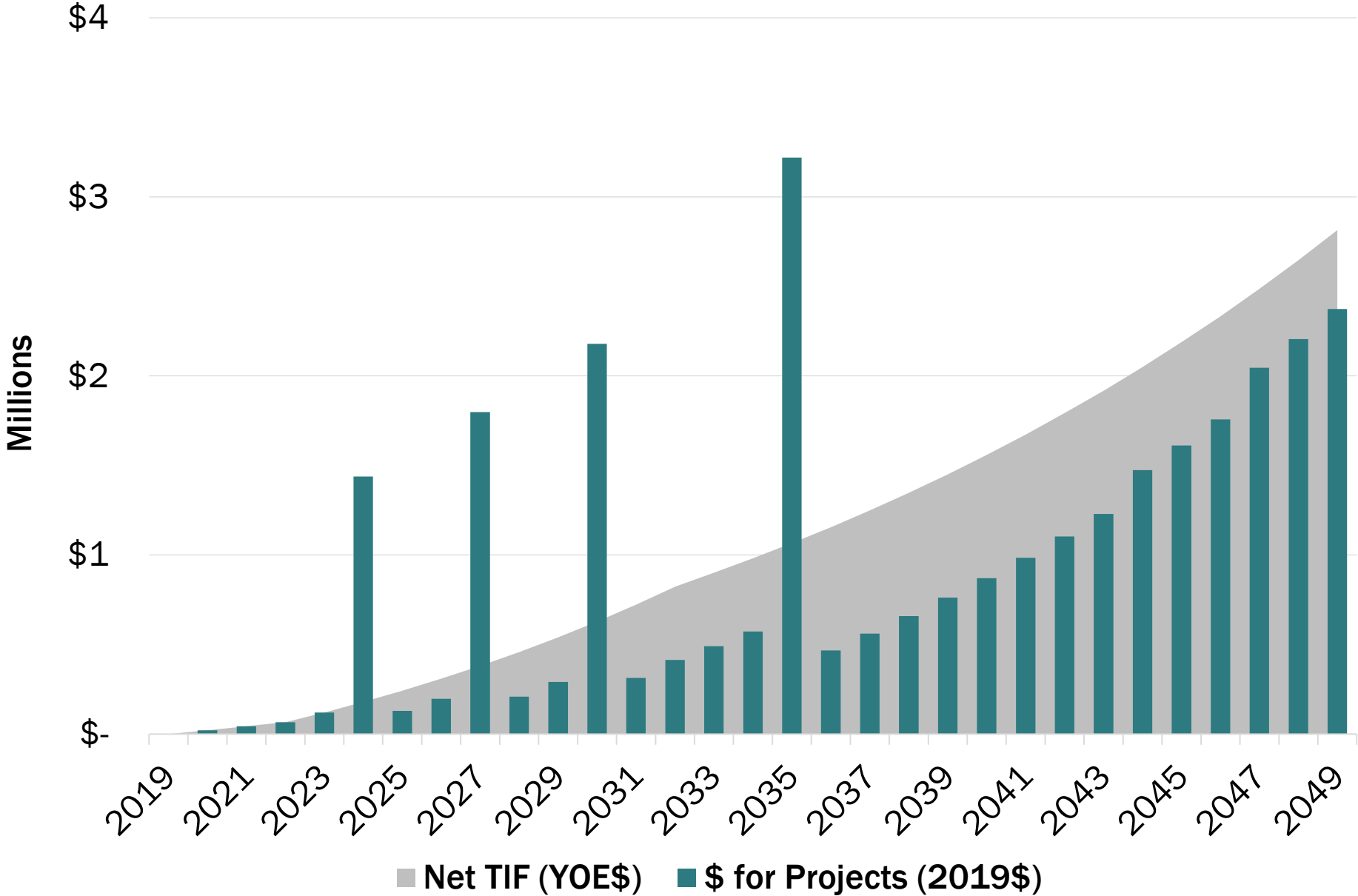
AGE OLD URBAN RENEWAL QUESTIONS...



We need to invest to spur development!

...but we don't have any money, because the development hasn't happened yet...

BONDING AND CASH FLOW



THE ONLY TWO RESPONSES

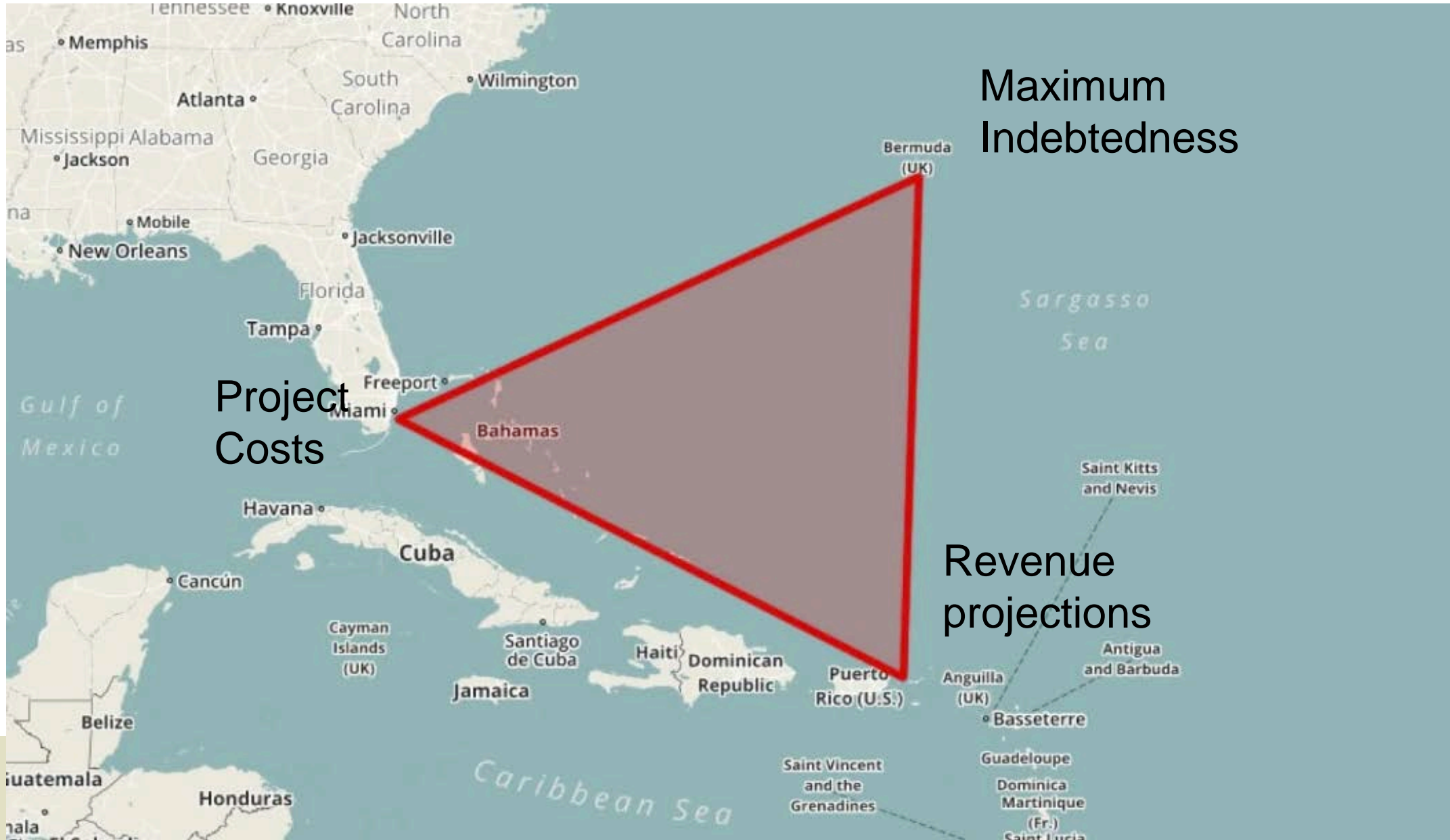


1. Be patient

--or--

2. Jumpstart with some other source (and repay with TIF)

THE DANGERS OF URBAN RENEWAL'S BERMUDA TRIANGLE



HOW DO WE AVOID GETTING LOST IN IT?



- Agreed upon project prioritization principles
- Clear analysis with understood limitations:
 - Projections are... projections
 - Projects costs are estimates
- Recognition of how UR is implemented:
 - Maximum Indebtedness is THE limiting factor
 - Annual budgeting process



QUESTIONS AND DISCUSSION



URBAN DESIGN ANALYSIS

APRIL 2, 2019

WALKER | MACY

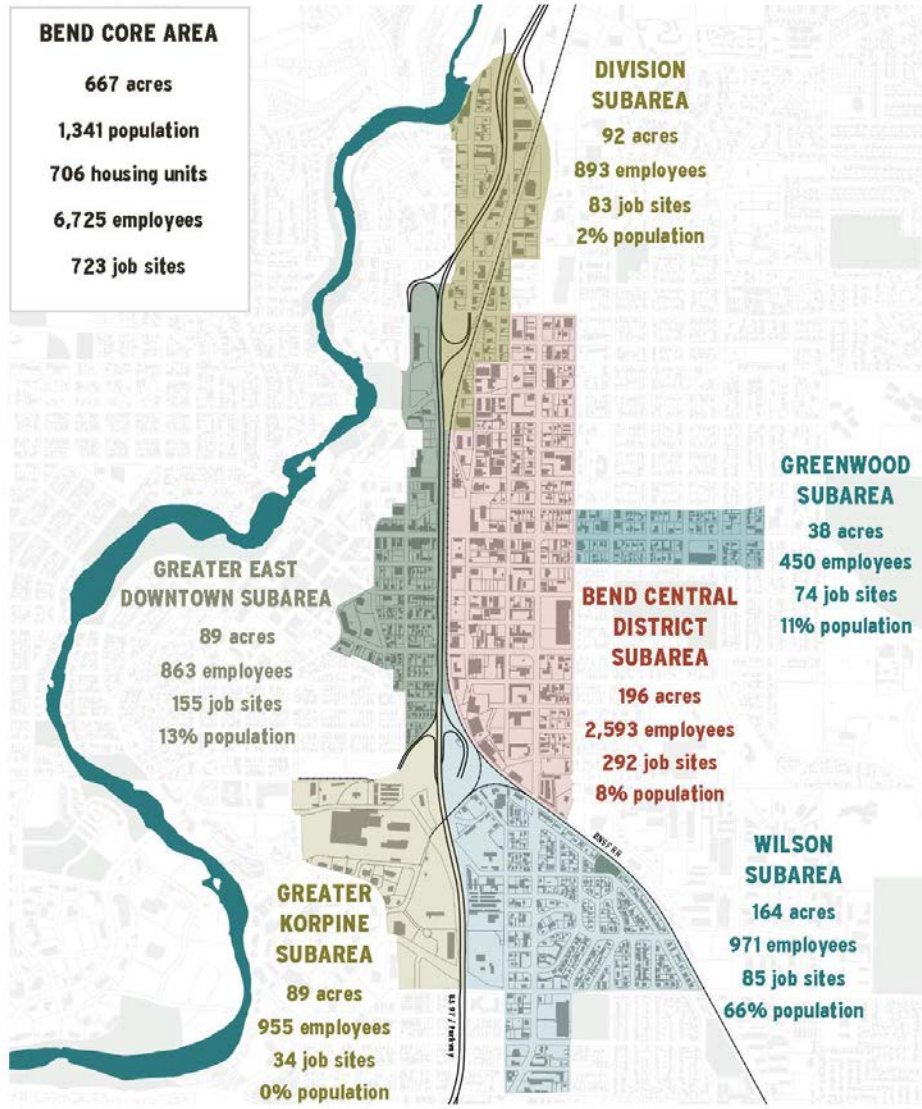
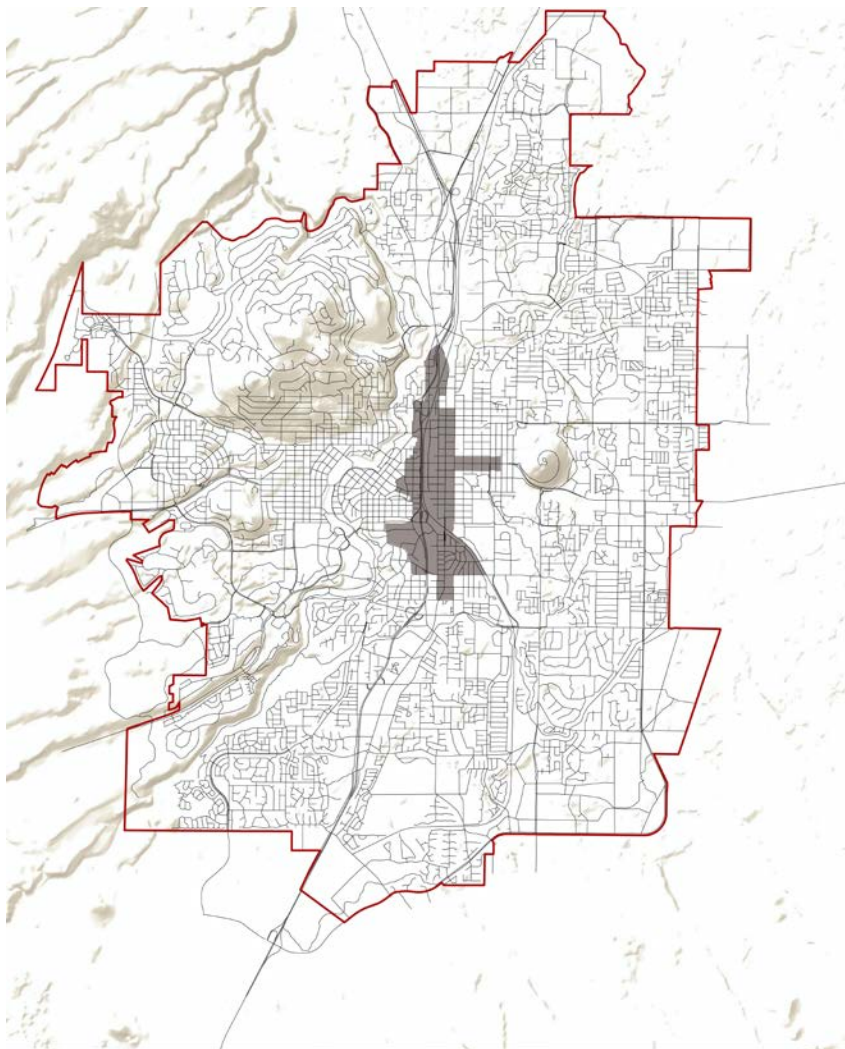


- Introduction
- Previous Plans + Existing Conditions
 - Previous Plans
 - Zoning
 - Transportation
- Urban Design Analysis
 - Downtown Bend Urban Design
 - Core Area Urban Form Analysis
 - Core Area Key Takeaways
 - Central
 - South
 - North
 - Existing + Potential Districts





