

URBAN RENEWAL ADVISORY BOARD #8

MEETING DATE: April 14, 2020

MEETING TIME: 12 PM to 3 PM

LOCATION: GoTo Online Meeting
Login information available at <https://www.bendoregon.gov/government/departments/urban-renewal-advisory-board>

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

AGENDA

1. **Welcome, introductions (5 min)** – Chair Dale Van Valkenburg
 - a. Approval of URAB 7 minutes
2. **Public Comments (10 min)** – Allison Platt
 - a. Members of the public may submit public comments in written format by emailing urab@bendoregon.gov by Noon on April 14
3. **Where We are in the Process and Next Steps After Today's Actions (5 min)** – Allison Platt and Matt Stuart
4. **Project Updates**
 - a. Bend Central District Development Code
 - b. Tax Exemption Program Direction
 - c. Open House update
5. **Draft Core Area TIF District Plan & Report (60 minutes)** – Elaine Howard & Matt Stuart

This is an action item for the Board. See sample motion below.

- a. *Staff briefing*
- b. *Discussion*
- c. *Action – Sample motion: "I move that URAB recommend the draft Core Area TIF District Plan and Report for consideration by the Bend Urban Renewal Agency (BURA) and future adoption by City Council."*

Break (10 minutes)

6. **Draft Core Area Report (60 minutes)** – Allison Platt

This is an action item for the Board. See sample motion below. The CAP Report has also been posted to the project web site as well as the Technical Appendix which is a compilation of materials already provided in previous URAB meetings.

 - a. Staff briefing
 - b. Discussion

- c. Action – Sample motion: *“I move that URAB recommend the draft Core Area Report for consideration and approval by the Bend Urban Renewal Agency and City Council.”*

7. Ongoing coordination (5 min)

8. Close and Thank You to URAB



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 or 541-322-6394. Providing, at least, 3 days' notice prior to the event will help ensure availability.



URAB 7 MINUTES

MEETING DATE: January 21, 2020

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

Minutes

Meeting called to order at 12:00 pm

Roll call: Dale VanValkenburg, Whitney Swander, Bart Bowen, Elise Jones, Dennis Pahlisch, Adam Bledsoe, Craig Davis, Sonja Porter, Steve Porter, Sharon Smith, Sarah Bodo, Robin Vora, Andrea Breault

Councilor Campbell

Conflict of Interest Statements:

- Dale VanValkenburg said his company has a property in the area.
- Bart Bowen owns property in area.
- Adam Bledsoe of Compass Commercial transacts a lot in project area.

1. Welcome, introductions – Vice Chair Whitney Swander

- a. Approval of URAB 6 minutes

Dale Van Valkenburg made motion and Craig Davis seconded. All in favor.

2. Public Comment – Vice Chair Whitney Swander

None at this time.

3. Where We are in the Process – Joe Dills

One meeting away from planned last meeting. There are only a few last pieces to talk about. Goal between now and March is to produce two reports:

Core Area Report: vision, process, action plan.

Urban Renewal/TIF Plan and Report: more legal, for BURA consideration and Council approval, establishes district.

4. Updates from the team:

- a. Taxing District outreach – Matt Stuart

Matt presented to Library Board. Mostly received feedback positive. Comments were minimal, more about how they stay involved. If things move forward, will go back around to them for official approval in late spring/early summer. Met with all except school district, who is fine with hearing information from their liaison on URAB.



5. Draft Urban Renewal Plan and Report Components – Matt Stuart & Elaine Howard

Action Item: Review and discuss the below listed components of the Draft Urban Renewal Plan and Report, refine as needed, and vote to approve proposed language for staff to incorporate into future Draft Urban Renewal Plan and Report.

a. Updated language regarding Project Categories and Project Descriptions

Substantial amendments are prescribed by statute and are add property over 1% of existing area or increase maximum indebtedness.(- Council. Minor can be by URAB/staff itself.

When you receive plan, you will already have seen and approved components.

Guiding Principles approved a while ago.

