



# URBAN RENEWAL ADVISORY BOARD

MEETING DATE: October 1, 2019

MEETING TIME: 12 p.m. to 3 p.m.

LOCATION: Council on Aging – 1036 5th Street Bend, OR 97701

STAFF LIAISONS: Matt Stuart, Urban Renewal Manager  
Allison Platt, Senior Planner

## AGENDA

1. **Welcome, introductions (5 min)** – Co-Chair Whitney Swander
  - a. Approval of URAB 4 minutes
2. **Public Comment (10 min)** – Co-Chair Whitney Swander
3. **Where We are in the Process (5 min)** – Joe Dills
4. **Update on Legislation and Public Buildings (10 min)** – Lorelei Juntunen, Matt Stuart

*This is an informational item about recent legislative changes to the definition of public buildings and the process for including a public building in an urban renewal plan.*
5. **Preliminary TIF projections, Projects, and Timing (100 min, including a 10 minute break at about 1:30 PM)** – Becky Hewitt, Matt Stuart, Allison Platt

*This is an action item for URAB. Staff will provide a briefing on items a-e below – see packet materials for background information. URAB will provide direction and reach closure on each of the specific directional questions listed below under item “f”. Finally, staff would like the “overall” direction noted in item “g”.*

  - a. Initial revenue projections by growth scenario and plan duration
  - b. Introduction to potential Urban Renewal projects: overview of “best practices,” desired level of detail and project categories
  - c. Overview of non-transportation project categories: examples, preliminary allocation among categories, potential funding amounts
  - d. Strategies for funding transportation projects: types of transportation projects, options to “focus” or “spread” investments, coordination with the Bend Transportation Plan project list update, implementing the CAP Urban Design Framework, and identifying project priorities
  - e. Funding priorities for early years of URA: initial recommendations (information to be presented at the meeting)

- f. **Specific direction requested from URAB** that will guide the next technical work on Urban Renewal feasibility:
    - i. For forecasting revenue, what is URAB's direction regarding the growth rates and plan durations to be used to complete the financial analysis? See recommendations at the end of the memo by ECONorthwest.
    - ii. Does the Project Team's initial allocation of funds among project categories feel right or need refinement? See the table titled Urban Renewal Project Category and Project Outline, which is Preliminary.
    - iii. Does URAB support the transportation funding recommendations? See conclusions and questions for URAB in the Transportation Funding Strategy memo.
    - iv. Which transportation projects (or types of projects) should be the focus for UR funding?
    - v. Do the Project Team's initial recommendations for funding priorities in the early years (0-5 years, when revenue is limited) feel right or need refinement?
  - g. **Overall direction requested from URAB:**
    - i. At this mid-point stage in the process, does URAB agree that the formation of an Urban Renewal District in the Core Area would have significant benefit in helping to achieve the vision and goals for the area? Staff would like to convey URAB's answer to this question in upcoming meetings with BURA/City Council, the taxing districts, and others.
- 6. Direction on Development Code Updates (35 min)**  
*This is a discussion and action item for URAB. See memo on code recommendations.*
- 7. Ongoing coordination (5 min)**
- 8. Public comment (10 min)**
- 9. Next steps/close**



**Accessible Meeting Information**

This meeting/event location is accessible. Sign language interpreter service, assistive listening devices, materials in alternate format such as Braille, large print, electronic formats and CD Formats, or any other accommodations are available upon advance request. Please contact Allison Platt at [aplatt@bendoregon.gov](mailto:aplatt@bendoregon.gov) or 541-322-6394. Providing, at least, 3 days' notice prior to the event will help ensure availability.

**Agenda Item No. 1:**  
Minutes from URAB #4  
August 13, 2019



## URAB 4 MINUTES

MEETING DATE: August 13, 2019  
MEETING TIME: 12 p.m. to 3 p.m.  
LOCATION: Bend Municipal Court – 555 NE 15<sup>th</sup> Street Bend, OR 97701  
STAFF LIAISONS: Allison Platt, Senior Planner  
Matt Stuart, Urban Renewal Project Manager

## MINUTES

1. Roll Call: Dale Van Valkenburg, Todd Dunkelberg, Craig Davis, Jim Landin, Sonja Porter, Adam Bledsoe, Sharon Smith, Dennis Pahlisch, Tim Page, Andrea Breault, Elise Jones, Bart Bowen, Whitney Swander
2. **Welcome and Introductions** – Chair Dale Van Valkenburg
  - a. Sharon Smith moved to approve. Adam Bledsoe seconded. All in favor.
3. **Public Comment (10 min)** – Chair Dale Van Valkenburg  
None at this time.
4. **Where We are in the Process** – Joe Dills  
Just finished a series of public outreach. Today, we are dialing into more specifics and implementation type items - draft boundary, revenue forecast methodology, and implementation.
5. **Community Engagement & Feedback Summary** – Allison Platt  
Summary of public outreach: six pop ups, open house, online open house, direct mailer to property owners/residents, email to licensed businesses in study area.

What have we heard? Transportation is most requested type of project. Also support for more housing. Overall support of the vision and subarea visions for area and boundary proposed. Strong support for mixed-use developments. Support guiding principles: live work and play; walkable area with balanced transportation system; remove barriers from east to west.

How would the community spend Urban Renewal dollars? Transportation 23%; Affordable Housing 16%; Utilities & Infrastructure 17%; Parks + Open Space 14%; Business Infill & Redevelopment Assistance 12%; Public Buildings & Attractors 10%; Signage Wayfinding & Public Art 8%.

Project ideas: 80% transportation related; 32% placemaking improvements; 24% mixed-use development and business improvement including more housing opportunities; 18% Affordable Housing projects specifically.

Where would you prioritize streetscape improvements? Greenwood, 3<sup>rd</sup> Street Corridor,

Hawthorne, Franklin, 2<sup>nd</sup> Street, Aune.

Dale VanValkenburg thought it was interesting that people prioritized spending in concept for things other than transportation when transportation was the most requested type of project. The community distribution of Urban Renewal dollars was fairly similar results to what the Committee had previously identified.

How did staff feel about outreach – good representation of community? Yes, pop ups reached new people who didn't know about project.

**6. Approval of Draft Urban Renewal Boundary – Lorelei Juntunen, ECONorthwest**

a. Presentation and URAB discussion

*Preliminary boundary for public outreach. Proposed refinements. Community outreach confirmed support for proposed. Today minor refinements based on community and other factors. One of most fundamental decisions have to make. Revenue projects based on boundary.*

Map shown with new draft boundary. A1: Changes made at IBEX facility parcel. Previous boundary cut parcel in half. Recommendation is to include entire parcel. A2. Brings in a few developable parcels. Picked up maximum right away.

Discussion regarding Vince Gemma stadium, right of ways, greenways and low stress networks. Thought to add right-of-way for Wilson and add stadium. Matt Stuart said right of way can be included later, if needed, since it does not affect financial analysis.

B1 is a subtraction NW Franklin/Lava Road area - hotel and offices already fully developed.

B2 adding entire lot around county administration facility complex.

B3 removes areas zoned for single family near Greenwood Avenue. Council for Aging left in.

C1: NE 4th, bring in entire commercial/industrial area. Pacific Corp owns four different parcels. Has commercial IL potential.

North Wall Street area: Adam Bledsoe– proposed to remove hotel on corner of Olney/Wall and include Wall Street storage. Response: some chance we can capture revenue from hotel property still from other buildings on property that don't have planned occupancy dates yet. Adam: propose to include area down Wall Street, which is not currently being used to highest and best use. Others agreed. Capture right away all around. Staff will hard line.

Discussion surrounding Wilson area on whether to pick up right of way on Wilson and right of way on Roosevelt. Question asked if boundary sends a message that area is not going to be included in boundary but will receive a project. Thought to include Wilson right of way but not housing area. Is in transportation plan as a key route and low stress network route.

Joe said we could bring back when we have projects on table. Boundary shouldn't include single family homes. Make sure message is clear. Okay around table except Joe Viola is worried about not considering Wilson right of way later.

Proposal – add Wilson right of way inclusion into boundary as agenda item for future meeting. Staff to look at and bring back. Are there specific projects that should be prioritized? Consensus to look at later. 9 in favor. 1 opposed – Dale VanValkenburg.

b. **Action:** Approval of draft Urban Renewal boundary

*This is an action item. URAB's approval of the draft Urban Renewal boundary establishes the geographic area that ECONorthwest will use for the technical Urban Renewal analysis. This is an important milestone; the team will rely on this boundary for an extensive amount of work. URAB will recommend a final boundary at a future meeting.*

**Approve boundary as mapped with Wall Street properties, revisit the Wilson right of ways, project specific right of way additions might be on table in future.**

**Craig Davis made motion. Tim Page seconded. All in favor.**

**7. Approach to Forecasting Urban Renewal Revenue (30 min) – Lorelei Juntunen, ECONorthwest**

a. Presentation and URAB discussion

Setting up for next meeting. Included in packet is a proposed methodology for TIF revenue projections.

Goal is to set up revenue projections that have sufficient dollars for a maximum indebtedness number. Robust enough to support. Project costs must not exceed.

Max indebtedness: Generally .85 per \$1 revenue available for projects. When accounted for inflation, this results in about \$.54 for every dollar of revenue to be used for projects (in \$2019).

Revenue projection: cash flow over time. Driven by growth in assessed value. Properties without improvement typically grow in assessed value by 3% per year. The methodology proposes to look at an average annual growth rate over the life of an urban renewal area instead of property by property. At the next meeting, the team will bring back numbers for high, medium, and low growth rates over a 20-30 year urban renewal lifespan.

Average annual growth rate:

Low: 3.5-4.5% historical for Bend/Deschutes County

Medium: 5-6.5%

High: 7%

The longer the urban renewal area exists the higher the maximum indebtedness will be, but you want to balance due to impacts to the overlapping taxing districts.

Dennis: are there true ups over the years? Yes, projections are evaluated on a

regular basis.

The controlling variable for Urban Renewal areas is maximum indebtedness. It can be changed but has to go through a plan amendment process.

Question asked if projects are already chosen when maximum indebtedness is decided. Response: Includes costs and project timelines to come up with number but implementation can be different. Funds can't be spent outside the boundary. Also can't spend on projects not listed in the plan. But do not have to spend. Debt obligation incurs as revenue becomes available and as projects occur.

Want number as high as can be but realistically should be moderate. Must take into account political expectations.

Project list and revenue forecasts will be available at October 1<sup>st</sup> meeting.

- b. Direction: Staff would like URAB's direction that the proposed methodology is reasonable for use in further analysis

There were no concerns voiced about the proposed methodology.

*This is an informational and directional item. Staff will present the methods and key assumptions (e.g. the growth of Assessed Value in the Core Area) that will drive the revenue projections, and ultimately establish the "budget" for the Urban Renewal-funded projects at a future meeting.*

## **8. Implementation Framework (30 min) – Alex Joyce, Cascadia Partners**

- a. Presentation and URAB discussion

*This is an informational item. URAB will receive a presentation introducing a set of tools that can be considered to support implementation of the goals for the Core Area and complement the tax increment financing tool from the Urban Renewal district.*

Without changes and incentives, area is likely to underperform in the future. Layering multiple incentives is necessary and beneficial.

### 7 tools to consider

- Zoning changes – discussed previously, only gets you part way there.
- Tax abatement tools – public benefit is to catalyze projects that otherwise wouldn't occur. Long term. With TIF. Can be a zero sum game. Implement in term-limited period. Incentive projects in near term. Value capture in TIF in later years.
  - Vertical housing development zones (VDZs) – retail on ground
  - Multiple-Unit Property Tax Exemptions (MUPTE) – promote multifamily housing production

What about opportunity zones? Not a lot of information yet.

- Early activation/adaptive reuse allowances – food cart pods, retail pop up shops, tiny house cluster. Temporary structures.

- Reimbursement districts (existing programs) – infrastructure project costs upfront and reimburse (by city or other developers). Maybe a localized benefit.
- SDC financing – modify existing program. Spread cost over project. 5 year 6%, 10 year 7%, deferred to certificate of occupancy. City first position on loans. Bring interest rates more in line with current borrowing rates, extend loan years, City not as priority/first position. Point brought up that not all SDCs are by the City.
- Local Improvement Districts –traditionally private sector. City could help with though.
- Land exchanges – free up redevelopment land in core but also allow employers to expand. Dale asked how it works. Matt: Must be of equal value. Utilizing Juniper Ridge URA. How can we leverage?

Brian: The purpose for this presentation is to discuss other tools to help realize Comprehensive Plan goals for the city set by the Urban Growth Boundary (UGB) process. Most areas in Core are opportunity areas. Our Comprehensive Plan assumes redevelopment and housing units in these areas. However we are not seeing that development happen yet and our policy objectives are not being met so far.

Mixed-use vision adopted.

Low to moderate level of redevelopment potential across most of area. Infrastructure concerns, changes to zones.

Dennis: Would LID be applied to whole area? No, typically used for more localized projects. Requires petition – simple majority of property owners have to agree but tends to be project related. Wouldn't do for whole URA. Two-thirds won't file protest in terms of area. Provides dollars upfront. Few do.

Joe asked what the level of interest and support is. Staff will keep working on. Any concerns? Sharon likes ideas of incentives for housing. Sonja asked what happens at 11<sup>th</sup> year after tax abatements end. Can staff look into? Concerns how played out. Sharon: Value in year 11 not reassessed. Russ: in conjunction, SDC and tax abatement work together. Craig: TIF worked well in Portland. SDC abatements actually. Dennis: seems like we ought to be looking at all the tools we can.

#### **9. Early Implementation Recommended from Work to Date (35 min) – Allison Platt**

- a. Presentation and URAB discussion: development code amendments – high level concepts for further detailing and discussion

*URAB will have a discussion and provide direction on next steps for potential code amendment recommendations.*

Reminder that task at hand for URAB is to recommend urban renewal feasibility to BURA. However we have found some recommended zoning changes that fit into City Council goals to audit development code to identify barriers to housing. Bring ideas forward to consider.

Reduce barriers to redevelopment particularly related to housing. Only in study area.

Option 1 – give direction today and staff bring back at October 1<sup>st</sup> meeting. Option 2 - form a subcommittee to bring back recommendations to URAB.

Development code amendments require Council and planning Commission approval. Looking today for high level recommendations.



Recommendations organized into 3 themes:

1. Amendments that allow for more housing by relaxing prescriptive mixed-use requirements.  
Expand allowed uses for ground floor but identify main streets to preserve ground floor commercial: 3<sup>rd</sup> Street, Greenwood, Revere, Olney, Franklin, and Division.  
On not fronting main streets, consider expanding uses to allow multifamily, townhomes.
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.

Look at setback requirements and lot width and building size.

Adam – parking is biggest impediment to commercial.

Elise – totally conflicted on parking. Doesn't know how to balance. Older people or limited mobility vs younger. Response: trying to answer. How much supply on street? Looking at balance. If reduce, what happens.

For new developments, put parking in back. Allows for more walkable, transit. Response: explore frontage standards.

Dennis suggested to look at parking as a whole not each site. Parking is complex. Share cost. Allison stated there could be a sunset of reduced requirements.

Joe said he is not hearing concerns about themes. Asking to bring as formal recommendation from URAB to Council in future meeting. Do you want to form a subcommittee or bring back in total? Dennis asked what has staff done and if staff can bring forward. What would recommendations from staff be? Allison said staff would solidify details, balance and tradeoffs. Look at specific areas.

These recommendations would be required to go through Committee and public hearings. Discussion on staff versus subcommittee. Issue of parking was brought up. Suggestion to look at parking in conjunction with projects. It was mentioned that central district is not adjacent to neighborhoods. Also there could be a sunset period. Suggestion to get things moving and reevaluate later.

**Decision: No subcommittee. Supportive of themes.**

Will bring back parking data. Allison said they are looking at a case study that takes into consideration existing and future conditions for on and off street parking.

#### **10. Ongoing Coordination (5 min) – Allison Platt**

*This agenda item is meant to provide regular updates on the work of ongoing City committees on topics of interest to URAB such as the Transportation System Plan and the work of the Affordable Housing Advisory Committee.*

TSP update: Transportation plan information is in packet. 2040 Project list is available. Next step is to prioritize near, mid and long term and create funding plan. Two key meetings will happen before our next meeting: Citizen Transportation Advisory Committee & Funding Work Group.

Internal coordination is happening. Will bring list back to URAB.

Also affordable housing information in packet and staff to host brownbag on topic soon.

**11. Public Comment (10 min)**

Joshua Langley – Old Bend Neighborhood Association. Area will be impacted by Central District. Traffic cutting through neighborhoods. Re: Sisemore, KorPine to Bend Central District.

**12. Next Steps/Close**

- a. Next URAB meeting – October 1, 2019, time and location TBD
- b. Adjourned at 2:37 pm

**Agenda Item No. 4:**  
Update on Legislation and  
Public Buildings

## MEMO

TO: Matt Stuart

FROM: Elaine Howard, Elaine Howard Consulting, LLC

RE: Changes to ORS 457 in 2019 Legislature

DATE: August 16, 2019

Significant changes were made to ORS 457 in the 2019 legislative session. The most pertinent changes in relation to a potential new urban renewal district in Bend are to the definition of public buildings and the process for including a public building in an urban renewal plan. These changes were negotiated between the OEDA subcommittee on urban renewal, the Special Districts of Oregon, the Oregon Fire Districts and Oregon School Districts. The negotiations are a result of the taxing districts wanting more control over the types of projects that are undertaken in urban renewal areas with tax increment funds. The taxing districts are concerned that the projects completed in an urban renewal district have an impact on the future increase in tax increment funds to the urban renewal area. There is opposition from the taxing districts for funding public buildings with tax increment funds. There is also opposition to funding public art projects and, due to that, a definition of a public art statue, sculpture, clock tower or bell tower is included in the definition of a public building.

The definition of public buildings in ORS 457 is now as follows:

- (12)(a) "Public building" means:
- (A) A fire station, police station, public library, public hospital, capitol building, school as defined in ORS 339.315, college, university, city hall or the residence of any state official elected by the state at large;
  - (B) The grounds owned by a public body adjacent to a building described in subparagraph (A) of this paragraph;
  - (C) The portion of any other building owned and prepared for occupation or occupied by an agency of the state or a municipal corporation as defined in ORS 297.405; or

(D) A public art statue, sculpture, clock tower or bell tower.

(b) "Public building" does not mean:

(A) Property acquired by an urban renewal agency with the intent to redevelop or sell the property;

(B) Property acquired by an urban renewal agency with the intent to lease the property for a taxable use;

(C) Transportation infrastructure, including train stations, bus stations and publicly owned parking facilities that support taxable property;

(D) Water or wastewater infrastructure facilities, including treatment facilities;

(E) Tourism-related facilities as defined in ORS 320.300; or

(F) Park and recreation facilities, including sports fields.

(13) "Public building project" means an urban renewal project that includes a public building.

In order to include a public building in a new urban renewal plan or in a plan that is amended to include a public building, the urban renewal agency must receive concurrence of the public building project by vote of the governing body of 3 of the top 4 taxing districts that are estimated to forgo the most property tax revenue as computed in the report accompanying the proposed plan. This DOES NOT mean concurrence on the entire urban renewal plan, only concurrence on the public building project.

A summary of the major changes to ORS 457 is appended as Attachment A. House Bill 2174, the full list of changes to ORS 457, is appended as Attachment B.

Attachment A: Changes to ORS 457 in 2019 Oregon Legislative Session  
HB 2174  
Urban Renewal

- Changes to projects that include a public building: Requires concurrence by three of the four taxing districts estimated to forgo the most property tax revenue when a public building project is proposed in an urban renewal plan, added to an existing plan, or amended to significantly increase the scope of work to be paid for by the division of taxes for urban renewal. Public building project is defined:

(12)(a) "Public building" means:

(A) A fire station, police station, public library, public hospital, capitol building, school as defined in ORS 339.315, college, university, city hall or the residence of any state official elected by the state at large;

(B) The grounds owned by a public body adjacent to a building described in subparagraph (A) of this paragraph;

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(F) Park and recreation facilities, including sports fields.

(13) "Public building project" means an urban renewal project that includes a public building.

- Clarifies 1% of land area amendments: An amendment adding land to the urban renewal area if the addition results in a cumulative addition of more than one percent of the urban renewal area is a substantial amendment. (No more multiple 1% amendments)
- Clarifies 20% of land area limitation: Limits the addition of area to the urban renewal plan by amendment to 20 percent of the total land area of original plan calculated without considering any subsequent reductions of area.
- Adds requirements to annual reports: Requires urban renewal agency's annual report (ORS457.460) to include maximum indebtedness for each urban renewal area included in urban renewal plan of agency, including amount of indebtedness incurred through end

of preceding fiscal year. Requires each annual report to be distributed to each taxing district affected by urban renewal plan of agency.

- Increases consult and confer requirements for new plans and substantial amendments: Requires delivery of urban renewal plan and accompanying report to the governing body of each taxing district affected by an urban renewal plan and allows governing body of taxing district 45 days following receipt to submit written recommendations to urban renewal agency prior to agency presenting plan for approval. Delivery of the plan and report must be through either certified mail or any form of delivery that requires a signature upon delivery.
- Eliminates taking division of taxes on general obligation bonds of other taxing districts (i.e. city, county, school district) when creating a new urban renewal area or substantially amending an urban renewal area: clarifies definitions of standard rate and reduced rate urban renewal plans and eliminates any taking of division of tax revenues for urban renewal districts from general obligations bonds issues by other taxing districts.

Takes effect on 91st day following adjournment sine die.

80th OREGON LEGISLATIVE ASSEMBLY--2019 Regular Session

## Enrolled

# House Bill 2174

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Economic Development and Trade)

CHAPTER .....

AN ACT

Relating to urban renewal; creating new provisions; amending ORS 457.010, 457.085, 457.095, 457.120, 457.220, 457.445 and 457.460; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 457.010 is amended to read:

457.010. As used in this chapter, unless the context requires otherwise:

(1) "Blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

- (A) Defective design and quality of physical construction;
- (B) Faulty interior arrangement and exterior spacing;
- (C) Overcrowding and a high density of population;
- (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities;

or

- (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;
- (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
- (c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;
- (d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
- (e) The existence of inadequate streets and other rights of way, open spaces and utilities;
- (f) The existence of property or lots or other areas that are subject to inundation by water;
- (g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;

(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or



(i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

(2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

(3) "City" means any incorporated city.

(4)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before December 6, 1996, that:

(A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b) of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A) or (B), on or after December 6, 1996; and

(B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as described in ORS 457.190 (3).

(b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by ordinance under ORS 457.190 (3)(c) before July 1, 1998.

(5) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.

(6) "Governing body of a municipality" means, in the case of a city, the common council or other legislative body thereof, and, in the case of a county, the board of county commissioners or other legislative body thereof.

(7) "Housing authority" or "authority" means any housing authority established pursuant to the Housing Authorities Law.