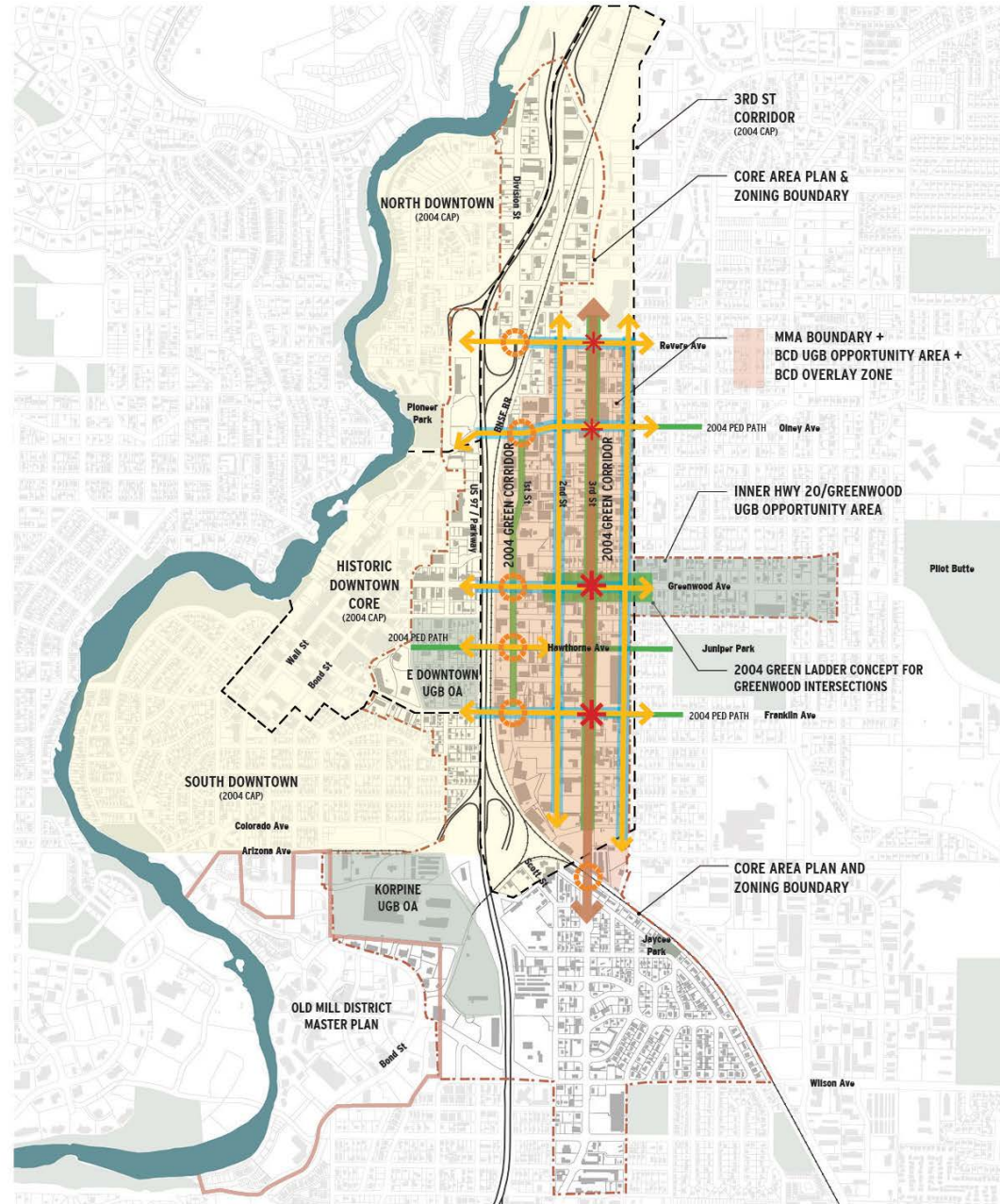
STUDY AREA





PREVIOUS PLANS + EXISTING CONDITIONS

PREVIOUS PLANS



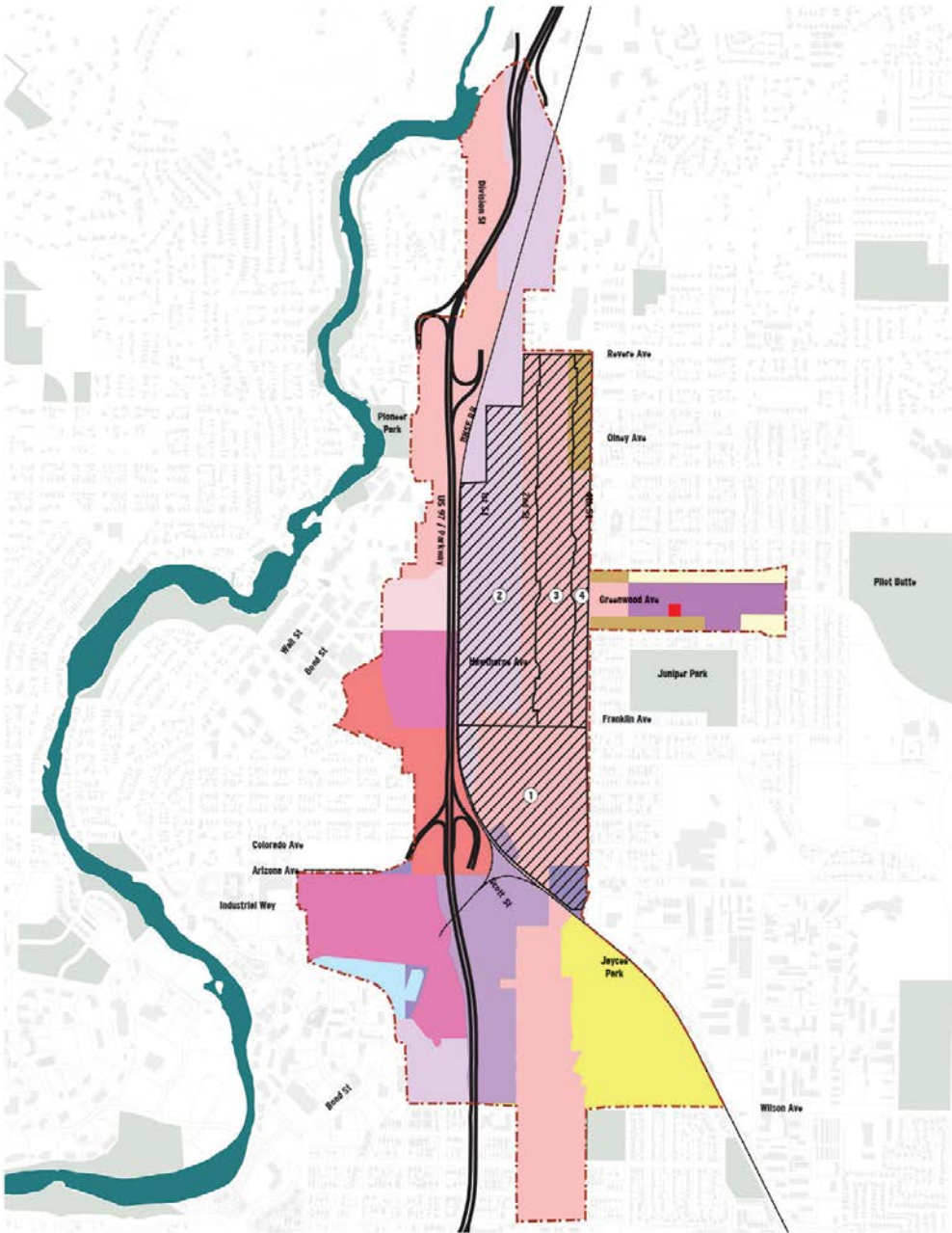
- 2004 Central Area Plan Study Area
- MMA District Node (same as 2004 "Pulse Points")
- MMA District Gateway
- MMA Corridor
- MMA Ped-Oriented Street
- MMA Road Diet

ZONING

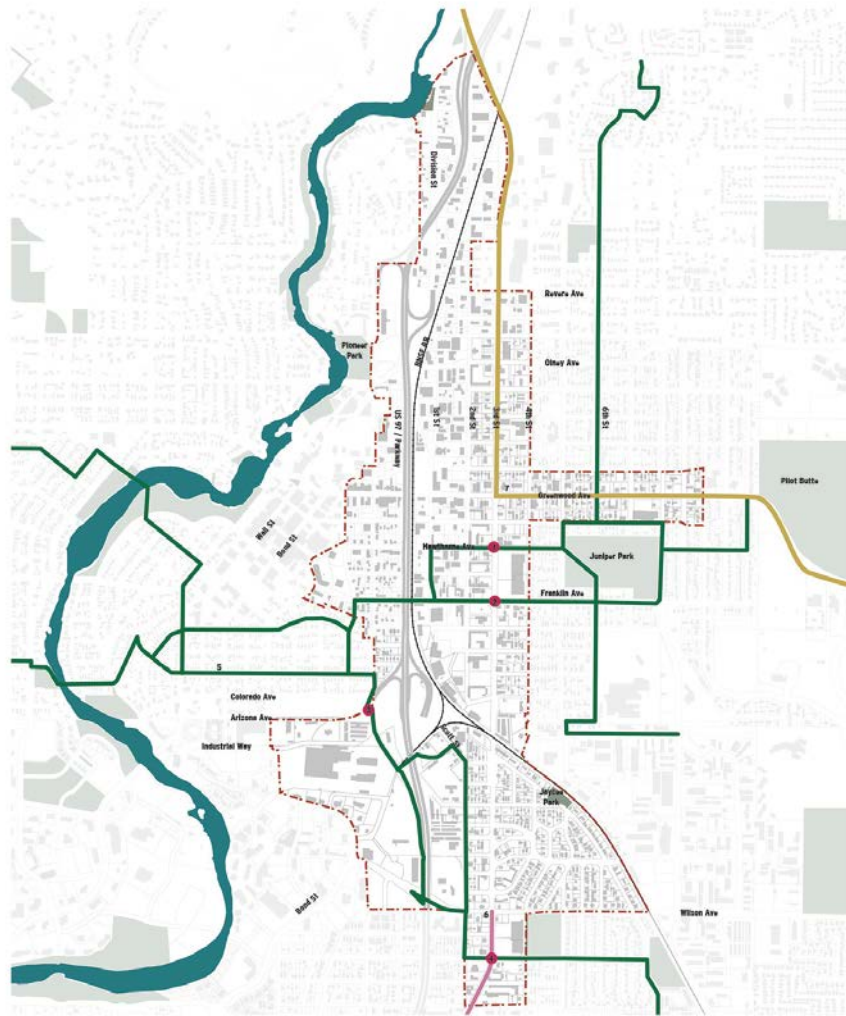


	CB		CL		ME		MU		RS
	CC		IG		MN		RH		PARKS
	CG		IL		MR		RM		Core Area

	Bend Central District Overlay Code
1	South Subdistrict
2	1st & 2nd St Subdistrict
3	3rd St Subdistrict
4	4th St Subdistrict

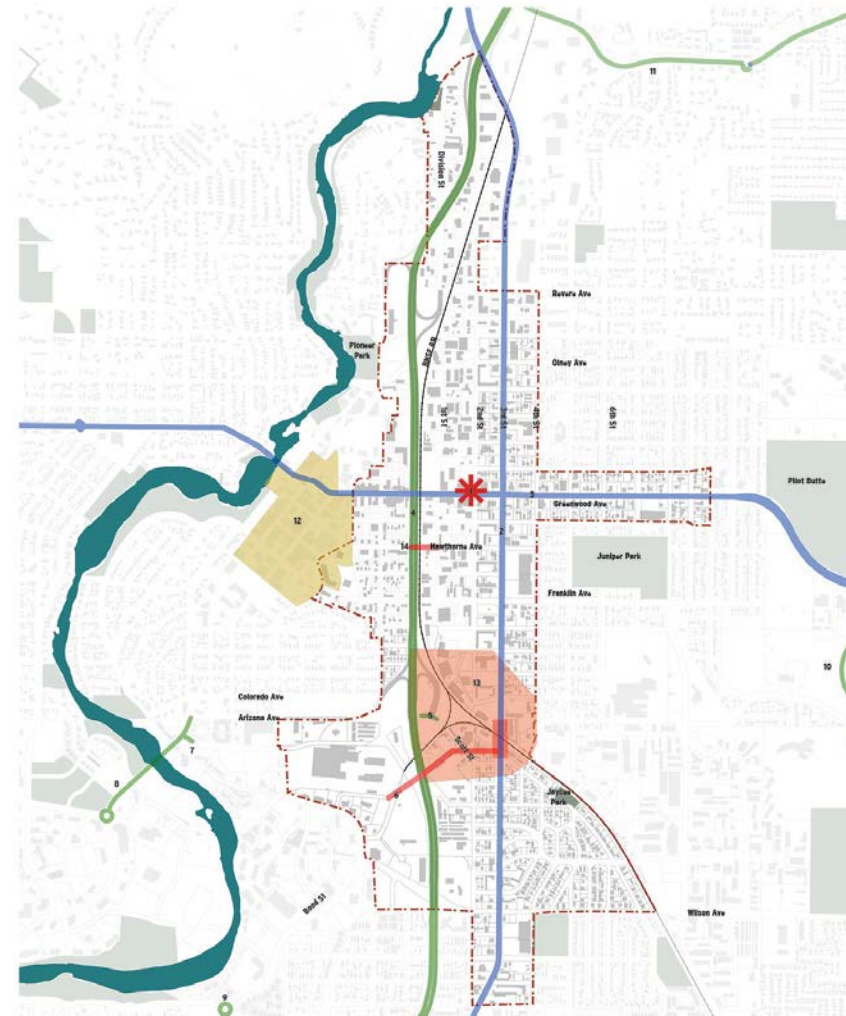
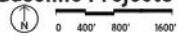


CITYWIDE TRANSPORTATION FRAMEWORK



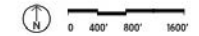
- Bicycle Greenways
- ODOT U.S. 20
- Pedestrian Improvements
- Citywide Safety Improvement:
Areas for pedestrian/bicycle improvements, due to high number of crashes

**Draft Citywide Transportation Framework
Baseline Projects**

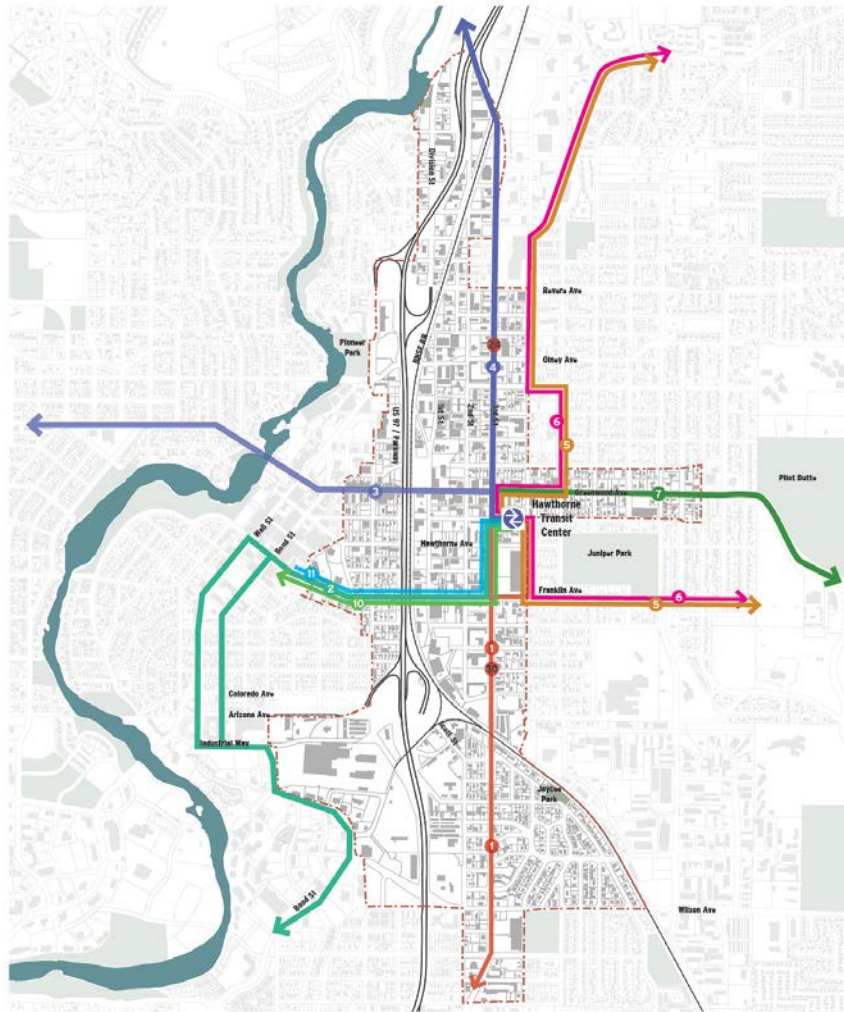


- High Capacity Transit Study
- Corridor Studies / Widening / Intersection Improvements
- Road Extension
- Parking Pricing
- ★ Mobility Hub
- ★ BNSF Switchyard Feasibility Study

Draft Citywide Transportation Framework



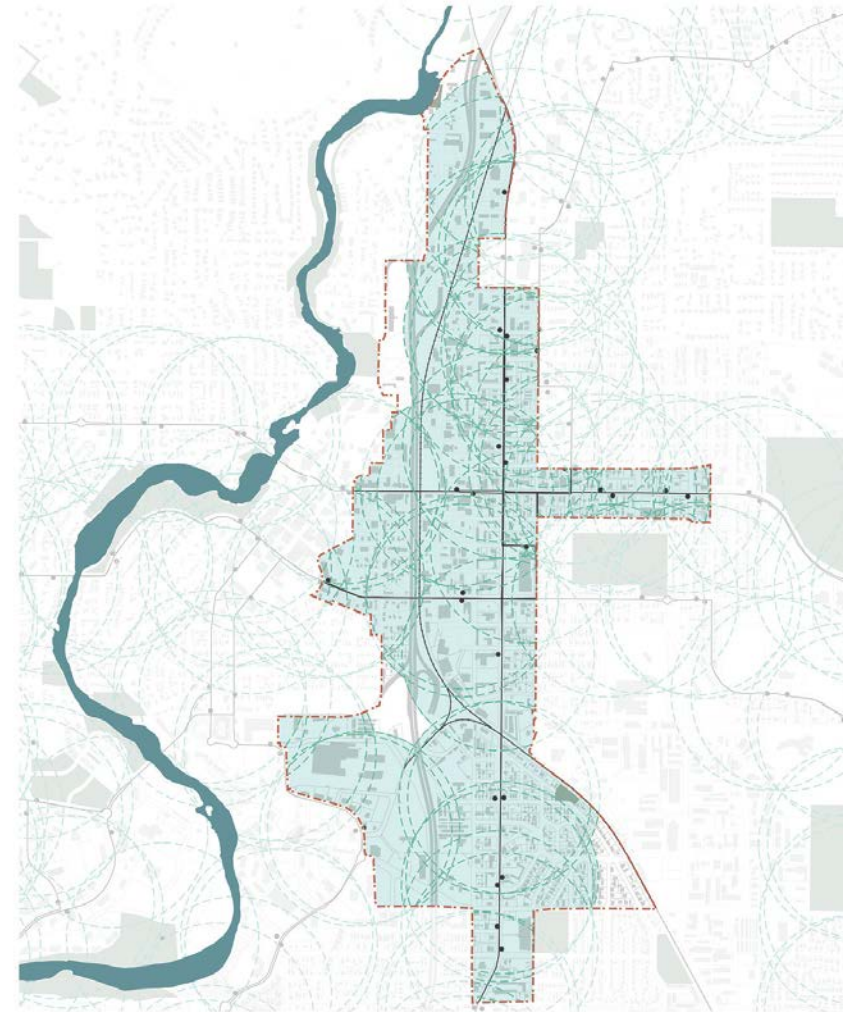
TRANSIT



Hawthorne Transit Center
 Bus Lines
 Core Area

Transit

0 400' 800' 1600'



1/4 mile radius around bus stop
 Bus Stop
 Bus Route
 Core Area

Transit Stops

0 400' 800' 1600'



