



WELCOME!

URBAN RENEWAL ADVISORY BOARD

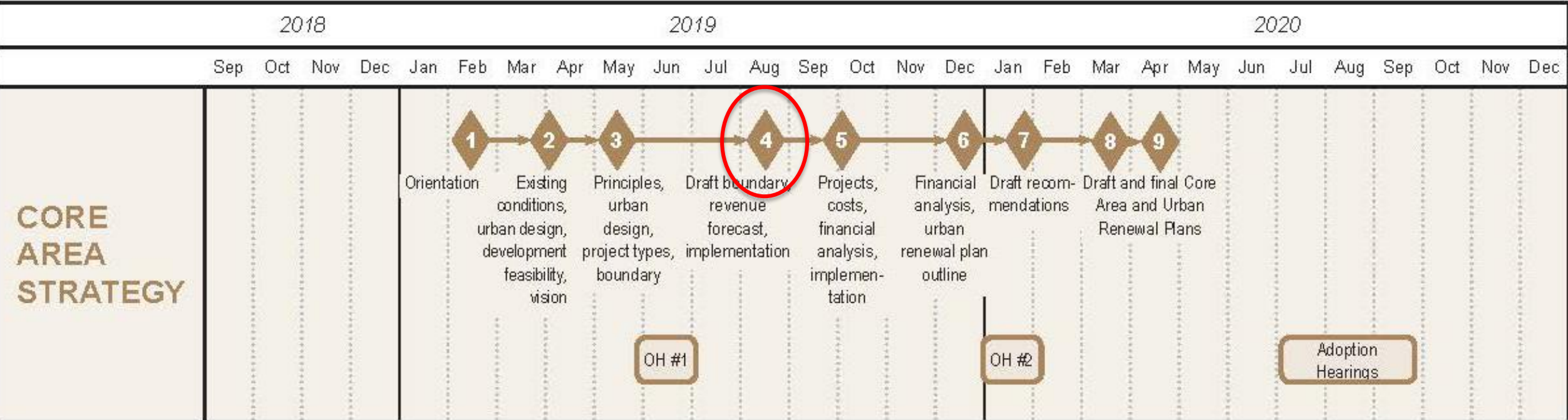
MEETING #4

AUGUST 13, 2019



PUBLIC COMMENT

SCHEDULE





COMMUNITY ENGAGEMENT & FEEDBACK SUMMARY

OUTREACH & ENGAGEMENT EFFORTS



Event	# of People Engaged	Dates
Six "Pop-up" Events	80+	May, 2019
Open House	36	June 15, 2019
Online Open House	373	June 15- July 13, 2019
Speaker Event	25	June 13, 2019
Direct Mailer to property owners/residents	1,534	January, 2019
Email to licensed businesses in study area	700+	April, 2019

Advertising: Social Media (Nextdoor, Twitter, Instagram, Facebook), Bend Current e-newsletter, outreach to neighborhood associations, TV media, and radio coverage.

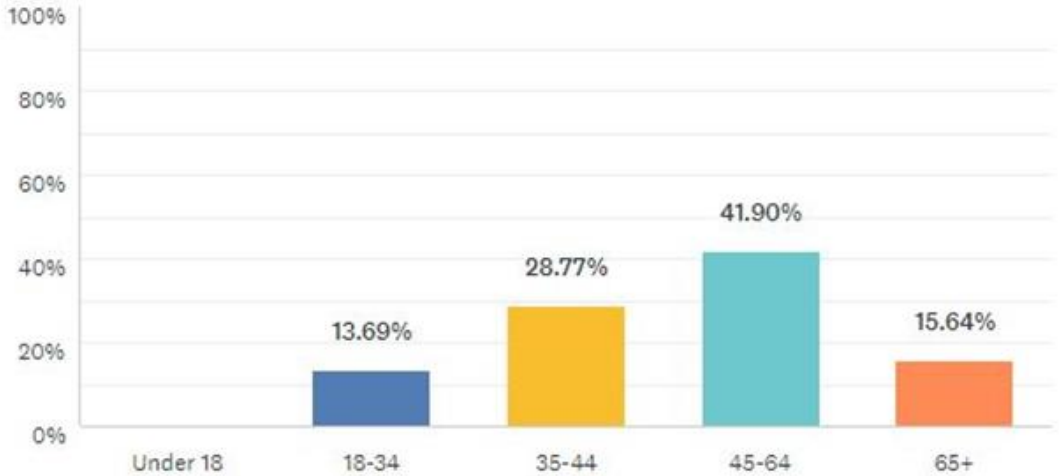
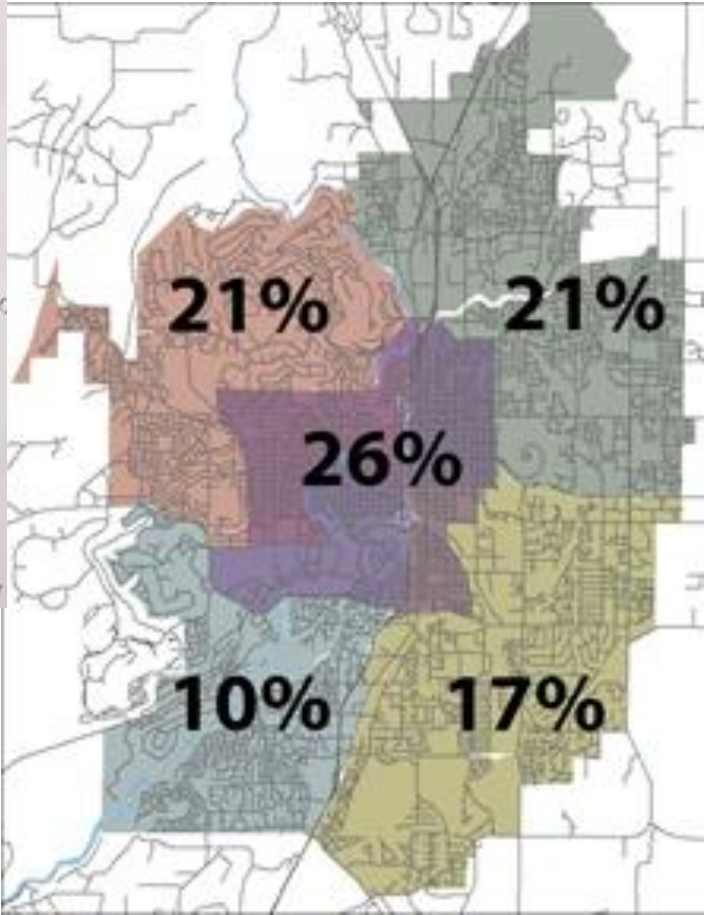
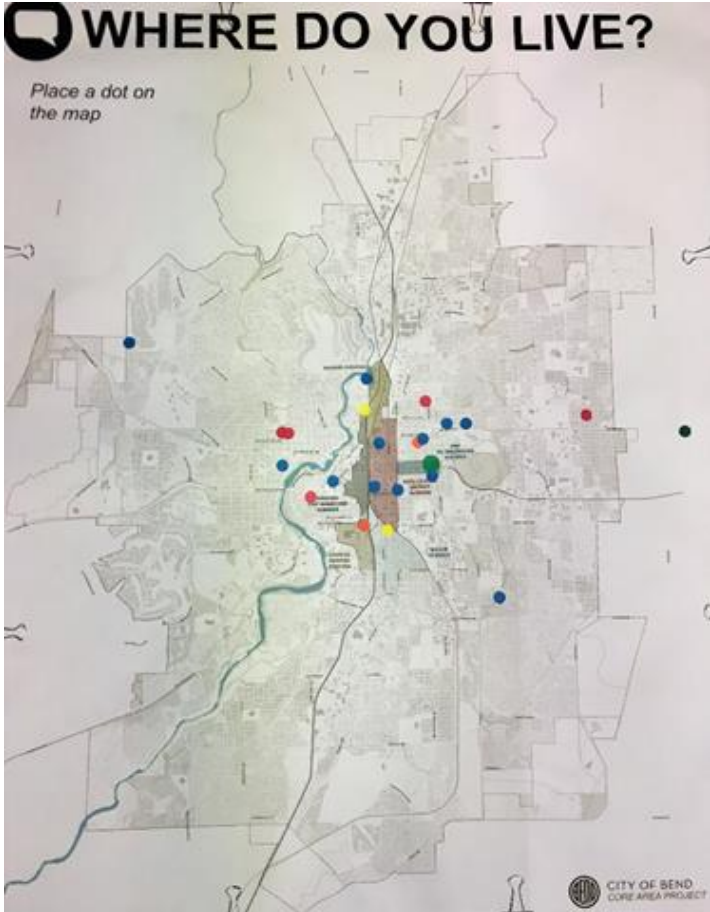
SUMMARY OF FEEDBACK



- Transportation projects are the most requested types of projects in the area and the number one priority use of Urban Renewal funding
- The Community would like Urban Renewal to support a balance of project types in addition to transportation (affordable housing, placemaking, etc.)
- There is overarching community support for the visions set forth for the Core area through the Urban Design Framework and Comprehensive Plan
- There is overarching community support for the proposed Urban Renewal Boundary
- There is strong community support for mixed-use development and more housing options in the area



WHO DID WE HEAR FROM?