(8) "Increment" means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

(9) "Maximum indebtedness" means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

(10) "Municipality" means any county or any city in this state. "The municipality" means the municipality for which a particular urban renewal agency is created.

**(11) "Permanent rate plan" means an urban renewal plan that:**

**(a) Was adopted on or after the effective date of this 2019 Act; or**

**(b) Was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after the effective date of this 2019 Act.**

**(12)(a) "Public building" means:**

**(A) A fire station, police station, public library, public hospital, capitol building, school as defined in ORS 339.315, college, university, city hall or the residence of any state official elected by the state at large;**

**(B) The grounds owned by a public body adjacent to a building described in subparagraph (A) of this paragraph;**

**(C) The portion of any other building owned and prepared for occupation or occupied by an agency of the state or a municipal corporation as defined in ORS 297.405; or**

**(D) A public art statue, sculpture, clock tower or bell tower.**

**(b) "Public building" does not mean:**

**(A) Property acquired by an urban renewal agency with the intent to redevelop or sell the property;**

**(B) Property acquired by an urban renewal agency with the intent to lease the property for a taxable use;**

(C) **Transportation infrastructure, including train stations, bus stations and publicly owned parking facilities that support taxable property;**

(D) **Water or wastewater infrastructure facilities, including treatment facilities;**

(E) **Tourism-related facilities as defined in ORS 320.300; or**

(F) **Park and recreation facilities, including sports fields.**

(13) **“Public building project” means an urban renewal project that includes a public building.**

(14) **“Reduced rate plan” means an urban renewal plan that:**

(a) **Was adopted before December 6, 1996, is an existing urban renewal plan and was designated as an Option One plan under ORS 457.435;**

(b) **Was adopted before December 6, 1996, was an existing urban renewal plan designated as an Option One plan under ORS 457.435 on October 6, 2001, and was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001, and before the effective date of this 2019 Act;**

(c) **Was adopted on or after October 6, 2001, and before the effective date of this 2019 Act; or**

(d) **Was adopted before December 5, 1996, if the governing body of the city or county that adopted the plan has, pursuant to ORS 457.445 (4), irrevocably elected to use a consolidated billing tax rate determined under ORS 457.445 (1)(b) and, on or before July 15 of the first property tax year for which the election is effective, provided the county assessor with a copy of the resolution or ordinance making the election.**

(15) **“Standard rate plan” means an urban renewal plan that is not a permanent rate plan or reduced rate plan.**

[(11)] (16) [*“Taxing body” or*] **“Taxing district” means the state, city, county or any other [taxing] unit [which] of government that has the power to levy a tax.**

[(12)] (17) **“Urban renewal agency” or “agency” means an urban renewal agency created under ORS 457.035 and 457.045.**

[(13)] (18) **“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.**

[(14)] (19) **“Urban renewal plan” or “plan” means a plan, as it exists or is changed or modified from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.**

[(15)] (20) **“Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.**

**SECTION 2.** ORS 457.085 is amended to read:

457.085. (1) An urban renewal agency shall provide for public involvement in all stages in the development of an urban renewal plan.

(2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:

(a) A description of each urban renewal project to be undertaken.

(b) An outline for the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of the plan.

(c) A map and legal description of the urban renewal areas of the plan.

(d) An explanation of [its] **the plan’s** relationship to definite local objectives regarding appropriate land uses and improved traffic, public transportation, public utilities, telecommunications utilities, recreational and community facilities and other public improvements.

(e) An indication of proposed land uses, maximum densities and building requirements for each urban renewal area.

(f) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area of the plan.

(g) An indication of which real property may be acquired and the anticipated disposition of [said] **such** real property, whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition.

(h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the maximum amount of indebtedness that can be issued or incurred under the plan.

(i) A description of what types of possible future amendments to the plan are substantial amendments and require the same notice, hearing and approval procedure required of the original plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:

*[(A) Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.]*

**(A) Adding land to the urban renewal area if the addition results in a cumulative addition of more than one percent of the urban renewal area.**

(B) Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.

(j) For a project [which] **that** includes a public building, an explanation of how the **public** building serves or benefits the urban renewal area.

*[(3) An urban renewal plan shall be accompanied by a report which shall contain:]*

*[(a) A description of physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;]*

*[(b) Reasons for selection of each urban renewal area in the plan;]*

*[(c) The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;]*

*[(d) The estimated total cost of each project and the sources of moneys to pay such costs;]*

*[(e) The anticipated completion date for each project;]*

*[(f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;]*

*[(g) A financial analysis of the plan with sufficient information to determine feasibility;]*

*[(h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area; and]*

*[(i) A relocation report which shall include:]*

*[(A) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;]*

*[(B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530; and]*

*[(C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.]*

*[(4) An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations, prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095.]*

*[(5) An urban renewal plan and accompanying report shall be forwarded to the governing body of each taxing district affected by the urban renewal plan and the agency shall consult and confer with the taxing districts prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095. Any written recommendations of the governing body of each taxing district shall be accepted, rejected or modified by the governing body of the municipality in adopting the plan.]*

*[(6) No urban renewal plan shall be carried out until the plan has been approved by the governing body of each municipality pursuant to ORS 457.095 and 457.105.]*

**SECTION 3. ORS 457.120 and sections 4 and 5 of this 2019 Act are added to and made a part of ORS 457.035 to 457.320.**

**SECTION 4.** An urban renewal plan proposed by an urban renewal agency shall be accompanied by a report that contains:

(1) A description of the physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;

(2) Reasons for the selection of each urban renewal area in the plan;

(3) The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;

(4) The estimated total costs for each project and the sources of moneys to pay the costs;

(5) The anticipated completion date for each project;

(6) The estimated amount of moneys required for each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;

(7) A financial analysis of the plan with sufficient information to determine the feasibility of the plan;

(8) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all districts levying taxes upon property in the urban renewal area; and

(9) A relocation report that includes:

(a) An analysis of existing residents or businesses required to relocate temporarily or permanently as a result of the urban renewal agency's actions under ORS 457.170;

(b) A description of the methods to be used for the temporary or permanent relocation of persons living, and businesses situated, in the urban renewal area, in accordance with ORS 35.500 to 35.530; and

(c) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and the new units to be added.

**SECTION 5.** (1) An urban renewal agency shall forward an urban renewal plan and the accompanying report to the planning commission of the municipality for recommendations before presenting the plan to the governing body of the municipality for approval under ORS 457.095.

(2)(a) The urban renewal agency shall deliver the urban renewal plan and accompanying report to the governing body of each taxing district affected by the urban renewal plan, by certified mail or any form of delivery that requires a signature upon delivery or that may otherwise be tracked. The agency shall consult and confer with the taxing districts before presenting the plan to the governing body of the municipality for approval under ORS 457.095.

(b) The governing body of each taxing district shall have 45 days following receipt of the plan and report to submit written recommendations to the urban renewal agency. In adopting the plan, the governing body of the municipality shall accept, reject or modify the recommendations of each taxing district.

(3)(a) An urban renewal plan proposed on or after the effective date of this 2019 Act that includes a public building project requires the concurrence of at least three of the four taxing districts that are estimated to forgo the most property tax revenue as computed in the report accompanying the proposed plan. The question of concurrence shall be determined by a vote of the governing body of each of the four taxing districts.

(b) The urban renewal agency shall include with the urban renewal plan and accompanying report provided pursuant to subsection (2) of this section a request for concurrence in the inclusion of the public building project in the proposed plan.

(c) The governing body of each taxing district described in paragraph (a) of this subsection shall, by written resolution, concur or decline to concur in the inclusion of the public building project in the proposed plan.

(d)(A) If at least three of the four taxing districts described in paragraph (a) of this subsection concur, the public building project may be included in the proposed plan.

**(B) If at least two of the four taxing districts described in paragraph (a) of this subsection do not concur, the public building project may not be included in the proposed plan.**

**(e) If the governing body of a taxing district described in paragraph (a) of this subsection does not respond within 45 days after receiving the plan and report under subsection (2) of this section, the taxing district shall be deemed to have concurred in the inclusion of all public building projects included in the plan.**

**(4) Subsections (2) and (3) of this section also apply to:**

**(a) The addition on or after the effective date of this 2019 Act of a public building project to an urban renewal plan that is not included in the plan before the effective date of this 2019 Act.**

**(b) An amendment proposed on or after the effective date of this 2019 Act to an urban renewal plan that significantly increases the scope of work for a public building project to be paid for with division of taxes pursuant to ORS 457.420 to 457.460.**

**(5) An urban renewal plan may not be carried out until the plan has been approved by the governing body of each municipality in accordance with ORS 457.095 and 457.105.**

**SECTION 6.** ORS 457.095 is amended to read:

457.095. (1) The governing body of [*the*] a municipality, upon receipt of a proposed urban renewal plan and report from the municipality's urban renewal agency and after public notice and hearing and consideration of public testimony and planning commission **and taxing district** recommendations, if any, may approve the urban renewal plan. The approval shall be by nonemergency ordinance [*which shall incorporate*] **that incorporates** the plan by reference. Notice of adoption of the ordinance approving the urban renewal plan, and the provisions of ORS 457.135, shall be published by the governing body of the municipality in accordance with ORS 457.115 no later than four days following the ordinance adoption.

**(2) The ordinance shall include determinations and findings by the governing body of the municipality that:**

[*(1)*] **(a)** Each urban renewal area is blighted;

[*(2)*] **(b)** The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality;

[*(3)*] **(c)** The urban renewal plan conforms to the comprehensive plan and economic development plan, if any, of the municipality as a whole and provides an outline for accomplishing the urban renewal projects the urban renewal plan proposes;

[*(4)*] **(d)** Provision has been made to house displaced persons within their financial means in accordance with ORS 35.500 to 35.530 and, except in the relocation of elderly individuals or individuals with disabilities, without displacing on priority lists persons already waiting for existing federally subsidized housing;

[*(5)*] **(e)** If acquisition of real property is provided for, [*that*] it is necessary;

[*(6)*] **(f)** Adoption and carrying out of the urban renewal plan is economically sound and feasible; and

[*(7)*] **(g)** The municipality shall assume and complete any activities prescribed it by the urban renewal plan.

**SECTION 7.** ORS 457.120 is amended to read:

457.120. (1) In addition to any required public notice of hearing on a proposed urban renewal plan or substantial amendment or change to a plan, as described in ORS 457.085 (2)(i) and 457.220, the municipality shall cause notice of a hearing by the governing body on a proposed plan for a new urban renewal area or on a proposed change containing one of the types of amendments specified in ORS 457.085 (2)(i) to be mailed to each individual or household in one of the following groups:

(a) Owners of real property that is located in the municipality;

(b) Electors registered in the municipality;

(c) Sewer, water, electric or other utility customers in the municipality; or

(d) Postal patrons in the municipality.

(2) If the urban renewal area governed by the plan or substantial amendment thereof extends beyond the boundaries of the municipality, notice shall also be sent to each individual in the selected group who is located in the urban renewal area.

(3) The notice required by this section shall contain a statement in plain language that:

(a) The governing body, on a specified date, will hold a public hearing and consider an ordinance adopting or substantially amending an urban renewal plan;

(b) **If the plan is a standard rate plan, or a reduced rate plan for which the consolidated billing tax rate includes a tax pledged to repay exempt bonded indebtedness that was approved by taxing district electors on or before October 6, 2001,** the adoption or amendment may [impact] affect property tax rates;

(c) [States] **Sets forth** the proposed maximum amount of indebtedness that can be issued or incurred under the plan or amendment;

(d) The ordinance, if approved, is subject to referendum; and

(e) A copy of the ordinance, urban renewal plan and accompanying report can be obtained by contacting a designated person within the municipality.

(4) If the municipality [which] **that** activated the urban renewal agency is a county:

(a) The notice required by subsection (1) of this section shall be sent to each individual or household in one of the groups listed in subsections (1)(a) to (d) of this section, except that the notice need be sent only to those individuals or households located in a school district with territory affected or to be affected by the tax increment financing for the new urban renewal area or proposed change.

(b) In addition to the notice under paragraph (a) of this subsection, the county shall cause notice to be published in a paper of general circulation throughout the county. The published notice shall contain the information described in subsection (3) of this section, be published in an advertisement not less than three inches in height and three inches in width and be located in a general interest section of the newspaper other than the classified advertisement section.

**SECTION 8.** ORS 457.445 is amended to read:

457.445. [(1)(a) *The consolidated billing tax rate of the following urban renewal plans shall be determined under paragraph (b) of this subsection:*]

[(A) *An existing urban renewal plan (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c));*]

[(B) *An urban renewal plan that was an existing urban renewal plan on October 6, 2001, (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)) and that was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001; and*]

[(C) *An urban renewal plan adopted on or after October 6, 2001.*]

[(b)(A) *The consolidated billing tax rate of an urban renewal plan described in paragraph (a) of this subsection equals the total of all district tax rates used to extend taxes after any adjustment to reflect tax offsets under ORS 310.105.*]

[(B) *Notwithstanding subparagraph (A) of this paragraph, the consolidated billing tax rate of an urban renewal plan described in paragraph (a) of this subsection excludes any rate derived from:*]

[(i) *An urban renewal special levy under ORS 457.435.*]

[(ii) *A local option tax, as defined in ORS 280.040, that is approved by taxing district electors after October 6, 2001.*]

[(iii) *A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness used to fund local government pension and disability plan obligations that, until funded by the exempt bonded indebtedness, were described in Article XI, section 11 (5), of the Oregon Constitution), as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001.*]

[(iv) *The increase in the rate of ad valorem property tax allowable under Article XI, section 11 (5)(d), of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded from local*

revenues, as that term is used in ORS chapter 327, and provided that the school district notifies the county assessor of the rate to be excluded for the current fiscal year not later than July 15.]

[(2)(a) *The consolidated billing tax rate of all other urban renewal plans equals the total of all district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105.*]

[(b) *Notwithstanding paragraph (a) of this subsection, the consolidated billing tax rate of urban renewal plans referred to in paragraph (a) of this subsection excludes:*]

[(A) *An urban renewal special levy rate under ORS 457.435.*]

[(B) *A new local option tax.*]

[(3)(a) *Notwithstanding subsection (2)(b)(B) of this section, the consolidated billing tax rate of urban renewal plans referred to in subsection (2)(a) of this section includes a new local option tax imposed in a fiscal year for which the urban renewal agency files with the county assessor an impairment certificate in the manner described in paragraph (b) of this subsection not later than the May 1 immediately preceding the beginning of the fiscal year.*]

[(b) *An impairment certificate must:*]

[(A) *Identify the urban renewal plan to which it relates;*]

[(B) *Instruct the county assessor to include the new local option tax in the consolidated billing tax rate for the urban renewal plan for the ensuing fiscal year;*]

[(C) *State that the urban renewal agency has reasonably determined that excluding the new local option tax from the consolidated billing tax rate for the fiscal year under this subsection would impair contracts that the agency has entered into with owners of indebtedness incurred before October 7, 2013, to carry out an urban renewal plan described in subsection (2) of this section; and*]

[(D) *Be signed by an authorized representative of the agency.*]

[(4)(a) *Notwithstanding subsection (2) of this section, the governing body of a municipality that adopted an urban renewal plan before December 5, 1996 (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), that would otherwise be required to use a consolidated billing tax rate determined under subsection (2) of this section may, by resolution or ordinance, irrevocably elect to have amounts collected by dividing the taxes for the urban renewal plan pursuant to ORS 457.440 be determined under subsection (1)(b) of this section.*]

[(b) *An election made pursuant to this subsection applies first to the assessment roll next following if the assessor has received notice of the election from the urban renewal agency before January 1.*]

[(5) *As used in this section, "new local option tax" means a local option tax, as defined in ORS 280.040, that is approved by taxing district electors after January 1, 2013.*]

**(1) As used in this section, "post-2012 local option tax" means a local option tax, as defined in ORS 280.040, that is approved by taxing district electors after January 1, 2013.**

**(2) The consolidated billing tax rate of an urban renewal plan equals the total of all taxing district ad valorem property tax rates used to extend taxes, after any adjustment to reflect tax offsets under ORS 310.105.**

**(3) Notwithstanding subsection (2) of this section, the consolidated billing tax rate of a standard rate plan excludes any rate derived from:**

**(a) An urban renewal special levy under ORS 457.435; and**

**(b) A post-2012 local option tax.**

**(4)(a) Notwithstanding subsection (3)(b) of this section, the consolidated billing tax rate of a standard rate plan includes a post-2012 local option tax imposed in a fiscal year for which the urban renewal agency files with the county assessor an impairment certificate in the manner described in paragraph (b) of this subsection not later than the May 1 immediately preceding the beginning of the fiscal year.**

**(b) An impairment certificate must:**

**(A) Identify the urban renewal plan to which it relates;**

**(B) Instruct the county assessor to include the post-2012 local option tax in the consolidated billing tax rate for the urban renewal plan for the ensuing fiscal year;**

(C) State that the urban renewal agency has reasonably determined that excluding the post-2012 local option tax from the consolidated billing tax rate for the fiscal year under this subsection would impair contracts that the agency has entered into with owners of indebtedness incurred before October 7, 2013, to carry out the standard rate plan; and

(D) Be signed by an authorized representative of the agency.

(5)(a) The governing body of a municipality that adopted a standard rate plan, other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c), may, by ordinance or resolution, irrevocably elect to become a reduced rate plan.

(b) An election made pursuant to this subsection applies first to the next following assessment roll if the assessor has received notice of the election from the urban renewal agency before January 1.

(6) Notwithstanding subsection (2) of this section, the consolidated billing tax rate of a reduced rate plan excludes any rate derived from:

(a) An urban renewal special levy under ORS 457.435;

(b) A local option tax, as defined in ORS 280.040;

(c) A tax pledged to repay exempt bonded indebtedness, as defined in ORS 310.140, other than exempt bonded indebtedness used to fund local government pension and disability plan obligations that, until funded by the exempt bonded indebtedness, were described in Article XI, section 11 (5), of the Oregon Constitution, that is approved by taxing district electors after October 6, 2001; and

(d) The increase in the rate of ad valorem property tax allowable under Article XI, section 11 (5)(d), of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded from local revenues, as that term is used in ORS chapter 327, and provided that the school district notifies the county assessor of the rate to be excluded for the current fiscal year no later than July 15.

(7) Notwithstanding subsection (2) of this section, the consolidated billing tax rate of a permanent rate plan excludes any rate derived from:

(a) An urban renewal special levy under ORS 457.435;

(b) A local option tax, as defined in ORS 280.040;

(c) A tax pledged to repay exempt bonded indebtedness, as defined in ORS 310.140, other than exempt bonded indebtedness used to fund local government pension and disability plan obligations that, until funded by the exempt bonded indebtedness, were described in Article XI, section 11 (5), of the Oregon Constitution; and

(d) Except for plans that had been standard rate plans prior to the effective date of this 2019 Act, the increase in the rate of ad valorem property taxes allowable under Article XI, section 11 (5)(d), of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded from local revenues, as that term is used in ORS chapter 327, and provided that the school district notifies the county assessor of the rate to be excluded for the current fiscal year no later than July 15.

**SECTION 9.** ORS 457.220 is amended to read:

457.220. (1) Except for the provisions of subsections (2) and (4) of this section, an urban renewal agency shall carry out the urban renewal plan approved under ORS 457.095.

(2) Any substantial change made in the urban renewal plan shall, before being carried out, be approved and recorded in the same manner as the original plan.

(3) *[No land]* **An urban renewal agency may not by amendments add to the urban renewal areas of a plan land that is equal to more than 20 percent of the total land area of the original plan *[shall be added to the urban renewal areas of a plan by amendments]* as calculated without taking into account any subsequent reductions of the area.**

(4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:



(a) The aggregate of all amendments under this subsection may not exceed 20 percent of the plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

(b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the initial maximum indebtedness may be increased annually on the anniversary date of initial approval of the plan by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary of plan approval. This increase may be applied only to the first amendment to the maximum indebtedness that is made on or after January 1, 2010.

(5) The limits in subsection (4) of this section do not apply if the agency obtains concurrence as provided in ORS 457.470.

**SECTION 10.** ORS 457.460 is amended to read:

457.460. (1) Not later than January 31 of each year, an urban renewal agency shall prepare a statement, on the same basis on which its financial statements are prepared, containing:

(a) The amount of [money] **moneys** received during the preceding fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(b) The purposes and amounts for which any [money] **moneys** received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding fiscal year;

(c) An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(d) A budget setting forth the purposes and estimated amounts for which the moneys [which] **that** have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 are to be expended during the current fiscal year; [and]

**(e) The maximum indebtedness for each urban renewal area included in an urban renewal plan of the agency, including the amount of indebtedness incurred through the end of the immediately preceding fiscal year; and**

[(e)] **(f)** An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430.

**(2)(a)** The statement required by subsection (1) of this section shall be filed with the governing body of the municipality **and distributed to each taxing district affected by an urban renewal plan of the agency.** Notice shall be published that the statement has been prepared and is on file with the municipality and the agency and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before March 1 of the year in which the statement is filed, in accordance with ORS 457.115. The notice shall summarize the information required under subsection (1)(a) to [(d)] **(e)** of this section and shall set forth in full the information required under subsection [(1)(e)] **(1)(f)** of this section.

**(b) A representative of the agency shall be available to consult with affected taxing districts and respond to questions.**

**SECTION 11.** ORS 457.445, 457.455 and 457.470 are added to and made a part of ORS 457.420 to 457.460.

**SECTION 12.** This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.

**Passed by House June 12, 2019**

.....  
Timothy G. Sekerak, Chief Clerk of House

.....  
Tina Kotek, Speaker of House

**Passed by Senate June 29, 2019**

.....  
Peter Courtney, President of Senate

**Received by Governor:**

.....M,....., 2019

**Approved:**

.....M,....., 2019

.....  
Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2019

.....  
Bev Clarno, Secretary of State

**Agenda Item No. 5:**  
Forecasting Urban  
Renewal Revenue



# Approach to Forecasting Urban Renewal Revenue in Bend's Core Area

PREPARED FOR: Bend Urban Renewal Advisory Board  
COPY TO: Project Team  
PREPARED BY: Lorelei Juntunen, ECONorthwest; Becky Hewitt, ECONorthwest;  
Nick Popenuk, Tiberius Solutions  
DATE: September 24, 2019

## Introduction

This memorandum provides the Urban Renewal Advisory Board (URAB) with an update on the preliminary urban renewal revenue projections. At URAB Meeting #5 (October 1, 2019), the team will seek confirmation of the appropriate assumptions and the initial funding estimate that results from those assumptions.

## Context: A Summary and Reminder

Growth in property value within the Urban Renewal Area (URA) boundary generates an "increment" of property tax revenue that is used to pay for urban renewal projects. This is referred to as Tax Increment Financing (TIF). The tax increment collected over the life of the plan determines how much can be spent on projects (called the "Maximum Indebtedness" or MI). MI is one of the key pieces of the Urban Renewal plan. If projections are overly conservative and revenues exceed expectations, the planned projects can potentially be funded sooner, but no additional projects can be funded without a substantial amendment to the plan. If projections are overly optimistic and revenues fall short of expectations, it will take longer to deliver the projects than expected, leading to potential criticism or concern, especially from affected taxing districts.