URBAN DESIGN ANALYSIS

LESSONS FROM DOWNTOWN BEND



Street tree canopy shades sidewalk

Angled on street parking slows traffic

Bump outs make safer crossings for pedestrians

Eclectic collection of buildings defines Bend's history & vitality

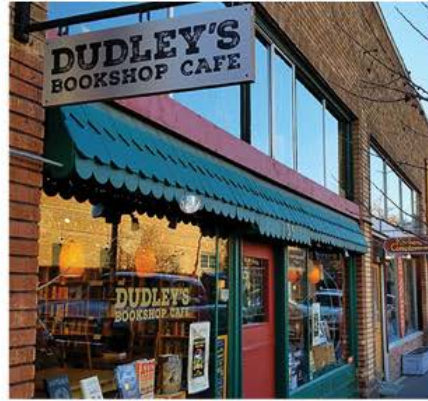
Colorful, varied building facades with pedestrian scale signage

Wide sidewalks act as gathering space

LESSONS FROM DOWNTOWN BEND



Activated alleys



Wide variety of small scale retail in updated buildings



Pedestrian interest & nighttime activity



Landmarks

Upper Floor setbacks minimize bulk



Compact street grid



Taller Buildings Enclose Street

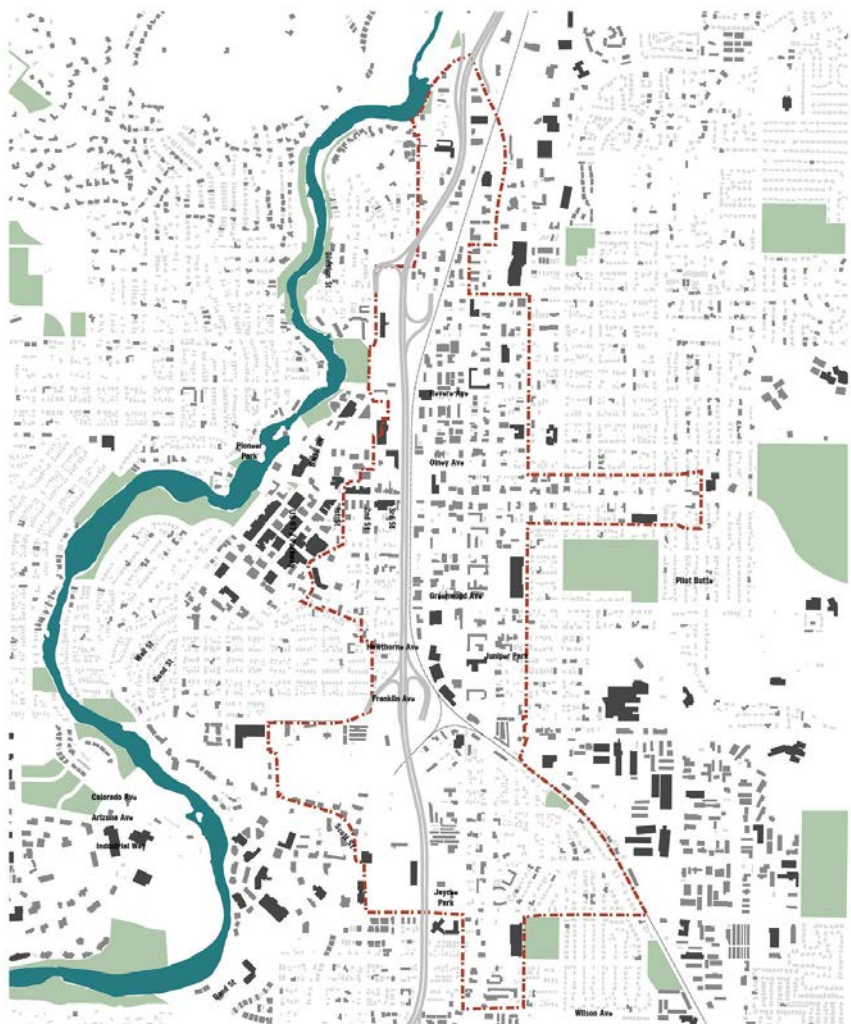


Active corners help create urban "rooms" at intersections





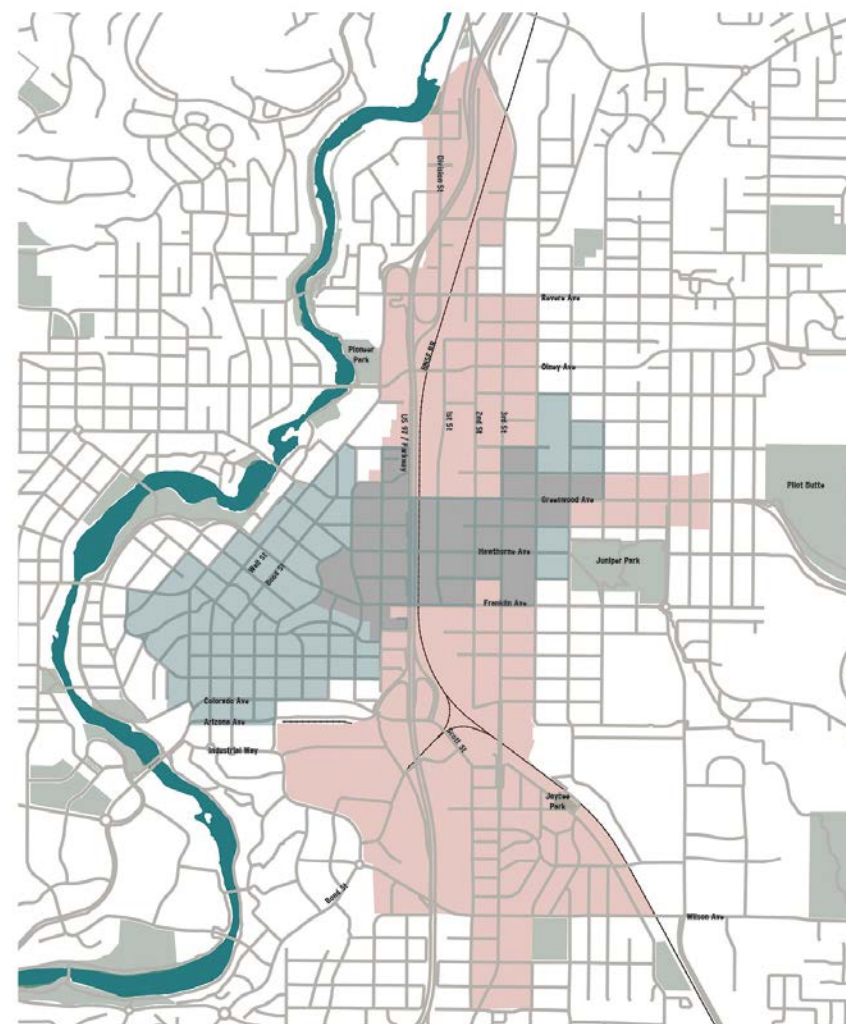
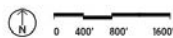
URBAN FORM



■ <3,000 sq ft
 ■ 3,000 - 20,000 sq ft
 ■ >20,000 sq ft

Building Source: Microsoft 2010

Urban Form Analysis | Building Size



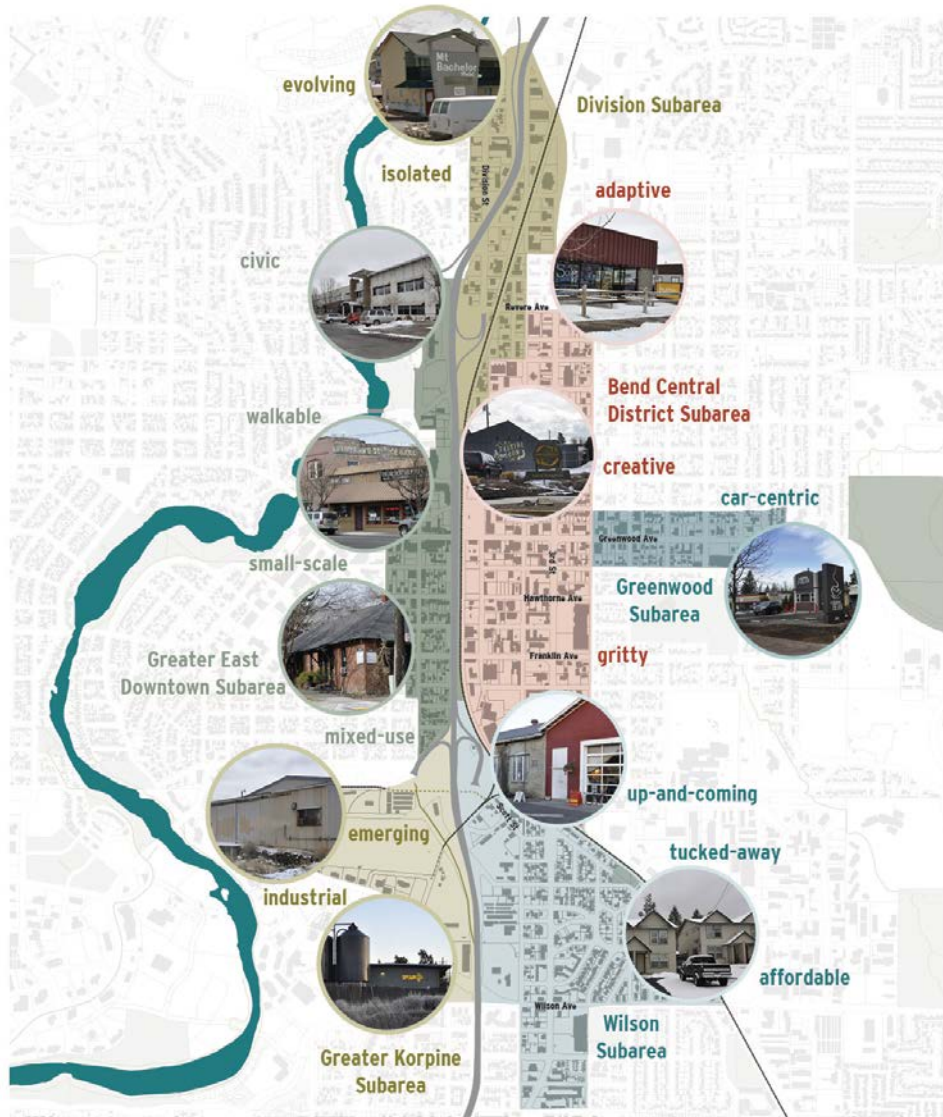
■ Core Area
 ■ Highest Intersection Density (180 Intersections / square mile)

— Streets / Highways

Urban Form Analysis | Street Grid



CHARACTER OVERVIEW + SECTION ANALYSIS



Central Section:

- Greater East Downtown Subarea
- Bend Central District Subarea
- Greenwood Subarea



South Section:

- Greater Korpine Subarea
- Wilson Subarea



North Section:

- Division Subarea



CENTRAL SECTION KEY TAKEAWAYS



1. Greater East Downtown is integrated with Downtown Bend by views, good street frontage, and a walkable street grid.





CENTRAL SECTION KEY TAKEAWAYS



2. Greater East Downtown has a distinctive urban form of houses converted to small businesses.

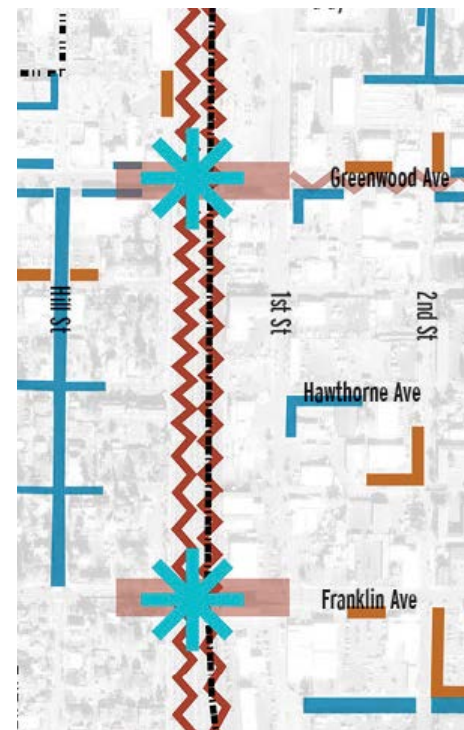
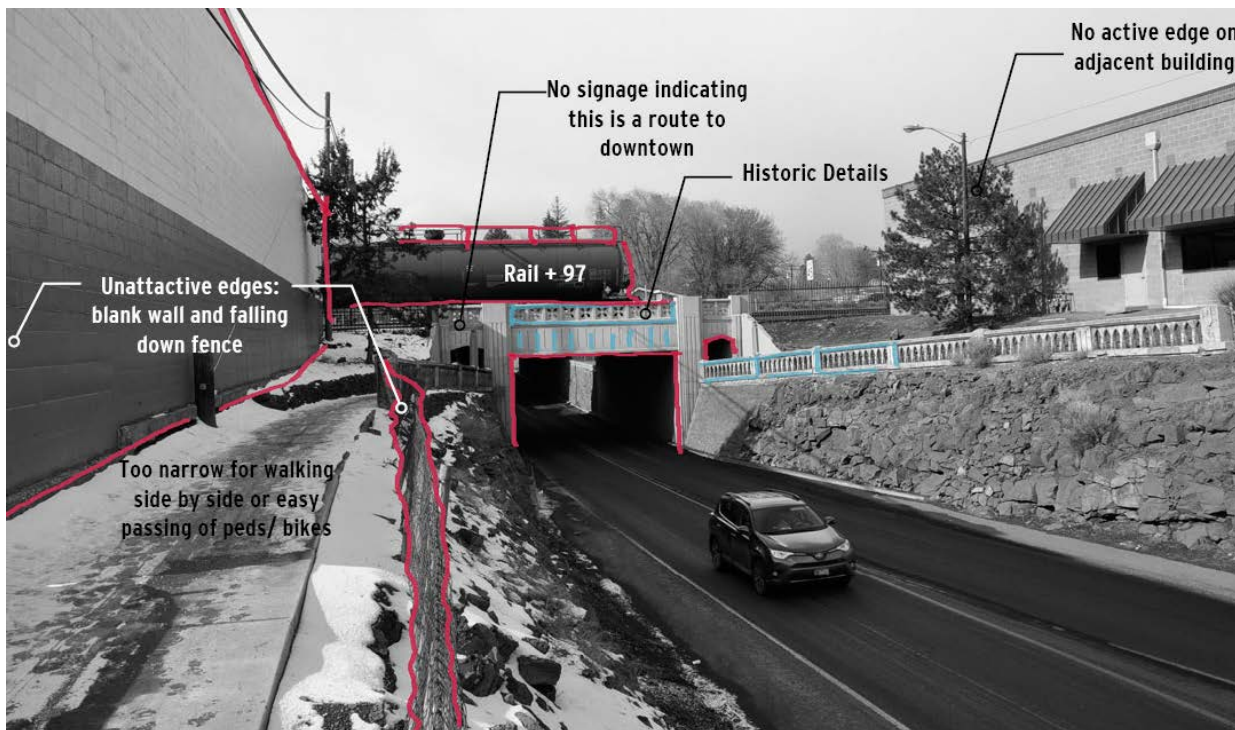




CENTRAL SECTION KEY TAKEAWAYS



3. Challenging undercrossings make the Central District feel farther away and disconnected from Greater East Downtown and Downtown Bend

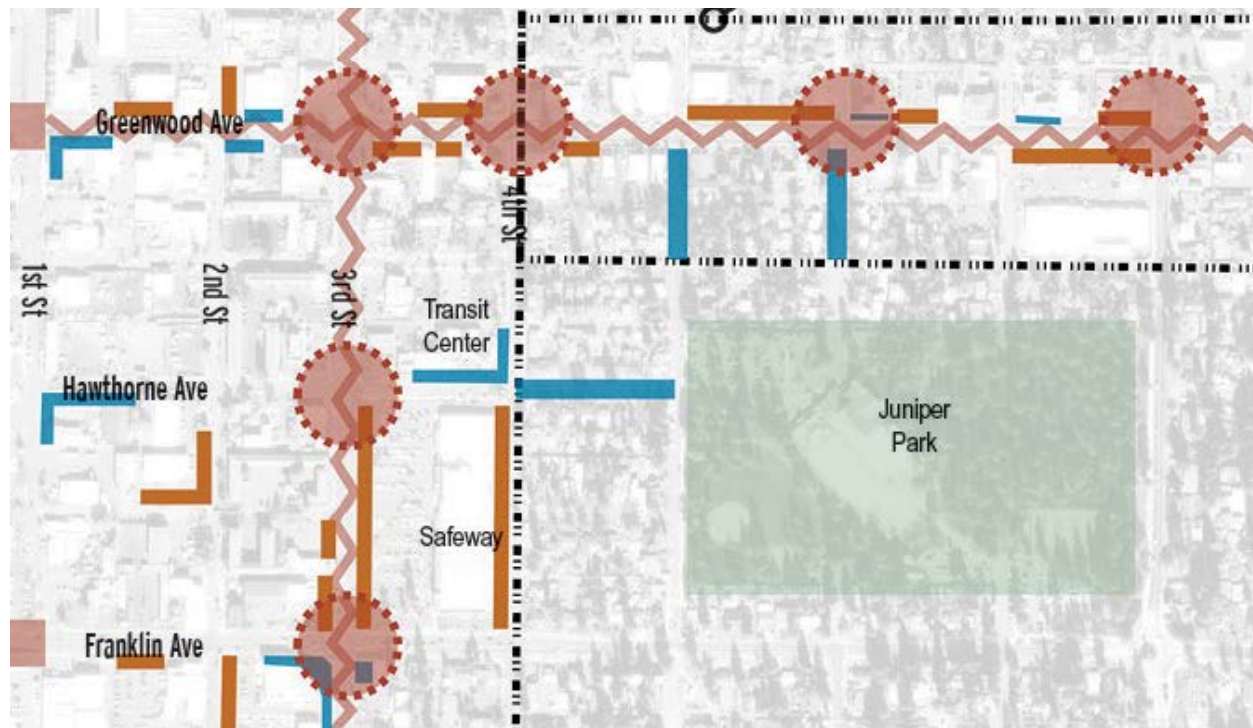




CENTRAL SECTION KEY TAKEAWAYS



4. Greenwood and 3rd act as barriers for pedestrians and bicyclists and divide the Central District into disconnected pockets.