OPEN HOUSE RESULTS - VALUES



Guiding Principles- Ranked by Importance



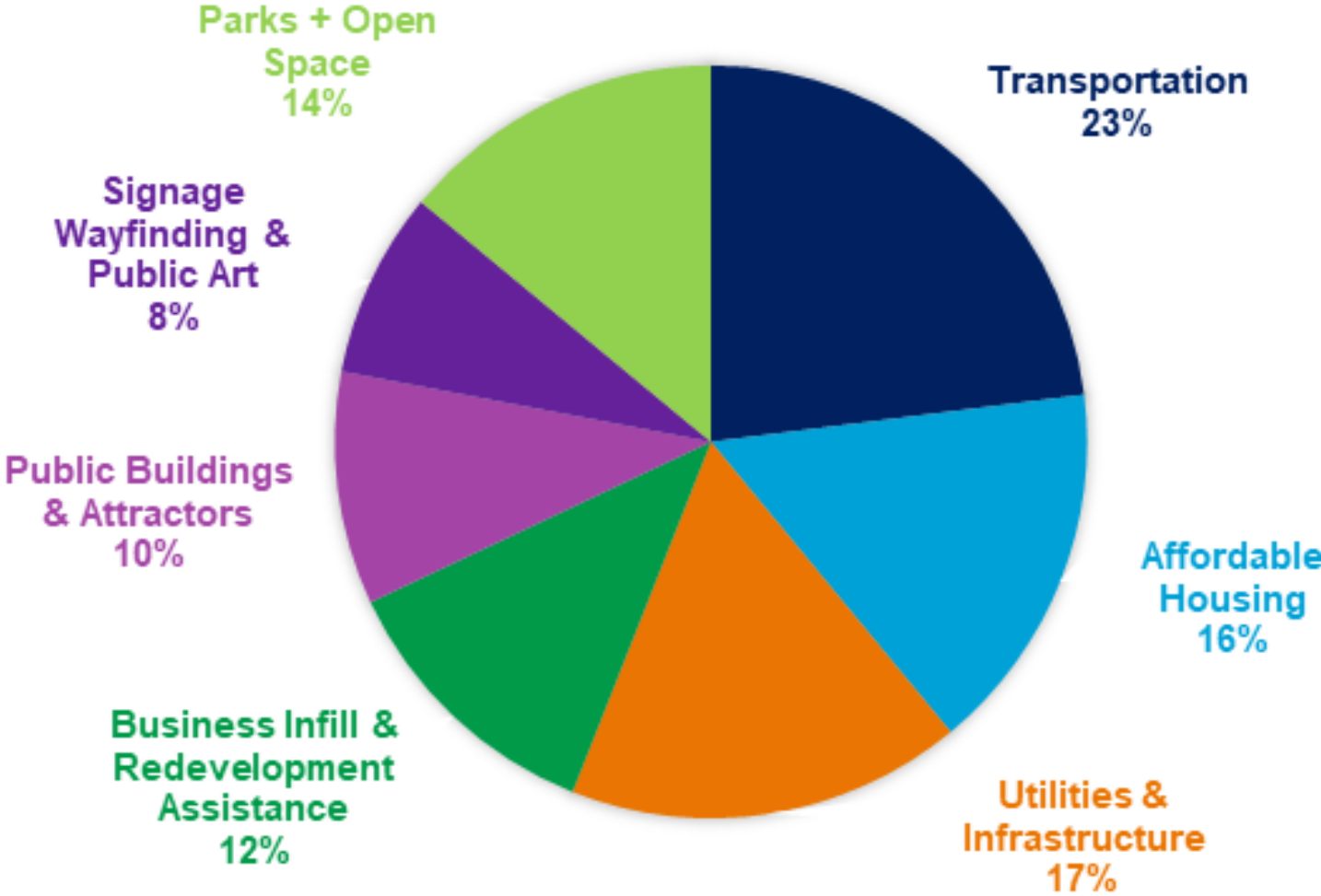
The community identified the following priorities for this area:

- Create a place to live, work and play.
- This is a walkable area with a balanced transportation system.
- This area removes barriers, connecting East and West Bend.

OPEN HOUSE RESULTS- HOW TO SPEND UR \$



COMBINED RESULTS

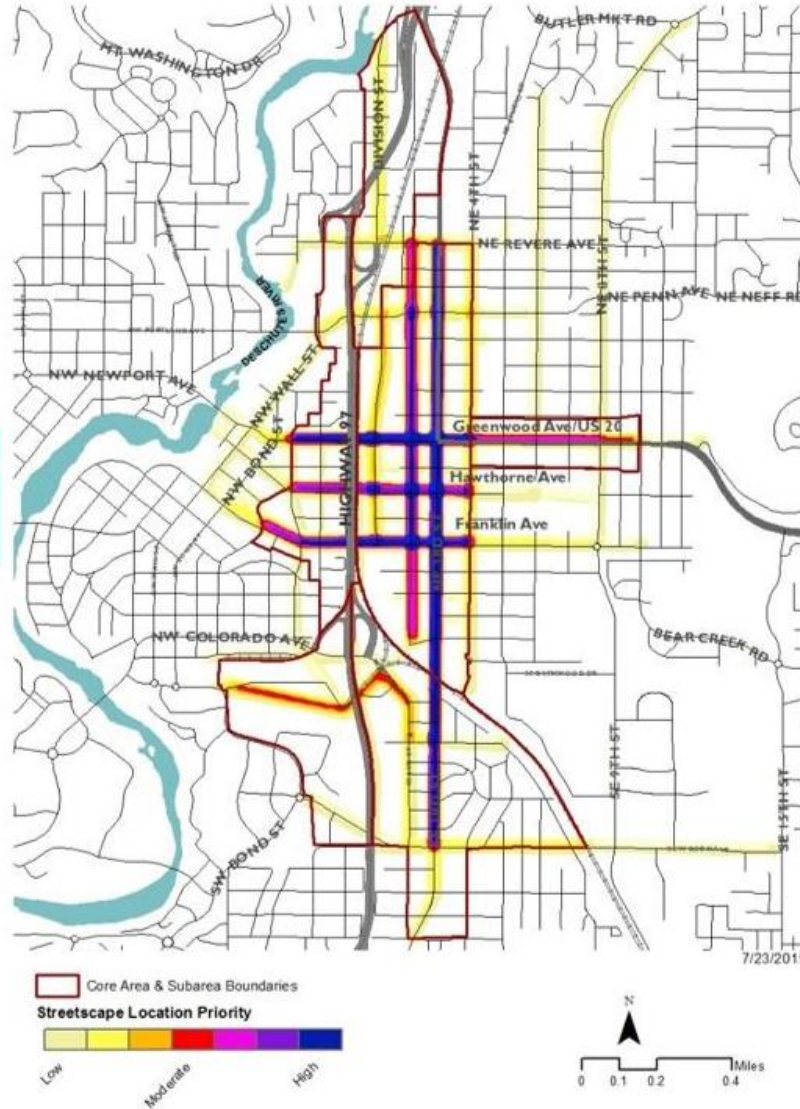
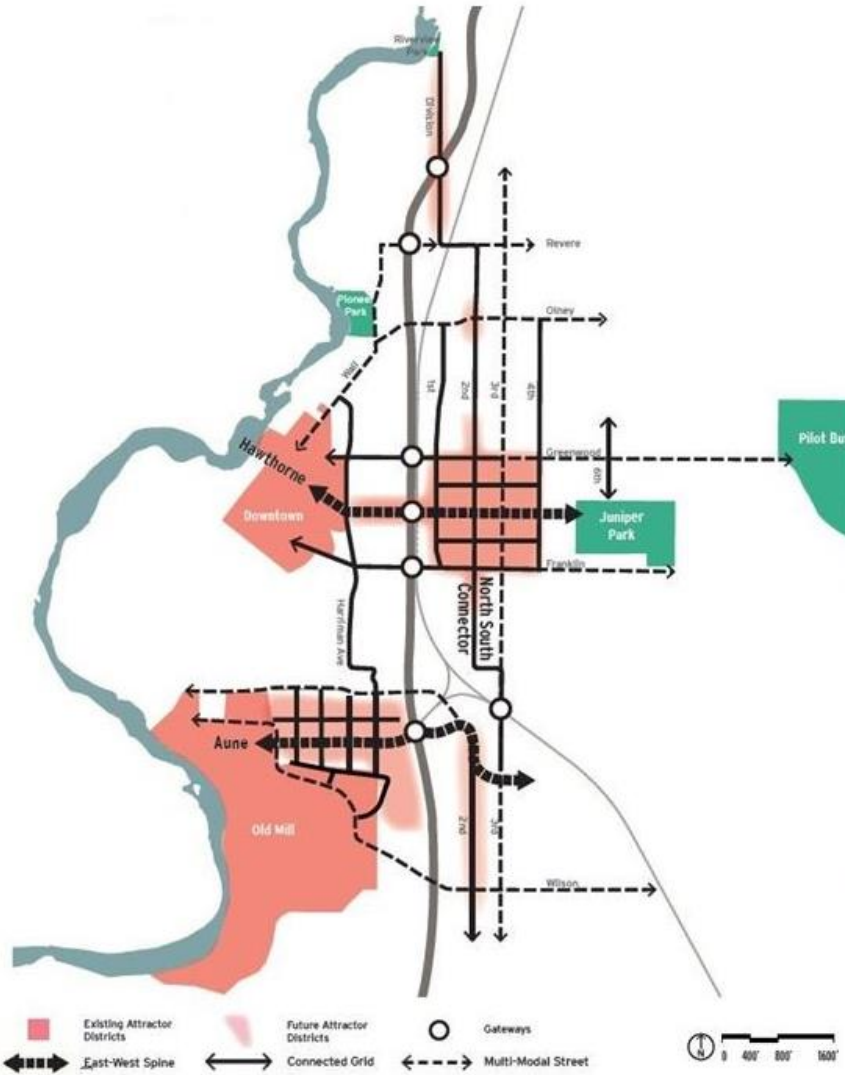


OPEN HOUSE RESULTS- PROJECT IDEAS



- **80%** of online comments supported **transportation** improvements
 - **49%** supported **pedestrian/bicycle** improvements
 - **20%** specifically called out project ideas related to **over/underpasses** of the parkway and railroad
- **32%** of all comments related to **placemaking** improvements such as **public/civic spaces (12%)**, **parks/green space (10%)**, or public art
- **24%** of online comments mentioned a desire for **more housing opportunities** in the area
- **18%** of comments identified a desire for **affordable housing** projects in the area