There are many unknowns in projecting future development. Because of this uncertainty, TIF revenues are often projected using an assumed growth rate for taxable property value (assessed value or AV) rather than detailed property-specific assumptions. The assumed growth rate is typically somewhat higher than historical trends, but depends on the area's overall development potential. (Areas that are currently vacant create greater uncertainty for future revenues because there is little increase in property value until development occurs.)

**In selecting appropriate growth projections, the important thing is to set expectations in a way that is reasonable but not so conservative that the URA cannot fund the projects needed to spur investment.**

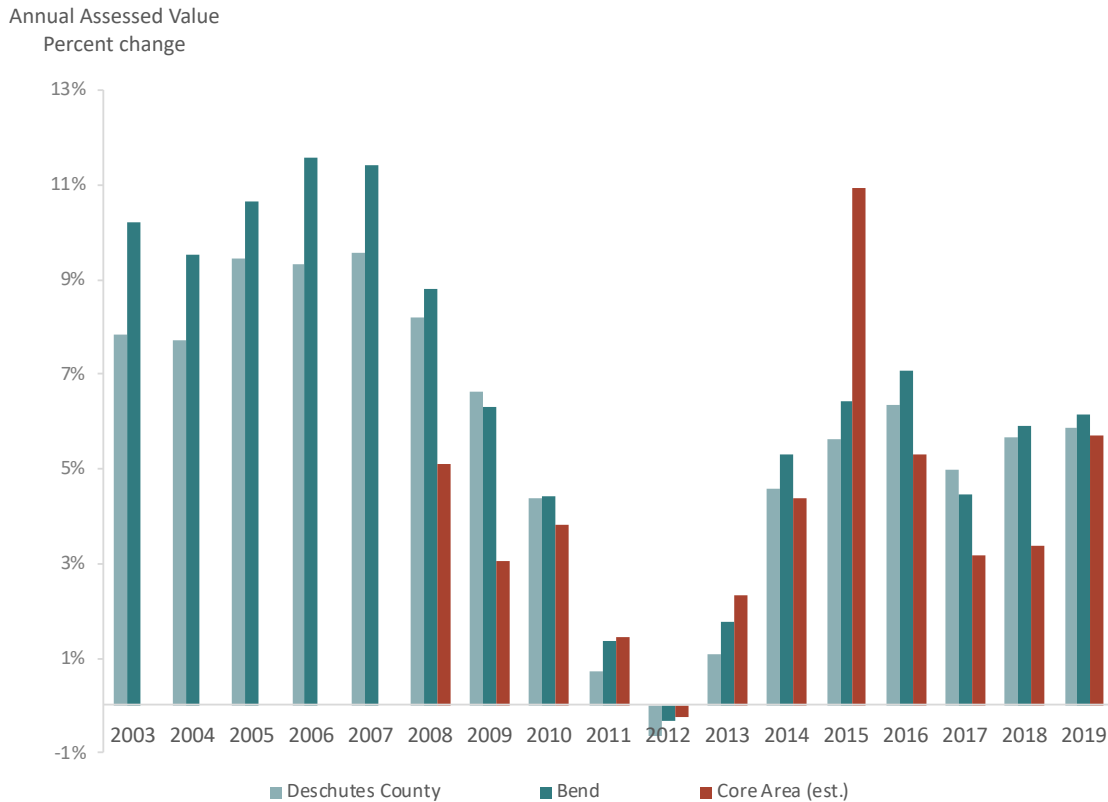
To translate the cumulative total TIF revenues into MI, we need to account for interest paid on debt-funded projects. Then, because the MI is required by statute to be stated in nominal (i.e., year-of-expenditure dollars), it is helpful to adjust the MI for inflation and present it in real terms (i.e. constant 2020 dollars) to better understand the financial capacity of the new URA. Based on the team's experience with other URAs across Oregon, we assume that for every \$1 of TIF revenue generated (year-of-expenditure dollars), the URA would have the capacity to fund

\$0.54 of projects (constant 2020\$).<sup>1</sup> The duration of the plan is used in the financial calculations to establish the MI, but it typically serves as an estimate, not a hard limit.

## Historical Growth Rates in the Core Area

Based on the draft Urban Renewal boundary approved by URAB on August 13, 2019 and depicted in Figure 2, the Project Team has used historical tax lot data to estimate the change in assessed value within that boundary over time since 2008. This is shown in Figure 1, below, along with the County and City of Bend changes for the same year.

**Figure 1. Historical Annual Percentage Growth in Assessed Value: Deschutes County, City of Bend, and Core Area**



The proposed Urban Renewal Area has historically seen AV generally grow slower than the City as a whole, which is not surprising considering that the area is largely developed with little infill and redevelopment over the past decade. The average annual growth rate for the Core Area from 2010 to 2019 is 4.0%, slightly lower than the City overall, as shown in Table 1.

<sup>1</sup> Based on an evaluation of summary statistics of financial forecasts included in urban renewal plans or feasibility studies conducted by Tiberius Solutions for ten jurisdictions in Oregon in 2018 to 2019.

**Table 1. Historical Average Annual Growth Rates, City of Bend and Deschutes County, 2002-2019**

	AAGR 2010-2019
<i>Deschutes County</i>	3.8%
<i>City of Bend</i>	4.2%
<i>Core Area</i>	4.0%

Source: County and City from ECONorthwest and Tiberius Solutions calculations based on data from Deschutes County Assessor. Core Area based on ECONorthwest analysis of tax lot data provided by the City of Bend.

## Preliminary TIF Projections

As discussed at the last URAB meeting, the Project Team has estimated TIF revenue under a range of growth scenarios, as described below. Note that with growth on existing property value capped at 3% per year, the balance of the growth must come from new development or major improvements to existing properties.

- **Low:** Based on historical growth rates, we used 4.0% for the low-end projection.
- **Medium:** Based on experience with other jurisdictions and professional judgement, we tested both 5.0% and 5.5% as a reasonable “middle of the road” growth rates assuming some increase above historical growth rates.
- **High:** Based on an optimistic assessment of the redevelopment potential of the area, we tested 6.0% as the high end of the growth range. Because of the significant amount of existing assessed value in the area, a higher percentage growth rate would require excessively high rates of development relative to what the Project Team thought would be reasonable to expect in a developed area.

We also tested several options for plan duration (20, 25, and 30 years).

Table 2 summarizes the results of the Project Team’s preliminary TIF projections based on these options, providing the following information for each scenario:

- **Average Annual Construction Value (2020\$):** This is the total value (real market value, not assessed value) of new construction that would be required as an annual average to sustain the assumed growth rate. Note that this average is reported in constant 2020 dollars.<sup>2</sup>
- **Total Net TIF:** This is the total amount of tax increment collected by the urban renewal district over the duration specified. This is the estimated total foregone revenue across all overlapping taxing districts.<sup>3</sup>
- **MI:** This is the maximum indebtedness that could be sustained by the financial projections, based on statutory requirements for how MI must be calculated (i.e. in year of expenditure dollars). This is the key number that would be adopted in the Urban Renewal plan.
- **Capacity (2020\$):** This is an estimate of the total funding available for the urban renewal district, in current dollars (i.e., the MI adjusted for inflation). This is the key number for URAB

<sup>2</sup> Scenarios with longer plan durations have slightly higher average annual construction values not because of assumed inflation (which is factored out of these numbers) but because sustaining the same growth rate on a percentage basis requires slightly more new construction each year, so the average increases slightly for the longer plan durations.

<sup>3</sup> The City has provided each taxing district with an estimate of their foregone revenue under each scenario.

to consider in comparison to the estimated project costs to determine financial feasibility of the urban renewal area relative to the need for public investments.

**Table 2: Preliminary TIF Projection Results**

Growth Rate	Duration	Average Annual Construction Value (2020\$)	Total Net TIF	MI	Capacity (2020\$)
4.0%	20-Year	\$6,800,000	\$59,700,000	\$50,700,000	<b>\$32,500,000</b>
4.0%	25-Year	\$7,000,000	\$99,600,000	\$84,600,000	<b>\$54,200,000</b>
4.0%	30-Year	\$7,200,000	\$154,200,000	\$130,900,000	<b>\$83,900,000</b>
5.0%	20-Year	\$15,000,000	\$80,100,000	\$68,000,000	<b>\$43,600,000</b>
5.0%	25-Year	\$15,800,000	\$136,600,000	\$116,000,000	<b>\$74,400,000</b>
5.0%	30-Year	\$16,700,000	\$216,400,000	\$183,700,000	<b>\$117,800,000</b>
5.5%	20-Year	\$19,700,000	\$91,300,000	\$77,500,000	<b>\$49,700,000</b>
5.5%	25-Year	\$21,100,000	\$157,600,000	\$133,800,000	<b>\$85,800,000</b>
5.5%	30-Year	\$22,500,000	\$252,600,000	\$214,500,000	<b>\$137,500,000</b>
6.0%	20-Year	\$24,900,000	\$103,300,000	\$87,700,000	<b>\$56,200,000</b>
6.0%	25-Year	\$26,900,000	\$180,400,000	\$153,200,000	<b>\$98,200,000</b>
6.0%	30-Year	\$29,200,000	\$292,800,000	\$248,600,000	<b>\$159,400,000</b>

Source: ECONorthwest and Tiberius Solutions calculations.

## Pace of New Development: Reference Points

### Prototypical Development Examples

Cascadia Partners’ analysis of development feasibility provides a number of examples of the increase in property value that could result from redevelopment. Several illustrative examples are summarized in Table 3, below.

**Table 3: Illustrative Development Examples and New Construction Value**

Site Size (ac)	Existing Use	New Development	Existing Improvement Value	Value of New Development	Net New Construction Value
2.3	Single-story retail	Mid-rise mixed use: 222 units on 4 residential floors over ground floor retail	\$1,286,000	\$46,598,000	<b>\$45,312,000</b>
0.34	Industrial/warehouse	Low-rise mixed use: 16 units on 2 residential floors over ground floor retail	\$10,000	\$5,085,000	<b>\$5,075,000</b>
0.22	Parking	Townhomes (4 units)	\$14,000	\$888,000	<b>\$874,000</b>

Source: ECONorthwest analysis of data provided by Cascadia Partners.

## Local Development Examples

Recent local development examples include:

- **The Hixon at Westside Yard:** A development currently under construction in Bend's Central Westside; estimated to be roughly a \$50 million project on 6.6 acres<sup>4</sup>, with just over 200 units and about 18,000 square feet of ground floor commercial space in a six-story mixed use building.<sup>5</sup>
- **Market of Choice:** The new Market of Choice grocery store on Arizona Avenue; estimated cost of \$8.5 million in 2015 for 34,000 square feet of single-story retail.<sup>6</sup>
- **Marriott Springhill Suites:** A recently-built hotel in the Old Mill District; estimated at \$10.4 million in permit value for a four-story, 106-room hotel.<sup>7</sup>
- **Crane Shed Commons:** A recent four-story office development in Bend's Old Mill District with 50,000 square feet of Class A office space; cost estimated at \$12.6 Million in 2017.<sup>8</sup>

## Projected Growth

The City's past planning for this area estimated growth potential of roughly 1,819 new units and 1,649 new jobs by the year 2040.<sup>9</sup>

As a general rule, with current construction costs, new apartments typically cost on the order of \$200,000 or more per unit. Thus, an average of 90 new units per year (which would produce 1,800 units over 20 years) would translate to roughly \$18 million per year in new development.

## Conclusions

Given the examples above, the average annual construction value of the high growth scenario would require a new large, mixed-use development project in the URA roughly every two years or a half dozen or more smaller projects every year. While this pace of development may be possible during a strong market, it is unlikely to be sustained throughout a 20- to 30-year span.

At the other end of the spectrum, the low growth scenario would only mean about one relatively modest development per year on average, or a large development every seven to 10 years. Because this is also in line with historical trends for the area, it would effectively assume that the urban renewal investments would have no effect on the likelihood of redevelopment in the area.

The two medium growth scenarios assume somewhat different levels of new development in the area. Reaching 5.0% growth would require roughly one large development every three years or a few smaller projects each year. This would appear to be a realistic level of redevelopment for

<sup>4</sup> deChase Miksis. (2019, September 10). *The Hixon at Westside Yard*. Retrieved from <http://www.dechase.com/village-east-west-623828.html>

<sup>5</sup> Compass Commercial. (2019, September 10). *Westside Village*. Retrieved from <https://www.compasscommercial.com/portfolio/westside-village>

<sup>6</sup> Market of Choice, "Market of Choice ready to open Bend store," <https://www.marketofchoice.com/news-stories/market-of-choice-ready-to-open-bend-store>; "Our History," <https://www.marketofchoice.com/about-market-of-choice/our-history>

<sup>7</sup> Andy Tullis, "Bend could have 3,200 hotel rooms by 2018," Bend Bulletin, Sept. 18, 2016; <http://www.bendbulletin.com/business/4662387-151/bend-could-have-3200-hotel-rooms-by-2018>

<sup>8</sup> Simon Mather, "Iconic New Office Building Forges Links with Past," Cascade Business News, February 22, 2018; <http://cascadebusnews.com/iconic-new-office-building-forges-links-past/>

<sup>9</sup> City of Bend, Angelo Planning Group, ECONorthwest, Cascadia Partners, DKS Associates, MurraySmith. (2018). *Bend Urban Growth Boundary Implementation: Return on Investment Analysis and Next Steps*. Growth Management. Bend: City of Bend. Page 31



the area on average over time. The medium growth scenario at 5.5% would require a higher average level of new investment; this could be well within reason if the KorPine site is largely redeveloped over the course of the 20- to 30-year period, but might be harder to achieve without large-scale redevelopment.

Based on the analysis summarized above, **the Project Team recommends one of the two “Medium” growth rates, and recommends assuming the URA will be in place for 25 or 30 years** in order to provide sufficient funding capacity for the type and scale of investments the area needs to flourish. **This would yield a range of roughly \$74 million to \$137 million in funding capacity** in 2020 dollars.

## Next Steps

The Project Team is requesting the URAB’s input on the appropriate growth rate and assumed plan duration to set the tentative MI and estimated funding capacity. Based on this input and the URAB’s feedback on project priorities, the Project Team will prepare an initial draft of the Financing Plan, which will show when projects will be funded and in what amounts. The draft Financing plan will also include the amount of revenue that is anticipated to be available during five-year increments in order to help URAB refine the assumptions about when various projects can be funded. However, it is important to remember that the purpose of the Financing Plan is to demonstrate financial feasibility, and the timing and amount of funding for each project is an estimate that can be adjusted during plan implementation.

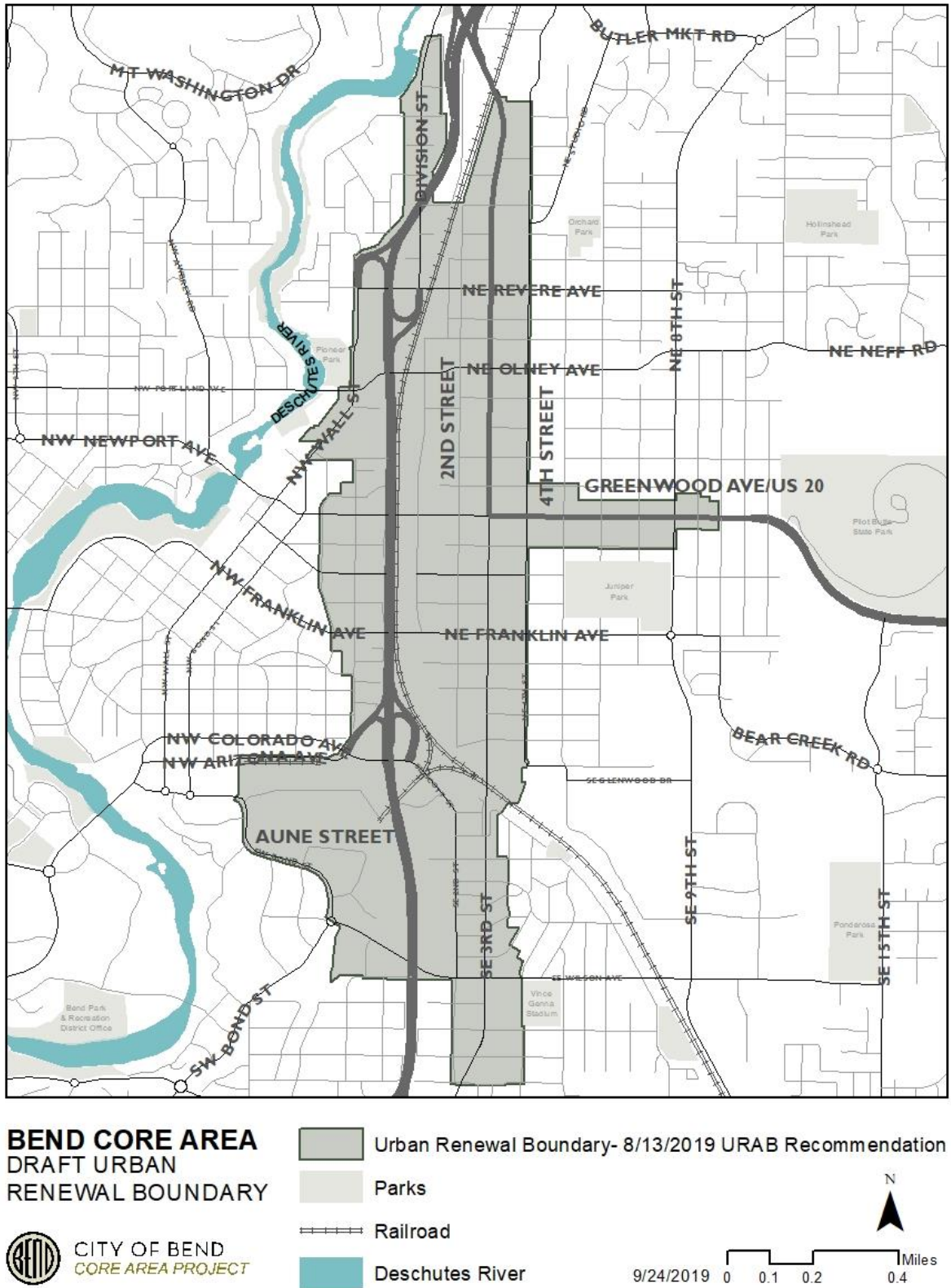


Figure 2. Core Area Urban Renewal Boundary as approved by URAB on August 13, 2019

**Agenda Item No. 5:**  
Urban Renewal Plan & Project  
Category Best Practices



# Urban Renewal Plan & Project Category Best Practices

PREPARED FOR: Urban Renewal Advisory Board (URAB)  
 COPY TO: Project Team  
 PREPARED BY: Matt Stuart, Urban Renewal Manager  
 DATE: September 24, 2019

## Introduction

The purpose of this memo is to provide the Urban Renewal Advisory Board (URAB) with background information related to published “best practices” for drafting an urban renewal plan and the associated projects and categories identified for funding. In addition, specific examples of urban renewal plan’s from other jurisdictions around the state of Oregon have been provided for reference, as Appendix A to this document. This information is intended to assist URAB discussion and direction as it relates to the drafting of a plan’s project categories and descriptions.

It should be noted that this memo specifically references sections of the January 2014, Best Practices for Urban Renewal Agencies in Oregon document published (at the time) by the Association of Oregon Redevelopment Agencies (AORA)<sup>1</sup>. The document, in its entirety, is provided separately for reference.

## Best Practices – Project Determination

In order to appropriately identify an Urban Renewal Area’s (URA) projects and project categories, the following elements should be considered and used as reference for drafting language:

- Existing & Applicable Plans
- Guiding Principles (Goals/Objectives)
- General Project Categories & Descriptions
- General Project Category Funding

### Existing & Applicable Plans

Existing & Applicable Plans play an important role in crafting an URA’s Goals/Objectives and/or Guiding Principles. They are intended to provide guidance and reference for specific planning activities that have been previously identified and/or adopted within the area that have the ability to address blight.

*“The basis for the goals and objectives of an urban renewal plan usually comes from the comprehensive plan and other adopted plans for the URA. Many jurisdictions will have specific planning activities that will spur the desire for urban renewal as an implementation*

<sup>1</sup> AORA merged with the Oregon Economic Development Association (OEDA) in 2017

*tool, such as an action plan for realizing comprehensive plan goals, area plans for downtown commercial districts, Main Street actions, economic development plans, and other planning activities. These documents may be used as a basis for drafting goals and objectives for an URA.”<sup>2</sup>*

As part of the initial URAB process, City staff prepared an Existing Conditions & Applicable Plans, Projects, Programs document for URAB to review, which highlighted the existing conditions within the URA.<sup>3</sup> The document included sections referencing the Comprehensive Plan, the Development Code, previous planning efforts within the URA, the existing conditions (physical, social, economic), Affordable Housing, Transportation, Utilities, and adopted plans from partner agencies (including Bends Parks and Recreation District, Bend-La Pine School District, and Deschutes County Library).<sup>4</sup>

This information is intended to provide important context for identifying potential projects within an URA, especially those that may have received a previous level of planning and/or public consideration/adoption.

### **Guiding Principles**

Guiding Principles, or Goals/Objectives, serve as summarized focal points to assist in project prioritization. They may also serve as reference points to ensure future agency members are accountable to the Plan’s intent.

*“Identifying the goals for the URA makes the project prioritization process easier, as those projects that help fulfill the goals and objectives become priorities.*

*Well-written goals and objectives will help an urban renewal agency keep its focus as it begins accruing sufficient revenues to actually start working on projects. There is always a multitude of ways to spend funds, and it takes discipline to stick to the goals and objectives of an URA.*

*Goals and objectives should provide a clear identification of the desire to address the blight in an URA and make the area function at a higher level. Well-written goals and objectives will help an agency keep its focus on activities that will improve the area. If the primary goals and objectives for the area change, the goals and objectives for the urban renewal plan should be revised to appropriately reflect those changes.”<sup>5</sup>*

URAB affirmed their guiding principles at the 3<sup>rd</sup> meeting on May 14<sup>th</sup>, 2019. They are as follows:

- Create a place where you can live, work and play
- This plan leads to direct outcomes, it is implemented.
- This area removes barriers and connects the East and West sides of Bend.
- Affordability is preserved.
- This is a walkable area with a balanced transportation system.

<sup>2</sup> Association of Oregon Redevelopment Agencies. (2014). *Best Practices for Urban Renewal Agencies in Oregon*. Salem, OR. Page 35.