CENTRAL SECTION KEY TAKEAWAYS



5. Creative/maker businesses are scattered nodes of activity in a mostly industrial and autocentric fabric.

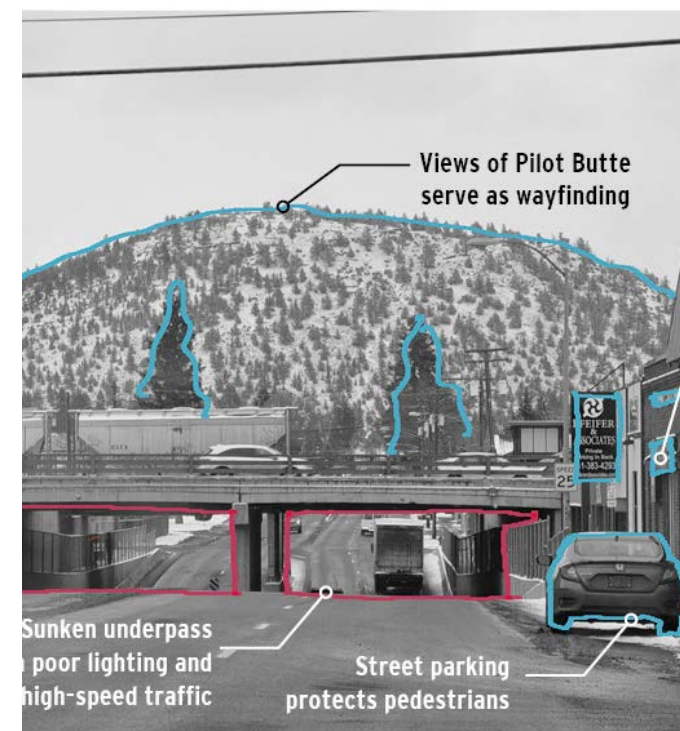




CENTRAL SECTION KEY TAKEAWAYS



6. Views of Pilot Butte unify the Central Section and can serve as wayfinding as the area becomes more conducive to exploring by foot or bike.





SOUTH SECTION KEY TAKEAWAYS



1. The South Section is home to several iconic local destinations in former industrial buildings

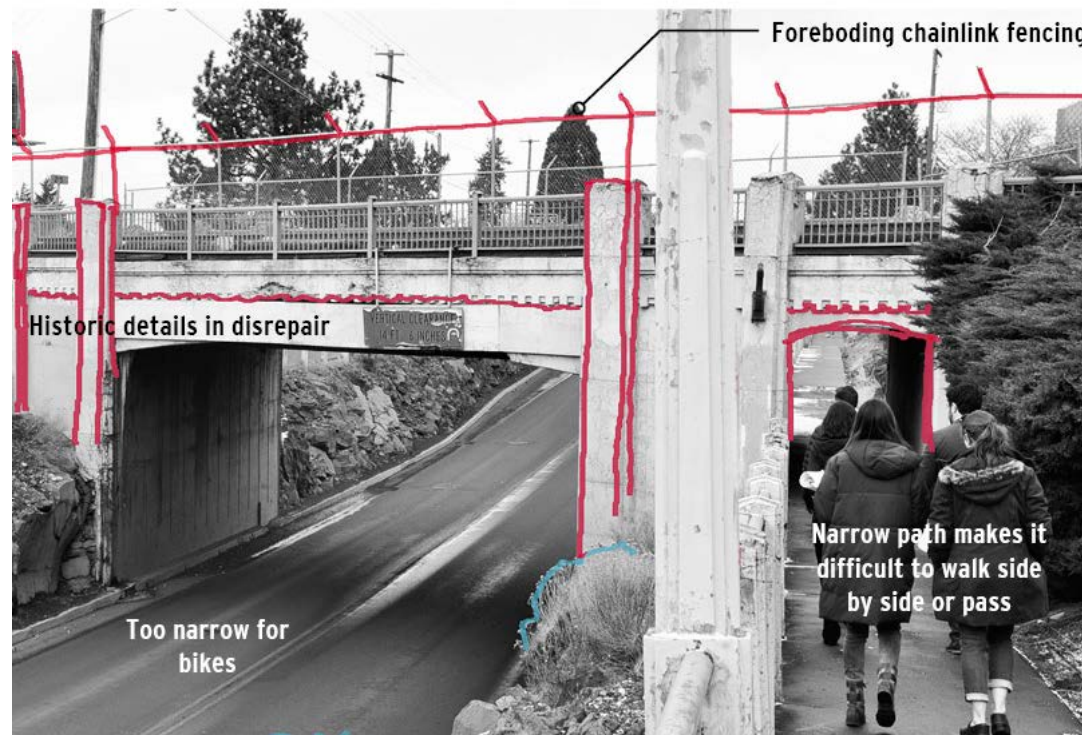
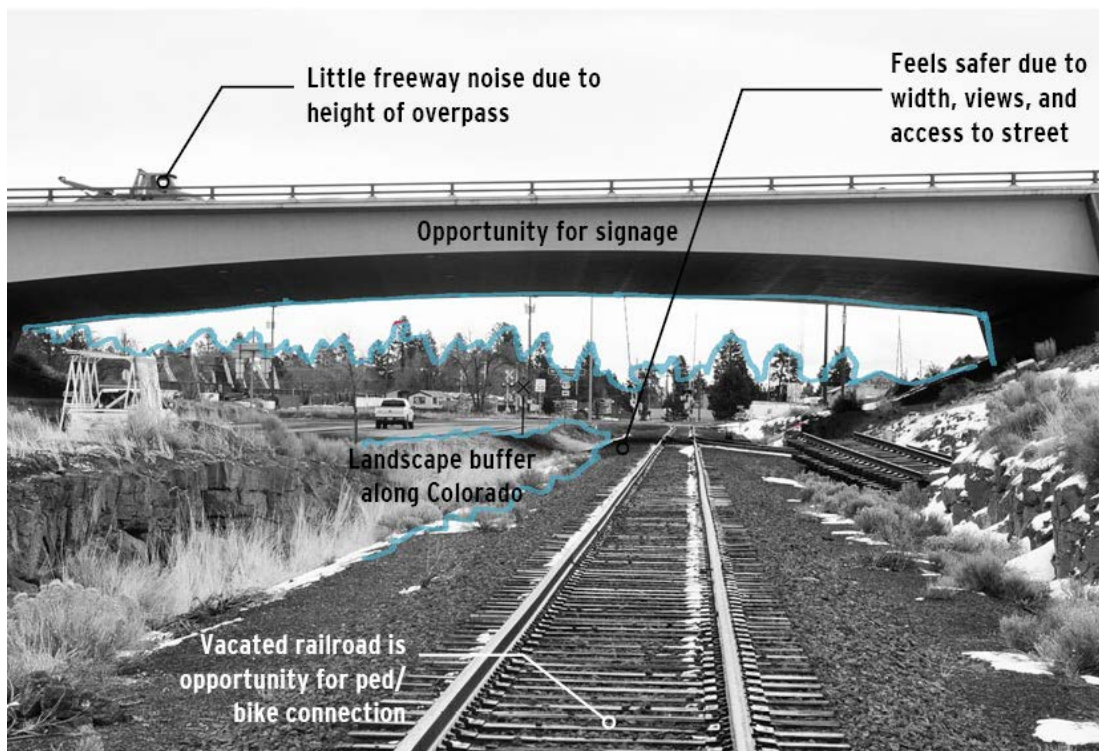




SOUTH SECTION KEY TAKEAWAYS



2. Wilson and Korpine have the most potential for east-west connectivity due to the wider existing undercrossings at Aune and Colorado. By contrast, the north-south connection from Wilson to Bend Central District is very narrow and unsafe.

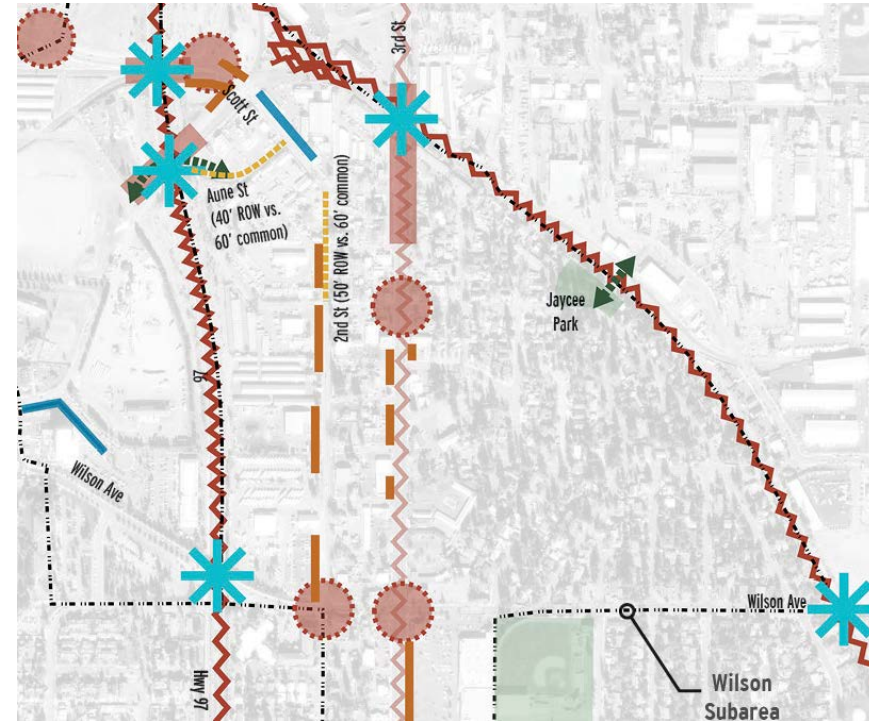




SOUTH SECTION KEY TAKEAWAYS



3. Wilson contains the majority of housing in the study area, but these neighborhoods are blocked by barriers of 3rd, the railroad, and parkway.

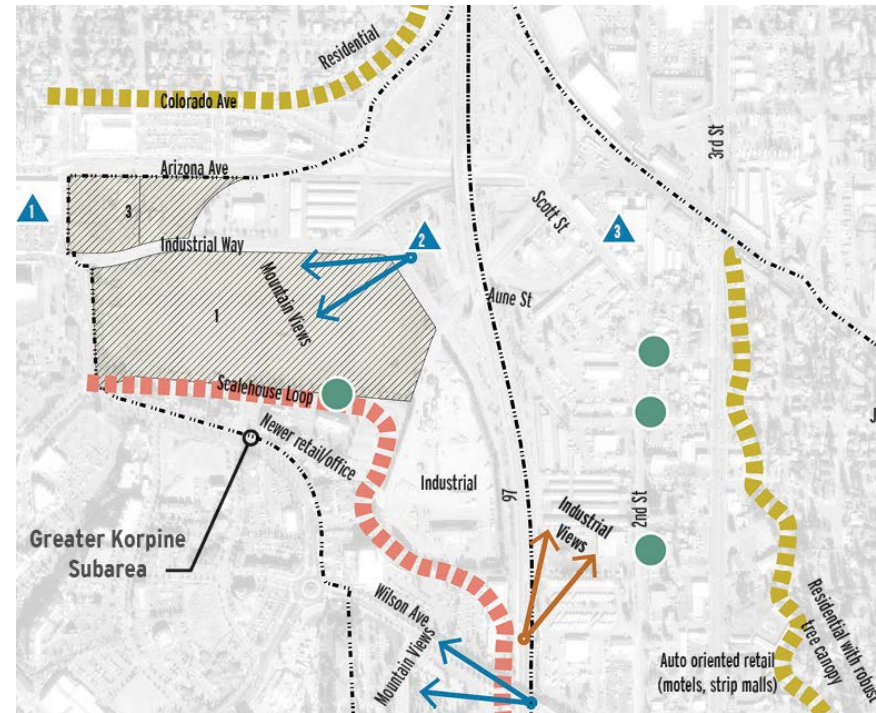




SOUTH SECTION KEY TAKEAWAYS



4. With circulation improvements, the large developable tracts in Korpine could provide walkable amenities for the residents of South and Central Sections.

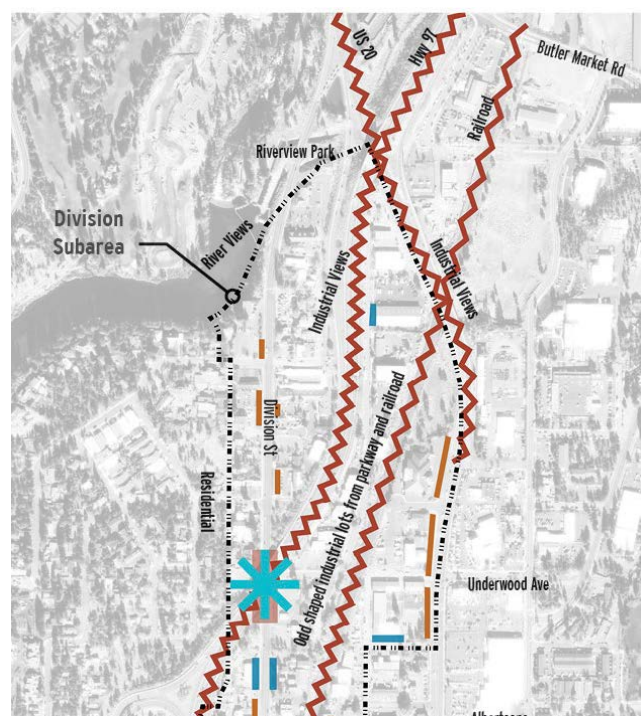




NORTH SECTION KEY TAKEAWAYS



1. US97, US20 and railroad divide the north section into narrow industrial and commercial strips.





NORTH SECTION KEY TAKEAWAYS



2. Street frontage voids are common with a select few pedestrian-friendly exceptions in recent businesses.

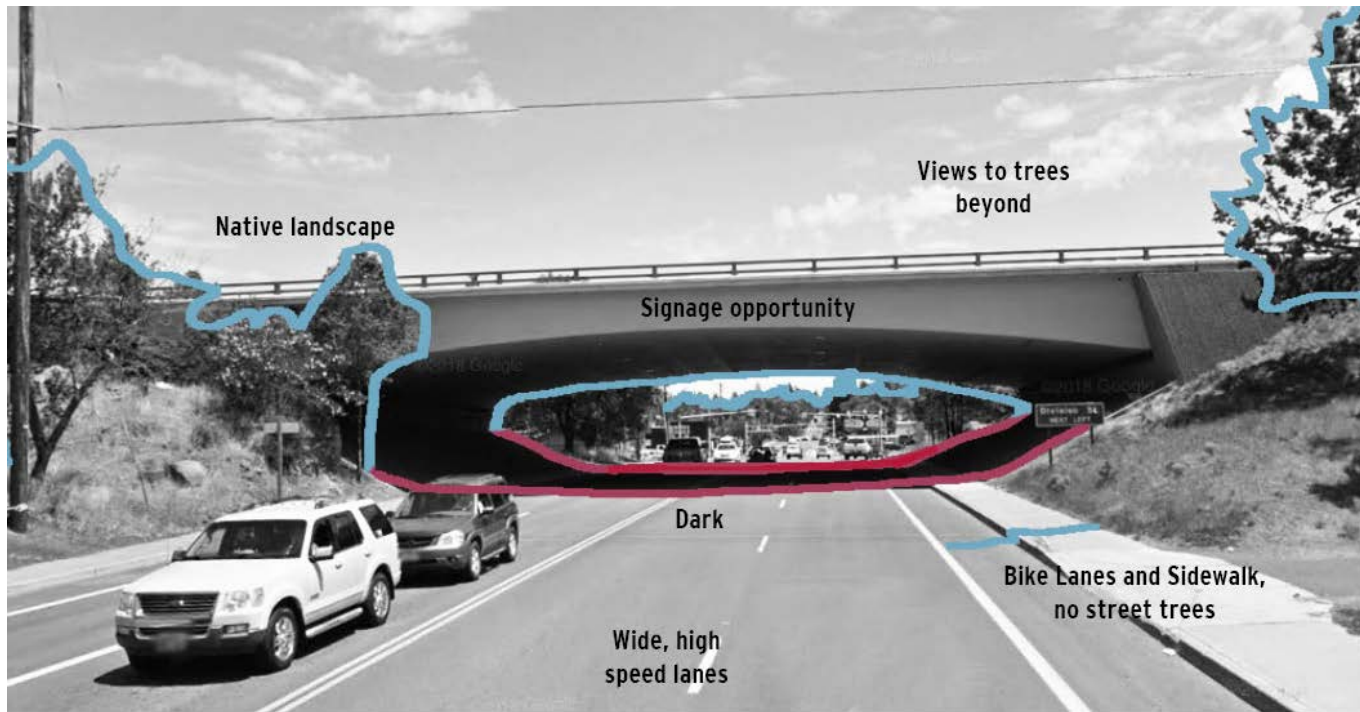




NORTH SECTION KEY TAKEAWAYS



3. Wider overpasses provide better ped/bike connections than in other parts of the study area and have potential to serve as more welcoming gateways with signage, public art, and activated edges