OPEN HOUSE RESULTS- STREETScape PRIORITY AREAS

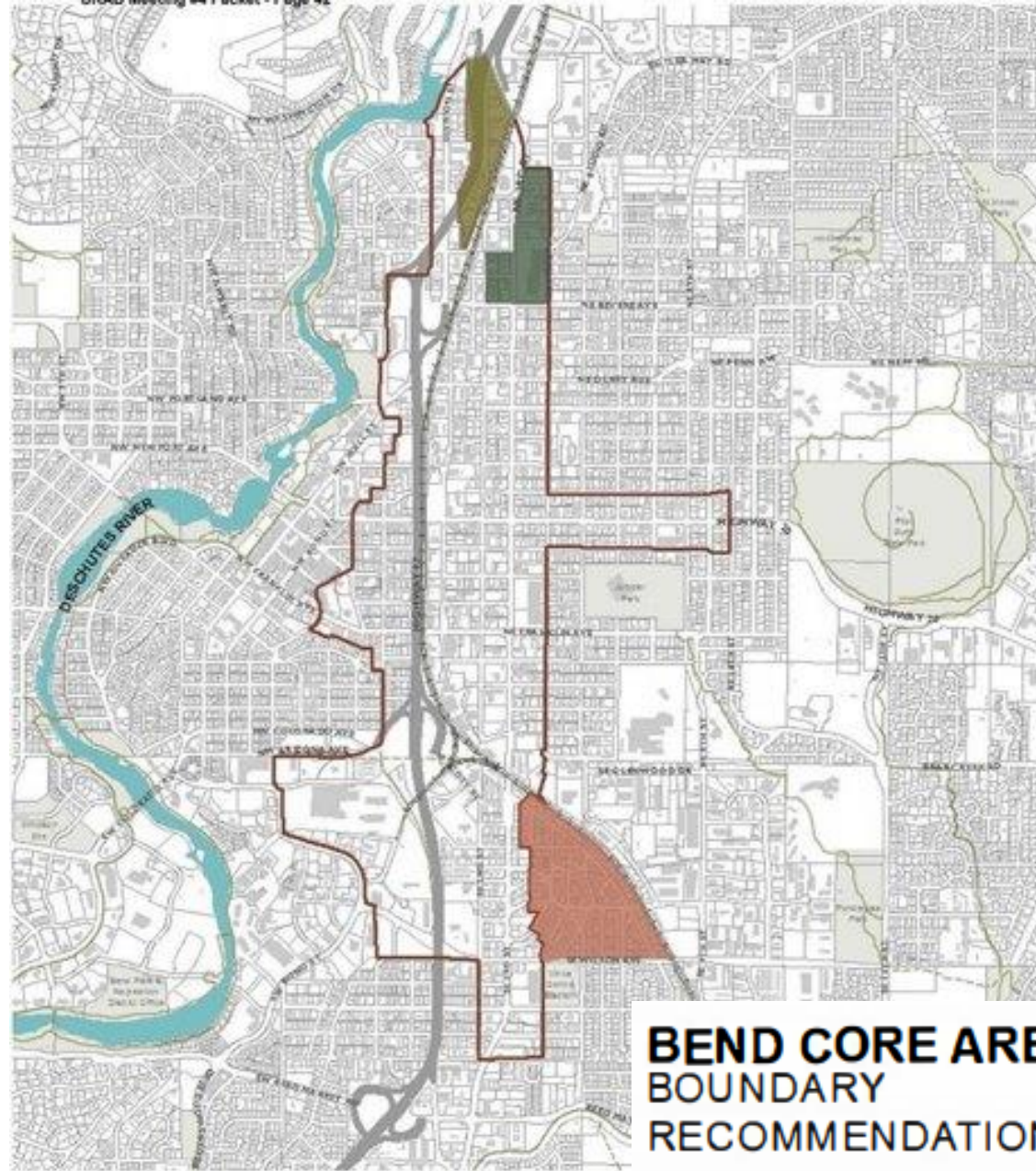


Desire for streetscape improvements on:

- Greenwood
- 3rd Street
- Hawthorne
- Franklin
- 2nd Street
- Aune



DRAFT URBAN RENEWAL BOUNDARY

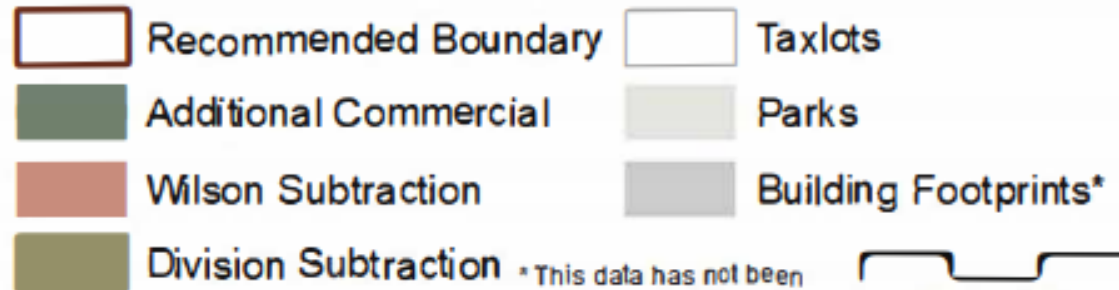


MAY 14, 2019 RECOMMENDATION



- Community outreach confirmed support for proposed boundary recommendation set forth by URAB at the last meeting

BEND CORE AREA BOUNDARY RECOMMENDATION



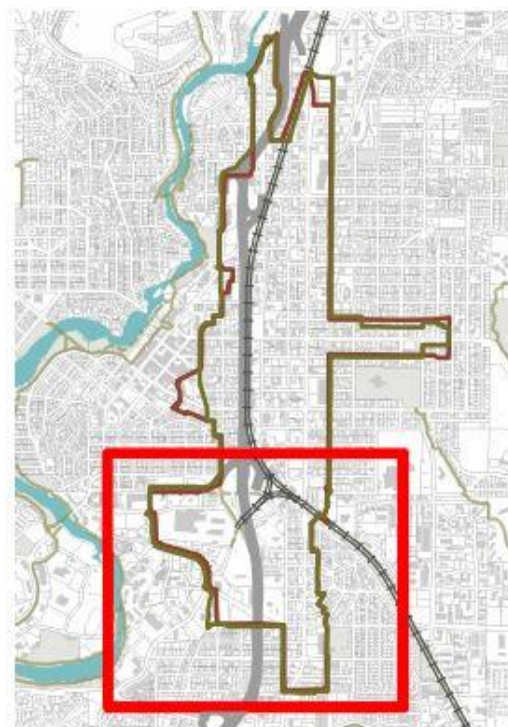
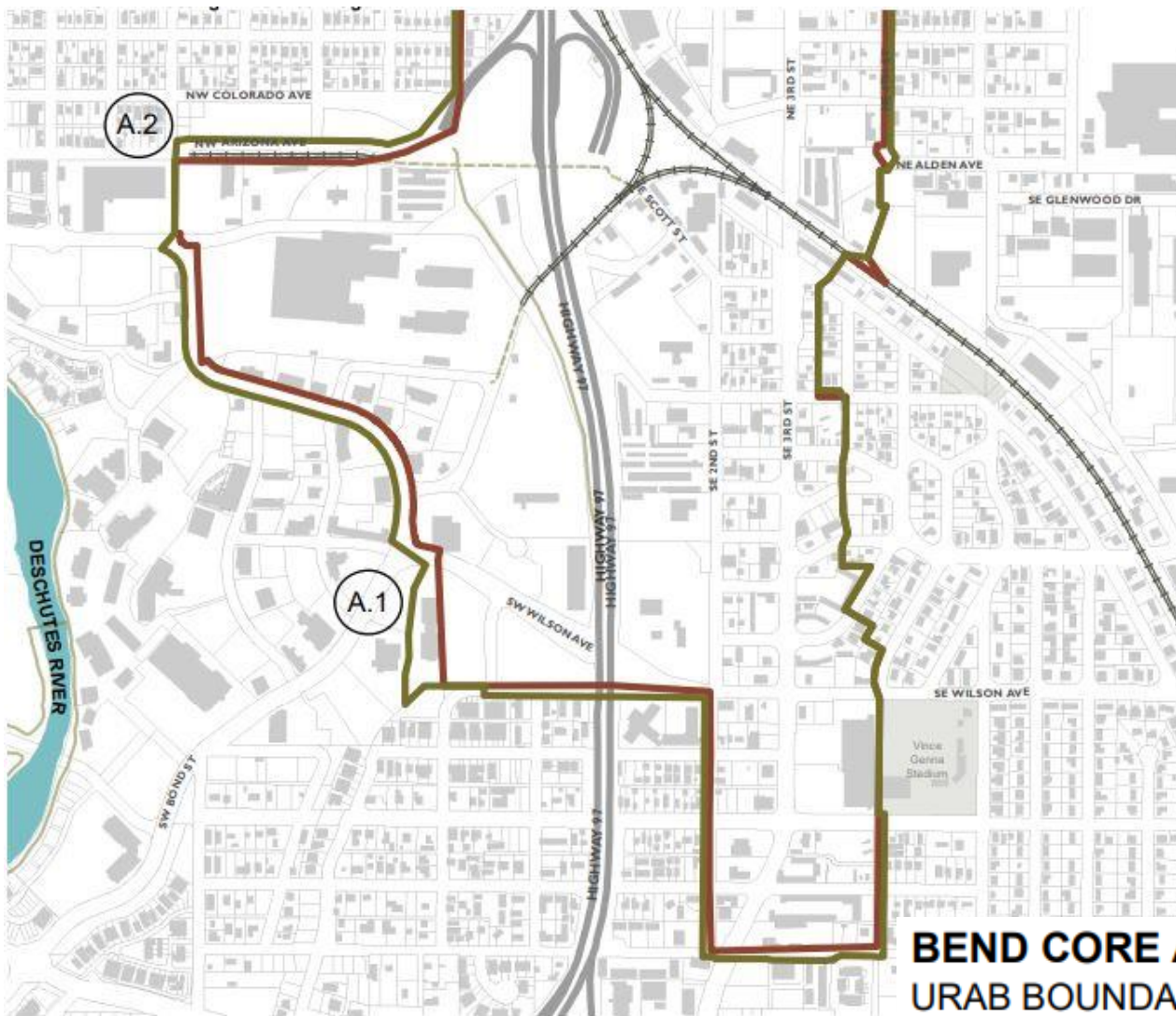
5/1/2019



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



BOUNDARY REFINEMENTS



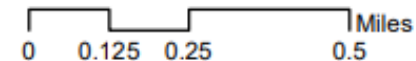
BEND CORE AREA - FIGURE 2
URAB BOUNDARY
ADJUSTMENT RECOMMENDATION

- UR Boundary Adjustment
- UR Initial Boundary - 5/14/19
- Taxlots
- Parks
- Building Footprints*