Project Categories

- Transportation, Streetscape, and Utility Infrastructure
- Affordable Housing Redevelopment and Development Assistance, Partnership, and Support
- Business Redevelopment and Development Assistance, Partnership, and Support
- Open Space, Facilities, Amenities, and Wayfinding Plan Administration, Implementation, Reporting, Planning Refinement, and Support

Plan Components

Made some minor changes which will go over today, otherwise, mainly wordsmithing.

All projects will need to be individually evaluated per public building criteria per new ORS codes. Must meet new criteria.

Affordable Housing – some discussion over wording. Project funds may be used for activities that support the development, redevelopment, or rehabilitation of transitional, low-income, and affordable housing projects, as well as for other facilities that support **vulnerable** populations.

Previously seemed focused on housing, shelters. Wanted to leave it broad. Wants to make sure that applies to more than the current affordable housing program. Also more than just homelessness. Want to include other vulnerable populations. There is sufficient evidence that we can be as explicit or as narrow as we want if different from standard population. Can change with time.

Joe Dills asked about how committee feels about idea of vulnerable in the definition. Most said they are good with broader language as information shifts and changes. Plan approval process is with Council and what vulnerable means at that time if do not define in the plan. Don't want to be too strict in definition, but currently vulnerable is not defined in the development code. Whitney Swander mentioned that vulnerable is a generally accepted term within human services.

Matt Stuart said if everyone is good with concept of vulnerable, we can work on wording and come back with more if needed; will work through with



Whitney and other department staff to identify possible definition terminology.

Elaine Howard stated that transit operations was added to business development section. Also added transit operators.

Robin Vora brought up idea of encouraging reuse and maintenance of historical buildings. Wants to add historic preservation in the Development/Redevelopment Assistance category. Discussion over what this means. Others were uncomfortable with change, concerned it might conflict with a better use of funds. Didn't want tie hands of another project that would benefit more or decrease incentive for developers to come in. Board did not support motion to add historic preservation wording.

Elise Jones said she didn't see encouraging north-south connectivity. Matt Stuart indicated it is in the Core Area Report and part of the Guiding Principles. Also in actual projects especially intersections.

b. Updated language regarding Plan Duration

The agency intends that it not collect tax increment revenues for the Area after FYE 2051... (Amendment C – Plan Duration). Language used in other urban renewal plans. Wording was run by bond council.

After 30 years agency does not intent to collect future revenue but under certain circumstances, could look at. Intent is for 30 years. During the fifteenth year of the Plan the Agency shall undertake a financial analysis of Plan.

Suggestion made to change to the word **during** too **by** the fifteenth year. Discussion in support of limitation but wanted to add more parameters. Suggestion made to change wording to **between years 10 and 15** years instead. Sharon Smith said 10 years is too early. Decision made to change to **between 13 and 16 years**.

URAB approves the Guiding Principles, Project Categories and Eligible Project Description and Plan Duration components for inclusion in the draft Urban Renewal/TIF Plan & Report with minor changes. Modification to description regarding other facilities that support vulnerable population, changed to by the years, 13-16 years. Recommendation to staff to bring back wording.

Craig Davis made motion. Elise Jones seconded. All in favor.

6. Core Area Report – Project Team

a. Implementation Plan

In December, URAB reviewed the Core Area Project Report's "Chapter 6: Implementation Plan", which describes the CAP recommendations.

Action Item: Review summary of proposed revisions to Implementation Plan to be included in Core Area Report.

Allison Platt - two draft documents will be presented at March meeting:

- Draft Urban Renewal Plan and Report
- Core Area Report which will include all work reviewed and seen to date



(Guiding Principles, existing conditions, urban design framework, development feasibility analysis, Implementation Plan)

- Summary of changes on Implementation Plan (Chapter 6) since December URAB meeting provided in packet.

Implementation Plan:

Matched with action plan. Addressed comments related to RV parks vs tiny homes, temporary structures for temporary events.

Regarding change to language around zero energy buildings, the City does not have authority over building codes, state does. Maintained language to encourage zero energy or zero energy ready buildings. Allison Platt cautioned about going beyond what Community Climate Action Plan process which was widely vetted. Group suggested using the term incentivizing versus encouraging. Whitney cautioned about adding additional requirements that might affect affordability. Incentivizing is fine but don't require. Steve Porter asked if standards that we set here diffuse out to other areas of City? Can incentivize more sustainable techniques but code applies.