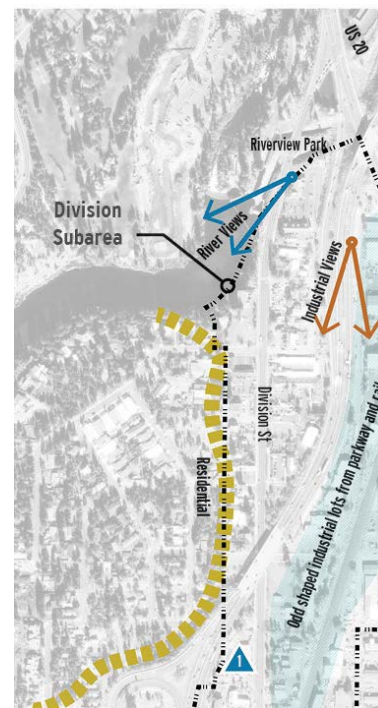


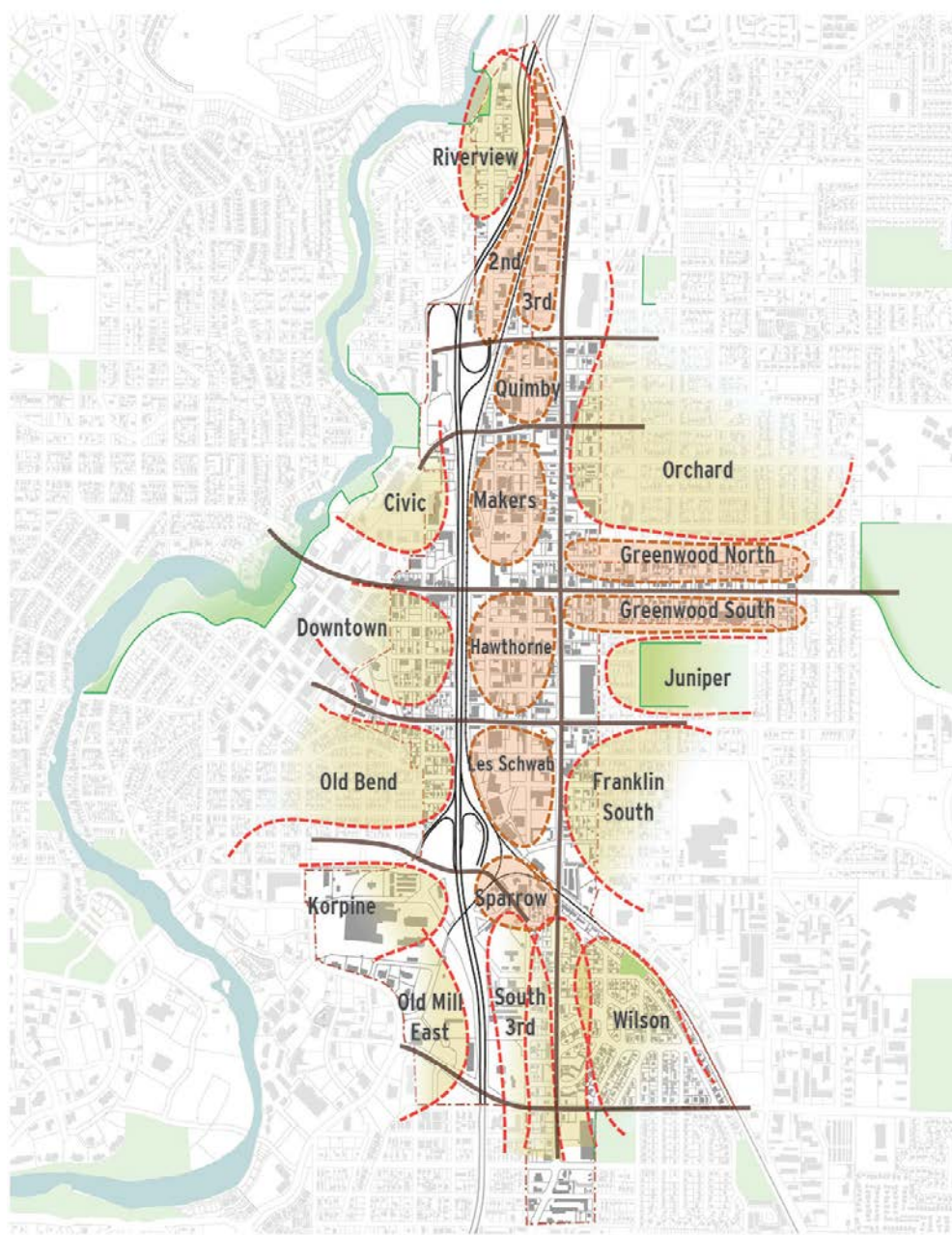


NORTH SECTION KEY TAKEAWAYS



4. A revitalized Division subarea could celebrate proximity to the river and provide walkable amenities for the adjacent residential neighborhoods





EXISTING DISTRICTS



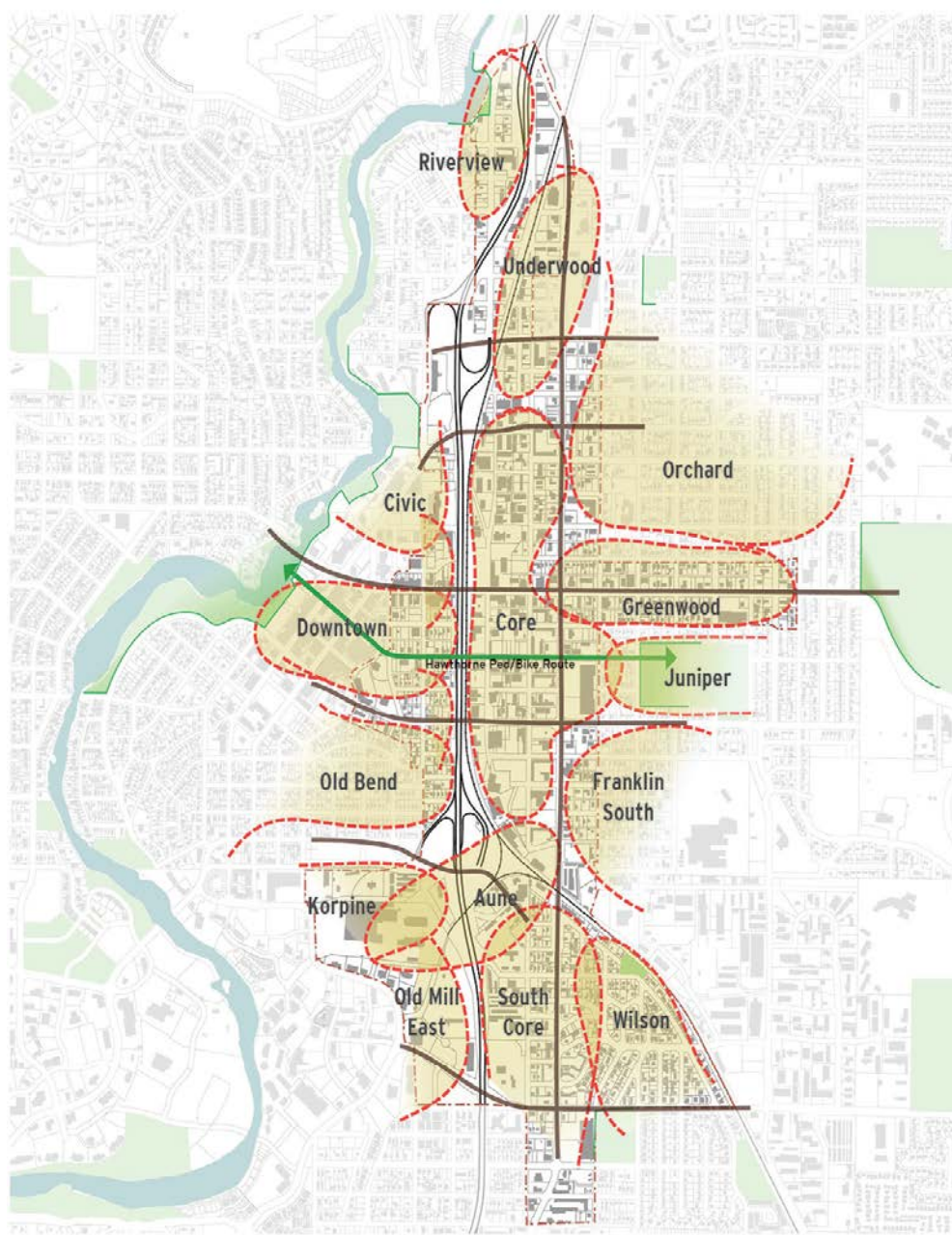
Disconnected Pockets



Cohesive Districts



POTENTIAL DISTRICTS





QUESTIONS AND DISCUSSION



BEND CORE AREA PROJECT (CAP)

ECONOMIC DRIVERS AND DEVELOPMENT POTENTIAL ANALYSIS

ALEX JOYCE, CASCADIA PARTNERS



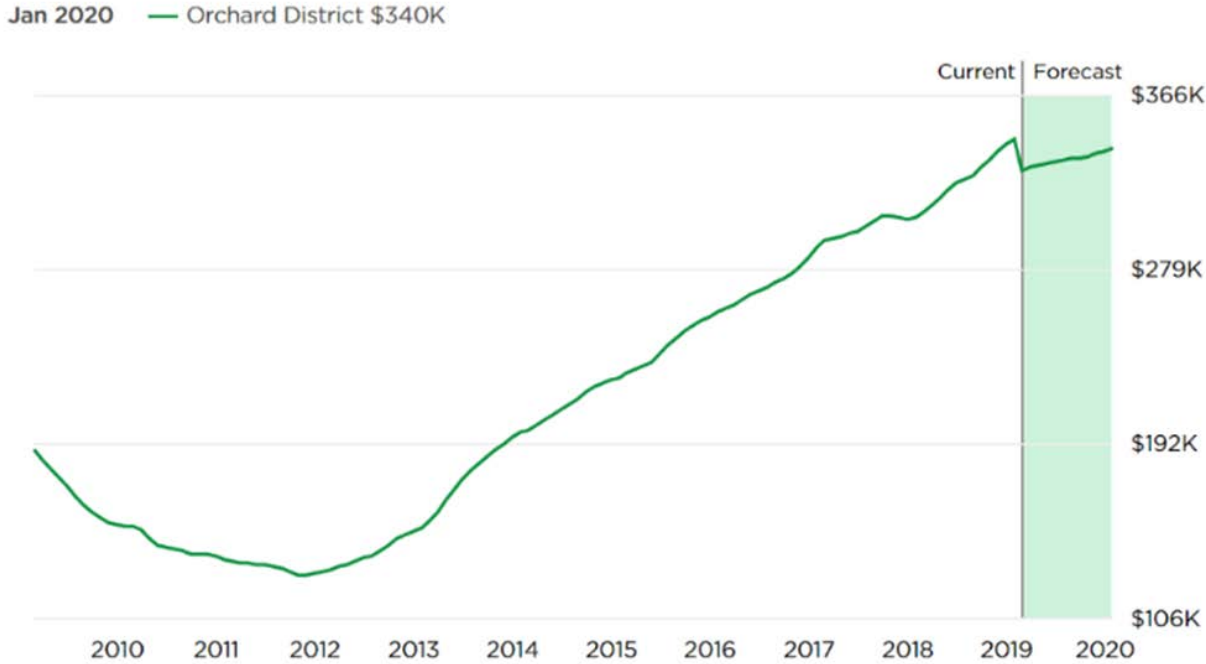
- Bend is a fast growing area with a strong market
- Significant future growth in Baby Boomers and Millennials forecasted
 - Key demographics desiring walkable, mixed-use neighborhoods
- Study area is well-positioned to capture future investment, if key steps taken
- Developers and land owners are increasingly interested and motivated
 - Construction costs historically high
 - Many small lots, particularly challenging under current regs
- Development potential exists today but limited by barriers such as key zoning standards, infrastructure deficiencies, lack of connectivity and pedestrian facilities

KEY ECONOMIC DRIVERS OF REDEVELOPMENT



- Demand and supply imbalance
- Demographic and population changes
- Zoned potential
- Parcel sizes
- Walkability
- Access to amenities (public and private)
- Ownership

DEMAND AND SUPPLY IMBALANCE



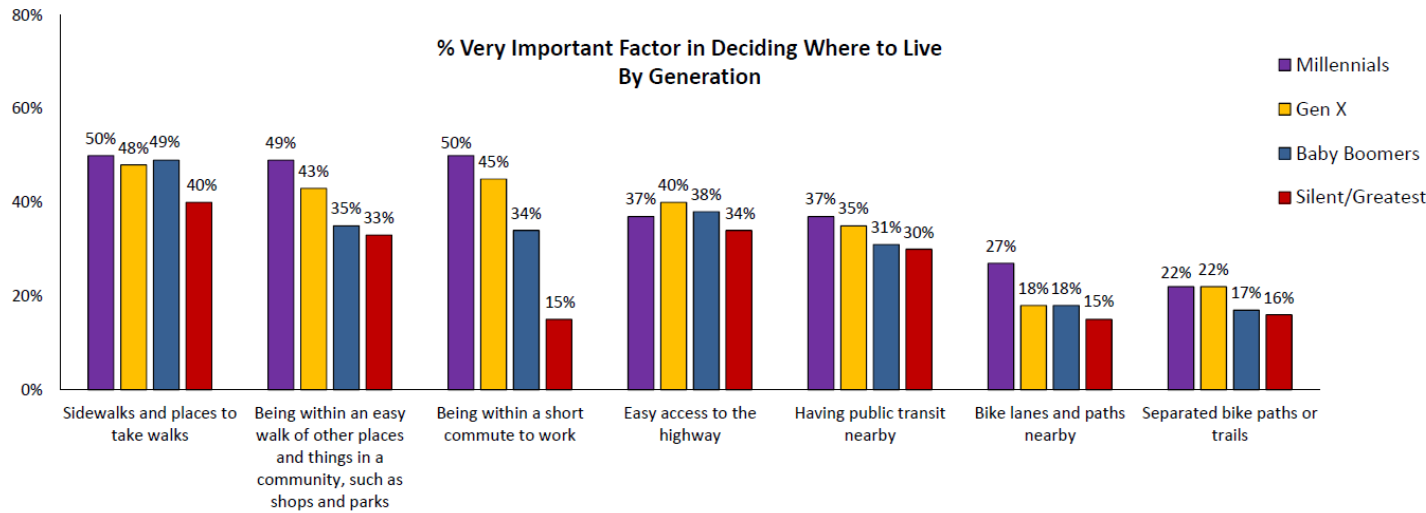
- Housing demand has outpaced supply since the Great Recession
 - Sales prices have escalated rapidly
 - Rents finally high enough to support new construction costs in certain close-in areas
- Demand for new retail and office space has been less intense and much of that can be met by upcycling the existing supply
 - Lower achievable rents in new retail and office space means that new construction is not feasible, except in very select locations

DEMOGRAPHIC AND POPULATION CHANGES



Millennials & Gen Xers Prioritize Walkability and a Short Commute More than Previous Generations

Millennials see having public transit nearby as equally important to highway access



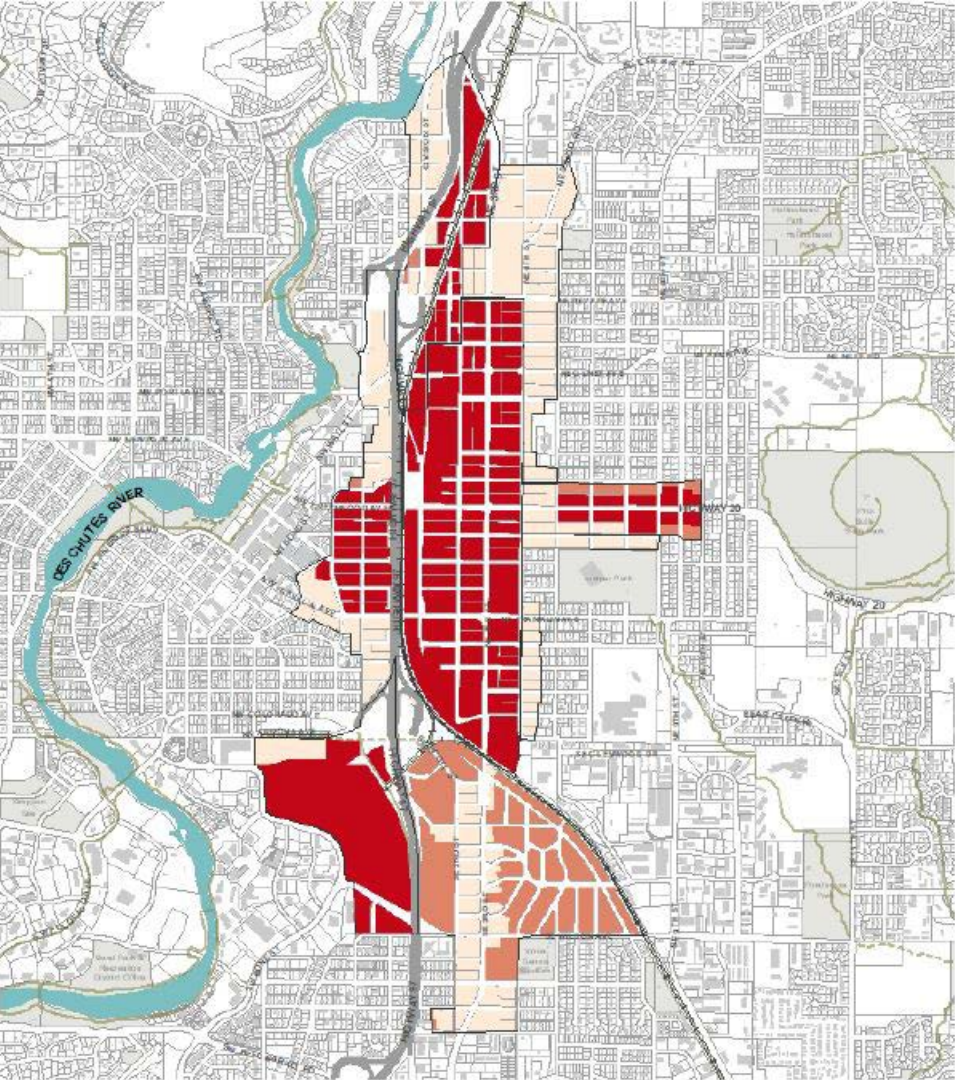
- Bend is one of the fastest growing mid-sized metro areas in the entire country
- Baby Boomers and Millennials drive housing demand nationally
 - 43% of future residents of Deschutes County will be either Baby Boomers or Millennials
- Boomers and Millennials have a strong preference for walkable, high amenity living