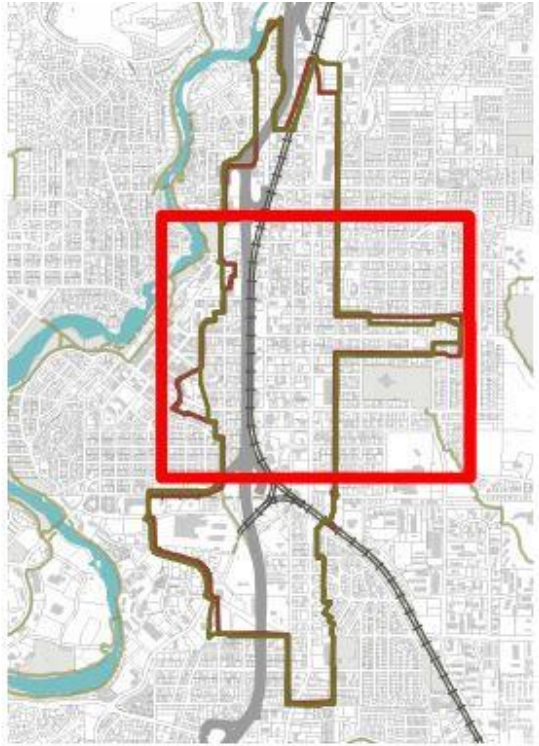
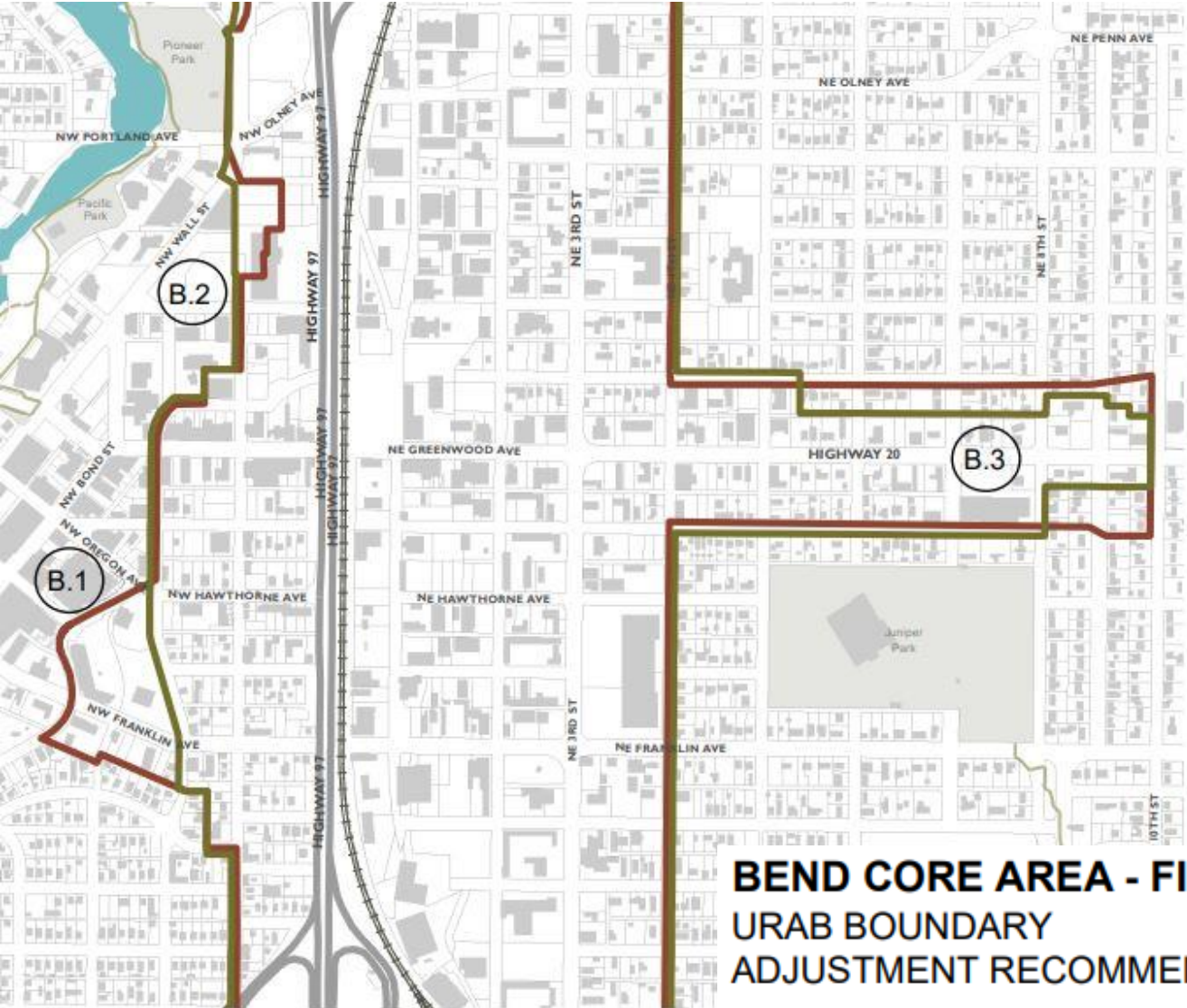
7/24/2019








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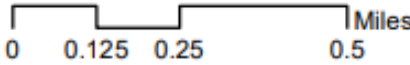
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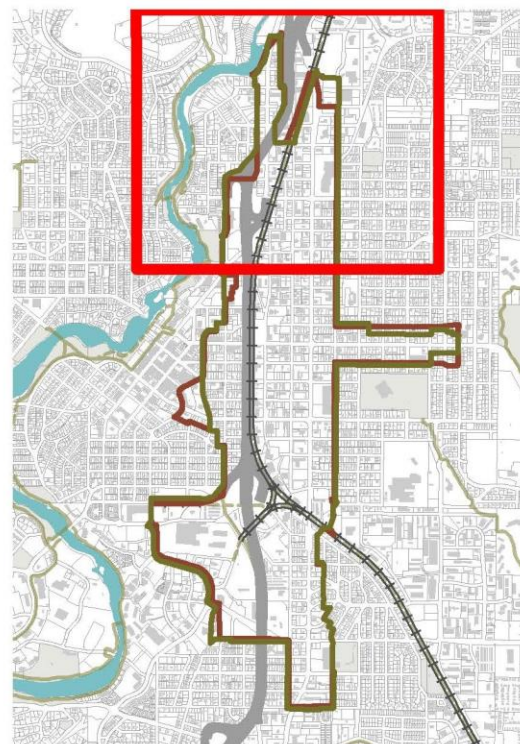
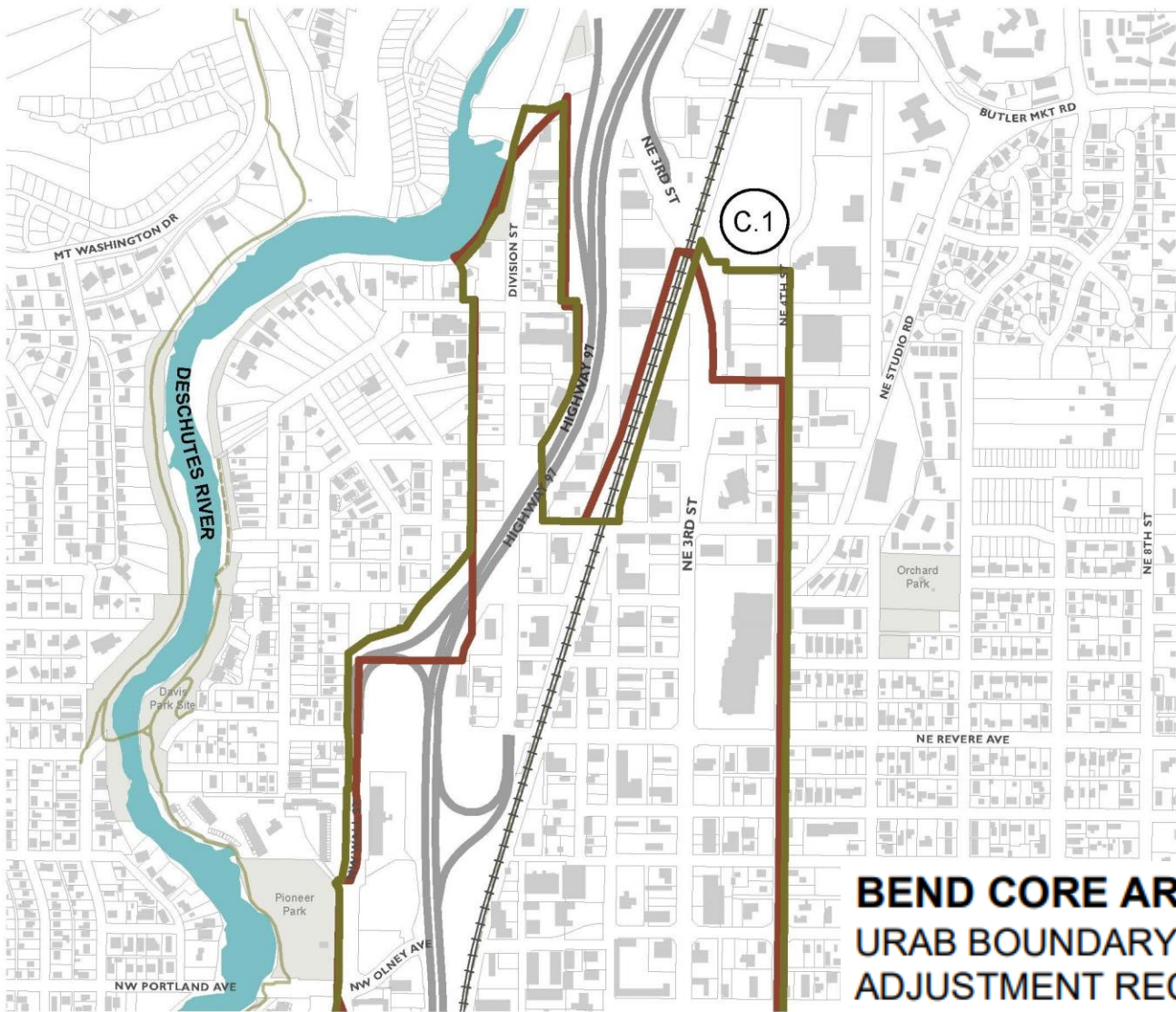
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