Allison Platt said Bend Community Climate Action Plan still has goal to participate in state changes to building code to advance energy efficiency in buildings.

Joe Dills: Change encouraging zero energy to incentivizing. Agreed. (page 91).

Allison Platt noted other changes: added Aune and mid-town crossings language.

Steve Porter suggested **consider** parking rather than **balance**. Also remove word **key** before concern. Add **economic development, and sustainability** after walkable urban form. (page 58).

Straw poll: Balance/consider: Consider – strong majority. Remove key, add economic development and sustainability - majority

Steve Porter made motion to amend paragraph as discussed. Robin Vora seconded. All in favor.

URAB approves Implementation Plan with above changes to be incorporated in Core Area Report. Whitney Swander made motion to move forward. Craig Davis seconded. All in favor.

b. Action Plan

This agenda item is URAB's discussion of the follow-up to the Implementation Plan – the "Chapter 7: Action Plan". The Action Plan describes the intended work to carry out each recommendation. It describes the "what, when, who, and how much" of the work. Chapter 7 will be included in a Core Area Report which will be presented to URAB at the March meeting. The intent is for the Core Area Report to be presented to City Council/BURA for their authorization to undertake the actions.

Action Item: Discuss the Action Plan, refine as needed, and vote to approve the direction to staff to finalize the Action Plan.

Focus for today is introducing Action Plan. Action Plan is a follow up to Implementation Plan. Looking for recommendation at next meeting. Will bring full draft of report. If recommend, would then take to Council in spring/summer for adoption by resolution. Outlines next steps for work to be done after this project.



Action Plan is a summary of who, when, what, and how much for each recommendation in order to implement, details objectives, relevant City Goals, expected timing of implementation, and who lead department is, the estimated cost and summary of scope of work.

- Establish a Tax Increment Financing (TIF) District
 - Adopt an Urban Renewal Plan and Report – moving forward. Anticipate adoption in summer of 2020 if recommended at the next URAB meeting
- Update the Development Code and Zoning in process.
 - Mostly went with staff recommendations. Building size limitations and parking were most discussed.
 - Evaluate updates to CL and CG zones within urban renewal boundary
 - Evaluate code updates in other zones
 - Evaluate land use designation changes
 - Overarching themes that would guide changes to code would be allowing for more housing, reducing parking requirements, providing flexibility for development while balancing public needs.
 - Planning Commission had a public hearing last week on Bend Central District code.
- Create Development Incentive Programs
 - Include the Core Area in a citywide tax exemption program
 - Modify the SDC Financing Program
 - Explore land exchange opportunities
- Design and Build Key Infrastructure and Public Realm Amenities
 - Prioritize projects that achieve Core Area goals. Maximize return on investment.
 - Continue community conversations to locate and invest in public attractions
 - Collaborate and identify opportunities for synergistic public realm projects
 - Expand capacity to administer LID and reimbursement districts
- Update Street Standards and Mobility Guidelines.
 - Incorporate Urban Design elements into Street Standards and Specification and the Development Code
 - Adopt mobility guidelines. How do we address new and emerging technologies. overarching guidance.
 - Proactively monitor and manage parking
- Involve Stakeholders in future policy and program development.



- Form advisory committee(s) for implementation of the Urban Renewal Plan. Make sure have appropriate stakeholders involved in process.
- Develop a business improvement program
- Support housing that is affordable
- Incorporate Community Climate Action Plan strategies.
 - Andrea Breault mentioned that CET gets pressure to change fleet to hybrid or electric but they can only go as far as infrastructure allows. Action Plan details a time line. Focuses on current and future City Council budget cycles.

Comments:

Keep plan **flexible** as will likely change. Robin – capture affordable housing and vulnerable. Matt will ensure consistency with other documents. Joe underlying theme of **keeping momentum** and early successes. Prepare for work that will be done later.

Elise Jones: missing the sustainability principle. Is it necessary to tie into CCAP plan or will it happen naturally? Allie – does not need to be referenced in multiple parts of plan.