If you were deciding today where to live, please indicate how important each of the following would be to you:



ZONED POTENTIAL



BEND CORE AREA
ZONING:
ALLOWED INTENSITY

Intensity
■ High
■ Medium
■ Low

■ Building Footprints*
□ Taxlots
■ Parks

* This data has not been verified by the City of Bend

3/26/2019

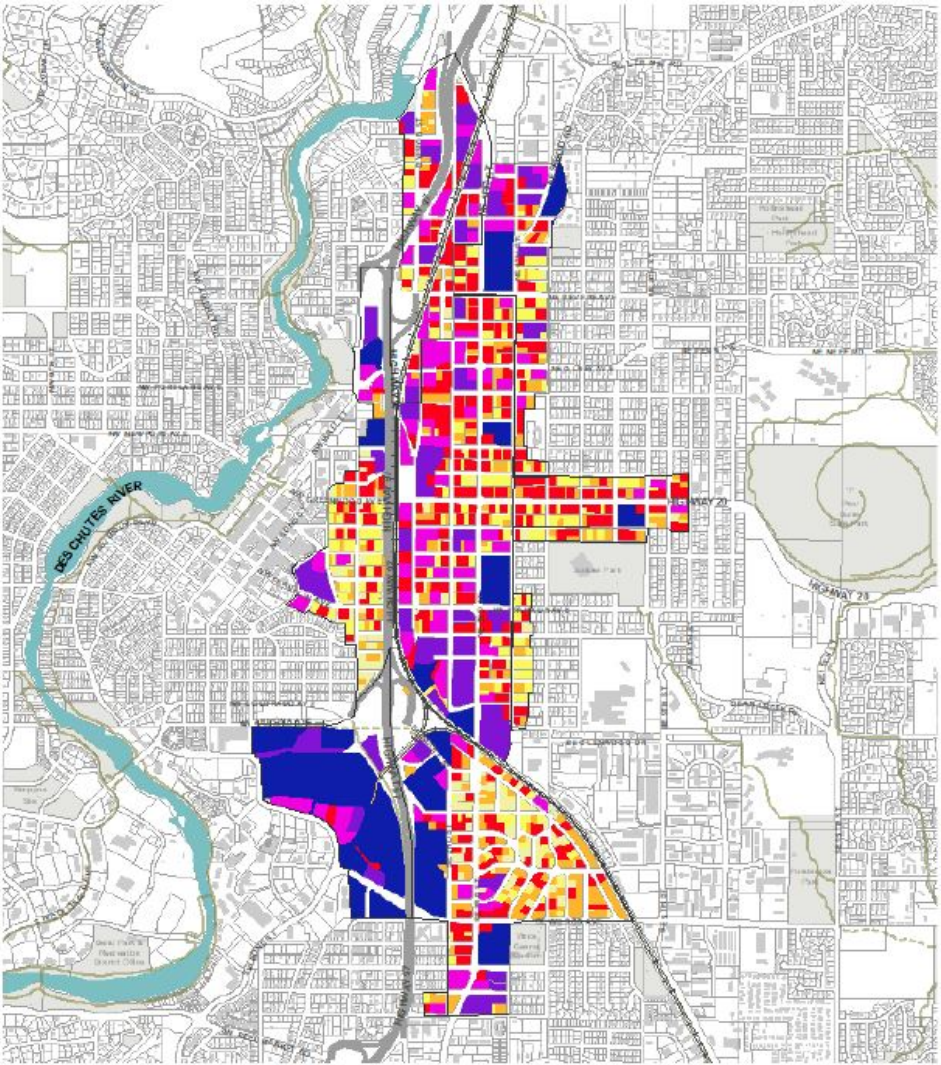


Map created by Cascadia Partners 0 0.125 0.25 0.5 Miles

- Zoning is a key factor in redevelopment potential
- Recent changes to zoning in KorPine and the BCD have brought new activity and interest from developers
- Zoning Updates within CAP likely to increase market interest in these areas
 - MU, BCD closest to market-ready – height, parking
 - ME has prescriptive use limits in vertical mixed-use
 - MR has a few specific issues, such as height (45')
 - RH works for small lot single family and townhomes, not apartments even though permitted – low density limits
 - RM works for small lot single family, not 2-3 unit buildings even though permitted – low density limits
 - CG, CL, IL furthest from market-feasible – parking, front setbacks, no horizontal mixed-use



PARCEL SIZE



**BEND CORE AREA
PARCEL SIZE**

<5,500 SqFt	Building Footprints*
5501 - 7000 SqFt	Taxlots
7001 - 10,000 SqFt	Parks
10,001 SqFt - .5 Acre	
.5 Acre - 1 Acre	
1 Acre - 2 Acre	
2+ Acre	

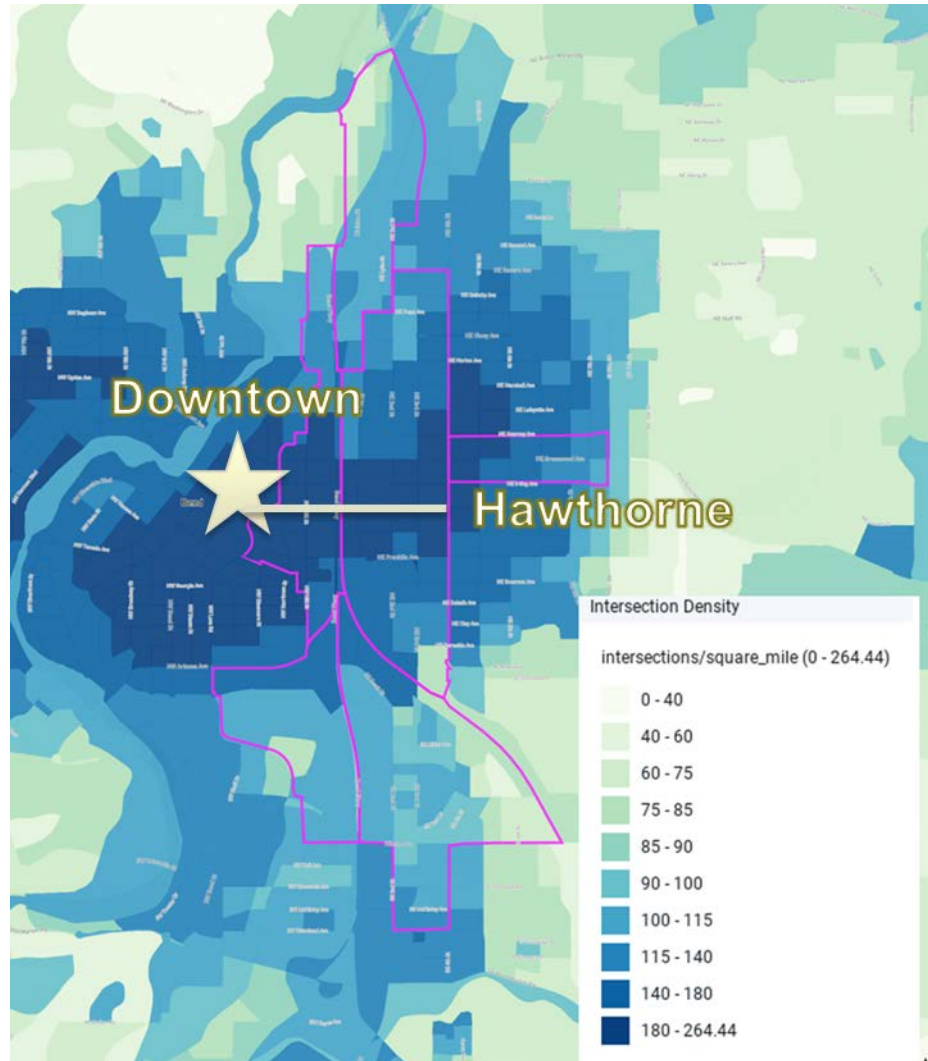
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Map created by Cascadia Partners

3/21/2019

0 0.125 0.25 0.5 Miles

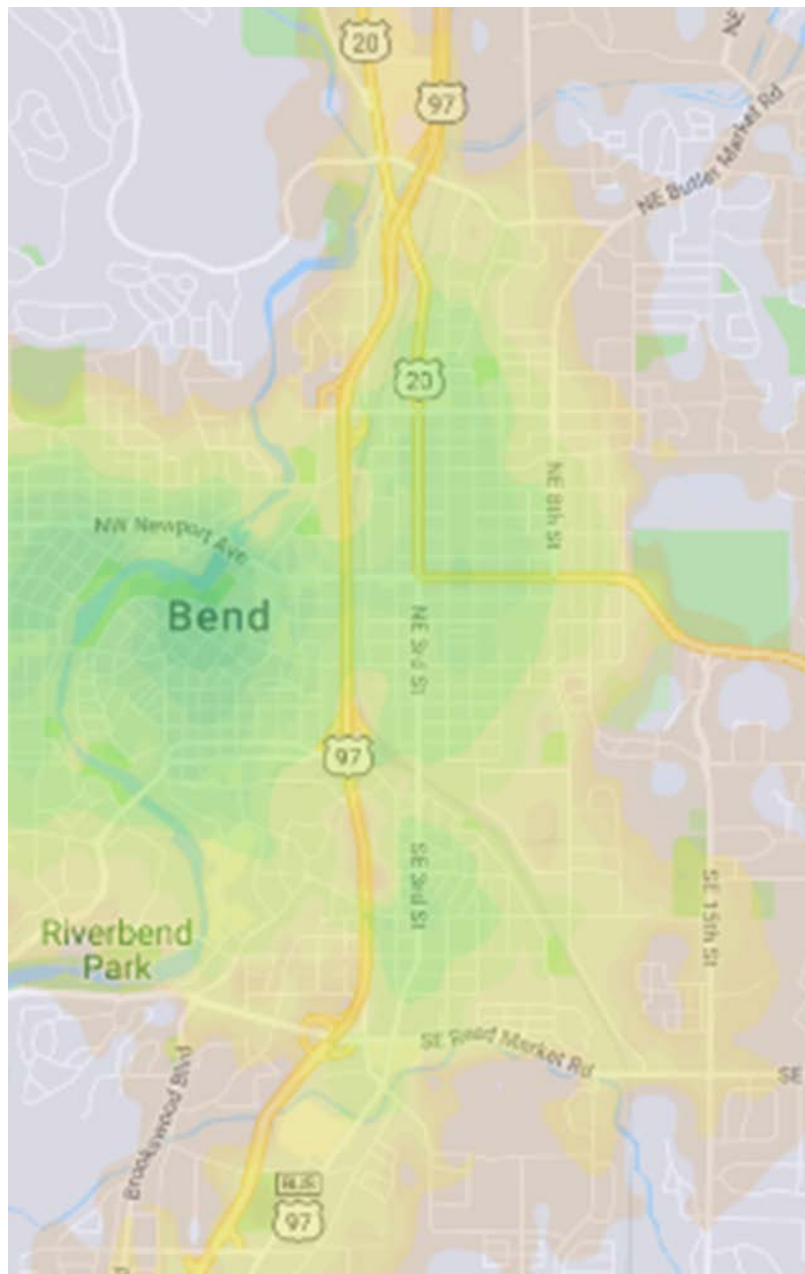
- Most sites under 10,000 square feet
- Very few over 1 acre
- Parcel size impacts redevelopment
- Small site most challenging
 - Off-street parking is a challenge
- Zoning tweaks could make redevelopment of small sites far more feasible
 - Current standard make small sites infeasible
 - Parking and access
 - Use allowances
 - Setbacks

WALKABILITY



- Walkable areas are more desirable
- Highest connectivity (intersection density):
 - Downtown, East Downtown
 - BCD surrounding Hawthorne
- Lowest connectivity
 - Division area
 - KorPine (no streets today)
 - South 3rd/Wilson

CLOSE ACCESS TO AMENITIES (PUBLIC AND PRIVATE)



- Walk Score – street connectivity, retail businesses
 - Data limitations (no quality of sidewalk)
- Safe and easy access to major centers of activity or community anchors drives desirability and market demand
- Access to amenities leads to higher achievable rents, resulting in more feasible development
- Highest Walk Score:
 - East Downtown
 - 3rd – because of retail businesses
 - Northern KorPine
 - Greenwood

OWNERSHIP



- “Cost basis” of land
 - Owners with low cost basis are strategically well positioned compared to recent buyers
 - Land equity can be leveraged into development projects
 - Less reliant on top-end rents
 - Less vulnerable to high construction costs
- KorPine has several low cost basis land owners
- East Downtown, Greenwood a mix of new land owners and low cost basis land owners

DEVELOPER INTERVIEWS



Interviews were conducted with 5 land owners and developers active in the Bend market, including seasoned developers and newcomers.

Developers are motivated, but barriers exist that are limiting new ground-up construction.



Photo: LOHR Real Estate, www.lohrrealestate.com

INTERVIEW TAKEAWAYS



- Zoning Tweaks Needed in Several Areas – Some More Extensive than Others
 - MU, BCD closest to market-ready
- Infrastructure Update (“Off-site”) Costs are Significant and a Challenge
- Absence of Urban Amenities and Connectivity Hurt Feasibility
- Historically High Construction Costs
- Opportunity Zones Could Equal Less Expensive Equity

DEVELOPMENT POTENTIAL



Today's potential is currently limited by infrastructure (basic and amenity) and certain key regulatory standards.

Policy changes and methods of financing infrastructure investments could unlock significantly more development potential within key parts of the study area in the future.



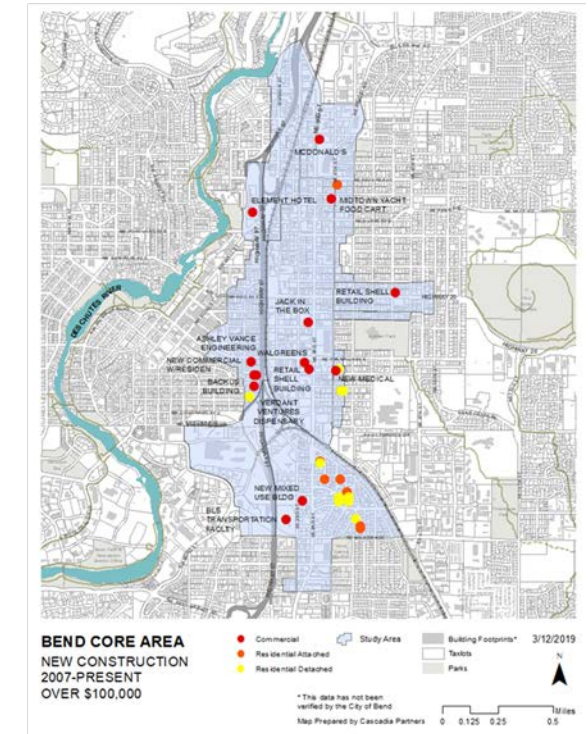
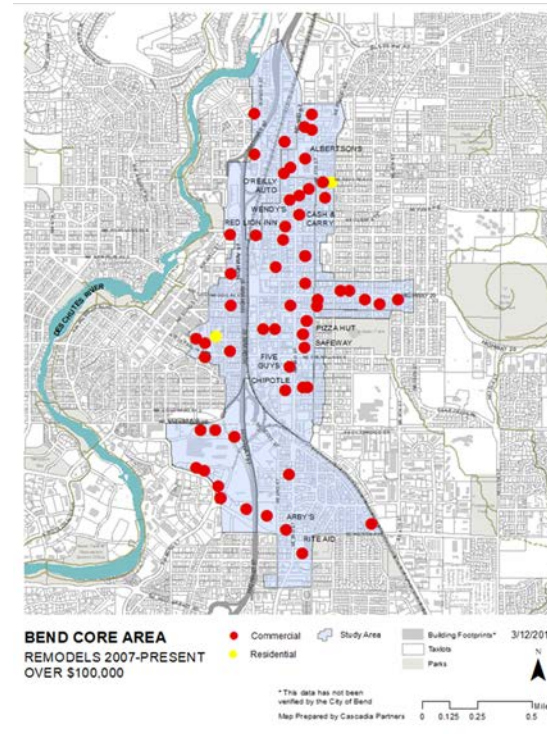
ANALYSIS OF PERMIT DATA IN THE STUDY AREA 2007-2019



- New “ground-up” construction is limited and mostly single story retail
 - *Far more investment in re-models*
 - *Mostly national (chain) retail*
 - *Only one major mixed-use project since 2007 - Hotel*
- Wilson area seeing mostly single family (re)development – Zoned for multi-unit, in theory
 - *Existing source of low cost housing*
 - *Potentially under threat (1-for-1 or 1-for-2 replacement)*