BOUNDARY REFINEMENTS



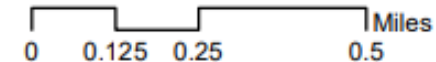
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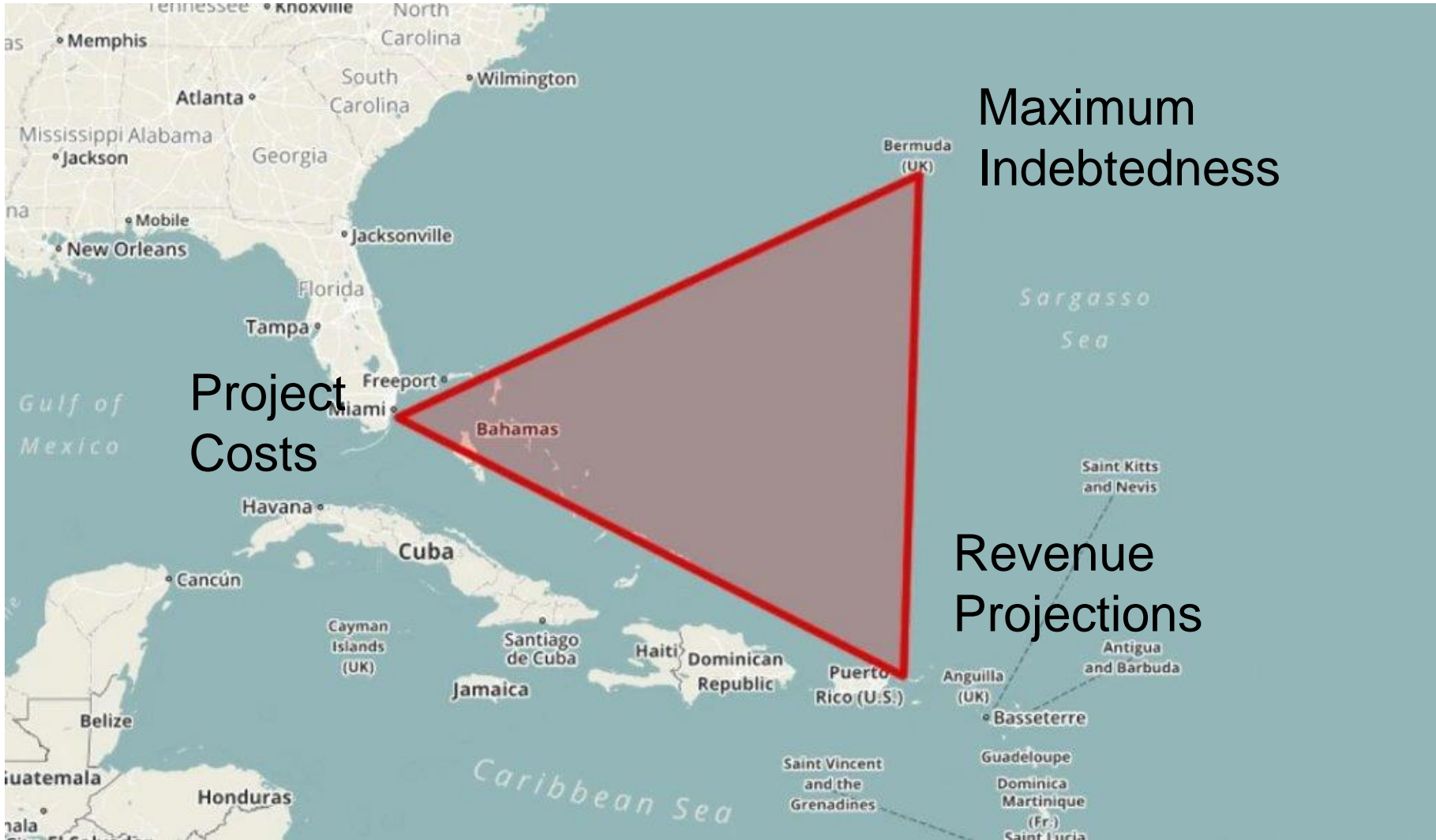
*“I move approval of the Urban
Renewal Boundary for use in
further technical analysis.”*



FORECASTING URBAN RENEWAL REVENUE



URBAN RENEWAL BERMUDA TRIANGLE





IMPLEMENTATION FRAMEWORK

ALEX JOYCE, CASCADIA PARTNERS



PURPOSE AND OVERVIEW

- The **Core Area Implementation Plan** will describe tools and strategies to:
 - Help achieve the Vision for the Core Area and implement Urban Design Framework
 - Overcome barriers to redevelopment in the Core Area
 - Complement Urban Renewal investments
- Tools and strategies:
 - Zoning changes (discussed previously)
 - Tax abatements
 - Early activation/adaptive reuse
 - Reimbursement districts (existing program)
 - SDC financing (modify existing program)
 - Local improvement districts
 - Land exchanges



Aerial rendering of the Bend Central District with mixed use redevelopment and transitions to adjacent neighborhoods.

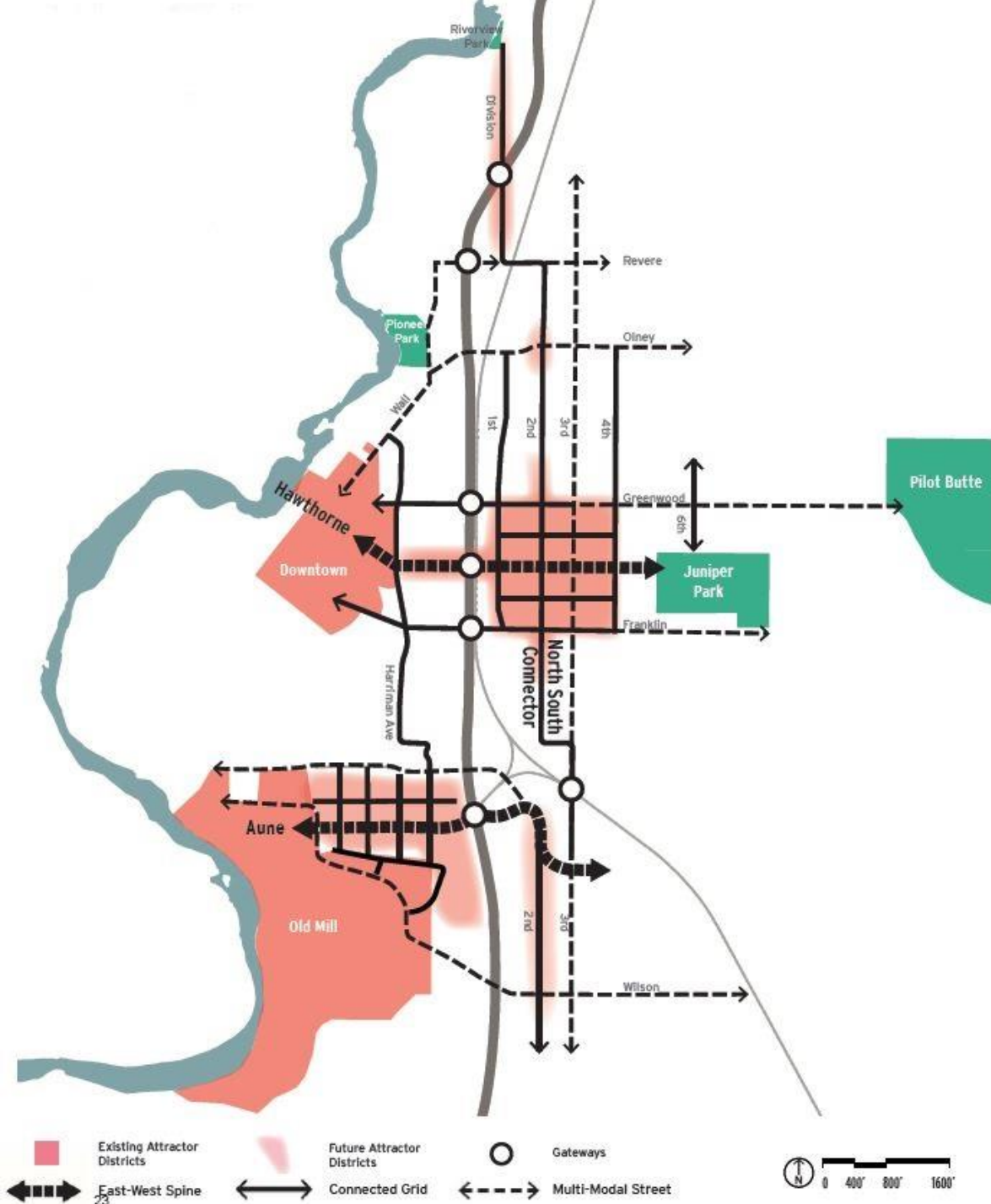


A STRONG MIXED-USE VISION

- Mixed-use vision adopted in the Comprehensive Plan and BCD Overlay
- Housing is a Council priority
- Zoning allows up to 7 stories

URAB & Community goals:

- Create a place where you can live, work, and play.
- Walkable area with balanced transportation system.
- Area removes barriers, connecting East and West Bend.

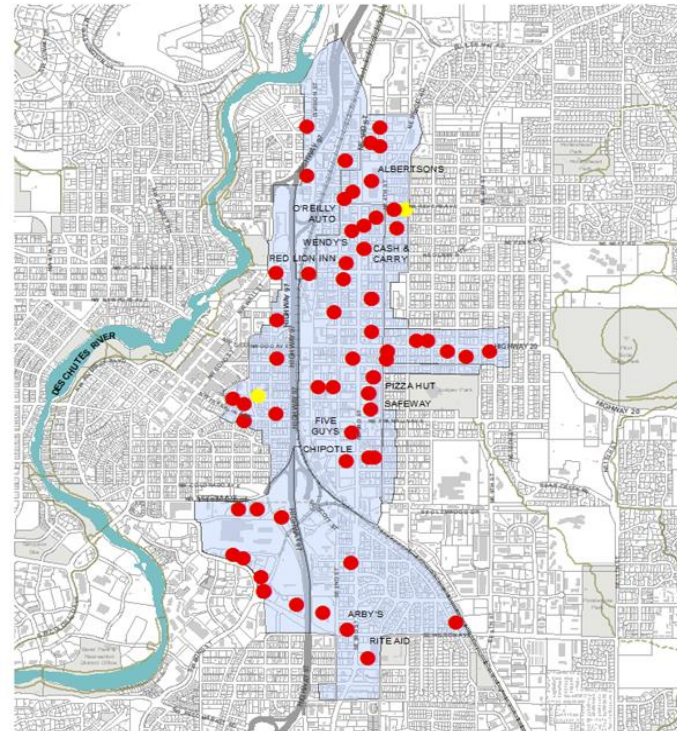


BUT THERE ARE CHALLENGES: THE MARKET IS STRUGGLING TO DELIVER TODAY



- New “ground-up” construction is limited and mostly single-story retail
 - *Far more investment in remodels*
 - *Mostly national (chain) retail*
 - *Only one major mixed-use project since 2007 - Hotel*

Remodel Construction Permits



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

● Commercial
● Residential

Study Area
Building Footprints*
Taxlots
Parks

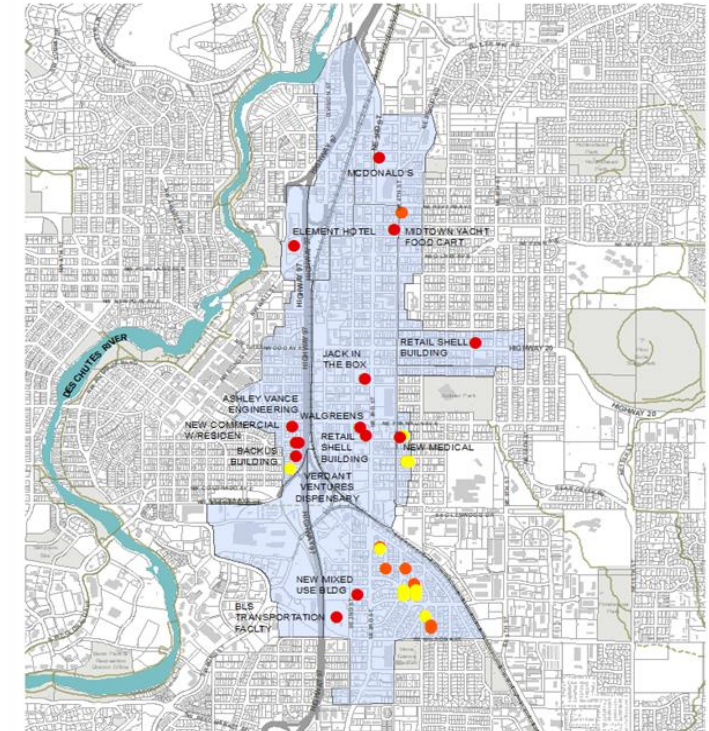
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Map Prepared by Cascadia Partners