<sup>3</sup> Bend, C. o. (2019). *Existing Conditions & Applicable Plans, Projects, Programs*. Bend: City of Bend. Retrieved from <https://www.bendoregon.gov/home/showdocument?id=40941>

<sup>4</sup> It should be noted that while the existing and applicable plans may not address all aspects related to the alleviation of blight, the intent of the Core Area Project Implementation Plan/Process is to identify and inform a variety of necessary tools (in addition to Urban Renewal) that can work in a coordinated effort to do so.

<sup>5</sup> Association of Oregon Redevelopment Agencies. (2014). *Best Practices for Urban Renewal Agencies in Oregon*. Salem, OR. Page 35.

- Public investments incentivize and catalyze private development.
- The planning process is transparent and open to ensure that those affected by the decisions are involved in the process.
- This area incorporates sustainable and low impact development principles and practices.

The Open House participants identified the following, ranked by importance, as the top three guiding principles for the area:

- 1) Create a place where you can live, work and play.
- 2) This is a walkable area with a balanced transportation system.
- 3) This area removes barriers connecting East and West sides of Bend.

Utilizing the Guiding Principles as a reference, general project categories can be defined and projects prioritized.

### General Project Categories & Descriptions

Project categories, as aforementioned, can be supported by the existing and applicable plans for an area; and are intended to provide both flexibility and the ability for an URA to adapt to the changing conditions over the life of the plan.

*“(M)any plans use broad categories to describe projects, which allows for flexibility to fund a range of projects throughout the project area while still staying within the overall guidelines of each project category.*

*“The identification of the broader categories, however, is generally accompanied by more detailed studies, reports, or plans that clearly articulate the need for such projects and can provide justification for the recommended project budgets in the urban renewal plan and the finding of economic feasibility required to approve the overall plan. These studies may already be in place through recent planning efforts that preceded the urban renewal discussion.”<sup>6</sup>*

URAB identified an initial list of project types that could utilize urban renewal funding at the 3<sup>rd</sup> meeting on May 14<sup>th</sup>, 2019. These project types are intended to assist in the identification of general project categories and are as follows:

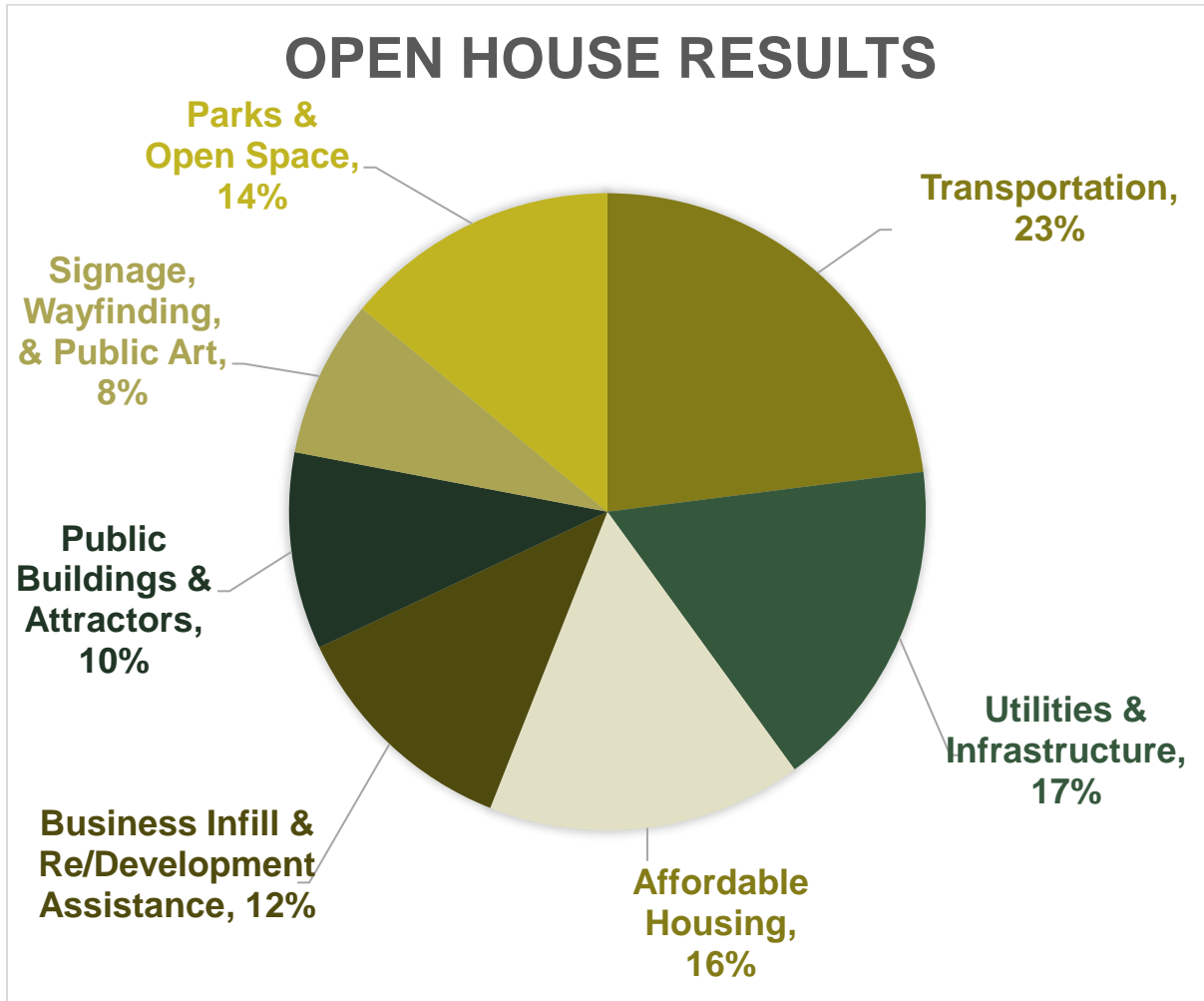
- Transportation
- Utilities & Infrastructure
- Parks and Open Space
- Signage, Wayfinding, and Public Art
- Public Buildings and Attractors
- Affordable Housing
- Business and Infill Development/Redevelopment Assistance

The Open House participants identified the following when asked how to spend potential urban renewal dollars amongst the project types:<sup>7</sup>

<sup>6</sup> Association of Oregon Redevelopment Agencies. (2014). *Best Practices for Urban Renewal Agencies in Oregon*. Salem, OR. Page 37-38

<sup>7</sup> It is recommended that the percentage values listed be interpreted as a reflection of importance and not as a literal dollar allocation. Costs of projects and project categories may vary in order of magnitude from one another.

- 23% - Transportation
- 17% - Utilities & Infrastructure
- 16% - Affordable Housing
- 14% - Parks and Open Space
- 12% - Business and Infill Development/Redevelopment Assistance
- 10% - Public Buildings and Attractors
- 8% - Signage, Wayfinding, and Public Art



**Figure 1 - Core Area Project - Open House Results**

Projects contained within each project category still need to be described sufficiently, but not necessarily explicitly. The specificity regarding the project details can be derived from other plans and documents that may evolve over time - through public input and review (such as Master Plans, Implementation Plans, Comprehensive Plans, and other adopted plans or standards).

*“Urban renewal project descriptions have evolved through the years and largely depend on the purpose and politics of an urban renewal plan. When describing the projects in the urban renewal plan, typically a balance must be struck between specificity and flexibility. Overly specific project descriptions can be problematic because they require the urban*



*renewal agency to make plan amendments when even small changes to projects are needed, such as adjusting for changing physical conditions, market conditions, policy goals, and other constantly evolving factors.”*

*“For example, rather than calling for a streetscape improvement at a specific location consisting of a pre-determined design (e.g., width, materials, amenities), many plans will simply include a project called “streetscape improvements” that describes a range of streetscape improvements anywhere in the URA (or possibly within a specified sub-area). Within that definition would be language that authorizes different types of improvements, but does not obligate any particular form or location (unless desired).”<sup>8</sup>*

Following the project categories definition, an agency is enabled to identify the levels of urban renewal revenue allocated toward each category, and further provide guidance around project prioritization over the life of the plan.

### **General Project Category Funding**

The amount of funding allocated to each project category is based on a variety of factors, including the Maximum Indebtedness (MI), capacity of MI dollars related to the total project cost, as well as an URA’s guiding principles. As aforementioned, some projects identified in existing and applicable plans can be directly associated with the alleviation of blight, however, as other projects are identified, it is important to consider a couple of factors when determining their eligibility for urban renewal funding:

*“In general, an urban renewal agency may want to consider several factors when deciding the appropriate level of funding for various projects. Those factors can include:*

- *Impact on blight: The primary goal of urban renewal is alleviate blight. Therefore, when deciding how to spend urban renewal funds it makes sense that the impact a project has on curing blight in the area would be a major consideration.*
- *Return on investment: Another basic goal of urban renewal is to increase property values and generate the TIF revenues necessary to carry out urban renewal activities. Therefore, another consideration should be how much TIF a project will generate, or how much additional funding will be leveraged by investment of TIF dollars.”<sup>9</sup>*

As project categories are intended to provide flexibility with changing conditions, so too can the level of funding each project may receive within each category:

*“... (I)f a plan includes a project to provide financial assistance to private developers for vacant properties in a downtown, how much assistance should the urban renewal agency contribute? If total development costs for this vacant lot are \$10 million, should the agency contribute \$500,000 or \$5 million? There is no hard and fast rule for determining the share of urban renewal funding that should go to each urban renewal project.”<sup>10</sup>*

By allocating funding to a project category, individual funding decisions around certain projects are enabled to evolve over the life of the plan; taking into consideration changing social, market, and political conditions that may both identify alternative sources of funding or general shift in prioritization.

<sup>8</sup> Association of Oregon Redevelopment Agencies. (2014). *Best Practices for Urban Renewal Agencies in Oregon*. Salem, OR. Page 37-38.

<sup>9</sup> Association of Oregon Redevelopment Agencies. (2014). *Best Practices for Urban Renewal Agencies in Oregon*. Salem, OR. Page 38.

<sup>10</sup> Association of Oregon Redevelopment Agencies. (2014). *Best Practices for Urban Renewal Agencies in Oregon*. Salem, OR. Page 38.



## Summary

This memo is intended to serve as an abridged resource of the January 2014, Best Practices for Urban Renewal Agencies in Oregon; and has been written to assist the URAB when evaluating a potential URA's project categories, projects, and level of funding each could be allocated.

The project team recommends reviewing this memo in conjunction with the Preliminary Urban Renewal Plan Project Categories & Project Outline memo, dated September 14, 2019.<sup>11</sup>

## Attachments:

Appendix A – Urban Renewal Plan Comparison & Review

<sup>11</sup> City of Bend. (2019). *Preliminary Urban Renewal Plan Project Categories & Project Outline*. Economic Development. Bend: City of Bend.

## Appendix A – Urban Renewal Plan Comparison & Review

The following looks at Urban Renewal Plans from three separate jurisdictions with varying approaches to defining and funding, projects and project categories. They are intended to highlight various options related to Projects and Project Categories when drafting an Urban Renewal Plan.

These Urban Renewal Plans range from a plan that provide specific project requirements to achieve its prescribed goals (Redmond, OR); to a plan that offers broad project categories with limited specificity to enable flexibility (Corvallis, OR); to finally a hybrid plan which provides specific project requirements with categories such as transportation, but enables flexibility with categories such as re/development assistance (Tigard, OR).

### Downtown Redmond Urban Renewal Plan<sup>12</sup>

The Downtown Redmond Urban Renewal Plan/District was originally approved by the Redmond City Council in 1995. It most recently received its 12<sup>th</sup> amendment in 2011 which increased the District’s boundary by 102.7 acres, increased the Maximum Indebtedness from approximately \$27 million to approximately \$120 million, added 18 projects to the Plan, and extended the plan expiration date to 2031.

The Plan does not provide for project funding categories, but rather lists each of the 18 projects separately and individually with specific project descriptions and costs.

PROJECT CATEGORIES	PROJECTS
N/A	Property Assistance Program
	City Hall
	Housing Development Opportunity Fund
	Business Park Master Plan
	Highway 97 Reroute Beautification
	Business Park Master Plan
	Wayfinding
	Restaurant Capital Improvements Program
	Alternative Mobility Project
	Business/Medical Park Development
	Business Support Programs
	Industrial Opportunity Fund
	Redevelopment Opportunity Fund
	Evergreen Streetscape Improvements
	Circulation Improvements
	Public Open Space
	Public Parking
	Renewal Program Administration, Planning & Marketing

<sup>12</sup> Redmond, C. o. (2011). *Twelfth Amendment to the Redmond Downtown Urban Renewal Plan*. Redmond. Retrieved from <https://www.ci.redmond.or.us/home/showdocument?id=3082>

**South Corvallis Urban Renewal Plan<sup>13</sup>**

The South Corvallis Urban Renewal Plan/Area was adopted by the City in 2018 and approved by the voters in 2019 with over 80% of the vote. The area is 407.25 acres in size, has a Maximum Indebtedness of approximately \$62 million, and does not have a time limit on tax revenue collection.

The Plan outlines 8 projects divided into 5 project categories: Affordable Housing Support; Commercial and Residential Development Support; Transportation and Pedestrian Improvements; Natural Resource Management; Plan Administration and Planning Refinement.

PROJECT CATEGORIES	PROJECTS
Affordable Housing Support	Supports Land Acquisition, Pre-development Activities, Rehabilitation, Energy Efficiency, Accessibility Upgrades, Wetland/Floodplain/Seismic Mitigation, Capital Improvements, Infrastructure Improvements, other Support.
Commercial and Residential Support	<p>Neighborhood Center and Other Commercial and Residential Development – Creation of a Major Neighborhood Center on identified location. Supports Land Acquisition, Pre-development Activities, Rehabilitation, Energy Efficiency, Accessibility Upgrades, Wetland/Floodplain/Seismic Mitigation, Capital Improvements, Infrastructure Improvements, Design Professionals, other Support.</p> <p>Business Support and Enhancement - Assistance to new &amp; existing businesses and housing developments through Grants/Loans for Façade Improvements, Utilization Assistance, Landscaping Enhancements, Professional Design Services, Mechanical/Electrical Building Upgrades, Fire/Seismic/Safety Improvements.</p>
Transportation and Pedestrian Improvements	<p>Path connection between Tunison Neighborhood and Avery Park</p> <p>Street Design and Improvements – Pedestrian Enhancements, Gateway/Intersection Improvements, Local Street Construction, Street Design Consultation, Tree Installation, Right-of-way Acquisition, Stormwater, Utility Undergrounding, Other projects.</p>
Natural Resource Management	<p>Millrace Stream Restoration – Removal of noxious vegetation, Tree Planting, Bank Stabilization, Other enhancements.</p> <p>Natural Resource Management/Enhancement/Hazard Mitigation – Planning, Wetland Delineations, Hazard Mitigation, Other Projects.</p>
Plan Administration and Planning Refinement	Auditing, Financing, Bond Counsel, Administration, Marketing, Preparation of Financial Plans/Analyses, Professional Consulting, Environmental Analyses, Other Professional/Design Services

<sup>13</sup> Corvallis, C. o. (2019). *South Corvallis Urban Renewal Plan*. Corvallis. Retrieved from <https://archives.corvallisoregon.gov/public/ElectronicFile.aspx?dbid=0&docid=1477698>

### Tigard Triangle Urban Renewal Plan<sup>14</sup>

The Tigard Triangle Urban Renewal Plan/Area was adopted by the City of Tigard in 2016 and approved by the voters in 2017 with approximately 68% of the vote. The area is 547.9 acres in size, has a Maximum Indebtedness of approximately \$188 million, and is intended to collect tax revenue for a period of 35 years.

The Plan outlines 24 projects divided into 6 project funding categories: Transportation; Public Utilities; Public Spaces, Facilities, and Installations; Re/Development Assistance and Partnerships; Project Administration; Finance Fees.

PROJECT CATEGORIES	PROJECTS
Transportation	New Hwy 217 Overpass (Beveland)
	New Street (74 <sup>th</sup> Ave)
	New Street (Atlanta)
	New Hwy I-5 Overpass (Beveland)
	New Hwy I-5 Overpass (Red Rock Creek)
	Modified Intersection (Atlanta/68 <sup>th</sup> )
	Modified Intersection (99W/68 <sup>th</sup> )
	Modified Streets
	New Trail (Red Rock Creek)
	New Streets
	Modified Street (72 <sup>nd</sup> Ave)
	Modified Street (99W)
	Modified Interchange (99W/Hwy 217)
	Modified Signals
Parking Management Plan	
Transportation Study	
Public Utilities	Stormwater Master Plan
	Regional Stormwater Facilities
	Extend Public Sewer System
	Restore Sewer/Stormwater lines
New Water Mains	
Public Spaces, Facilities, and Installations	Development of Parks, Plazas, Greenways, Restrooms, Recreational Facilities, Public Art, Wayfinding, Gateway Installations, Signage
Re/Development Assistance and Partnerships	Assistance to new & existing businesses and housing developments through Grants/Loans, Streetscape Improvements, Technical Assistance, Site Assembly, Site Clean-up, Site Acquisition, other Partnerships
Finance Fees and Plan Administration	Repayment of costs associated with implementations, administration, financing, and relocation.

<sup>14</sup> Tigard, C. o. (2017). *Tigard Triangle Urban Renewal Plan*. Tigard. Retrieved from [https://www.tigard-or.gov/Projects/TigardTriangle/tt\\_UR\\_Plan.pdf](https://www.tigard-or.gov/Projects/TigardTriangle/tt_UR_Plan.pdf)

**Agenda Item No. 5:**  
Preliminary Urban Renewal  
Plan Project Categories &  
Project Outline

# Preliminary Urban Renewal Plan Project Categories & Project Outline

PREPARED FOR: Urban Renewal Advisory Board (URAB)  
COPY TO: Project Team  
PREPARED BY: Matt Stuart, Urban Renewal Manager  
DATE: September 24, 2019

## Introduction

The purpose of this memo is to provide the Urban Renewal Advisory Board (URAB) with a preliminary baseline and outline of potential projects & project categories that would be eligible for Urban Renewal funding. This information is based on previous URAB action, public comments heard at URAB meetings, public outreach and open house results, as well existing and applicable plans for the area.

The following information is intended to assist URAB discussion and direction as it relates to the drafting of an Urban Renewal Plan for the Core Area; and is derived from the Urban Renewal Plan & Project Category Best Practices memo, dated September 24, 2019.

## Project Categories & Applicable Projects

The following table is intended to serve as an outline, recommending potential project categories and applicable projects. The proposed project categories are as follows:

- Affordable Housing Re/Development Assistance, Partnerships, and Support
- Business and Re/Development Assistance, Partnerships, and Support
- Public/Open Space, Facilities, Amenities, and Installations
- Plan Administration, Implementation, Reporting, and Support
- Transportation, Streetscape, and Utility Infrastructure Improvements

Below is a description for each of the respective columns represented in the table, and the information they are intended to provide:

- Project Type/Name: Specific, project themes within a category that address an identified need for the area.
- Project Activities: Breakdown of the specific elements that make up each Project Type/Name that have been identified by this process.
- Project Description: General description of Project Activities eligible for urban renewal funding.
- Cost Estimate (\$): Total estimated project costs, in 2019 \$'s.

- Potential Funding Sources: Other, potential and identified funding sources that could be responsible for all or a portion of the Cost Estimate (\$). These include Community Partners that have been involved with similar work in other jurisdictions.
- Guiding Principles: List of applicable Guiding Principles, established by the URAB, that support each Project Activity.
- Project Type Example(s): List of applicable Project Types, established by the URAB, that are addressed by each Project Category.
- Staff Notes: Provides explanation for Cost Estimates (\$) as well as other general information related to a Project Activities applicability.
- Eligible Expenditures (Examples): Provides examples of potential expenditures urban renewal funding could be utilized for as it relates to each Project Activity.
- UR Funding Allocation: Percent of total Maximum Indebtedness or Estimated Funding Capacity to be allocated or utilized by each Project Category (note: this is the percentage of all urban renewal funds recommended for that category, not the percentage of the total costs in the category that should be funded with urban renewal).
- Estimated Funding Capacity (Approx. Real \$, in millions): Estimated \$ amount, based on UR Funding Allocation, available for each Project Category (range derived from preliminary TIF projections at 20-year, 25-year, and 30-year time periods).

## Next Steps

The Project Team is requesting the URAB's input in regard to the provided project categories, the types of projects provided within each category, their eligibility to receive funding, and the level of funding allocated (in percentage terms) to each project category overall. The Project Team will utilize this input, in conjunction with input received regarding project priorities, to further refine the project outline as a preliminary step in preparing the Finance Plan and draft of an Urban Renewal Plan for further comment/review at forthcoming URAB meetings.