Steve Porter: what would be availability to incorporate future sustainability?

Allison: See it as happening naturally as City policies change.

Dale VanValkenburg – TIF vs tax exemption- there is conflict between the two and wanted to make sure it is mentioned. Allison: It is in Implementation Plan. Do we need to add in Action Plan. Allie can add clarifying statement if needed.

Whitney Swander said early stakeholders commitment is important. Drive into next stage.

Steve Porter: parking management. What does that mean? Allison: City would do study to analyze parking utilization depending on development. Evaluate all options for parking management. Discussion at planning commission. Recommendation but not a statement in code. Monitor situation.

Dennis Pahlisch: is this action plan timetable compared to other Urban Renewal Areas past histories. Where did duration come from? Allison: it is only focused on next two budget cycles and goal setting for Council.

Will correct guiding principles to add sustainability principle.

URAB approves and provides direction to staff to finalize the Action Plan into the Core Area Report.

Dale VanValkenburg made motion and Dennis Pahlisch seconded. All in favor.

7. Ongoing coordination

Upcoming events:

Wednesday BCD code updates. February 19th public hearing.

Open House, February 20th. 5-7pm Trinity Episcopal Church (Brooks Hall)

Memo is in works about bond do's and don'ts regarding public employee and election



advocacy. Considered a public employee. Cannot do on behalf of committee or at committee. Can do on own time. Either for or against.

8. Public comment – Vice Chair Whitney Swander

Kathy Austin thinks URAB has done a wonderful job. Excited that you have provided flexibility in code. Single room occupancy (SRO) would be great to see in Core area. Working on for future changes.

Moey Newbold – representing Central Oregon Landwatch. Also thinks URAB has done an excellent job. Had a couple of questions. Do project categories in Urban Renewal Plan relate to amount of money going towards them? Matt Stuart: Yes as part of finance plan but not a hard and fast rule, is a guide.

How will displacement be addressed? Need to recognize that in Census Tract 16 people experience poverty at double the rate of Bend, concentration of minorities greater. 24.6% are Latinx in area. Don't be blind to people who are there now. Avoid displacement of more vulnerable populations.

Allison mentioned that addressed last question a bit in plan through business improvement and affordable housing strategies. Tried to address strategies to supporting existing businesses, property owners and residents. Also increase supply of housing in area.

Dennis Pahlisch reminded that this is an advisory committee. We make recommendations. We are not final body who makes decision, Council is.

9. Next steps/close

Next meeting March 17th.

Adjourned at 1:57 pm

CORE AREA ADOPTION SCHEDULE

PREPARED FOR: Bend Urban Renewal Advisory Board
COPY TO: Project Team
PREPARED BY: Matt Stuart, Urban Renewal Manager
Allison Platt, Senior Planner
DATE: April 7, 2020

Introduction

For URAB Meeting #8 (April 14, 2020), the project team has prepared an outline of an adoption schedule for both the Core Area Report and TIF District Plan & Report to bring forward recommendations to the Urban Renewal Advisory Board to the Bend Urban Renewal Agency (BURA) and City Council. The TIF District Plan & Report schedule is aimed at effectuating the Core Area Tax Increment Financing (TIF) District Plan & Report by October 1st, 2020¹.

This schedule is subject to change and is intended to be for informational purposes only. As dates are confirmed and/or changed, they will be updated accordingly on the City's calendar.

Schedule

The anticipated TIF District and Core Area Report adoption schedule is below. All dates are for calendar year 2020.

- April 14th – URAB (Public Meeting)
 - Recommendation to BURA & Council for consideration & future adoption of both TIF District Plan & Report and Core Area Report
- April 15th – Council (Regular Agenda)
 - Review Core Area Project Report
 - Review TIF Plan & Report
 - Review next steps, recommendation, & adoption process
- April 27 – Planning Commission (Work Session)
 - Review Planning Commission's review authority regarding conformance with the 2016 Bend Comprehensive Plan
- May 6th or 20th – City Council (Regular Agenda) / BURA (Regular Agenda)
 - (Council) Adopt Resolution approving Core Area Report and directing subsequent implementation actions identified in Report

¹ If effectuated prior to October 1st, 2020, the Assessed Value for the District ("Frozen Base") is captured at the 2019-2020 Deschutes County Assessor's certified assessed values.