0 0.125 0.25 0.5 Miles

New Construction Permits



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

● Commercial
● Residential Attached
● Residential Detached

Study Area
Building Footprints*
Taxlots
Parks

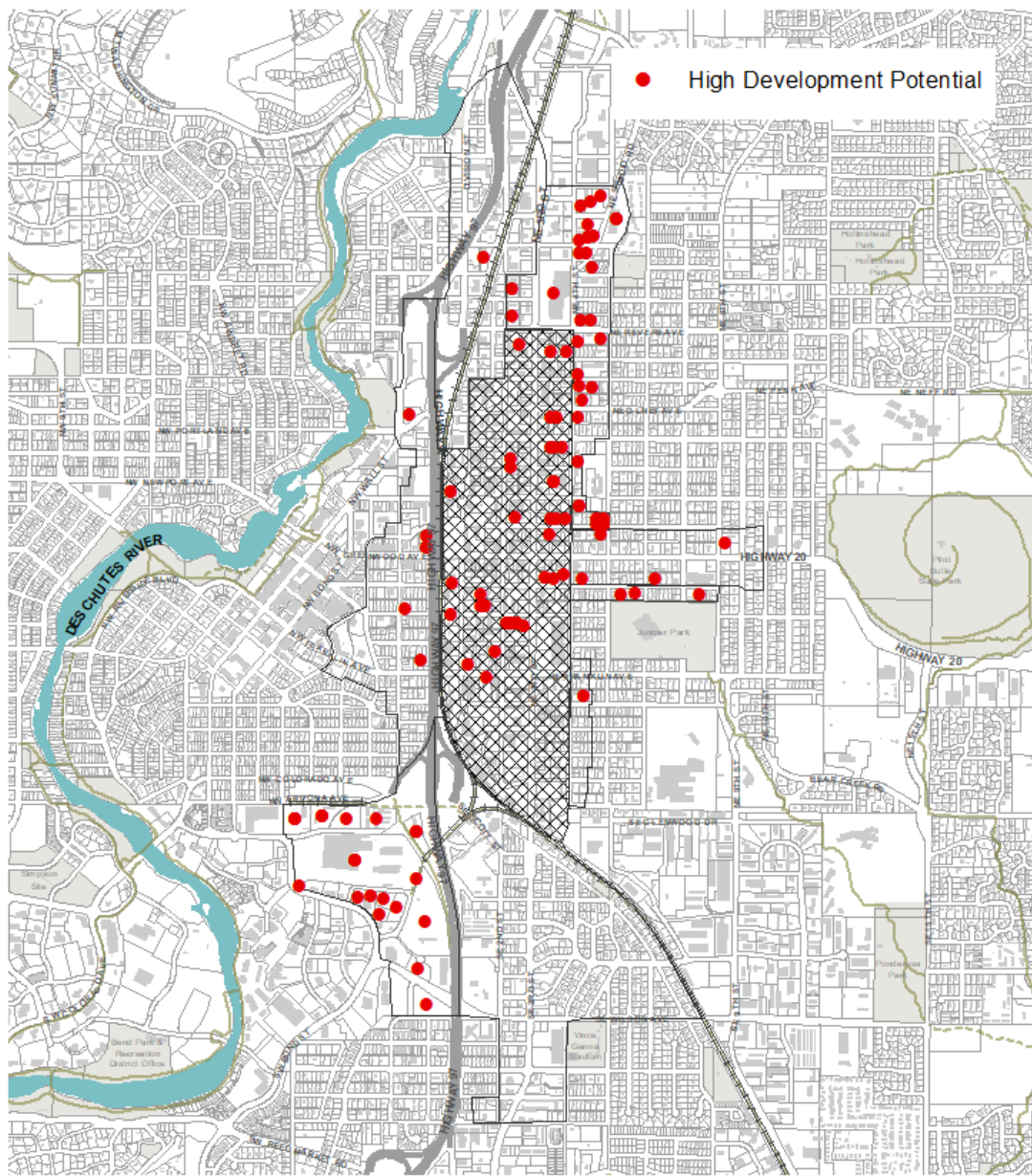
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Map Prepared by Cascadia Partners

0 0.125 0.25 0.5 Miles

- Commercial
- Residential Attached
- Residential Detached



WITHOUT CHANGES AND INCENTIVES, AREA IS LIKELY TO UNDERPERFORM IN THE FUTURE



- **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

LAYERING INCENTIVES: GREATER THAN SUM OF PARTS



- No silver bullets
- Layering multiple incentives is often necessary and beneficial

Example:

- Platform District
- Orenco Station in Hillsboro
- Required Tax Abatements + SDC Financing



*Suburban 4-over-2 Example:
Vector, Holland Partners,
Orenco Station, Hillsboro*

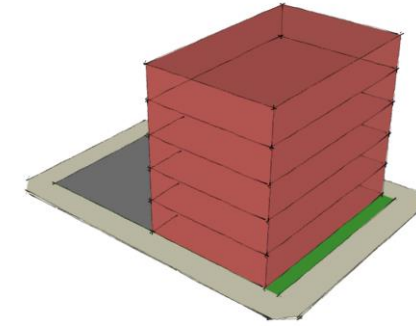
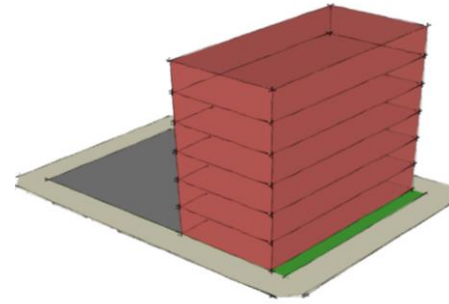
REDEVELOPMENT AND HOUSING INCENTIVES

A MENU OF TOOLS TO CONSIDER



Timing	Tool	Purpose
Near-term	Zoning changes	Improve redevelopment feasibility
	Tax-Abatement Programs for Housing	Redevelopment Incentive and Housing Production
	Early Activation/Adaptive Use Allowances	Support Pioneering, Near-term Investment
	Reimbursement Districts	Coordinated, Small-scale Infrastructure Investments
Medium-term	Local Improvement Districts (LIDs)	Coordinated, Medium-scale Infrastructure Investments
	Modify SDC Financing Program	Redevelopment Incentive and Housing Production
	Land Exchanges	Business Expansion and Accelerate Land Redevelopment

STEP 1: EXAMPLE OF ZONING CHANGE RECOMMENDATIONS



OBSERVATIONS:

- Retail not viable in most locations
- Mandate for mixed-use suppressing redevelopment

Incentives can bridge the gap between policy objectives & market reality

>\$300k in SDCs
SDC Financing could help strengthen market feasibility of project

Building Characteristics	Existing Zone Standards	Allow Apartments	% Change
Building Floors	6	5	-17%
Building size (sf)	14,700	16,300	+11%
Building Lot Coverage	35%	47%	+86%
Retail (sf)	2,940 (20%) / 1 Floor Equiv.	0 (0%) / <1 Floor Equiv.	-
Residential (units)	17	23	+35%
Parking (sf)	4,550 (surface)	3,731 (surface)	-18%
Parking (spaces)	14 MU Parking	11	-21%
Front setback (ft)			-50%
Return (%) @ \$2.5 for 605 SF Avg Unit	5.6%	8.0%	+43%
Required Res Rent	\$1,924 (\$3.18 / SF)	\$1,704 (\$2.82 / SF)	-11.4%

Zoning Helps, but More is Needed

TAX ABATEMENTS: THE BASICS



- **What:** Property tax exemption for a defined period
- **Why:** Incentivize desired development types that would not otherwise be feasible – i.e.- mixed-use, workforce housing, etc.
- **Is there a public benefit?** – Yes, catalyze projects that generate higher long-term tax revenues than today’s “highest and best use”, promote housing production
- **Limitations:** Work best when all taxing districts participate & in concert with other tools