Transportation, Streetscape, and Utility Infrastructure										
Project Type/Name	Project Activities	Project Description	Cost Estimate (\$)	Potential Funding Source	Guiding Principle(s)	Project Type Example(s)	Staff Notes	Eligible Expenditures (Examples)	UR Funding Allocation (% of MI)	Estimated Funding Capacity (Approx. Real \$, in millions)*
Utility Infrastructure	Sewer System Upgrades	Provide funds to support projects identified in the 2018 Sewer Public Facility Plan that are located within the Urban Renewal District.	\$ 3,547,000	CIP; Utility Rate Fee; Private Developer; Urban Renewal	1) Public investments incentivize and catalyze private development	1) Transportation 2) Utilities & Infrastructure	- Includes the costs associated with the Drake Lift Station and Force Main (under construction) and the Drake Downstream Trunk/2nd Street Trunk. - Assistance with Sewer upgrades associated with specific Affordable Housing and/or Private Development projects can utilize funds from those categories.	See 'Project Activities' & 'Staff Notes'	50%	~\$37.0 to \$68.5 Million
	Stormwater System Upgrades	Provide funds to support projects identified in the 2014 Stormwater Master Plan that are located within the Urban Renewal District	\$ 5,200,000	CIP; Utility Rate Fee; Private Developer; Urban Renewal	1) Public investments incentivize and catalyze private development		- Includes the costs associated with the Franklin and Greenwood Underpasses. - Total Cost Estimate derived from Stormwater Master Plan and CIP estimates to date. - Assistance with Stormwater solutions/upgrades associated with specific Affordable Housing and/or Private Development projects can utilize funds from those categories.	See 'Project Activities' & 'Staff Notes'		
	Water System Upgrades	Provide funds to support projects identified in the 2011 Water Master Plan that are located within the Urban Renewal District	\$ 1,100,000	CIP; Utility Rate Fee; Private Developer; Urban Renewal	1) Public investments incentivize and catalyze private development		- Includes the costs associated with the Norton Ave (L5-7), Olney Parallel (L5-8), Revere (L5-10), and Division (L5-11) upgrade/replace projects. - Total Cost Estimate derived from 2011 Water Master Plan and CIP estimates to date. - Assistance with Water solutions/upgrades associated with specific Affordable Housing and/or Private Development projects can utilize funds from those categories.	See 'Project Activities' & 'Staff Notes'		
	Undergrounding of Overhead Utilities	Provide funds to support the conversion of overhead utilities to underground services. This would include both distribution and transmission power lines, as well as communication and broadband services.	\$ 16,860,000	Private Developer; Utility Provider; Urban Renewal	1) Public investments incentivize and catalyze private development		- Assumes approximately 5.62 miles of priority right-of-way as detailed in the Urban Design Framework - identified as part of the "connected grid." - Cost is based on 2017 PGE Conversion Estimates of \$3 million per mile. - Other estimates include 2017 Florida Power & Light ranging from \$500,000 to \$4 million per mile; 2013 Edison Electric Institute reported a minimum overhead-to-underground transmission line conversion cost of \$536,760-\$1,100,000/mile and a maximum conversion cost of \$6,000,000-\$12,000,000; and a minimum overhead-to-underground distribution line conversion cost range of \$158,100-\$1,000,000/mile and a maximum conversion cost range of \$1,960,000-\$5,000,000. - Assistance with "Dry" utility solutions/upgrades associated with specific Affordable Housing and/or Private Development projects can utilize funds from those categories.	See 'Project Activities' & 'Staff Notes'		



Transportation, Streetscape, and Utility Infrastructure (Cont'd)										
Project Type/Name	Project Activities	Project Description	Cost Estimate (\$)	Potential Funding Source	Guiding Principle(s)	Project Type Example(s)	Staff Notes	Eligible Expenditures (Examples)	UR Funding Allocation (% of MI)	Estimated Funding Capacity (Approx. Real \$, in millions)*
Transportation, Streetscape					1) Create a place where you can live, work, and play. 2) This area removes barriers and connects East and West sides of Bend. 3) This is a walkable area with a balanced transportation system. 4) Public investments incentivize and catalyze private development	1) Transportation 2) Utilities & Infrastructure				(Cont'd)

SEE 'BEND CORE AREA - URBAN RENEWAL TRANSPORTATION FUNDING STRATEGY' MEMO

SEE 'BEND CORE AREA - URBAN RENEWAL TRANSPORTATION FUNDING STRATEGY' MEMO

(Cont'd)

Affordable Housing Re/Development Assistance, Partnership, and Support										
Project Type/Name	Project Activities	Project Description	Cost Estimate (\$)	Potential Funding Source	Guiding Principle(s)	Project Type Example(s)	Staff Notes	Eligible Expenditures (Examples)	UR Funding Allocation (% of MI)	Estimated Funding Capacity (Approx. Real \$, in millions)*
Development Support	Land Acquisition/Assembly; Pre-development Activities - including design professional/consultant support; Environmental Review, Mitigation, & Remediation; Capital Improvements; Infrastructure Improvements; Other Support for Housing Projects	Partner with, and offer funds to support affordable housing organizations and developers to create low income, affordable housing opportunities as defined by the 2016 Bend Comprehensive Plan (Policy 5-20). Project funds may be used for activities that support the development or rehabilitation of affordable housing units.	\$ 70,525,000	Affordable Housing Fee; CDBG; HUD; LIHTC; LIFT; OHCS; Private Developer; Urban Renewal	1) Affordability is preserved. 2) Create a place where you can live, work, and play. 3) Public investments incentivize and catalyze private development.	3) Affordable Housing	- 2016 Bend Comprehensive Plan - Policy 5-20: 80% of Area Median Income for home ownership, and 60% of Area Median Income for rentals. - 2040 Integrated Land Use and Transportation Plan: ~1,820 - estimated number of new Housing units for the area(s) by 2040. - Based on an average, estimated unit cost of ~\$155,000, and approximately 10-25% going toward Affordable Housing, Total Project Cost equals ~\$70,525,000 (455 * 155,000).	- New Affordable Housing Developments (entire building) that meet the Comprehensive Plan definition. - Affordable Housing components within a market-rate project (proportion of building) that meet the Comprehensive Plan definition. - Rehabilitation of existing buildings for Affordable Housing that meet the Comprehensive Plan definition. - Examples: Redmond - Cook Crossing; Bend - Putnam Pointe; Beaverton - The Rise Old Town; Albany - Woodwind Apartments	15%	~\$11.1 to \$20.5 Million

Business and Re/Development Assistance, Partnership, and Support										
Project Type/Name	Project Activities	Project Description	Cost Estimate (\$)	Potential Funding Source	Guiding Principle(s)	Project Type Example(s)	Staff Notes	Eligible Expenditures (Examples)	UR Funding Allocation (% of MI)	Estimated Funding Capacity (Approx. Real \$, in millions)*
Re/Development Support	Land Acquisition/Assembly; Pre-development Activities - including design professional/consultant support; Environmental Review, Mitigation, & Remediation; Capital Improvements; Infrastructure Improvements; Other Support for private and/or non-profit developments	Partner with, and offer funds to support redevelopment and new development projects within the Urban Renewal District. Project funds may be used for activities that support commercial, retail, non-profit, mixed-use, and residential housing development projects, as well as other organizations that require capital investments/improvements - as long as they do not meet the definition of a "Public Building" or "Affordable Housing."	\$ 286,650,000	Private Developer; Urban Renewal	1) Create a place where you can live, work, and play. 2) Public investments incentivize and catalyze private development.	4) Business Infill & Re/Development Assistance 5) Public Buildings & Attractors	- 2040 Integrated Land Use and Transportation Plan: ~1,820 - estimated number of new Housing units for the area(s) by 2040. - Based on an average, estimated unit cost of ~\$175,000, and approximately 75-90% going toward market-rate housing projects, Total Project Cost equals ~\$286,650,000 (1,638 * 175,000). - Programs, criteria, or agreements for monetary award to be developed/designed/implemented by the Bend Urban Renewal Agency.	- Development projects that do not meet the definition of a Public Building per ORS statute or Affordable Housing per the Comprehensive Plan. - Housing Developments (Workforce, Market-rate, below 60% AMI, etc.) - Commercial/Retail/Light Industrial Developments. - Visual & Performing Arts Center. - Non-profit facility rehabilitation (expansion, redevelopment, rehabilitation). - Transit Facilities and Mobility Hubs	15%	~\$11.1 to \$20.5 Million
Existing Business/Building Support & Enhancement	Building Façade Improvement; Pre-development/Code/Fee Assistance; Professional Design & Engineering Consultation; Public & Building Safety Improvement; Energy Efficiency Improvements; Streetscape/Landscape & Pedestrian Enhancements	Provide and administer loans and grant programs to assist start-ups, existing local business owners and property owners in developing, redeveloping, or rehabilitating property. Loans and/or grants may include financial assistance to improve older buildings to meet current code standards; assist in the assessment, permitting and possible mitigation or remediation of environmental conditions; assess the feasibility of development or redevelopment; assist in other improvements to allow for the intensification of under-utilized sites; and other programs to eliminate blight in the area and retain existing businesses while also attracting new businesses that will provide needed goods and services.	\$ 6,500,000	Private Developer; Urban Renewal	(1) and (2)	- Estimated ~723 "Job Sites" within the Core Area Project in 2019. - 2040 Integrated Land Use and Transportation Plan: ~1,649 - estimated number of new jobs for the area(s) by 2040. - 2018 EDCO Economic Profile: ~11 employees per company in Central Oregon. - Total of ~873 "Job Sites" and/or companies by 2040. - Estimated ~15% of "Job Sites" and/or new companies may participate in an improvement program at some kind (UR or other Institution) at an average of ~\$50,000 per award. - Total Project Cost is estimated to equal ~\$6,500,000 (130 * 50,000). - *Programs to be developed/designed/implemented by Bend Urban Renewal Agency.	- Façade Improvement Grant/Loan program. - Business Improvement program (expansion, redevelopment, rehabilitation).			

Public/Open Space, Facilities, Amenities, and Installations										
Project Type/Name	Project Activities	Project Description	Cost Estimate (\$)	Potential Funding Source	Guiding Principle(s)	Project Type Example(s)	Staff Notes	Eligible Expenditures (Examples)	UR Funding Allocation (% of MI)	Estimated Funding Capacity (Approx. Real \$, in millions)*
Parks/Trails/Open Space	Land Acquisition/Assemb	Provide funds to support the acquisition of land for the purposes of a park, recreation, trail, and/or open space use.	\$ 6,969,600	Bend Parks & Recreation; Private Developer; Urban Renewal	1) Create a place where you can live, work, and play. 2) This is a walkable area with a balanced transportation system. 3) Public investments incentivize and catalyze private development	5) Public Buildings & Attractors 6) Signage, Wayfinding, & Public Art 7) Parks & Open Space	- Excludes Park/Open Space requirements that may be associated with a Master Plan (KorPine). - Estimated ~4 acres (174,240 square feet) of additional Park/Open Space needed within area at an average of ~\$40 per square foot. - Total Project Cost is estimated to equal ~\$6,969,600 (174,240 * 40).	- Acquisition of Land for future Park(s), Open Space, and/or trails to support future development. - Development, Planning, and Installation of distinct area signage. - Development, Planning, and Installation of a Wayfinding system (could be for the area only or in partnership on a City-wide scale).	10%	~\$7.4 to \$13.7 Million
Wayfinding & Signage	Land Acquisition/Assembly; Wayfinding Systems Plan; District Signage; Installation Assistance	Provide funds to assist in creating a clear identity for those that live, work, and/or visit the area through the development of a wayfinding system and distinct district signage.	\$ 150,000	Urban Renewal; Bend Chamber of Commerce; Visit Bend	(1), (2) and (3)		- Estimated cost based on similar projects in other Oregon municipalities: - Pendleton, OR, 2010, Urban Renewal District Total Project Cost equals \$102,000 (287 acres). - Milwaukie, OR, 2016, Downtown Area Total Project Cost equals \$74,685. - Wilsonville, OR, 2019, City-Wide Total Project Cost equals ~\$1,110,000. - *Program to be developed/designed by Bend Urban Renewal Agency.			
Private Art Installations	Mural & Private Art Grants/Loans; Installation Assistance	Provide and administer loans and/or grants that provide new and existing businesses, or new and existing property owners, with the ability to contribute to the creative vibe of the area. Funds could be used for events, performances, and/or commissioned artist fees.	\$ 250,000	Urban Renewal; Arts & Cultural Alliance; Art in Public Places; High Desert Mural Festival	(1), (2) and (3)		- Estimated cost based on similar matching grant program offered in Eugene, OR - which offers matching fund loans ranging from \$10,000 to \$100,000. - *Program to be developed/designed/implemented by Bend Urban Renewal Agency			

Plan Administration, Implementation, Reporting, and Support										
Project Type/Name	Project Activities	Project Description	Cost Estimate (\$)	Potential Funding Source	Guiding Principle(s)	Project Type Example(s)	Staff Notes	Eligible Expenditures (Examples)	UR Funding Allocation (% of MI)	Estimated Funding Capacity (Approx. Real \$, in millions)*
Administration	General Staffing & Expenses; Management & Oversight of Appointed Advisory Board(s); Plan Evaluation; Legal, Debt Issuance, Accounting and Audit Services; Preparation of Annual Financial Reporting; and other Powers granted by ORS Chapter 457 related to Plan Implementation.	Provide funds to retain the services of City personnel; other independent professionals or organizations that provide administrative, technical, and/or project management services; and for the repayment of all costs associated with the implementation of the Plan and outlined activities. It also includes ongoing administration and financing costs associated with issuing long- and short-term debt, relocation costs, and other activities required by ORS Chapter 457.	NTE 10%	Urban Renewal	N/A	N/A	Estimated cost based on Urban Renewal Best Practices	See 'Project Activities'	10%	~\$7.4 to \$13.7 Million
Additional Planning & Studies	Market Feasibility; Transportation Impact Analyses; Business Inventory Analyses; Design, Architectural, Engineering, Environmental, Landscape Architectural, Planning, Platting Services; Rehabilitation, Restoration or Renovation Feasibility and Cost Analyses; Acquisition & Disposition Appraisals.									

**Agenda Item No. 5:**  
Urban Renewal Transportation  
Funding Strategy



# Bend Core Area—Urban Renewal Transportation Funding Strategy

PREPARED FOR: Urban Renewal Advisory Board (URAB)

PREPARED BY: Allison Platt, Senior Planner

DATE: September 24, 2019

## Introduction

The purpose of this memorandum is to introduce the concept of an urban renewal funded transportation strategy for the Core area, and understand URAB's transportation investment priorities for the area under consideration for a new Urban Renewal District.

The City is in the process of updating the Bend Transportation Plan (BTP). The Citywide Transportation Advisory Committee (CTAC) and Funding Work Group (FWG) are working to develop a Funding Plan for citywide transportation improvement needs. That group has been informed of both the opportunities and limitations of Urban Renewal as a transportation funding mechanism. The main points for both URAB and CTAC to keep in mind as they consider transportation funding strategies are:

1. **Urban Renewal revenue is limited** and has competing uses, other than transportation.
2. Urban Renewal revenue **can only be spent on projects within the boundaries of an Urban Renewal District** that are identified in an adopted Urban Renewal Plan & Report.
3. Urban Renewal dollars should be spent on projects that **remove blighted conditions** and/or on **projects that help spur development/redevelopment** within the Urban Renewal District.
4. Urban Renewal revenue in new districts, such as the Core area, is **extremely limited in early years**.

CTAC and FWG have been tasked with developing a funding strategy for citywide transportation projects as part of the BTP. FWG is primarily focused on funding projects within the near term (0-10 years). On September 17, 2019, the FWG had an initial discussion regarding funding strategies to fund projects in the near-term (0-10 years). The FWG advanced one funding scenario to CTAC that included limited revenue from Urban Renewal during this time horizon. In other words, the FWG recognized that Urban Renewal is likely to play a limited role in funding the transportation projects that will be included in the eventual BTP.

URAB's role includes making recommendations, based on projected Urban Renewal revenue, about which transportation investments within the proposed Urban Renewal Area (URA) boundary should be prioritized for urban renewal funding.

# Core Area Transportation Strategy

## Overview

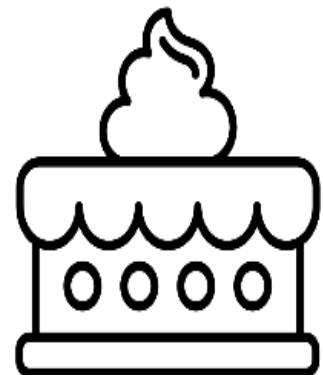
The Core Area Urban Design Framework and the on-going work on the TSP have identified many desirable improvements to streets and transportation facilities within the potential urban renewal area. Those identified in the TSP (referred to throughout this memo as "transportation projects") focus on transportation safety, road capacity, bicycle and pedestrian route continuity, and connectivity for all modes of travel. Those in the Urban Design Framework (referred to in this memo as "streetscape improvements") consider place-making, identity, and how to make the area desirable as a place to live, work, and play. There are some areas of overlap between geographic locations of TSP and UDF projects.

The Project Team would like to get a sense from the URAB on their overall priorities and strategy for supporting transportation investments with Urban Renewal revenue should an Urban Renewal Area be adopted for the Core Area.

## What Type of Investments?

The two different groups of projects can be described with the following metaphor:

- **The Cake: Transportation projects** identified in the draft TSP project list, including new complete streets, safety improvements, intersection upgrades, pedestrian and bicycle key routes, and major over/undercrossing improvements. (The various types of projects in this list are described further on pages 3-4 of this memo and included as Appendix A of this document.)
- **The Icing: Streetscape improvements** such as pedestrian scaled lighting, street trees, curb extensions, wider sidewalks, street furniture, special paving, etc. identified in the Urban Design Framework that are not currently included in the draft TSP 2040 Project List, but may be crucial to the success of the Urban Renewal area to remove blight and attract new development.



**Overcoming the obstacles to development and reinvestment in this area will require both a more functional transportation system and a more appealing public realm.** However, urban renewal funding is insufficient to fully fund all the improvements that have been identified for the area.

The FWG is developing strategies to fund the citywide transportation project list, including the transportation projects located within the potential Urban Renewal Area. This does not mean that there is no role for Urban Renewal funding for transportation projects, but some of the projects in the area, particularly those needed in the near-term, may be funded through other means. The streetscape projects envisioned in the Core Area Urban Design Framework are not included in the current draft TSP project lists, and are not being considered for citywide funding at this time. While private development will likely be a contributing financial partner in the development of streetscape improvements within the Urban Renewal Area (as individual parcels/properties are developed), streetscape improvements are not eligible to receive assistance from existing citywide funding tools such as System Development Charges (SDCs).

The Project Team recommends that the Urban Renewal Plan include a mix of both "cake"/transportation projects and "icing"/streetscape improvements. However, since the streetscape improvements can transform the feel and perception of an area, the Project Team recommends a greater emphasis on the "icing" projects, particularly in the earlier years when they can help spur investment.



## Focus or Spread Urban Renewal Investments?

Urban Renewal does not have to fully fund the projects on the project list; in many cases, it cannot fully fund them (i.e. where those projects serve the City as a whole). In addition to the choices about what type of projects to prioritize for Urban Renewal funding, another strategic decision is whether to focus resources on a few key, catalytic transportation/streetscape projects that are more costly or spread resources across many projects, with urban renewal contributing a share of the funding for each. These options are further described below.

- **Spread Strategy** - Create an overall Transportation funding “bucket” in which potential Urban Renewal revenue may be spread among many different transportation projects in the area as funding becomes available and/or projects become feasible at the discretion of BURA over the life of the Urban Renewal Plan. This has the advantage of providing flexibility during implementation of the Urban Renewal Plan, but provides less commitment to funding key projects needed to implement the urban design framework for the Core Area.
- **Focus Strategy** - Identify a few key projects that the group feels will significantly support development and redevelopment within the area and allocate a specific amount of potential Urban Renewal revenue toward each of those identified projects. This has the advantage of signaling clear priorities for Urban Renewal funding and a greater commitment to those specific projects, but runs the risk of making those projects dependent on the Urban Renewal Area for funding. Note that if specifically identified projects end up being fully funded through other sources (e.g. a general obligation bond), the funds allocated to that project can be reallocated to other projects on the Urban Renewal project list.

The Project Team’s initial recommendation is a blend of these strategies:

- **Focus** investments on a limited number of priority projects and use Urban Renewal to fund a larger share of the total cost for these projects. Because there is little chance that the streetscape improvements will be funded with other sources, any of these that are a priority should be funded at a level that will be sufficient for at least the key blocks, less any expected contributions from private development.
- Reserve some additional funding to **spread** across other transportation projects in the area that are a somewhat lower priority but still contribute to alleviating blight or supporting new development in the area.

## Transportation and Streetscape Projects and Preliminary Costs

### Transportation Projects and Costs (the “Cake”)

The transportation projects from the BTP that are within the proposed Urban Renewal Area include:

- **Bicycle and pedestrian key route improvements:** providing a more continuous, safer, and more comfortable street design for bicyclists and pedestrians on key walking and bicycling routes identified in the BTP work to date. (Examples: Franklin Avenue Key Route #2, Wilson Avenue Key Route #12, and Olney Avenue Key Route #3)
- **Safety improvements:** projects identified in the Bend Transportation Safety Action Plan (TSAP)
- **Transit enhancements:** signal upgrades to improve transit speeds and "mobility hubs" to provide multimodal connections on key transit routes. (Examples: 3rd Street, Greenwood Avenue high-capacity transit corridor improvements, Mobility Hub)

- **New road extensions:** building street extensions to provide better connections for vehicles, bikes, and pedestrians. (Examples: Aune Road and Sisemore Street extensions)
- **Multimodal corridor improvements:** comprehensive corridor-wide improvements to benefit vehicles, bikes, and pedestrians. (Example: Revere Avenue Interchange Improvements, 3<sup>rd</sup> Street & Miller Avenue intersection and street modifications)
- **Bicycle/pedestrian major connectivity upgrades:** over- and under-crossings of major roads and rail lines to provide better and safer connections for bikes and pedestrians. (Examples: Greenwood and Hawthorne over-/under-crossings)
- **Intersection improvements:** enhanced crossings, traffic signal changes, roundabouts, additional turn lanes, or other treatments to enhance safety or reduce delay for vehicles at intersections. (Examples: Olney, Revere, and Franklin intersections at 2nd and 4th Streets)

The Draft BTP 2040 Project List identified projects within the following three time “buckets” in use for CTAC and FWG discussions on the BTP:

- Near-term (0-10 years)
- Mid-term (10-15 years)
- Long-term (15-20 years)

The table below summarizes the estimated cost of projects by timing bucket as presented to CTAC on August 28, 2019. There are approximately **\$100 million** worth of transportation projects identified in the Draft BTP Project List within the proposed URA (this includes the Wilson Key Route from 2<sup>nd</sup> Street to SE 9<sup>th</sup> Street; inclusion of this project in the Urban Renewal Plan & Report would mean that right of way would need to be added to the boundary if it is selected for funding).

**Note:** See Appendix A for the list of transportation projects identified in the Draft BTP 2040 Project List, within the Core Area, which are also depicted in Figure 1 as well as online using the [BTP Interactive Map](#). These projects, project costs, and their prioritized time bucket are subject to change as CTAC deliberates and therefore should be considered preliminary, not final.

**Table 1: Draft TSP Project Costs by Timing Bucket within the Core Area<sup>1</sup>**

Timing Bucket	Total Cost
Near-term Capital Costs	\$63,512,000
Mid-term Capital Costs	\$13,940,000
Long-term Capital Costs	\$22,500,000
<b>Total TSP Costs* within proposed URA</b>	<b>\$99,952,000</b>

<sup>1</sup> Cost estimates are Planning Level Class 5 estimates, which can vary by as much as 50% below to 100% above the initial estimate as the design is developed and refined. For costs that will be partially funded by the state, only the City's share of the costs is included. Where projects extend across the URA boundary, costs include only a portion based on the length within the proposed URA.