- (BURA) Adopt Resolution recommending Council adopt TIF District Plan & Report
- (BURA) Send TIF District Plan & Report to Taxing District & Planning Commission for formal review/comment²
- June 8th – Planning Commission (Public Hearing)
 - Recommendation regarding TIF Plan & Report compliance with Comprehensive Plan
- June 17th (or July 15th) – City Council (Work Session)
 - Review TIF Plan & Report
 - Review City Council’s authority & responsibility
 - Summarize comments from Taxing Districts received to date
- July 15th (or August 5th) – City Council (Regular Agenda)
 - Review/Consider Taxing Districts & Planning Commission comments and/or recommendations
 - First reading of Ordinance adopting TIF Plan & Report
- August 5th (or August 19th) – City Council (Regular Agenda)
 - Second reading of Ordinance adopting TIF Plan & Report

Considerations

As noted, the intent of the TIF adoption schedule is to effectuate the Core Area TIF Plan & Report by October 1st, 2020. In doing so, the assessed value (“frozen base”) is captured at the 2019-2020 Deschutes County Assessor’s certified assessed value, and the Core Area TIF Plan would begin collecting TIF revenue at FYE³ 2022.

If, the October 1st, 2020 effectuation deadline is no longer feasible due to delays in the outlined TIF adoption schedule, or by choice, the Core Area TIF Plan & Report would need to be effectuated by December 31st, 2020 in order to ensure the Core Area TIF Plan begins collecting TIF revenue at FYE 2022. However, the assessed value (“frozen base”) would need to be recalculated based the 2020-2021 Deschutes County Assessor’s certified assessed value; and the finance plan within the Core Area TIF Report would need to be updated to reflect the changes in potential TIF revenue, maximum indebtedness, and the capacity to fund projects over the 30 year duration period.

If, the December 31st, 2020 effectuation deadline is no longer feasible due to delays in the outlined TIF adoption schedule, or by choice, the Core Area TIF Plan & Report would need to be effectuated by October 1st, 2021 in order to ensure the Core Area TIF Plan begins collecting TIF revenue at FYE 2023, and the assessed value (“frozen base”) is captured at the 2020-2021 Deschutes County Assessor’s certified assessed value. The finance plan within the Core Area TIF Report would also need to be updated to reflect the changes in potential TIF revenue, maximum indebtedness, and the capacity to fund projects over the revised 30 year duration period.

² It is anticipated that the formal Taxing District review period, to meet the required consult and confer requirements, will begin following BURA Resolution Adoption on May 6th and conclude at least one week prior to July 15th City Council meeting.

³ Fiscal year end

CORE AREA TIF PLAN AND REPORT

PREPARED FOR: Bend Urban Renewal Advisory Board
COPY TO: Project Team
PREPARED BY: Matt Stuart, Urban Renewal Manager
Elaine Howard, Elaine Howard Consulting, LLC
DATE: March 8th, 2020

Introduction

For URAB Meeting #8 (March 17th, 2020), the project team has prepared the draft Core Area Tax Increment Finance (TIF) Plan and Report for URAB's review and consideration.

The following memo provides a background summary of the work to date performed by URAB (as it relates specifically to the Core Area TIF Plan and Report). In addition, a summary of each of documents components is presented as an outline and accompanied by a brief explanation of their relationship to URAB's work and/or state law; to assist in document review.

The project team is requesting URAB take action to approve the draft Core Area TIF Plan and Report, and recommend the draft Core Area TIF Plan and Report to BURA for further consideration and to Council for future adoption.