Today

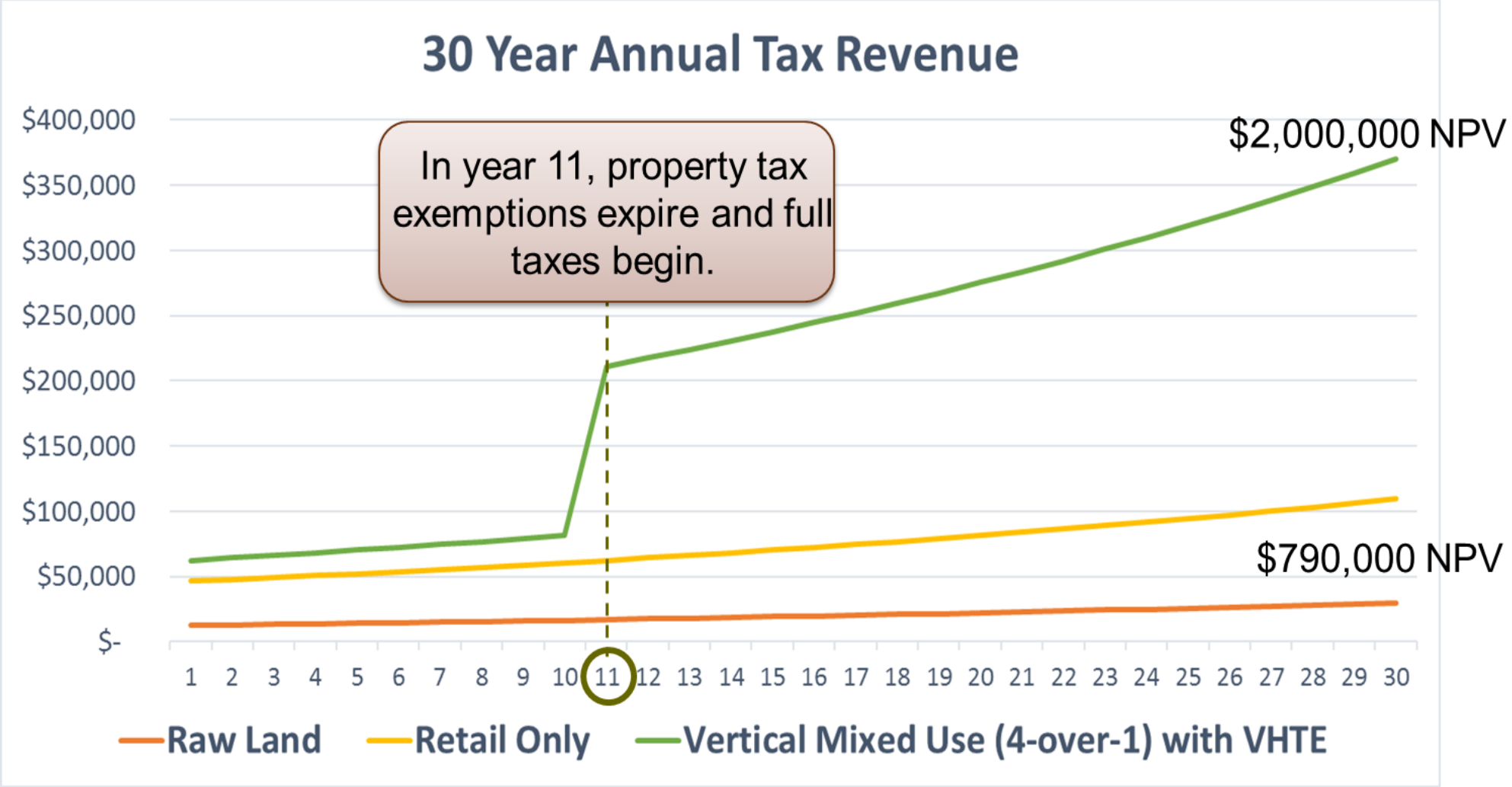


Today



Future, with tax abatement

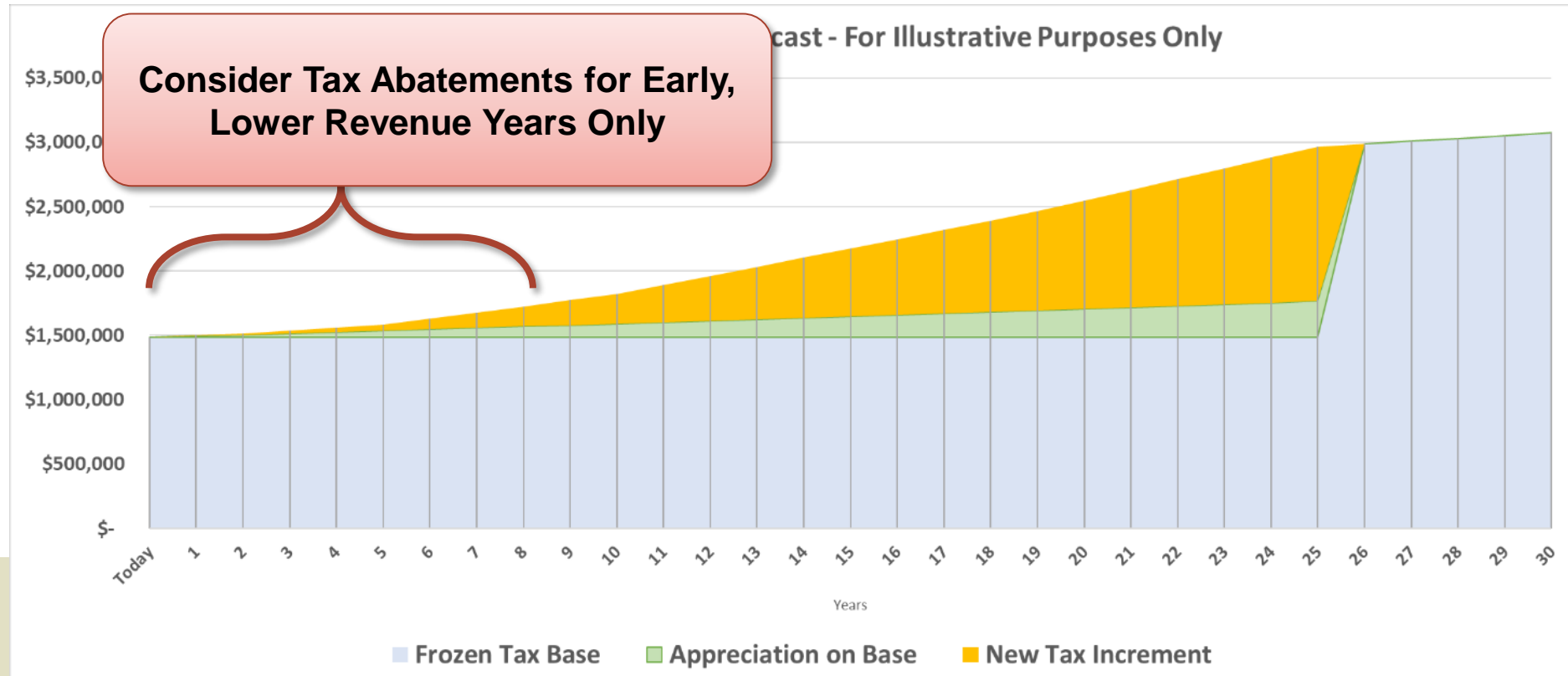
FISCAL IMPACT OF PROPERTY TAX ABATEMENTS





IMPLEMENTATION CONSIDERATIONS WITH TIF

- Both Tax Abatements and TIF pivot on property taxes
- TIF revenue escalates over time
- Early years are usually slow and modest
- Important to evaluate interaction of abatements with TIF, consider 5-10 year sunset to mitigate impact to TIF



TWO TAX ABATEMENT PROGRAMS



Vertical Housing Development Zones (VHDZs)

- **Goal:** *promote vertical mixed-use* with retail on ground floor and residential above in areas where mixed-use is not feasible today
- **CAP Area:** frontage lots with retail viability
- **Who:** City enables via ordinance
- **Where:** Mixed-use zoned areas
- **Flexibility:** narrowly focused on vertical mixed-use; scaled abatement that favors 5 stories.

Multiple-Unit Property Tax Exemptions (MUPTE)

- **Goal:** *promote multifamily* housing production
- **CAP Area:** interior, non-frontage lots
- **Who:** City enables via ordinance
- **Where:** 'core areas and transit areas'
- **Flexibility:** very flexible, no requirement for retail



BCD: 5-OVER-1 MIXED-USE BUILDING TYPE

- “5-Over-1” Typology
- Internal, structured and/or tuck-under parking
- Zoning changes + VHDZ improve market feasibility



*5-over-1 Example:
Hoyt 20, GreenLight Development, Portland*

	Target	BCD Existing Zoning	BCD Zoning Recommendations	+ Vertical Housing (4 floors = 80% exemption)
Average Res. Rent	\$2.50 / sq ft			
Cash-on-Cash	10%	5.6%	6.6%	10.6%
Levered IRR (IRR on Cash Before Tax Flows)	20%	12.4%	13.9%	18.9%

EARLY ACTIVATION/ ADAPTIVE REUSE ALLOWANCES



What: Consider reducing major site improvements for adaptive reuse & “early activation uses” for a given period of time

Why? Encourage early, pioneering investments

- Establish district as an innovative, lively destination
- Increased desirability makes ground-up development more feasible

Limitations: Sets precedent that similar uses do not need to complete site improvements in other areas of the City



REIMBURSEMENT DISTRICTS – PUBLIC AND PRIVATE



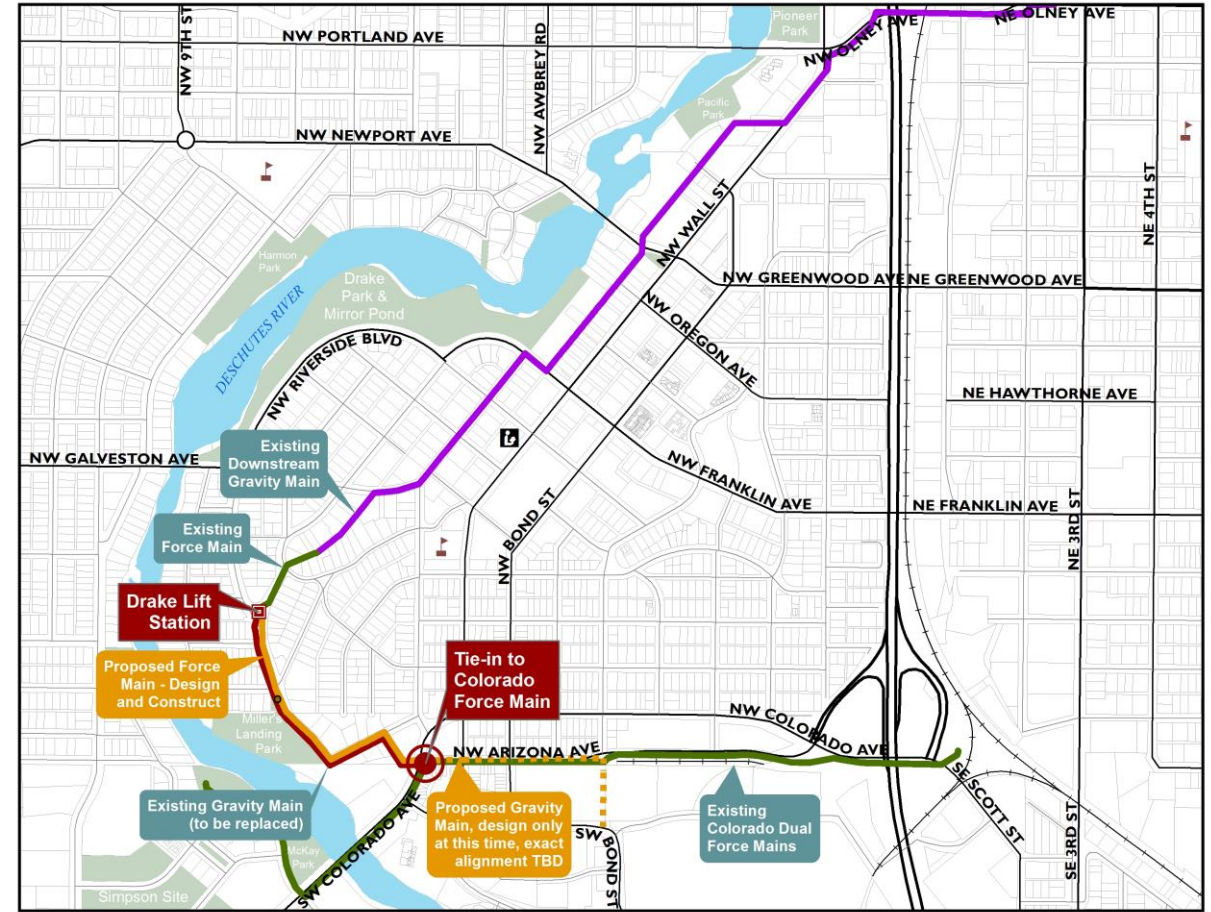
- **What:** Project cost is covered up front, and reimbursed as development occurs
 - Publicly funded, privately reimbursed OR
 - Privately funded, privately reimbursed
- **Why/Public Benefit?**
 - Make desired development feasible
 - Achieve City infrastructure goals
 - Coordinate multiple properties
 - Additional funding source for projects
- **Limitations:**
 - Additional work to understand revenue flows and borrowing costs
 - Expansion of City capacity as coordinator/convener or designer-funder-builder likely requires additional staff resources