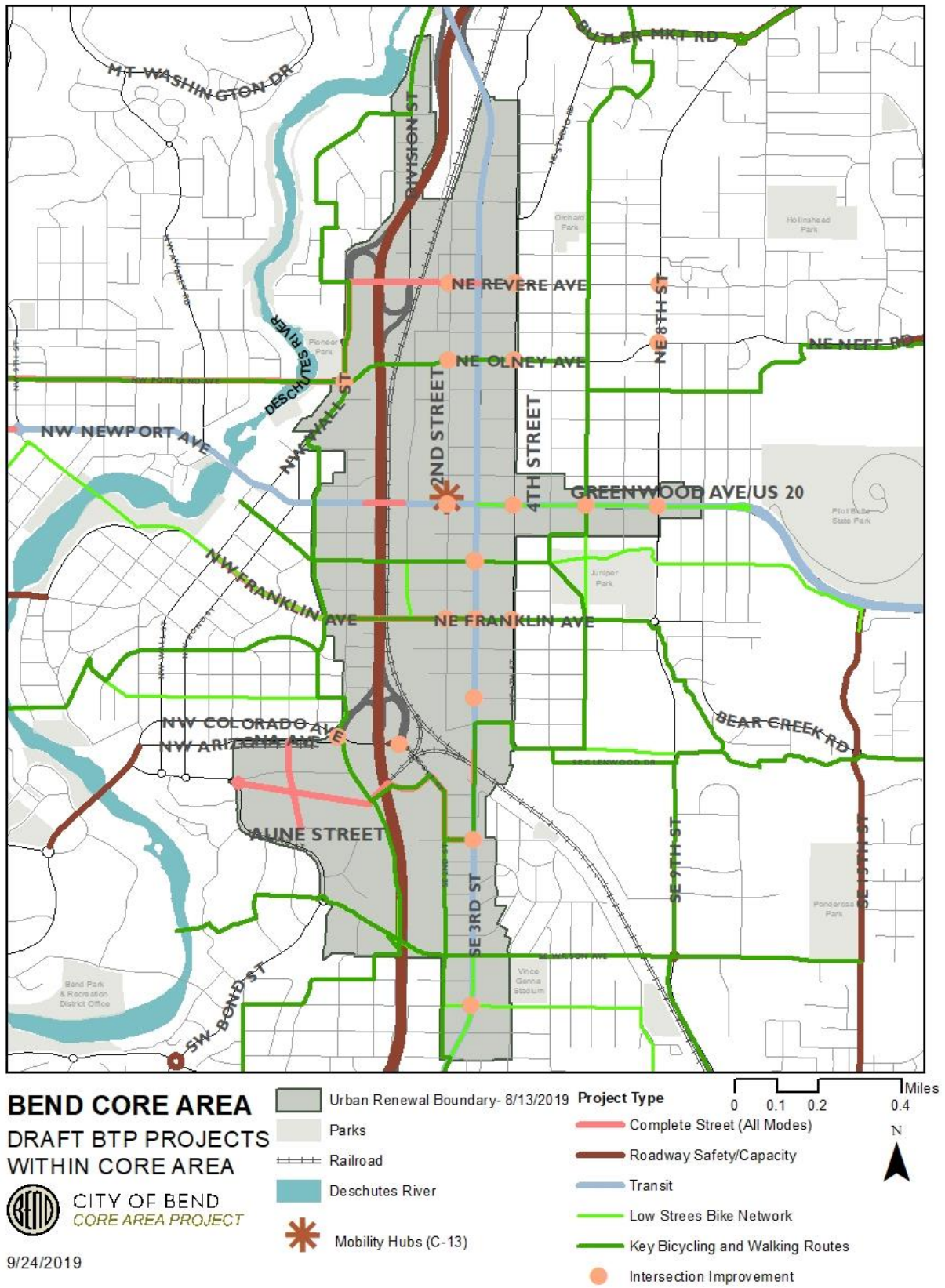


Figure 1. Locations of Draft BTP Projects identified within the Core Area and proposed URA

## Streetscape Improvement Projects and Costs (the “Icing”)

A common use of Urban Renewal revenue is to support investments that enhance the public realm and encourage placemaking. This includes streetscape and beautification improvements. It is important to note that street standards and specifications that incorporate Urban Design elements such as street trees and lighting would need to be adopted for the streets within the Core Area to implement these designs. This would happen through a separate process outside the Urban Renewal Plan & Report.

The Urban Design Framework (UDF) for the Core Area, depicted in Figure 1, identifies three types of streets with different design treatments:

- East-West Spines
- Connected Grid
- Multimodal Edge

The Project Team has developed planning level unit cost estimates for these three types of corridors. However, streetscape improvement costs can vary drastically depending on the types of treatments desired and whether the improvements require a full rebuild of the street or simply modifications to sidewalks and areas behind the curb. As a starting point, the Project Team used planning level unit costs that range between the incremental cost of adding “icing” to an existing road and a full rebuild of the street to the standard described in the UDF, including the full cost of upgrading that road (such as curb relocation and drainage/grading). Table 2 summarizes the cost estimates from that analysis. **Total estimated costs for streetscape improvements range between \$25 million to \$45 million.** Additional work may be needed to identify and reconcile areas of overlap and double-counting of costs assumed for transportation projects in the TSP.

**Table 2: Example of Streetscape Cost Estimates to Implement the UDF**

<i>Corridor Type</i>	<i>Description</i>	<i>Cost/ Linear Foot (LF)</i>	<i>Streets included</i>	<i>Cost Estimate</i>
East-West Spines	Includes full street construction or reconstruction, including vehicular lanes, sidewalks, bicycle facilities, special paving, street furnishings, curb extensions, pedestrian scaled lighting.	\$500/LF- \$1,800/LF	Hawthorne Avenue, Aune Extension <sup>2</sup>	\$3 million- \$6 million
Connected Grid	Includes improvements such as street trees, sidewalk infill, curb extensions, pedestrian scale lighting, stormwater planters.	\$500/LF- \$1,200/LF	1 <sup>st</sup> Street, 2 <sup>nd</sup> street, 4 <sup>th</sup> street, Division, SE 2 <sup>nd</sup> Street, Harriman Street, portions of Greenwood and Franklin Avenues* and local streets between the two.	\$13 million - \$30 million
Multimodal Edge	Includes improvements such as sidewalk infill, landscape buffers, mid-block crossings, enhanced bus stops, and street trees.	\$500/LF	3 <sup>rd</sup> Street and portions of Greenwood Avenue, Franklin Avenue, Wall Street and Revere Avenue.	\$9 million

<sup>2</sup> Streetscape Cost Estimates for Aune Extension were costed at \$500/LF since new roadway reconstruction costs are already assumed as part of BTP 2040 Project List Cost Estimate



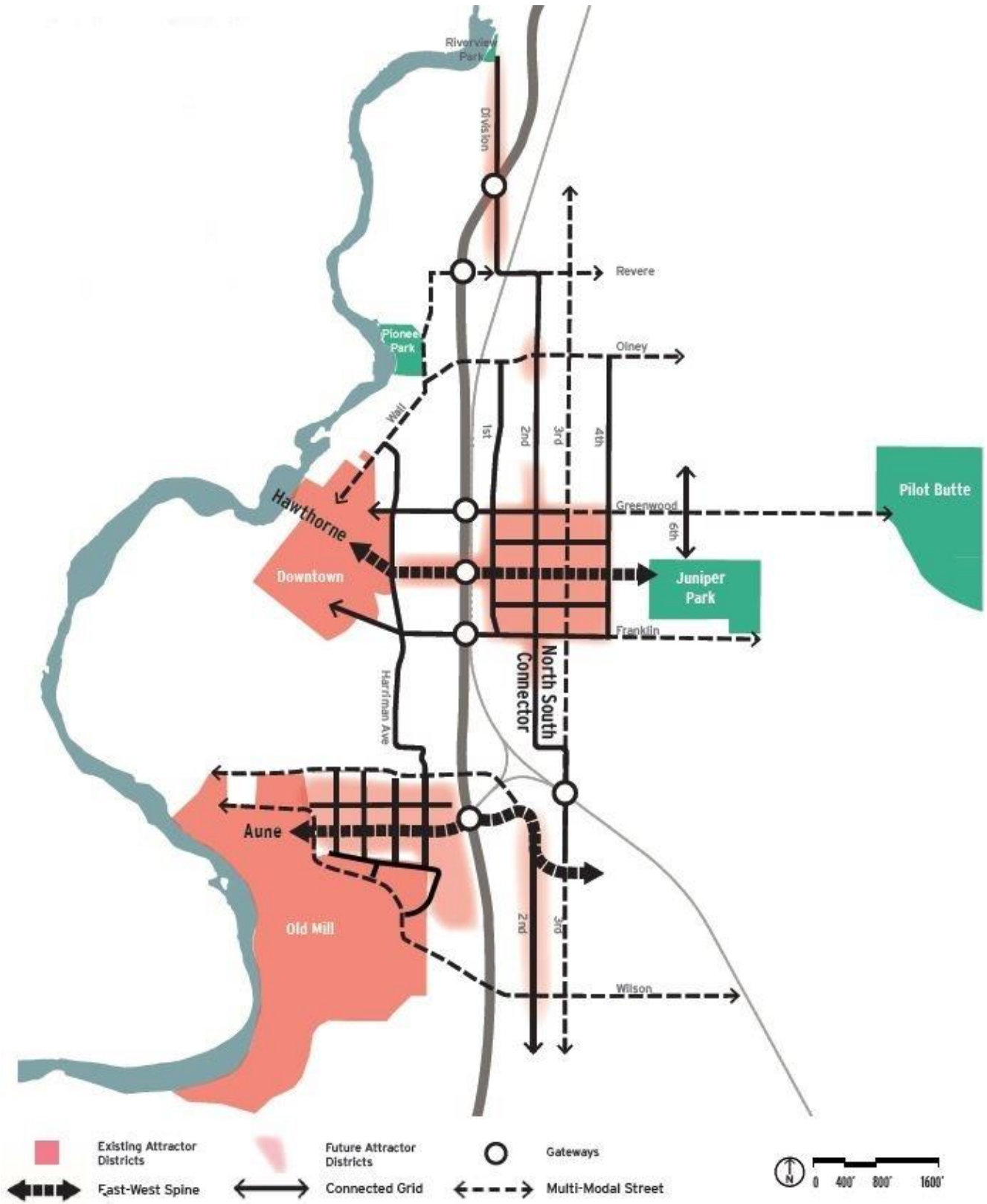


Figure 2. Core Area Urban Design Framework

## Aligning with Potential Urban Renewal Funding Available

In total there are approximately **\$100 million** in **transportation project** costs identified in the draft TSP project list for projects within the Urban Renewal Area boundary, and additional costs for **streetscape improvements** that could be **\$25 to 45 million** (though there could be some double-counting with TSP projects in that range).

Based on the preliminary TIF projections which would yield a range of roughly **\$74 million to \$137 million of funding capacity** in 2020 dollars and the project team's preliminary recommendation of a **50% allocation of Urban Renewal revenue towards transportation and infrastructure** as identified in the Urban Renewal Plan Project Categories & Outline Memo; it is expected that there will be a range between **\$32 million to \$68 million available for transportation investments**.

Given that Urban Renewal revenue is limited, the Urban Renewal Plan will need to invest strategically in transportation and streetscape projects.

## Conclusions and Questions for URAB

The Project Team is seeking direction from URAB on the initial Project Team strategy recommendations as well as on specific project priorities.

### Overall Transportation/Streetscape Funding Approach

The initial Project Team recommendations are summarized below. **Does URAB support these recommendations?**

- Allocate urban renewal funding for a mix of key **streetscape improvements (“icing”)** and **some transportation projects (“cake”)** in the proposed URA, with **an emphasis on streetscape improvements** that will be catalytic/transformational for the area (and have few other options for funding).
- **Focus** investments on a few priority projects and use Urban Renewal to fund a larger share of the total cost for these projects. Reserve some additional funding to **spread** across other transportation projects in the area that may be somewhat lower priority but still contribute to alleviating blight or supporting new development in the area.

### Transportation and Streetscape Project Priorities

Projects identified to receive potential Urban Renewal revenue should be focused on addressing blighted conditions and/or spurring development/redevelopment within the area. It is unlikely that Urban Renewal can provide a significant portion of funding towards projects in the near term (0-10 years). However, understanding URAB priorities will be helpful for the Funding Work Group and their decision making going forward.

The Project Team is developing initial recommendations for specific projects to prioritize for funding in the Urban Renewal plan, but **URAB should consider which specific transportation projects identified in the TSP and which streetscape improvements from the UDF are most important to the success of the proposed Urban Renewal Area.**

As an additional item for URAB feedback, CTAC has raised some concerns about including all three of the proposed mid-town bicycle and pedestrian connectivity projects (Greenwood, Franklin, and Hawthorne) on the near term list. CTAC's concerns are related to the possible financial constraints of funding all three projects in the near-term, not to their need. Guidance from URAB on whether one or more of these three connections is a higher near-term priority for development/redevelopment of the proposed Urban Renewal area would be helpful to CTAC as they continue their prioritization and funding work.

## Next Steps

Based on input from URAB on the questions above, the Project Team will refine the transportation section of the preliminary project list. The Project Team will also incorporate the projects into the preliminary finance plan, which will show how much funding is available in 5-year increments and how projects could be funded given revenue projections. The URAB will review and give feedback on the preliminary finance plan at their next meeting, on December 11, 2019.

**Appendix A: Draft 2040 Transportation Project List for projects identified in proposed Core Area URA only.**

These projects, project costs, and their prioritized time bucket are subject to change as CTAC deliberates and therefore should be considered preliminary, not final.

**Highlighted notations are notes related to project proportionality within the proposed Core URA as well as notes from the last CTAC meeting.**

**Table 1a: Recommended Draft Near-term Bend Transportation Plan (BTP) Priorities within proposed Core URA**

Project ID	Project	Description/ Location	Project Type	City Proportionate Cost	Cost within proposed Core URA	UDF Corridor Hierarchy	Notes
A-17	Aune Road extension from Bond Street to 3 <sup>rd</sup> Street	Two lane extension of Aune Road to connect 3rd Street and Bond Street. Includes intersection improvement at 3rd Street and a RAB at the intersection of Bond St and Industrial Way.	Complete Streets (All Modes)	\$13,500,000	\$13,500,000	East-West Spine	On LSN, key east-west connection for all users, serves opportunity area. Includes a segment of Key Route 7 (Aune Division to 3 <sup>rd</sup> Street).
C-2	Newport Avenue / Greenwood Avenue corridor high-capacity transit (to be completed with C-13) <b>Approximately 10% of the project falls within the proposed Core URA</b>	Includes HCT transit service connecting COCC to downtown to St. Charles Area. Includes improved transit connections from neighborhoods to HCT stops.	Complete Streets (All Modes)	\$1,000,000	\$100,000	Multi-modal Edge/ Connected Grid	High Capacity Transit has significant impact on reducing local/regional VMT, provides service for underserved populations.
C-3	3rd Street corridor high-capacity transit (to be completed with C-13) <b>Approximately 50% of the project falls within the proposed Core URA</b>	Includes HCT transit service connecting northern Bend (the Triangle) to southern Bend. Includes improved transit connections from neighborhoods to HCT stops.	Complete Streets (All Modes)	\$1,000,000	\$500,000	Multimodal Edge/ Connected Grid	High Capacity Transit has significant impact on reducing local/regional VMT, provides service for underserved populations.
C-9	Colorado Avenue / US 97 Northbound ramp intersection safety and capacity improvements	Includes traffic signal or roundabout.	Complete Streets (All Modes)	\$430,000	\$430,000	n/a	Over capacity in 2040; improves ped/bike crossing opportunities, improves safety, serves opportunity area, improves functionality
C-13	Mobility Hubs (to be completed with C-2 & C-3) <b>Up to two of the Mobility Hubs could potentially be located within the Core URA.</b>	Citywide implementation of mobility hubs in coordination CET and HTC routes. Assumes up to 5 hubs.	Complete Streets (All Modes)	\$5,000,000	\$2,000,000	n/a	High Capacity Transit has significant impact on reducing local/regional VMT, provides service for underserved populations.
N-13b	Revere Avenue Interchange Improvements <b>This project was presented to CTAC on August 28, 2019 as a combined project (Portland Avenue Corridor Project). It has since been broken into two separate projects. This portion of the project falls within the URA.</b>	Parkway coordination project to construct roadway upgrades and an improvement at Wall/Revere intersection	Complete Streets (All Modes)	\$8,500,000	\$8,500,000	Connected Grid/ Multi-modal Edge	Over capacity in 2040, on LSN, significantly improves to ped/bike facilities, improved access to transit. Includes a segment of Key Route 10 (Wall Portland to Revere).
N-24	Franklin Avenue Corridor Study	Conduct a corridor study to determine roadway and intersection improvement needs to serve all users.	Complete Streets (All Modes)	\$200,000	\$200,000	Connected Grid/ Multi-modal Edge	Improves pedestrian safety, improves access for bike/ped, encourages alternate modes



Project ID	Project	Description/ Location	Project Type	City Proportionate Cost	Cost within proposed Core URA	UDF Corridor Hierarchy	Notes
1TCSI	Citywide safety improvements <b>Only a portion of this project falls within the Core URA</b>	Includes 3rd/Hawthorne, 3rd/COID Canal, 3rd/Pinebrook, Brosterhous/Railroad bridge, and Colorado Ave/US 97 improvements.	Safety	\$1,000,000	\$600,000	n/a	Improves safety, improves livability and access for all users, may encourage alternative modes.
TSAP-3a	3rd Street & Miller Avenue intersection improvements and 3rd Street modifications study (Phase 1)	Study of intersection improvements and 3rd Street modifications	Safety	\$100,000	\$100,000	Multi-modal Edge	Improves safety, improves access, improves functionality. Specific preferred intersection improvement is not yet identified.
CAP_T27	Greenwood Undercrossing Sidewalk Widening Improvements	Widen Parkway undercrossing to include improved multimodal facilities.	Pedestrian/Bicycle	\$10,400,000	\$10,400,000	Connected Grid	Significantly improves ped/bike connectivity and safety, serves opportunity area, improves functionality
N-17	Olney Protected Bicycle Lanes and Parkway Undercrossing	Provide protected bicycle lanes on Olney Avenue at Parkway undercrossing.	Pedestrian/Bicycle	\$1,820,000	\$1,820,000	Multi-modal Edge	On LSN and key routes, improves bicycle safety. Includes a segment of Key Route 3 (Olney Wall to RR).
R-6	Hawthorne Parkway Overcrossing	Close sidewalk gap along Hawthorne and create a grade-separated footbridge over BNSF RR and Hwy 97.	Pedestrian/Bicycle	\$15,000,000	\$15,000,000	East-West Spine	On LSN and Key Route, critical east-west connection for ped/bike, improves bike/ped safety and connectivity, supports expansion/opportunity areas, supports neighborhood livability, improves equity of all users, encourages alternative modes. Includes all of Key Route 6.
R-7	3rd St at RR to Connect KorPine to 3rd St Key Route	Includes crossing improvements between RR & Wilson Avenue and RR & Franklin Avenue	Pedestrian/Bicycle	\$620,000	\$620,000	Multi-modal Edge	On LSN and Key Route 7, improves bike/ped safety and connectivity, supports expansion/opportunity areas, supports neighborhood livability, improves equity of all users, encourages alternative modes. Includes all of Key Route 7.
<b>Near-Term Total</b>				\$58,570,000	<b>\$53,770,000</b>		
<b>Key Route Projects (Listed in Table 1b):</b>				\$9,742,000	<b>\$9,742,000</b>		
<b>Total</b>				\$68,312,000	<b>\$63,512,000</b>		

**Table 1b: Recommended Draft Near-term Key Walking and Biking Routes**

Key Routes & Projects	Project Extents	Facility Type & Description	UDF Corridor Hierarchy	Cost Projection within proposed Core URA
ROUTE 2: NW Crossing to new Affordable Housing: Route runs east-west connecting Skyliners Rd, Franklin Ave and Bear Creek Rd				
R2-A	NW Franklin Ave: Harriman Ave to RR undercrossing	Improve transition at Hill St: Project would manage the conflict between right turns and crosswalk to sidewalk under RR.  Crosswalk: Create safe crossing of Franklin at Harriman.	Connected Grid	\$1,000
R2-B	Franklin Ave Underpass: Hill St to 1st St	Shared use path adjacent to roadway: Widen sidewalk paths under RR and Hwy 97 to modernize design for roadside safety.	Connected Grid	\$8,500,000

Key Routes & Projects	Project Extents	Facility Type & Description	UDF Corridor Hierarchy	Cost Projection within proposed Core URA
R2-C	Franklin Ave: 1st St to 5th St	Buffered bike lane: Re-stripe roadway to include buffered bike lane westbound; includes crosswalks at 2nd St & 4th St and signal timing enhancements at 3rd St.	Connected Grid	\$1,000
ROUTE 3: Shevlin Park to Big Sky Park: Route runs east-west connecting Shevlin Park Rd, Portland Ave, Olney Ave, and Neff Rd				
R3-E	Olney Avenue: Wall Street to railroad	Shared use path adjacent to roadway: close sidewalk gap over railroad and remove existing barrier to east-west bicycle connectivity and create right-turn hook crash countermeasure.	Multi-modal Edge	\$310,000
Route 6: Hawthorne Overcrossing: Core Area connectivity				
R6-A	Hawthorne Overcrossing Bridge: NE 1st St to NE 5th St	Grade separated overpass: Close sidewalk gap along Hawthorne and create a grade-separated footbridge over BNSF RR and Hwy 97.	East-West Spine	Cost Captured in R-6
Route 12: Wilson Ave: Route runs east-west connecting neighborhoods to services and transit				
R12-A	Wilson Ave: 2nd Street to SE 9th Street <b>URAB specifically asked that projects for Wilson Avenue be brought back for their consideration. Should URAB feel that Urban Renewal should support this project, the Project Team can recommend to include this ROW into the final Core URA boundary</b>	Shared use path adjacent to roadway: Close sidewalk gap along Wilson Avenue and create a low-stress bikeway.	Multi-modal Edge	\$930,000

**Table 2a: Recommended Draft Mid-term BTP Priorities within the proposed Core URA**

Project ID	Project	Description/ Location	Project Type	City Proportionate Cost	Total Cost in proposed Core URA	UDF Corridor Hierarchy	Notes
CAP_T59	Sisemore Street Extension	Construct street extension from Arizona avenue to Bond Street.	Complete Streets (All Modes)	\$2,400,000	\$2,400,000	Connected Grid	Improved connectivity for all users, reduces VMT, serves opportunity area, improves access
X-18	Olney Avenue Railroad Crossing Improvements	Upgrade the railroad crossing to include dedicated sidewalks and bike lanes	Pedestrian/Bicycle	\$500,000	\$500,000	Multi-modal Edge	improves safety, multimodal accommodations
CAP_T45	Revere Avenue/2 <sup>nd</sup> Street Intersection improvement	Improve intersection capacity.	Intersection	\$210,000	\$210,000	Connected Grid	On LSN, improves safety, serves opportunity area, improves functionality
CAP_T46	Revere Avenue/4th Street Intersection improvement	Improve intersection capacity.	Intersection	\$3,700,000	\$3,700,000	Multi-modal Edge	On LSN, improves safety, serves opportunity area, improves functionality
CAP_T48	Olney Avenue/4th Street Intersection improvement	Improve intersection capacity.	Intersection	\$3,700,000	\$3,700,000	Multi-modal Edge	On LSN, improves safety, serves opportunity area, improves functionality
CAP_T54	Clay Avenue/3rd Street Intersection improvement	Improve intersection capacity.	Intersection	\$210,000	\$210,000	Multi-modal Edge	Improves safety, serves opportunity area, improves functionality
CAP_T56	Greenwood/8th Street Intersection improvement	Improve intersection capacity.	Intersection	\$2,100,000	\$2,100,000	Multi-modal Edge	Improves safety, serves opportunity area, improves functionality
X-8	3rd Street/Franklin Avenue Signal Modification	Improve intersection capacity and safety	Intersection	\$500,000	\$500,000	Multi-modal Edge	improves safety, improves roadway functionality
<b>Mid-Term Total</b>				\$13,320,000	<b>\$13,320,000</b>		
<b>Key Route Projects (Listed in Table 2b):</b>				620,000	<b>620,000</b>		
<b>Total</b>				\$13,940,000	<b>\$13,940,000</b>		