Remodel Construction Permits

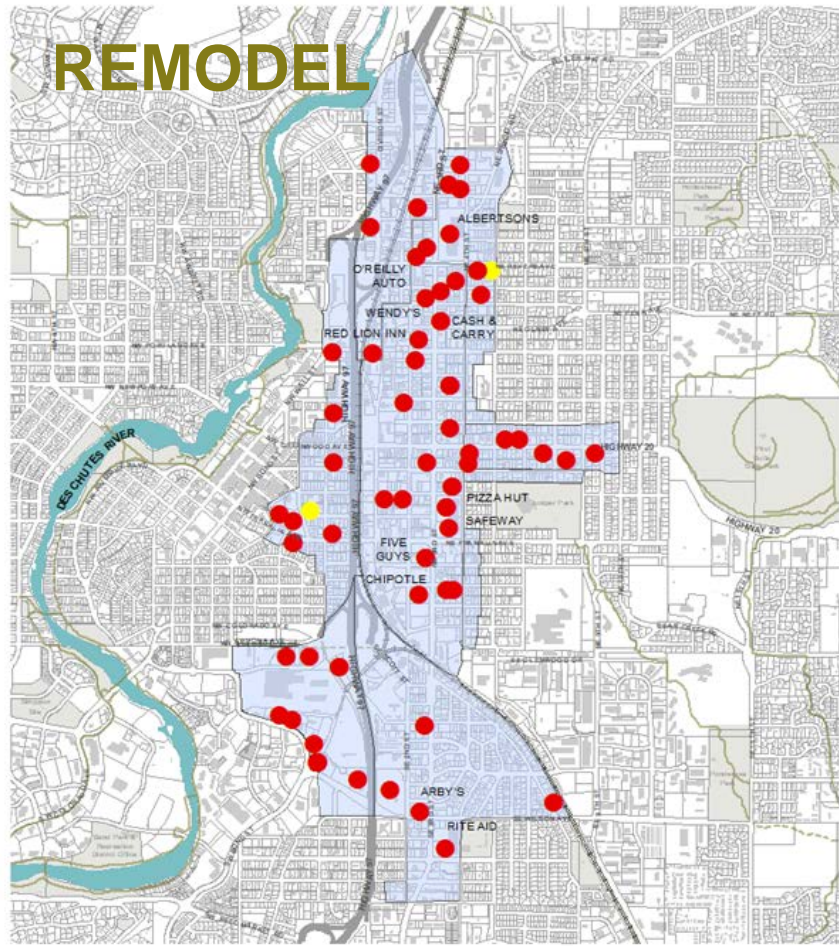
New Construction Permits



● Commercial ● Residential Attached ● Residential Detached



PERMITS 2007-2019

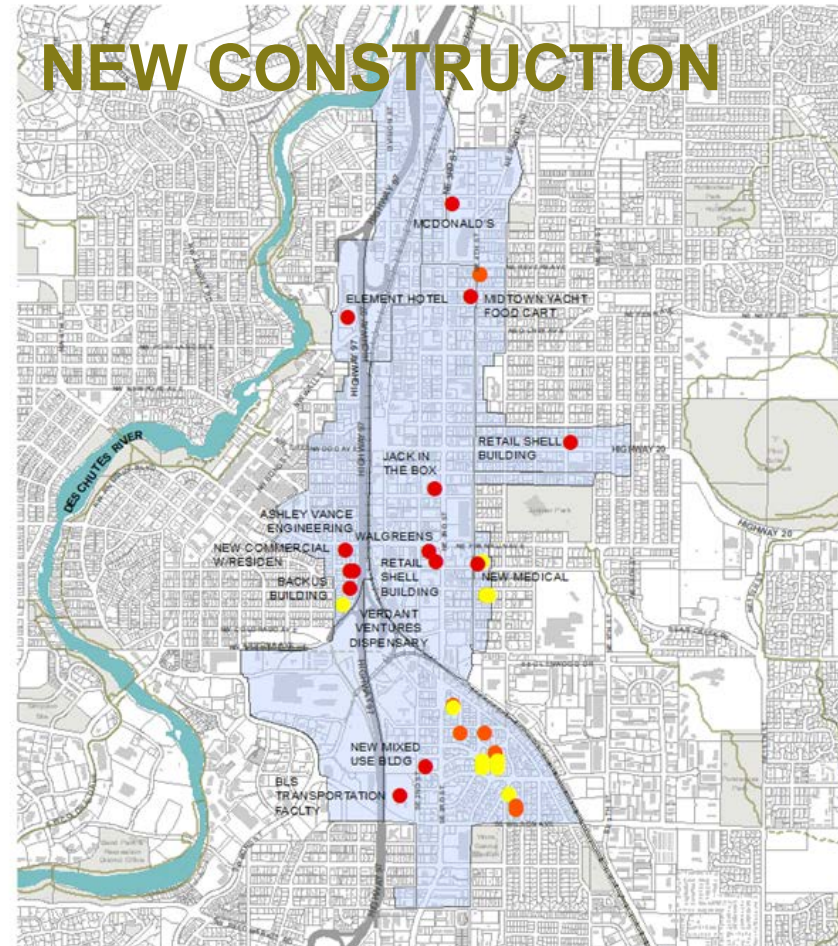


BEND CORE AREA
 REMODELS 2007-PRESENT
 OVER \$100,000

● Commercial Study Area Building Footprints* 3/12/2019
● Residential Taxlots
 Parks

* This data has not been verified by the City of Bend

Map Prepared by Cascadia Partners



BEND CORE AREA
 NEW CONSTRUCTION
 2007-PRESENT
 OVER \$100,000

● Commercial Study Area Building Footprints* 3/12/2019
● Residential Attached Taxlots
● Residential Detached Parks

* This data has not been verified by the City of Bend

Map Prepared by Cascadia Partners

MIXED-USE DEVELOPMENT



Happening in other parts of City – Central Westside – high amenity, mixed-use zoned areas

Increased interest in vertical mixed-use development within the study area

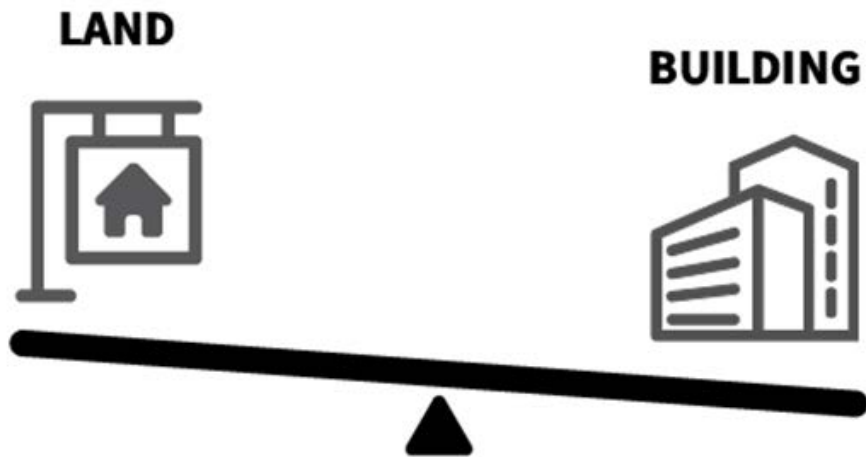
Several owners/developers exploring possibilities, pre-apps

Opportunity Zone designation increasing interest – outside capital





THE “TIPPING POINT” FEASIBILITY TEST



- Land price is important element of feasibility
- Differs based on allowable buildings (zoning)
- Several sub-markets within study areas

- Feasibility Assessment Method:
- Establish range of maximum land prices that could be paid by building and subdistrict
 - Certain building types, such as the mixed-use types, are not permitted in all zones within the study area
- Parcels “tip” or are assumed to be redevelopable if the building can afford the land price



BUILDING TYPES

Residual Land Value (\$/SF) by Development Type - Low, Medium, High Rent Scenarios



- Stand-alone retail
- Mixed-Use 3-story
- Mixed-Use 5-story
- Townhomes
- *Low and High Market Strength Versions*



Stand-alone retail



Mixed-Use 3 Story



Mixed-Use 5-story

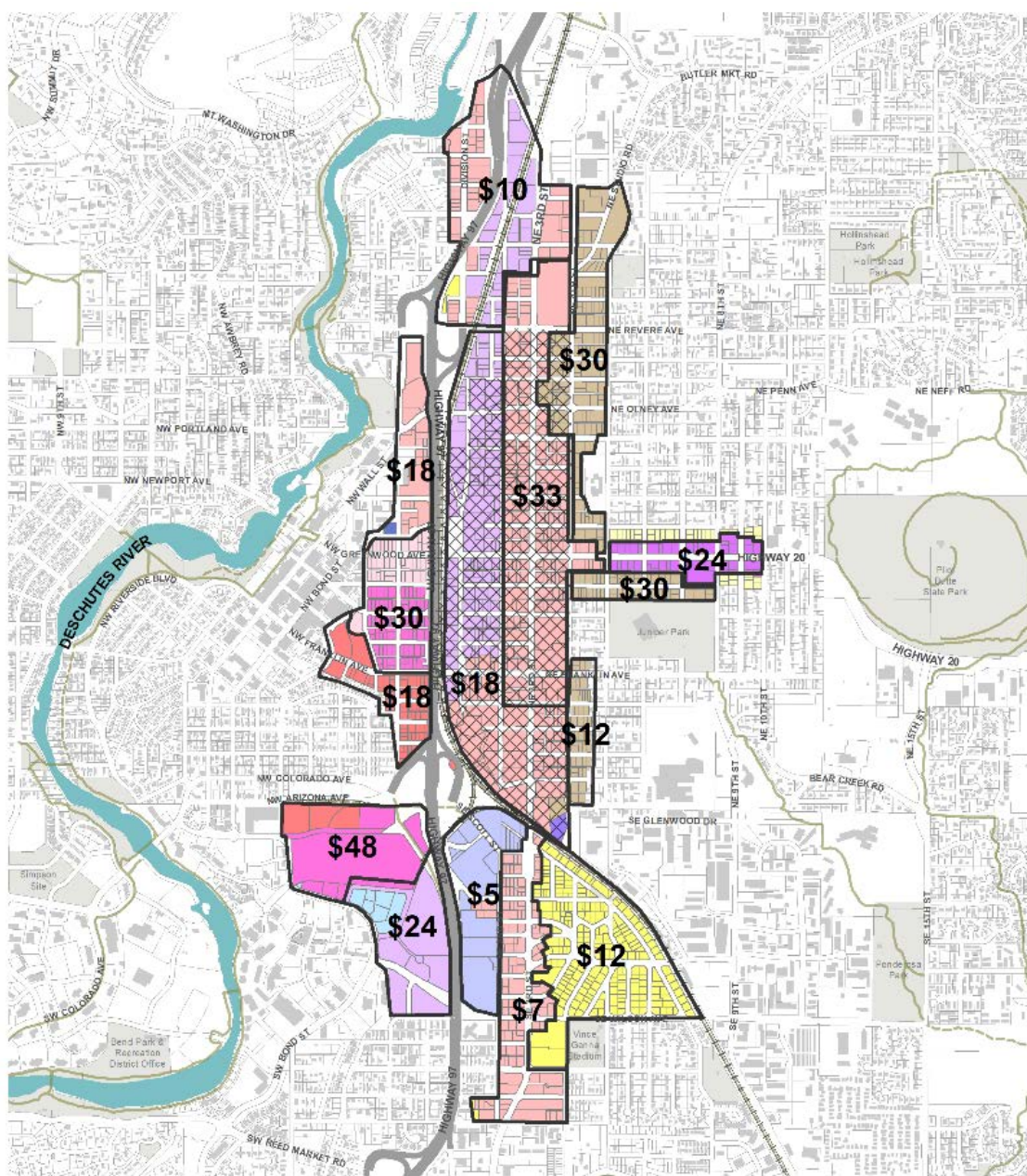


Townhomes

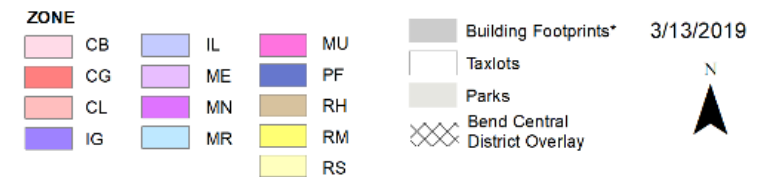


DEFINING SUB-MARKETS

- Divided the study area into sub-markets
- Relatively strong or weak for retail and residential
- Map shows maximum land price for feasible development by submarket, overlaid on current zoning

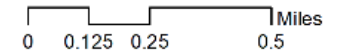


**BEND CORE AREA
PRICE AREAS
WITH ZONING**



* This data has not been verified by the City of Bend

Map Prepared by Cascadia Partners

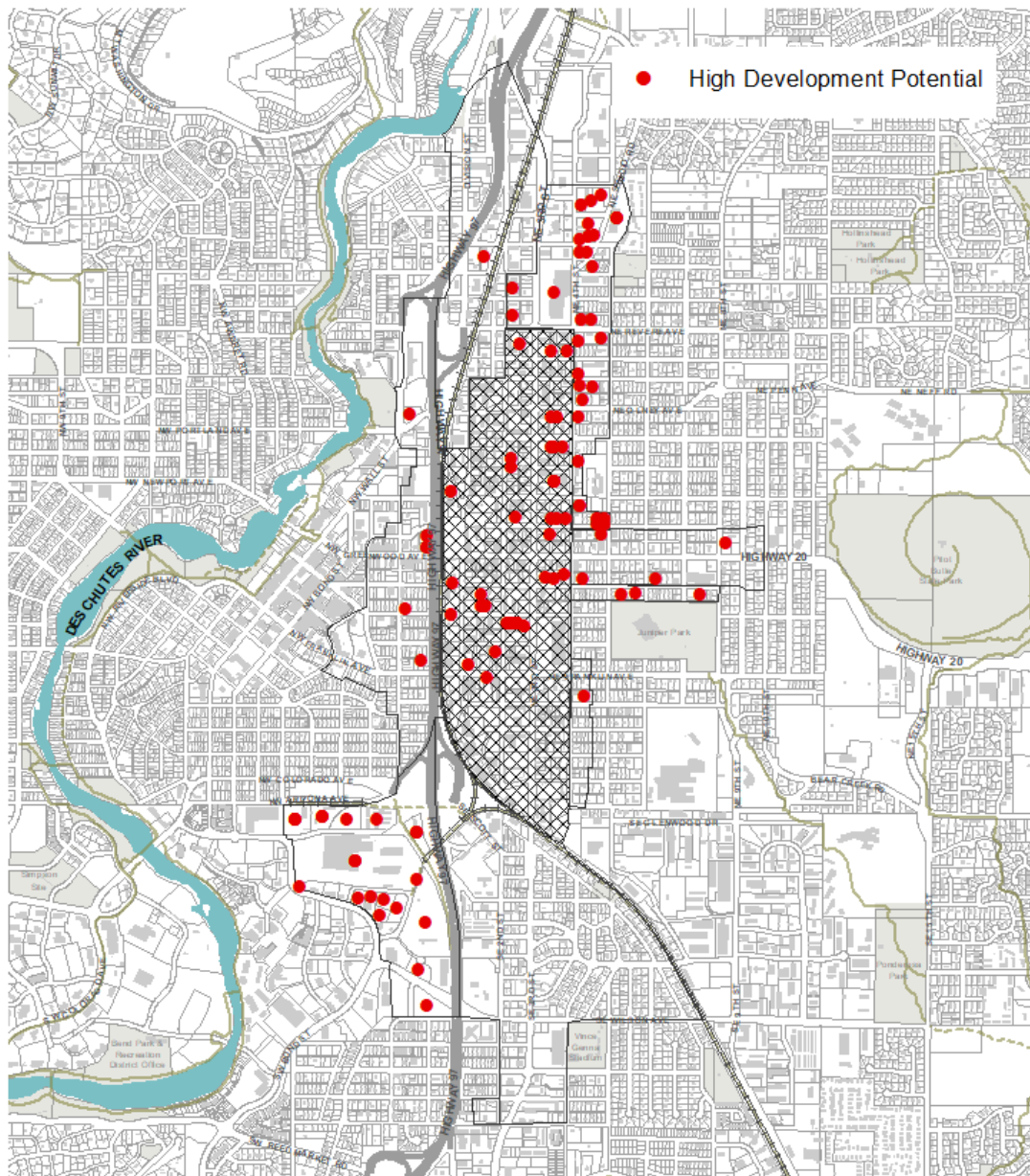


POTENTIAL REDEVELOPMENT FEASIBILITY



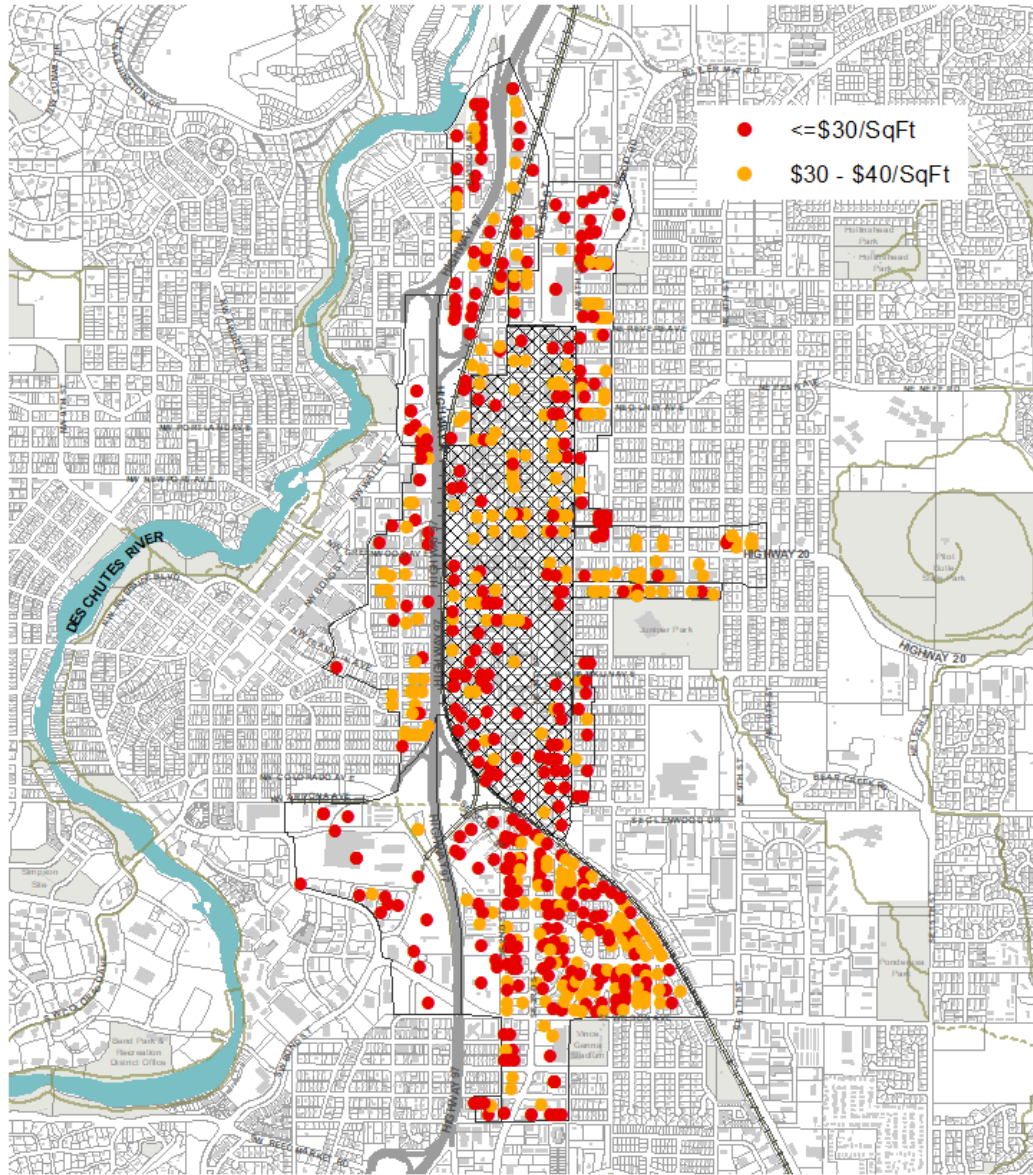


ANALYSIS RESULTS



- **Today** – with Current Zoning and Infrastructure (basic and amenity)
- **Low-to-moderate level of redevelopment potential across most of the study area**
 - Infrastructure concerns (walkability, etc)
 - Zoning districts or specific zoning standards that limit redevelopment
- **High:** KorPine, the BCD and RH parcels around Greenwood
- **Medium:** BCD redevelopment potential is more scattered currently
 - Zone changes could enable small sites to “tip” more easily
- **Low:** Areas around 3rd north and south of the BCD are more challenging market areas
 - Investment in streetscape and infrastructure improvements needed
 - Connectivity issues
 - Restrictive Zoning – highway commercial zones