LOCAL IMPROVEMENT DISTRICT



- **What?** Local Improvement Districts can enable private financing of infrastructure that benefits multiple properties
 - Requires signed petitions from 50% of benefiting property for Council to consider formation
 - Requires private engagement and action, such as gathering signatures
 - City can provide useful information, such as maps, lot data, owner data
- **Why? TIF funds will be limited, not all projects can be funded**
 - Strategically leverage private investment
 - Achieve infrastructure goals (sidewalks, sewer, etc.)
- **Limitations:**
 - Expanding City role will require additional staff resources



Sewer improvements needed for development in KorPine subarea could potentially benefit from an LID program

MODIFY SDC FINANCING PROGRAM



SDCs can be millions of dollars on a mixed-use project

BCD: 5-over-1 Mixed-Use – 20,000 Sq Ft Lot		
Land Cost	\$ 600,000	3%
Building Costs	\$ 13,095,469	71%
Parking Costs	\$ 348,195	2%
SDCs	\$ 1,122,851	6%
Other Soft Costs	\$ 3,226,832	18%
Total	\$ 18,393,347	

City could develop criteria to allow modified SDC financing program for projects that meet a **desired public benefit (i.e. mixed-use, workforce housing, etc.)**



Existing SDC Financing Program Terms

- 5-years @ 6%
- 10-years @ 7%
- Deferral to Certificate of Occupancy
- First priority / first position required

Public borrowing rates are closer to 2.5-3%

Commercial loans are ~6-7%

= No incentive to use program

For desired projects, City could offer:

- Lower rates
- Longer amortization periods with 10-year balloon
 - 20 year am / 11 year balloon payment



5-OVER-1 MIXED-USE BUILDING TYPE

- Current SDC Financing Terms increase debt service
- Lower rates and longer amortization period makes program modestly beneficial
- Modified SDC Financing improves market feasibility to achieve policy objectives for area
- *Impact of new financing will increase as private loan rates increase*

	Target	BCD Existing Zoning + No Incentives	BCD Zoning Recommendations	Existing SDC Financing	Modified SDC Financing
SDC Terms				10-years @ 7%	20-year Am / 11-year balloon @ 3%
Cash-on-Cash	10%	5.6%	6.6%	5.5%	7.1%
Levered IRR (IRR on Cash Before Tax Flows)	20%	12.4%	13.9%	12.8%	14.7%



5-over-1 Example: Hoyt 20, GreenLight Development, Portland

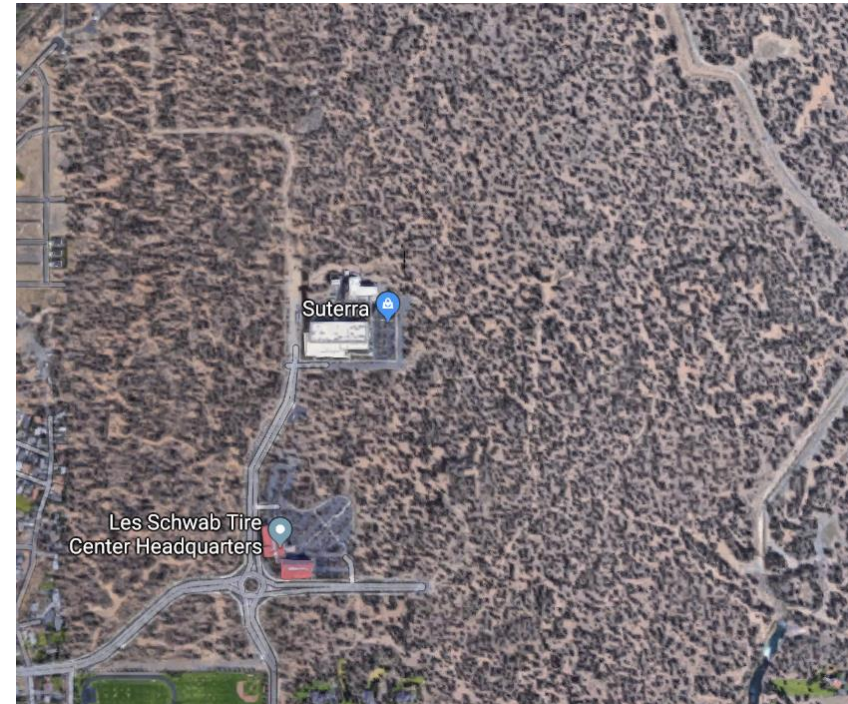
LAND EXCHANGES



- Land locked industrial uses in BCD today



- Public land designated for industrial available



Opportunity to use available land in Juniper Ridge to accommodate industrial users as Core area redevelops to mixed-use and industrial users expand or look to re-locate.



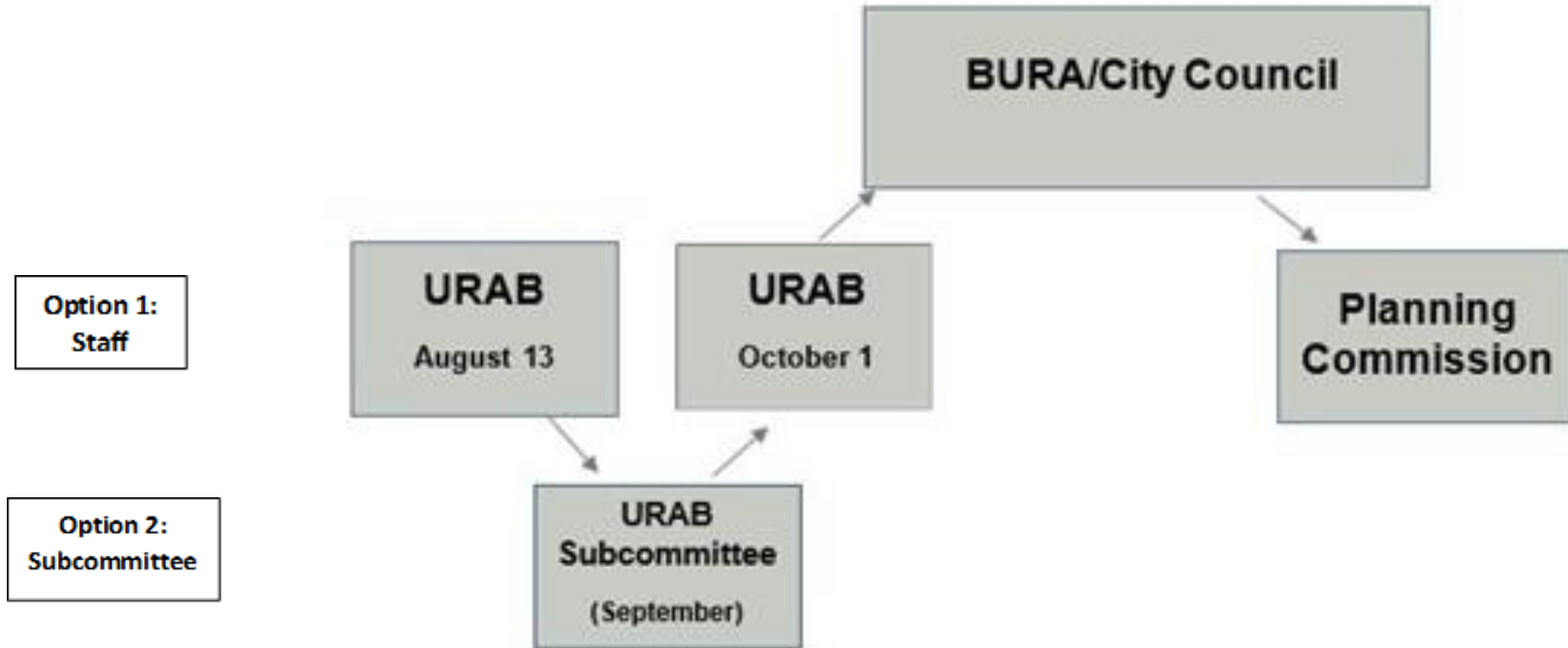
EARLY IMPLEMENTATION

EARLY ACTION TO LOOK AT ZONING AUDIT RECOMMENDATIONS



- Pursue development code amendments to reduce barriers to development/redevelopment within the study area, particularly for housing
 - For BCD Overlay
 - For CL/CG zones in CAP study area only
 - Wouldn't apply to CL/CG outside study area
- Fits into existing City Council Goals to audit development code to identify barriers to housing





DEVELOPMENT CODE RECOMMENDATIONS



Recommendations can be organized into three themes:

1. Amendments that allow for more housing by relaxing prescriptive mixed-use requirements
2. Amendments that simplify and reduce parking requirements, particularly for small lots.
3. Amendments that maximize buildable space for private development while balancing public needs such as streetscape needs for the area.

SIMPLIFYING & REDUCING PARKING



- Simplify the use-based parking requirements to a single non-residential use requirement of 1 space per 1,000 square feet
- Expand parking exemptions for all ground floor uses (not just retail/restaurant) such as offices, makers spaces, etc
- Eliminate parking maximums
- Consider reducing residential parking requirements (currently 1 space per unit)
- Exempt the first 10,000 square feet of lot area from on-site parking requirements to encourage redevelopment on small lots and for smaller footprint projects for all uses

MAXIMIZING BUILDABLE SPACE



- Reduce the minimum front setback/easement, except where needed to accommodate the designated “complete street concept”.
 - 5’ front setback/easement is currently required on all local streets within the Bend Central District
 - Increase the maximum front setback allowance if used for enhanced pedestrian area and other active space that can support the businesses
 - Explicitly and more clearly restrict inactive uses within the front setback
- Eliminate the minimum lot width
- Reduce or eliminate limitations on building size, particularly for Entertainment/Recreation and Retail Sales and Service uses.



PUBLIC COMMENT

SAVE THE DATES



- August 15- City Club Presentation
- October 1- Next URAB meeting
- October 18- Tentative Affordable Housing/Urban Renewal brownbag
- December 11- NEW date for URAB 6 meeting

SCHEDULE