**Table 2b: Recommended Mid-term Key Routes**

Key Routes & Projects	Project Extents	Facility Type & Description	UDF Corridor Hierarchy	Cost Projection
Route 7: 3rd St at RR to Connect KorPine to 3rd St				
R7-A	3rd St	Crosswalk: Create a safe crossing of 3rd St between BNSF RR and Wilson Ave using RRFB5 and safety islands.	Multi-modal Edge	\$215,000
R7-B	3rd St	Crosswalk: Create a safe crossing of 3rd St between BNSF RR and Franklin Ave using RRFB and safety islands.	Multi-modal Edge	\$215,000
R-7C	3rd St	3rd Street Underpass: Near Term Enhancements to sidewalk.	Multi-modal Edge	\$190,000

**CTAC recommendation: Move all Key Route projects to the near term**

Table 3a: Recommended Draft Long-term BTP Priorities within proposed Core URA

Project ID	Project	Description/ Location	Project Type	City Proportionate Cost	Total Cost in proposed Core URA	UDF Corridor Hierarchy	Notes
B-29	3rd Street railroad undercrossing widening	Widen 3rd Street to 4-lanes under the railroad, including complete street design from Emerson Avenue to Miller Avenue.	Complete Street (All Modes)	\$13,700,000	\$13,700,000	Multi-modal Edge	Over capacity in 2040, on LSN and Key Route 7, significantly improves existing bike/ped conditions, improves multimodal safety. Includes a segment of Key Route 7 (RR Underpass).
X-16	Greenwood TSDC List Project	Improve intersection capacity and safety between Wall Street and 3rd Street	Complete Street (All Modes)	\$4,700,000	\$4,700,000	Connected Grid	improves bike/ped safety, improves access for all modes, encourages alternate modes
TSAP-3b	3rd Street & Miller Avenue intersection improvements and 3rd Street modifications implementation (Phase 2) <b>CTAC suggestion: Move to near term</b>	Construct intersection improvements and 3rd Street modifications	Safety	\$3,100,000	\$3,100,000	Multi-modal Edge	Improves safety, improves access, and improves functionality. Specific preferred intersection improvement is not yet identified.
CAP_T47	Olney Avenue/2nd Street Intersection improvement	Improve intersection capacity.	Intersection	\$210,000	\$210,000	Multi-modal Edge	On LSN and Key Route 3, improves safety, serves opportunity area, improves functionality.
CAP_T49	Greenwood/2nd Street Intersection improvement	Improve intersection capacity.	Intersection	\$210,000	\$210,000	Multi-modal Edge	On LSN, improves safety, serves opportunity area, improves functionality.
CAP_T51	Hawthorne Avenue/3rd Street Intersection improvement	Improve intersection capacity.	Intersection	\$210,000	\$210,000	East-West Spine	On LSN and Key Route 6, improves safety, serves opportunity area, improves functionality.
CAP_T52	Franklin Avenue/2nd Street Intersection improvement	Improve intersection capacity.	Intersection	\$210,000	\$210,000	Connected Grid	On LSN and Key Route 2, improves safety, serves opportunity area, improves functionality.
CAP_T53	Franklin Avenue/4th Street Intersection improvement	Improve intersection capacity.	Intersection	\$210,000	\$210,000	Connected Grid	On LSN and Key Route 2, improves safety, serves opportunity area, improves functionality.
<b>Long-Term Total</b>				\$22,500,000	\$22,500,000		
<b>No Long Term Key Route Projects within Core URA are identified:</b>				\$0	\$0		
<b>Total</b>				\$22,500,000	\$22,500,000		

**Agenda Item No. 6:**  
Update on Development Code



# Development Code Recommendation

PREPARED FOR: Urban Renewal Advisory Board (URAB)

PREPARED BY: Allison Platt, Senior Planner  
Pauline Hardie, Senior Planner

DATE: September 24, 2019

## Introduction

At the last Urban Renewal Advisory Board (URAB) meeting on August 13, 2019, URAB directed staff to look at development code amendments for the Core Area in order to reduce barriers to development/redevelopment within the study area, particularly for housing. These recommendations were grouped into three categories that all received support from URAB:

- 1. Recommendations that allow for more housing by relaxing prescriptive mixed-use requirements.**
- 2. Recommendations that simplify and reduce parking requirements, particularly for small lots.**
- 3. Recommendations that maximize buildable space for private development while balancing public needs such as creating walkable and attractive streets.**

URAB directed staff to provide specific recommendations to implement the three development code categories. In particular, the Board asked staff to look at how to provide balanced parking recommendations.

Staff has analyzed the recommendations that were summarized in the Early Implementation Action Memo, presented at August 13, 2019 URAB #4 meeting, in conjunction with the Zoning Audit, prepared by Cascadia Partners. In addition, City staff have reviewed best practices for main street district zoning codes.

## Evaluating Recommendations

Staff has analyzed the recommendations from the Zoning Audit and has included a discussion of policy implications for each recommendation.

Bend Central District Overlay recommendations are organized into the attached tables that include the following:

- 1. Zoning audit recommendation:** Recommendations made and documented in zoning code audit.
- 2. Bend Development Code (BDC) Section:** Location of specific language that would be modified in the BDC.
- 3. Current regulation:** Language of the current BDC provision/regulation.

4. **Policy implications:** Brief discussion about the tradeoffs (pros and cons) of each recommendation and potential impacts of implementing the zoning audit recommendation.
5. **Proposed Recommendation:** Recommendation based on consideration of policy implications. These are working recommendations, subject to comment by URAB and refinement as they are reviewed in further public processes.

## Request to URAB and Next Steps

1. Staff requests that URAB review the evaluation and recommendations related to the **Bend Central District overlay**, as described in the following tables. Staff will compile the questions and comments made by URAB, and use those in subsequent drafts of the recommendations. Staff is not asking URAB to approve all of the detail in the attached tables.
2. After discussion, staff requests that URAB vote again on the three high-level recommendations (listed below) – this time as a formal recommendation to the City Council and Bend Urban Renewal Agency (BURA): A sample motion would be:

*“URAB recommends that the City amend the Bend Development Code to incorporate, within the Bend Central District:*

- a. ***Recommendations that allow for more housing by relaxing prescriptive mixed-use requirements.***
  - b. ***Recommendations that simplify and reduce parking requirements, particularly for small lots.***
  - c. ***Recommendations that maximize buildable space for private development while balancing public needs such as creating walkable and attractive streets.”***
3. Staff will bring forward URAB’s recommendation, and attached tables of more detailed evaluation and recommendations, related to the **Bend Central District overlay** to the City Council for further direction.
  4. Staff will bring recommendations to the **CL/CG** zones back to URAB at a subsequent URAB meeting, as part of the CAP Implementation Plan. Delaying the CL/CG recommendations, for a few months, is appropriate because the Urban Renewal boundary has not been finalized. Staff’s expectation is that this discussion would come back to URAB in December or January, with more detailed recommendations ultimately forwarded to the Bend City Council in Spring/Summer of 2020.

## Recommendations that allow for more housing by relaxing prescriptive mixed-use requirements

From the development feasibility work prepared in the Core Area Project, the project team has found that mixed-use buildings are challenging to deliver in current market conditions. In addition, mixed-use areas typically benefit from nearby single-use residential buildings to support the market feasibility of commercial uses. The following recommendations are focused on relaxing mixed-use and design requirements to encourage housing development in the area.

Recommendations that allow for more housing by relaxing prescriptive mixed-use requirements				
Zoning Audit Recommendation	BDC Section	Current Regulation	Policy Considerations	Proposed Recommendation
Designate key “main streets” within the Bend Central District where active ground floor uses building frontages are deemed necessary. Allow stand-alone residential including multi-family and townhomes on lots or portions of lots not fronting these main streets.	Bend Central District Overlay  BCD 2.7.3220 (D)(1)	Residential uses that are not part of a mixed-use development are prohibited in the 1 <sup>st</sup> /2 <sup>nd</sup> Street and 3 <sup>rd</sup> Street subdistricts.  Attached Single Family Townhomes are not allowed in the 1 <sup>st</sup> /2 <sup>nd</sup> street subdistrict and are currently limited in the 3 <sup>rd</sup> Street subdistrict under the following provision: “Residential uses that are part of a mixed-use development in which nonresidential uses occupy less than the floor area equivalent to the entire ground floor area of the development area are conditional.”	Revising this standard would encourage housing development and does not preclude commercial uses, such as office, retail, etc. as allowed uses.  Lots on interior streets within the district may not be as successful for commercial uses due to low visibility.  Revising this standard would matches best practices for zoning mixed use districts: “Ground floor commercial requirements are a common pitfall when establishing mixed-use districts. Non-residential ground floor uses may be required along the primary retail corridor (typically no longer than ¼ mile), but should not be required throughout the district. In the greater downtown area, permitting residential as a single use should be allowed, which provides population support for the area.” <sup>1</sup>  City would need to explain in findings how employment land supply would not be adversely impacted.	Designate the following as key “main streets” within the Bend Central District:  3 <sup>rd</sup> Street, Greenwood Avenue, Revere, Franklin Avenue, Olney Avenue and Hawthorne as key “main streets” (See Figure 1).  On the main streets listed above, the requirement for ground floor commercial, currently in the BCD overlay, would remain.  On all other lot frontages in the BCD overlay that do not front the above-listed main streets, allow stand-alone residential including multi-family, townhomes, live/work and ADA units.

<sup>1</sup> Enabling Better Places: User’s Guide to Zoning Reform. *Congress for New Urbanism*. September 15, 2018. <https://www.cnu.org/sites/default/files/PCR-9-15-18.pdf>



Recommendations that allow for more housing by relaxing prescriptive mixed-use requirements				
Zoning Audit Recommendation	BDC Section	Current Regulation	Policy Considerations	Proposed Recommendation
Review and simplify architectural design guidelines to maximize glazing (windows) and transparency for ground floor buildings on key main streets.	Bend Central District Overlay  BCD 2.7.3230 E	<p>. Buildings exceeding 65 feet in height are allowed subject to the following provisions:</p> <p>Buildings shall be constructed using a combination of architectural features and <b>a variety of building materials</b>....Ground story walls <b>that can be viewed from public streets</b> shall be designed with nonreflective windows totaling a minimum of 25 percent of the wall area and using architectural features (see subsection (E)(2) of this section).</p> <p>For new buildings, the front building facade must be at the minimum setback for at least 50 percent of the lot frontage; outdoor public gathering spaces such as plazas are encouraged and count toward the setback</p>	<p>Best practices for zoning urban mixed-use areas including eliminating architectural treatment requirements. These requirements often include façade articulation, dimensioned building elements and prescriptive style requirements. The key to success for main street areas is the treatment of the ground floor shop front including clear, non-reflective glazing and frequent entries.</p> <p>Amendments ensure that clear and objective standards are in place.</p>	<p>Modify design requirements to:</p> <p><del>Buildings shall be constructed using a combination of architectural features and a variety of building materials</del>....Ground story walls <del>that can be viewed from front public main streets</del> shall be designed with non-reflective windows totaling a minimum of 25 percent of the wall <u>area and for nonresidential developments</u> using architectural features (see subsection (E)(2) of this section) <b>for non-residential developments</b>.</p>

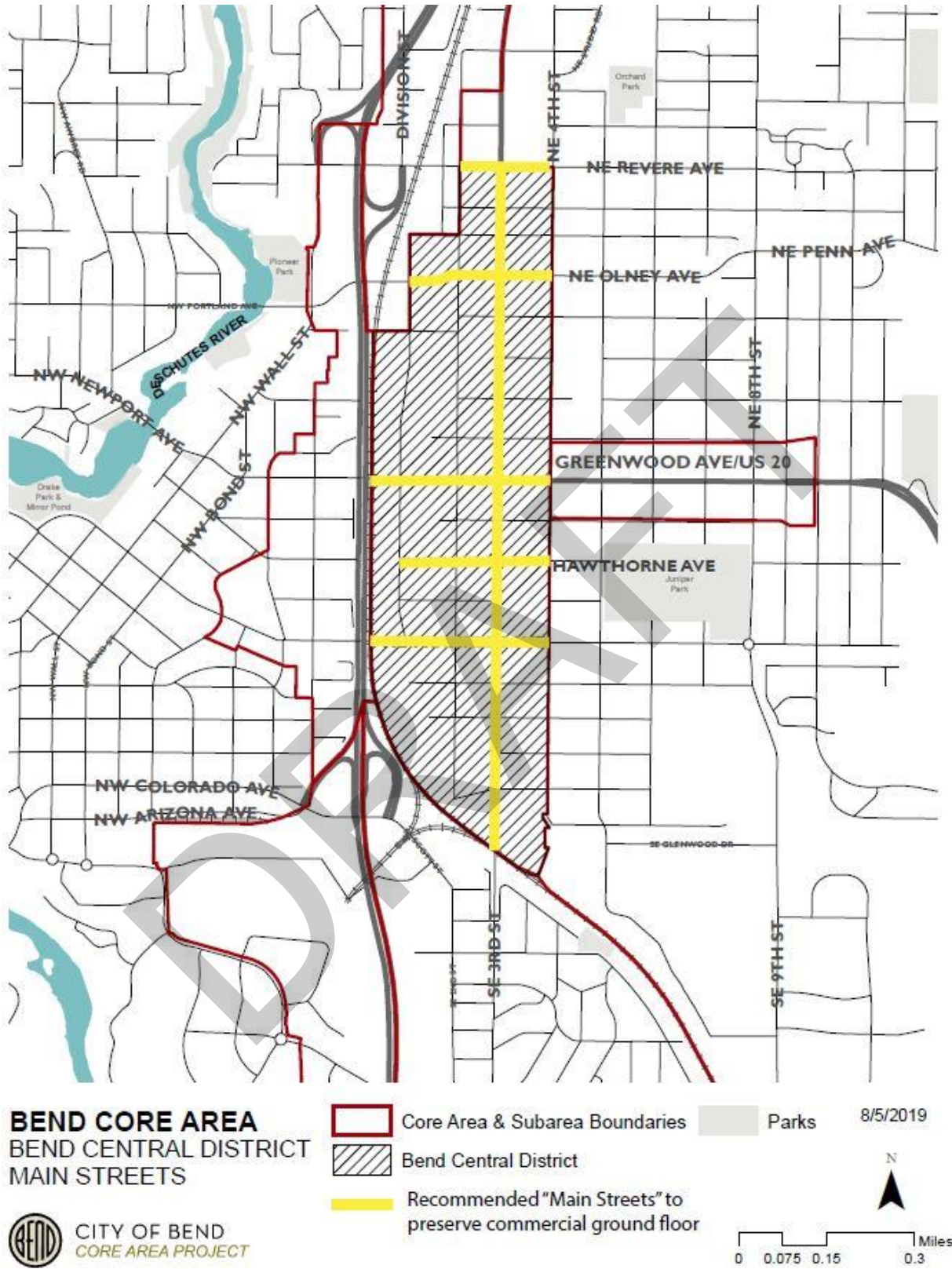


Figure 1. Bend Central District Recommended Main Streets

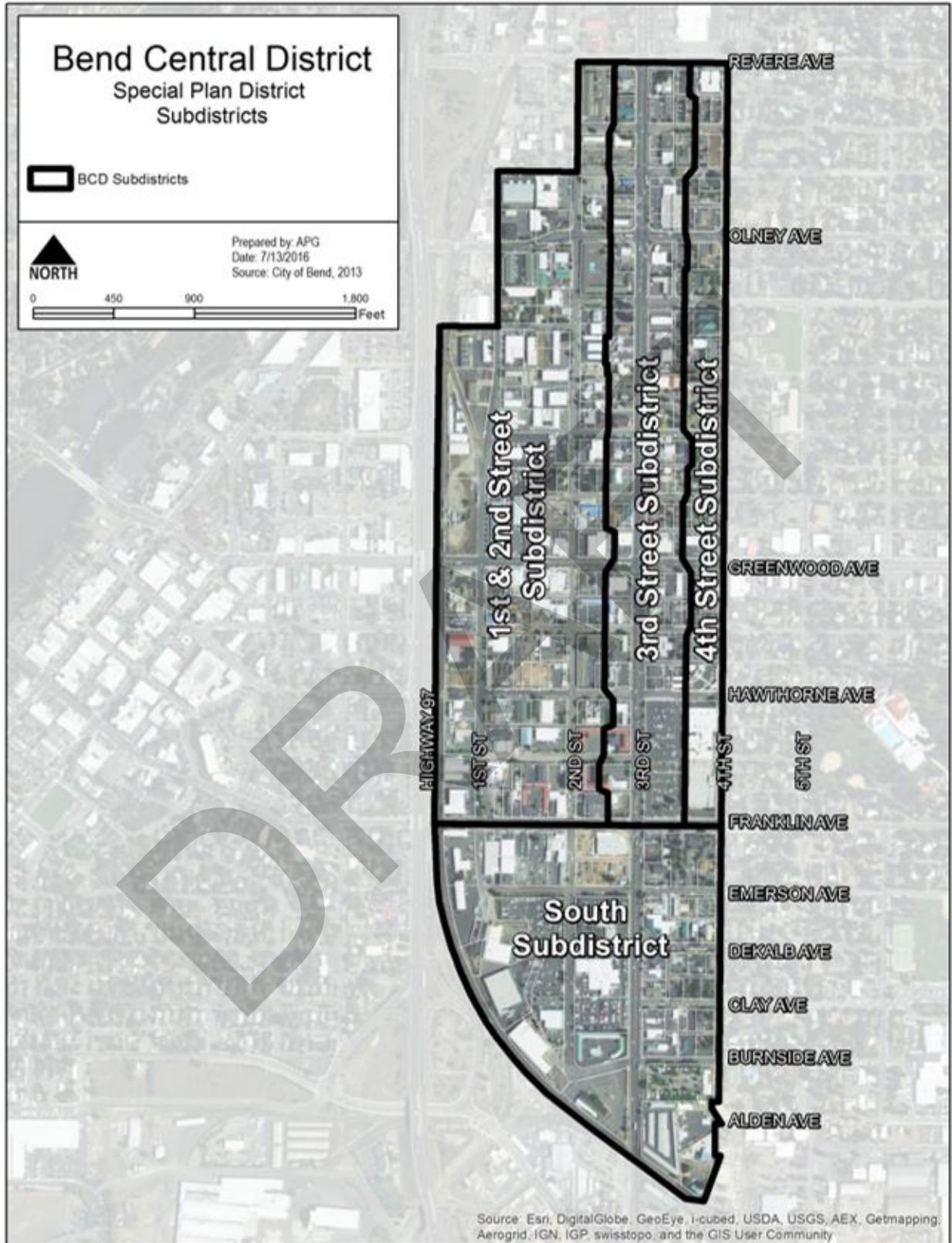


Figure 2. Map of Subdistricts of Bend Central District



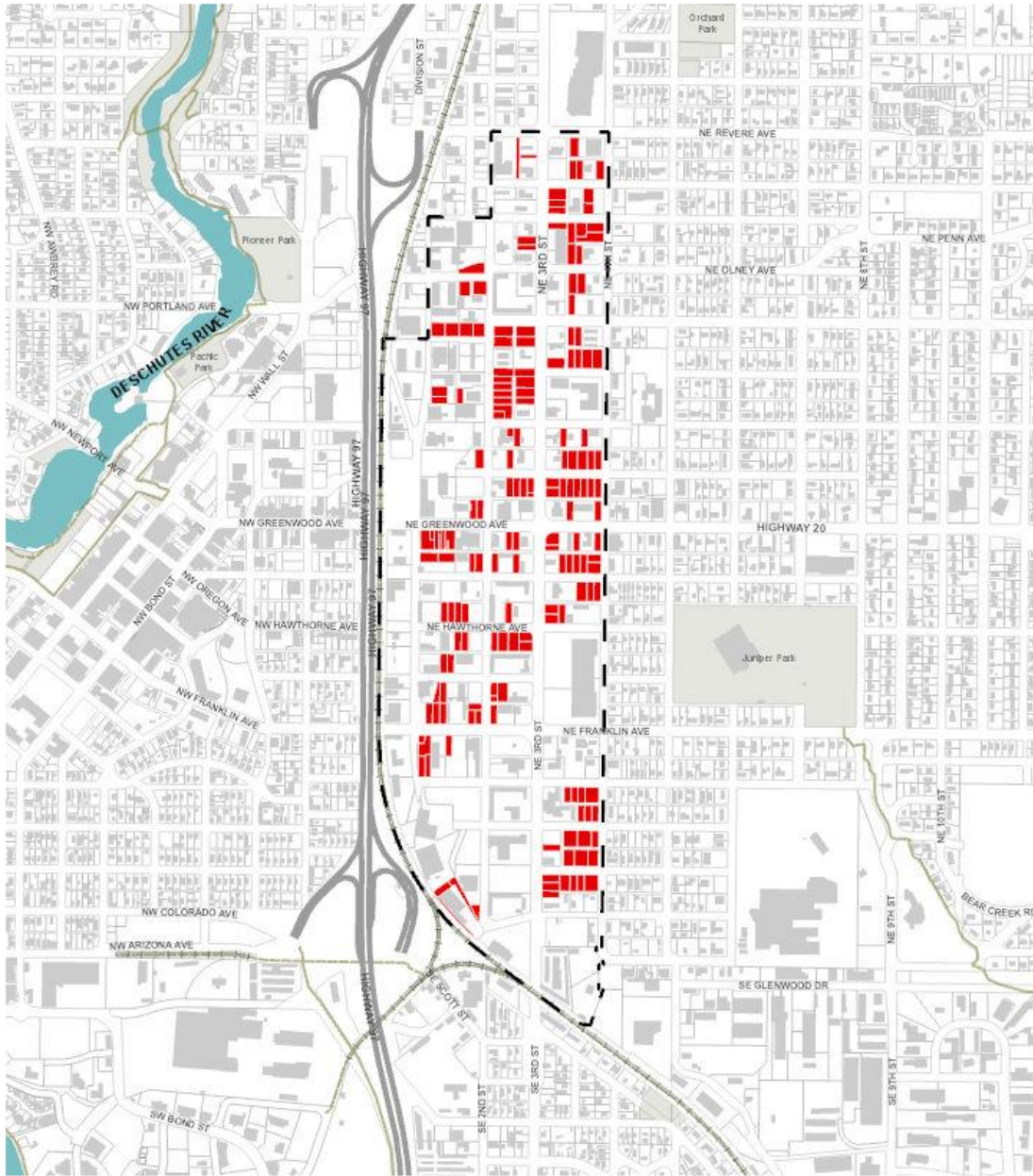
### Recommendations that simplify and reduce parking requirements, particularly for small lots

From work to date, the project team has found that parking is one the greatest impediments to development/redevelopment, particularly of housing, in the area. This is particularly true for small lots. Staff is continuing to evaluate impacts of parking recommendations and potential parking code revisions, including how and where off-site parking is allowed.