ANALYSIS RESULTS



- ***Future Potential –***
 - All submarkets become as desirable as most-desirable areas today
- ***Assumes:***
 - Infrastructure investments made
 - Amenity investments made
 - Zoning aligned with market potential in all areas



Looking 10-20 years out, what are the priority development and investment outcomes needed in each subarea?

GUIDING PRINCIPLES



- Create a place where you can **live, work and play**.
- This plan leads to **direct outcomes**, it is **implemented**.
- This area **connects the East and West** sides of Bend.
- There is **affordable housing**.
- This is a **walkable area** with a **balanced transportation system**.
- Public investments support and **catalyze private development**.
- **Transparent and open** public process that ensures that those affected by the decisions are involved in the process.

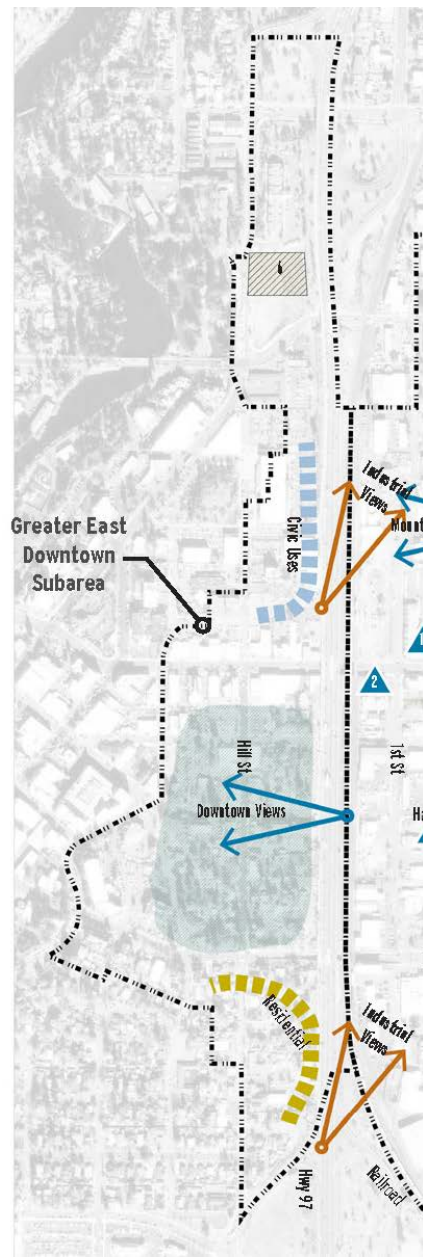
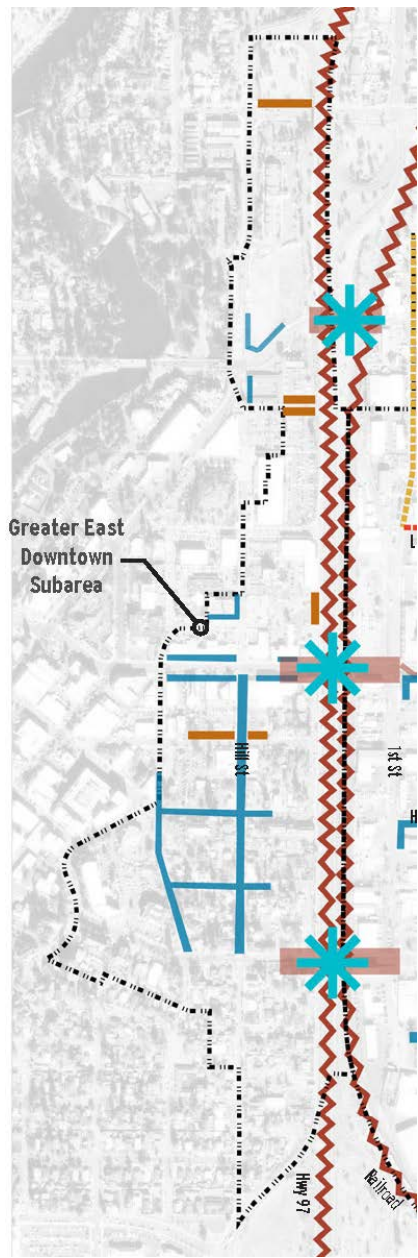




GREATER EAST DOWNTOWN SUBAREA

Existing Vision:

Long-term opportunity for an extension of the downtown

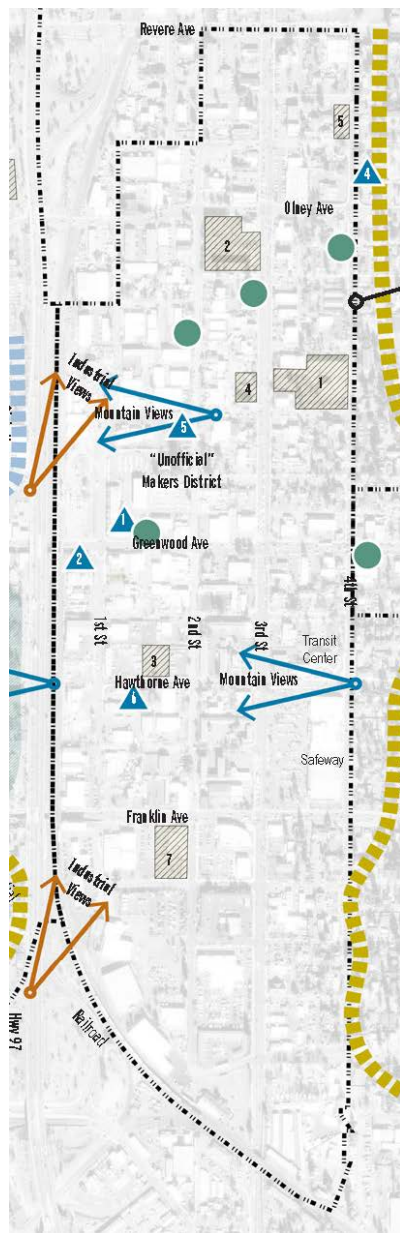
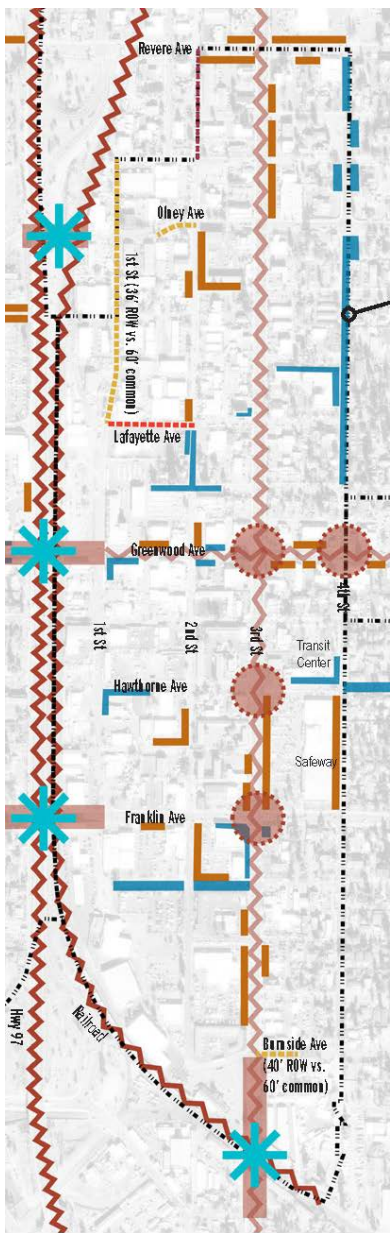




BEND CENTRAL DISTRICT SUBAREA

Existing Vision:

Opportunity for the 3rd Street commercial strip to transition to a mixed use corridor

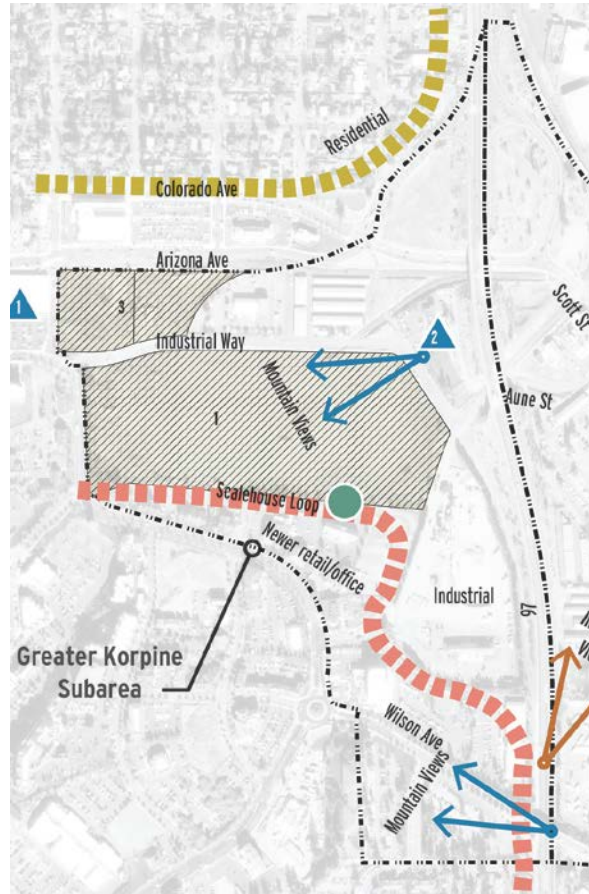
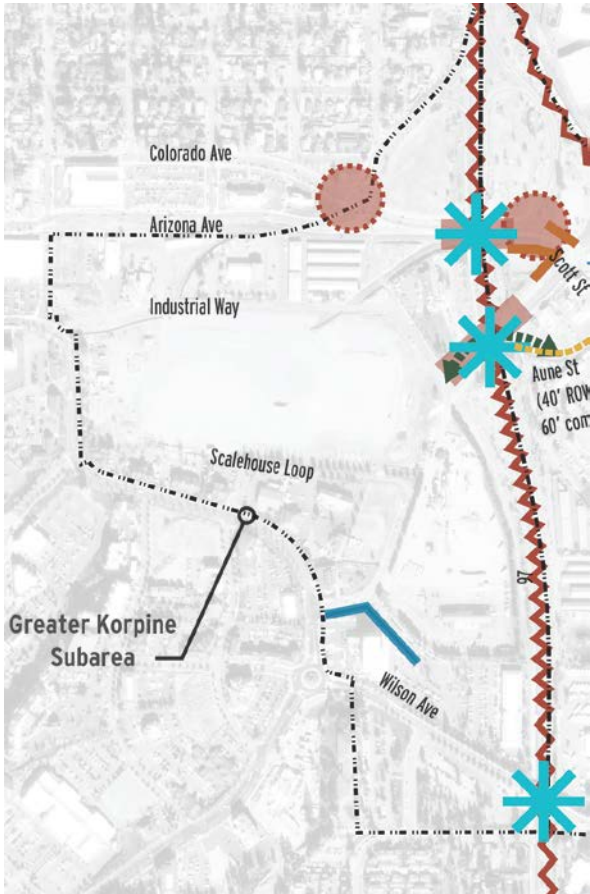




GREATER KORPINE SUBAREA

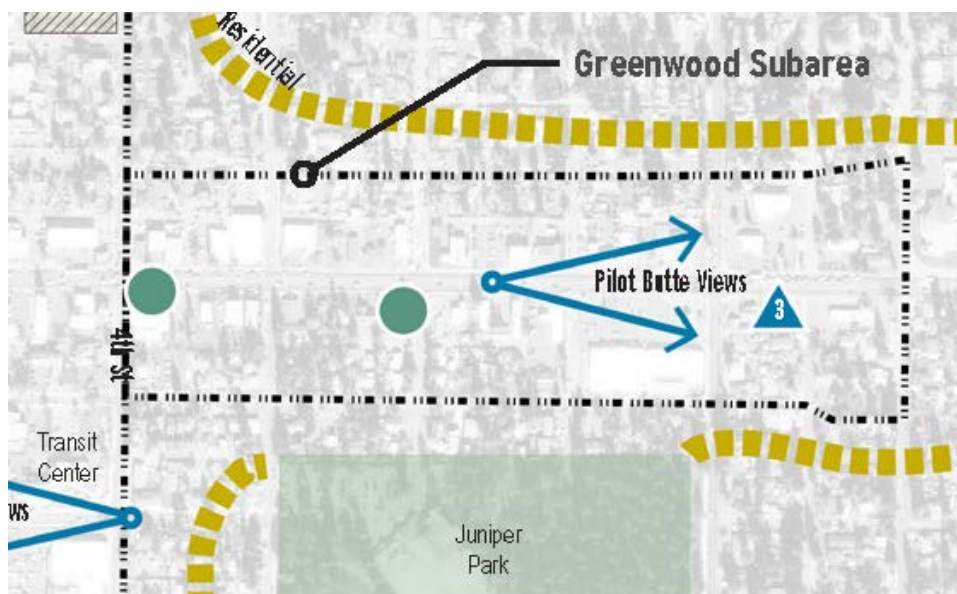
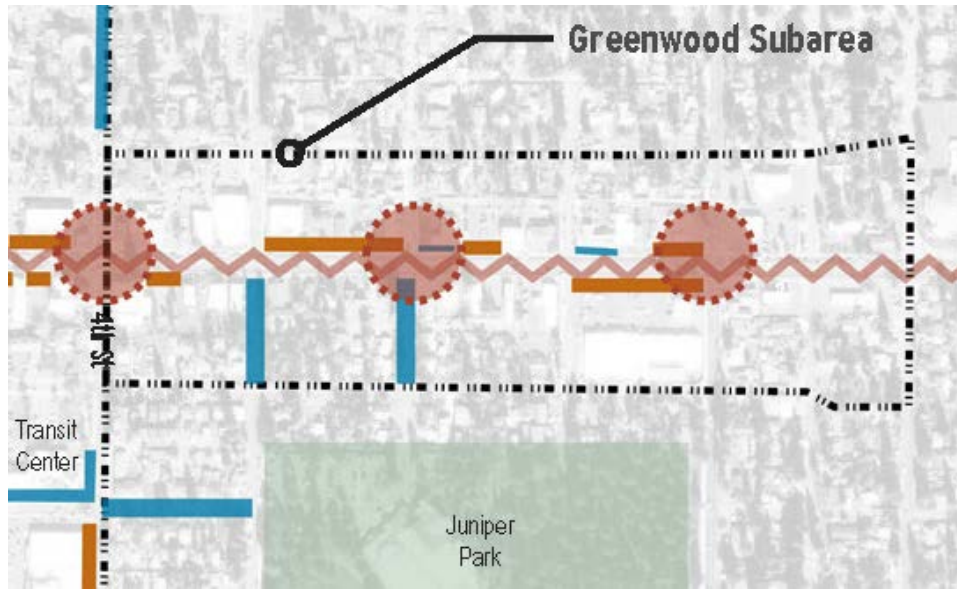
Existing Vision:

Opportunity to transform an industrial area into a vibrant urban mixed use district





HIGHWAY 20 / GREENWOOD SUBAREA



Existing Vision:

Opportunity to shift to a more walkable mixed use corridor



DIVISION SUBAREA

Existing Vision:

N/A