Recommendations that simplify and reduce parking requirements, particularly for small lots				
Zoning Audit Recommendation	BDC Section	Current Regulation	Policy Considerations	Proposed Recommendation
Simplify the use-based parking requirements to a single non-residential use requirement of 1 space per 1,000 square feet	Bend Central District Overlay  BCD 2.7.3250 (A)(1)	<p>Commercial:</p> <ul style="list-style-type: none"> <li>Retail or restaurant uses totaling less than 5,000 square feet of floor area: none.</li> <li>Retail or restaurant uses in excess of 5,000 square feet or more of floor area: one space per 1,000 square feet of gross floor area</li> <li>The maximum for retail or restaurants is 150 percent of one per 1,000 square feet of gross floor area.</li> </ul> <p>Entertainment uses: determined by conditional use.</p> <p>Hotel/motel: 1 space per room.</p> <p>Office uses: 1.5 spaces per 1,000 square feet of floor area.</p> <p>Light industrial/manufacturing uses: 0.7 spaces per 1,000 square feet of floor area.</p> <p>Public and institutional uses, government uses: 1.5 spaces per 1,000 square feet of floor area.</p>	<p>Simplifying parking requirements:</p> <p>Provides greater certainty for developments considering various uses or changing uses (building uses change more frequently than buildings).</p> <p>Does not require that development take into consideration varying parking needs by use.</p> <p>Is considered best practice for mixed-use areas.</p> <p>Would affect light industrial/manufacturing uses, requiring more parking than currently required (see recommendation for the remedy). It should also be noted however that the citywide parking study indicated that in some cases industrial users were undersupplying parking.</p>	<p>Simplify the use-based parking requirements to a single non-residential use requirement of 1 space per 1,000 square feet.</p> <p>Ways to mitigate impact: Consider maintaining light industrial/manufacturing uses at 0.7 spaces/unit.</p>

Recommendations that simplify and reduce parking requirements, particularly for small lots				
Zoning Audit Recommendation	BDC Section	Current Regulation	Policy Considerations	Proposed Recommendation
Expand mixed-use parking reductions for all non-residential ground uses not just retail and restaurants. This would include offices, maker spaces, etc.	Bend Central District Overlay  BCD 2.7.3250 (A)(1)	Retail or restaurant uses totaling less than 5,000 square feet of floor area: no parking required.  The parking maximum for retail or restaurants is 150 percent of one per 1,000 square feet of gross floor area.  Exemption is not expanded to any other commercial use currently.	Encourages not only restaurant and retail developments, but any small scale non-residential ground floor use.  Increases the amount of projects that are eligible for parking reductions.	Revise mixed use parking reduction to:  Any non-residential ground floor use as part of a mixed use development where the ground floor use totals less than 5,000 square feet of floor area: no parking required.
Reduce the amount of secondary space required to be eligible for the mixed-use parking (no more than 80% single use requirement to 95%)	Bend Central District Overlay  BCD 2.7.3250 (A)(2)	Mixed-Use Developments: If more than one type of land use occupies a single structure or property with no single use occupying more than <b>80 percent</b> of the total square feet of the building, the minimum off-street parking is 75 percent of the sum of the requirements for all uses.	Increases feasibility of mixed-use development, allowing for tuck under parking on the ground floor (especially for 4 over 1 building types).  Allows the market to determine the amount of secondary space that will be built (instead of the code). Increases housing feasibility, if housing is the primary use.  More developments would be eligible for the mixed-use parking reduction.	Change to:  If more than one type of land use occupies a single structure or property with no single use occupying more than <b>95 percent</b> of the total square feet of the building, the minimum off-street parking is 75 percent of the sum of the requirements for all uses.
Eliminate the parking maximums	Bend Central District Overlay  BCD 2.7.3250(A)(1) and (B)(iii)	The minimum number of required off-street vehicle parking spaces is established below. Unless otherwise provided below, the number of parking spaces provided by any particular use in ground surface parking lots must not exceed the required minimum number of spaces provided by this section by more than 50 percent. Off-street parking spaces may include spaces in garages, carports, parking lots, and/or driveways if vehicles are not parked in a vehicle travel lane (including emergency or fire access lanes). The maximum for retail or restaurants is 150 percent of one per 1,000 square feet of gross floor area.	Increases viability for transitional land use types that are currently market-feasible; lets market determine parking need. Could result in more parking than is necessary in the district.	Eliminate parking maximums but require that all off street parking be located at the rear of buildings; allow shared parking; and require that cross-access between off street parking lots must be provided (includes alleys for cross-access).

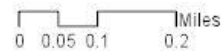
Recommendations that simplify and reduce parking requirements, particularly for small lots				
Zoning Audit Recommendation	BDC Section	Current Regulation	Policy Considerations	Proposed Recommendation
Reduce residential parking requirements to 0.5 spaces per unit	Bend Central District Overlay  BCD 2.7.3250(A)(1) (a)	Residential parking requirement of 1 space per unit	Encourages more housing unit development.  Could reduce parking supply and capacity.  There are over 95 cities, big and small, nationwide that have completely eliminated parking requirements altogether in central business districts <sup>2</sup> .  Dense cities with robust transit systems and opportunities for alternative modes are usually in a better position to reduce parking requirements. Bend still has needed investments in transit and bicycle and pedestrian connectivity to encourage other modes and reduce vehicle ownership.	Could consider reducing parking to below 1 space/unit.  Other ways to mitigate impact: <ul style="list-style-type: none"> <li>Do not reduce in 4<sup>th</sup> Street sub-district, which is adjacent to an existing residential area.</li> <li>Mandatory review or sunset of the policy in 5-10 years to monitor impacts and parking utilization.</li> </ul>
Exempt the first 10,000 square feet (sq. ft.) of lot area from on-site parking requirements to encourage redevelopment on small lots and for smaller footprint projects for all uses	Bend Central District Overlay  BCD 2.7.3250	No small lot parking exemption currently exists.  There are several other parking exemptions for mixed use projects in the area including: <ul style="list-style-type: none"> <li>The amount of off-street parking required may be reduced by one off-street parking space for every on-street parking space abutting the development, up to 100 percent of the requirement.</li> <li>The total number of required vehicle parking spaces for an industrial, commercial, or office use may be reduced by up to 10 percent in exchange for providing on-site public open space/green space at the following ratio: one vehicle parking space per 500 square feet of public open space/green space. This reduction is in addition to any reductions taken under <a href="#">BDC 3.3.300(D)</a>.</li> </ul>	Increases feasibility of vertical mixed use/housing development for small lots. 52% of the Bend Central District lots are under 12,000 sq. ft (See Figure 1, page 8).  Significantly reduces amount of parking developments are required to provide which could reduce parking supply and capacity.  Allows market, instead of the code to determine the number of parking stalls needed for a particular development.  Could encourage property owners to split parcels to 10,000 sq. ft. or result in buildings constructed to a maximum 10,000 sq. ft. footprint.	Consider exemption, particularly if residential parking requirement reductions are not considered.  Ways to mitigate concerns: <ul style="list-style-type: none"> <li>Mandatory review or sunset of the policy in 5-10 years to monitor impacts and parking utilization.</li> <li>Ensure that the parking exemption is subject to the following provision: <i>“When the proposed site is part of a larger site, the calculations encompass the entire site, whether existing or proposed. If the project is being phased, calculations must show that, at each phase, requirements are being met.”</i></li> </ul>



**BEND CORE AREA**  
BELOW AVERAGE SIZE LOTS

- Lots under 12,000 sq. ft.
- BCD Boundary

6/17/2019



**Figure 3. Bend Central District Small Lots (Under 12,000 Sq.Ft.)**

### Recommendations that increase buildable space while balancing public needs

There are several code provisions that limit buildable space for private development. The below table explores recommendations that would increase buildable space to help increase development feasibility, while also balancing public needs such as creating walkable and attractive streets.

Recommendations that increase buildable space while balancing public needs				
Zoning Audit Recommendation	BDC Section	Current Regulation	Policy Implications	Proposed Recommendation
Eliminate limitation on building size for Entertainment/Recreation uses	Bend Central District Overlay; BCD Table 2.7.3220 (D)(6)	Entertainment and Recreation uses in all subzones of the BCD that are enclosed in a building shall not exceed 50,000 square feet without a conditional use permit.	Current regulation is prescriptive, doesn't let the market dictate building size.  Could limit a future entertainment/recreation facility within the BCD.	Eliminate building size maximum.  Alternatively require a special use permit for entertainment/recreation uses that exceed 50,000 square feet.
Consider reducing limitations on building size for other uses	Bend Central District Overlay  BCD 2.7.3220 D (2-5)	Retail Sales and Service. Retail sales and service uses must not exceed 30,000 square feet per business. Total area of retail sales and service uses combined must not exceed 50,000 square feet per building.  Offices and Clinics and Production Businesses. Offices and clinics and production businesses must not exceed 15,000 square feet per business.  Manufacturing, Production and Industrial Services. Uses must not exceed 20,000 square feet per business and must minimize potential external effects.  Warehousing. Warehousing must be accessory/ secondary to a primary permitted use (it may not be a single use) and must not	Provides more flexibility for development and various users.  The market decides what size to build, instead of the code.  Average grocery store size in the USA is around 42,000 sq. ft. however there are many examples of smaller store models. For example, Trader Joes locations are typically below 20,000 sq ft.  Breweries often fall under the manufacturing, production, and light industrial use. Limits to building size could limit operations of these types of uses in the area.  Limits on building size encourage smaller scale users and limit larger scale users.	Remove limitations on building size for all uses.  Retail Sales and Service: No limit  Offices, Clinics, and Production Businesses: No limit  Manufacturing, Production, Light Industrial: No limit  Manufacturing: No size limit but still require it to be an accessory/secondary use.  Alternatively could consider requiring conditional use permits for uses that exceed current code limitations.



Recommendations that increase buildable space while balancing public needs				
Zoning Audit Recommendation	BDC Section	Current Regulation	Policy Implications	Proposed Recommendation
		exceed 15,000 square feet per building.		
Eliminate minimum lot width or reduce to 15'	Bend Central District Overlay  BCD Table 2.7.3230	Current lot width minimum requirement for all BCD sub districts is 30'.	Permits smaller building footprints such as new townhomes that are being built to 15' lot widths in other areas of the country. Velvet, downtown, has a lot width of 11 feet.  Someone could split lots that are unbuildable by building code standards.	Reduce minimum lot width to 15' for all subdistricts.  Other ways to mitigate impact: Require tentative plans to be accompanied with a site plan review application for lot divisions to demonstrate the lots can be developed.
Determine if a 5' front setback/easement is necessary on all local streets within the Bend Central District	Bend Central District Overlay  BCD Table 2.7.3230	In all subdistricts, the first five feet of setback will be a dedicated public access easement and will be developed according to the applicable cross-section for the fronting street.  Maximum front setback is 10' for 1 <sup>st</sup> /2 <sup>nd</sup> Street, 4th Street, and South Subdistricts.  Maximum front setback is 15' for the 3 <sup>rd</sup> Street subdistrict.  In all subdistricts, the first five feet of setback will be a dedicated public access easement and will be developed according to the applicable cross-section for the fronting street.	The current setback requirement results in 15'-17' wide sidewalks throughout the district depending on the current curb to curb width.  15-17' sidewalk widths are not necessary unanimously throughout the district.  Sidewalk widths in main street districts are typically a minimum of 8' wide on side streets and range between 12'-16' on main pedestrian streets.  Taking away this 5' setback from developer could limit vertical development especially on small lots.	Consider reducing or eliminating front setback requirement on non-key "main streets".  Recommended to reword requirement to: "No front setback is required except where sidewalks are less than 8 feet in width on non-main streets" and less than 12 feet in width on "main streets"; in which case a front setback is required to provide the remaining sidewalk width.  Alternatively wait to remove this provision from the code until urban street standards & specifications are developed for the area which would be identified as follow up work in the Core Area Implementation Plan.
Increase the maximum front setback allowance if the setback is used for enhanced pedestrian area and other active space that can support the businesses.	Bend Central District Overlay	Maximum front setback is 10' for 1 <sup>st</sup> /2 <sup>nd</sup> Street, 4th Street, and South Subdistricts.  Maximum front setback is 15' for the 3 <sup>rd</sup> Street subdistrict.	Allows/encourages, but does not require, enhanced pedestrian area and active space in the front of buildings.	Revise BDC 27.3230(E)(1) to allow increased setback in all subdistricts, regardless of height, if used for enhanced pedestrian areas and active space.

<b>Recommendations that increase buildable space while balancing public needs</b>				
<b>Zoning Audit Recommendation</b>	<b>BDC Section</b>	<b>Current Regulation</b>	<b>Policy Implications</b>	<b>Proposed Recommendation</b>
	BCD Table 2.7.3230 (E)(1)	<p>In all subdistricts, the first five feet of setback will be a dedicated public access easement and will be developed according to the applicable cross-section for the fronting street.</p> <p>This is currently allowed for buildings over 65 feet in height in the district (BDC 27.3230(E)(1))</p> <p>For new buildings, the front building facade must be at the minimum setback for at least 50 percent of the lot frontage; outdoor public gathering spaces such as plazas are encouraged and count toward the setback requirement; off-street parking is not allowed between the front building facade and the street.</p>		
Explicitly and more clearly restrict inactive uses within the front setback, such as storage areas, passive landscaping (unless used for stormwater management)	<p>Bend Central District Overlay</p> <p>BCD Table 2.7.3230</p>	<p>Current limitations on front setback uses include:</p> <p>In all subdistricts, the first five feet of setback will be a dedicated public access easement and will be developed according to the applicable cross-section for the fronting street.</p>	Encourages walkable area and active uses that attract activity and vibrancy to district.	Add provision to limit fencing (except if less than 3.5 feet in height for outdoor patios), storage, and parking as non- permitted uses in front setbacks.

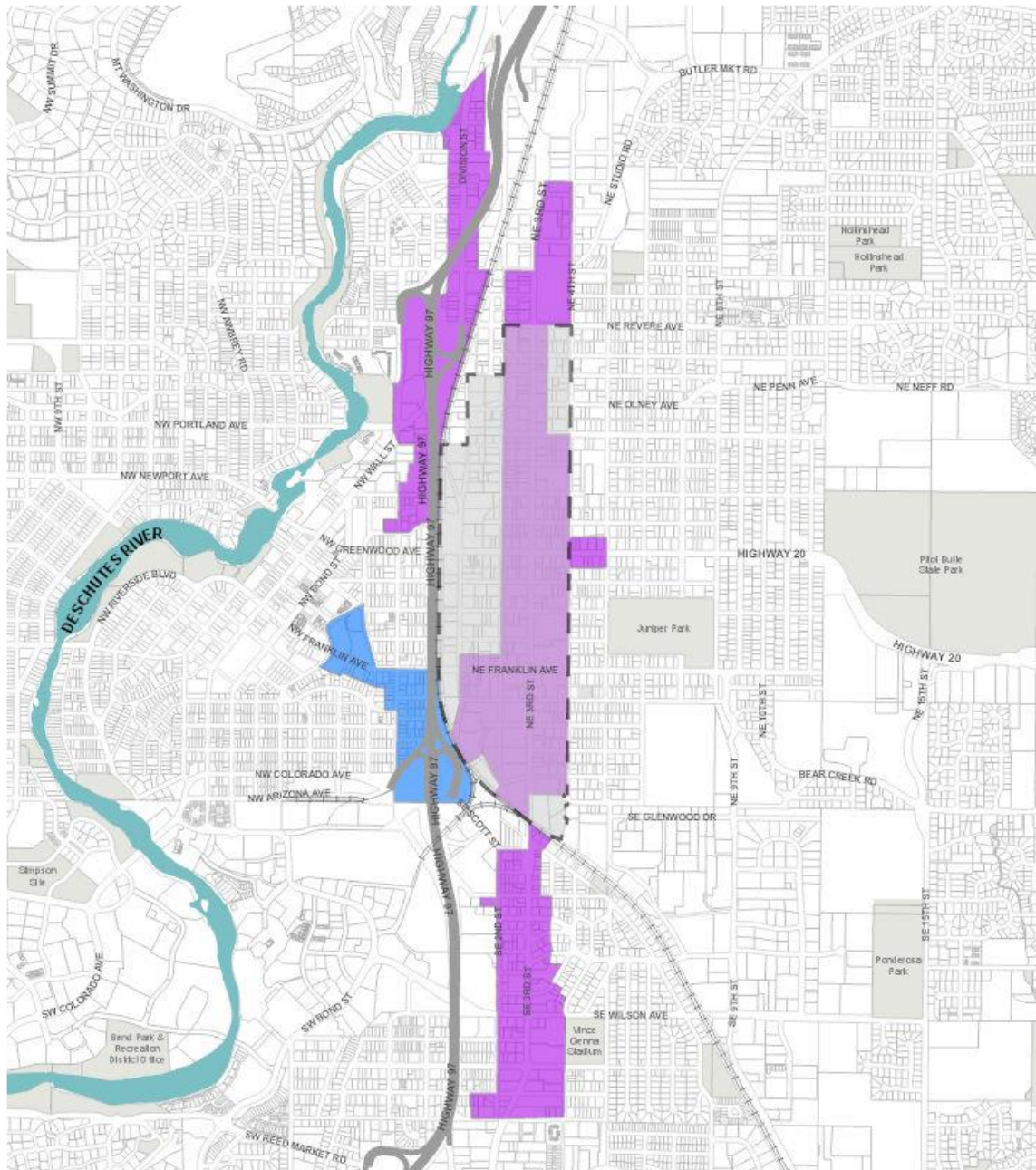
## CL/CG Recommendations to be included in Implementation Plan

CL/CG recommendations will likely necessitate the formation of a special overlay area for implementation. Staff recommends that CL/CG recommendations apply to the boundaries of a final urban renewal area, if approved. Given that it is still uncertain whether an Urban Renewal area will be formed and what the final boundary will be while we are still in the planning process for this effort, it seems more efficient to include CL/CG zoning recommendations in the Implementation Plan and wait to forward these recommendations to the City Council.

There will be an opportunity later in the URAB process to forward a full package of recommendations to City Council to support the vision for the Core Area and development/redevelopment of an Urban Renewal area, if recommended.

CL/CG Recommendations to be included in Implementation Plan				
Zoning Audit Recommendation	BDC Section	Current Regulation	Policy Implications	Proposed Recommendation
Designate key “main streets” within the CL/CG zones where active ground floor use building frontages are deemed necessary. Allow stand-alone residential including multi-family and townhomes on lots or portions of lots not fronting these main streets.	CL/CG zones within the proposed Urban Renewal Area.  BCD Table 2.2.300	Residential uses area allowed as a mixed use development only.  Stand-alone residential buildings are not currently allowed in commercial zones.	Encourages housing development, especially of missing middle housing. Does not preclude commercial uses, such as office, retail, etc. as allowed uses.  By allowing residential on the ground floor in commercial areas, the City is removing barriers to housing development but it could have impacts to employment land supply.  City would need to explain in findings how employment land supply would not be adversely impacted.  Would require on overlay CL/CG area be created to implement recommendation.	If this expansion of uses is considered for the CL/CG areas, recommendation to designate 3 <sup>rd</sup> Street, Franklin Avenue and Division Street as “key main streets” in which ground floor commercial uses would be deemed necessary.  This preserves the majority of commercial ground floor space.  If there are concerns with potentially reducing employment lands, staff recommends only expanding residential uses in the Bend Central District zone.
Allow up to 95% of the building square footage to be in residential use	CL/CG zones within the proposed Urban Renewal Area.	The commercial or public/institutional uses shall occupy at least the floor area equivalent to the entire ground-floor area of the development. The commercial or public/institutional uses shall	Increases feasibility of residential development as part of a mixed use project in CL/CG zones.  Could have some impacts to employment supply.	Consider applying to new CL/CG zones within a new urban renewal area if formed.

<b>CL/CG Recommendations to be included in Implementation Plan</b>				
<b>Zoning Audit Recommendation</b>	<b>BDC Section</b>	<b>Current Regulation</b>	<b>Policy Implications</b>	<b>Proposed Recommendation</b>
	BDC 3.6.200(l) (5)	be constructed prior to or concurrently with the residential uses.	Would require a CL/CG overlay area be created to implement recommendation.	
Adopt commercial frontage standards that support more pedestrian friendly development patterns with a larger portion of buildings frontages closer to the street.	CL/CG zones within the proposed Core Urban Renewal Area  BCD Table 2.2.400	Maximum front yard setback for both CL/CG zones is 10 feet from street with on-street parking and 80 feet from street without on-street parking.	Encourages walkable frontages within Central Core areas of the City.  Would require adoption of new CL/CG overlay area be created or rezone to implement recommendation	Consider maximum setback requirements that restrict parking between street and buildings such as 50% of building frontages must be located at the minimum front setback but allow flexible front setbacks if the setback is used for active space/pedestrian area.
Reduce the minimum front setback requirements and allow flexible front setbacks if the setback is used for enhanced pedestrian area and other active space that can support the businesses	CL/CG zones within proposed Core Urban Renewal Area BCD Table 2.2.400	Currently 10 feet for CL/CG zones.  CB and CC zones have a 0 ft setback requirement.	Encourages walkable frontages within Central Core areas of the City.  Would require adoption of new CL/CG overlay area be created or rezone to implement recommendation	Reduce minimum front setback to zero except on third street, maintain at least a 6' setback to ensure adequate space for landscape buffered sidewalks.
Consider similar parking regulations and exemptions as the BCD for mixed-use projects: <ul style="list-style-type: none"> <li>Simplify the use-based parking requirements to a single non-residential use requirement of 1 space per 1,000 square feet</li> <li>Extend the mixed use ground floor parking exemption currently in the BCD Overlay (with above modifications).</li> <li>Increase the on-street parking credit allowance to 100% from 50%</li> </ul> Increase the mixed-use parking reduction incentive from 5% to 25%	CL/CG zones within the proposed Urban Renewal Area  BCD Table 3.3.300 & 3.3.500	Parking requirements in CL/CG zones vary by use as depicted in BCD Table 3.3.300.	Would encourage more mixed use buildings, and therefore housing units in commercial zones in proposed Urban Renewal area.  Would require adoption of new CL/CG overlay area be created or rezone to implement recommendation	Consider similar parking regulations and exemptions to BCD for CL/CG zones within new Urban Renewal area, if approved.



**BEND CORE AREA**  
**ZONES CG AND CL**

**ZONE**  
CG  
CL

- Bend Central District
- Building Footprints\*
- Taxlots
- Parks

5/13/2019



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

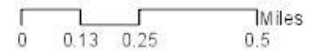


Figure 4. CL/CG Zones in Core Area