Background

The draft Core Area TIF Plan and Report is derived and compiled from the previous work and recommendations of URAB. Below is a list of specific meeting dates, along with an explanation of topics/tasks URAB either reviewed, provided guidance and/or made a recommendation to the project team for future inclusion in the draft Core Area TIF Plan and Report:

- At URAB Meeting #2 (April 2nd, 2019), URAB reviewed the Existing Conditions and Applicable Plans, Projects, Programs report (which has been updated and utilized in the draft Core Area TIF Report – Section X: Existing Physical, Social, and Economic Conditions and Impacts on Municipal Services), and further refined the Guiding Principles.
- At URAB Meeting #3 (May 14th, 2019), URAB approved the Guiding Principles and provided preliminary guidance regarding the Project Types and Priorities, in addition to the TIF district boundary.
- At URAB Meeting #4 (August 13th, 2019), URAB approved the TIF Boundary with the addition of an area along NW Wall Street, and authorized the project team to move forward with the suggested approach to forecasting potential TIF revenue.
- At URAB Meeting #5 (October 1st, 2019), URAB provided guidance for the draft Finance Plan presented at URAB Meeting #6, and approved the Preliminary Project Categories and Projects outline (later used to draft the Project Categories & Eligible Project Descriptions presented at URAB Meeting #7).
- At URAB Meeting #6 (December 11th, 2019), URAB approved the draft Finance Plan to be utilized in the draft Plan and Report, and reviewed the required components of the anticipated draft Plan and Report – some of which must contain specific information outlined by ORS 457.

- At URAB Meeting #7 (January 21st, 2020), URAB approved the Guiding Principles, Project Categories & Eligible Project Descriptions, and Plan Duration components for inclusion in the draft Plan and Report; along with the recommendation to include additional language as it relates to the Affordable Housing project category.

Plan & Report Components

Below is each component/section included in the draft Core Area TIF Plan and Report, along with their relationship to the previously reviewed and/or recommended work by the URAB; or their justified legislative requirement (ORS 457). The following is intended to provide guidance regarding how each component/section of the Plan & Report was derived, and assist URAB members in reviewing the documents.

Plan

- Definitions: Plan & Report standard. Provides statement of meaning for terms used within the documents.
- Introduction: Provides background on the development of the Plan & Report; draws from the Core Area Project.
- Maximum Indebtedness: Required by ORS 457, section provides the calculated value of the amount of debt that can be expended on projects within the Area. URAB approved the value at Meeting #6 as part of the draft Finance Plan.
- Plan Guiding Principles: Not required by ORS 457, section provides a description of the goals for the district. URAB reviewed and approved the guiding principles at Meeting #3, and confirmed at Meeting #7.
- TIF Area Project Categories: Required by ORS 457, section details the project categories eligible to receive TIF funding. URAB initially reviewed the categories at Meeting #5, further refined at Meeting #6, and approved at Meeting #7.
- TIF Area Projects: Required by ORS 457, section details the project eligible to receive TIF funding. URAB initially reviewed the project descriptions at Meeting #5, further refined at Meeting #6, and approved at Meeting #7 (with additional language regarding the applicability for Affordable Housing projects and the term “vulnerable”).
- Amendments to Plan: A Substantial Amendment is required by ORS 457, and the addition of a Minor Amendment is recommended and consistent with best practices. URAB reviewed amendments at Meeting #6 and Meeting #7.
- Property Acquisition and Disposition: Required by ORS 457, section provides rules and guidelines for the acquisition and disposition of property by BURA. The draft Plan and Report do not identify any specific acquisition of property, therefore the section indicates the rules and regulations shall be adopted prior to the identification and inclusion of an acquisition project. URAB reviewed this component at Meeting #6.
- Relocation Methods: Required by ORS 457, which references ORS 35, section provides direction on the adoption of rules and regulations, if necessary, for the administration of relocation assistance. BURA is required, by law, to provide relocation assistance to “displaced persons” if a project results in BURA acquiring real property. The draft Plan and Report do not identify any specific acquisition of property, therefore the section indicates the rules and regulations shall be adopted prior to the identification and inclusion of an acquisition project. URAB reviewed this component at Meeting #6.
- Tax Increment Financing of Plan: Required by ORS 457, standard language is provided for subsections A & B based on best practices. Subsection C – Duration, was reviewed by URAB at Meeting #6, and approved at Meeting #7.

- Validity: Required language per ORS 457.
- Annual Report: Required language per ORS 457.
- Relationship to Local Objectives: Required by ORS 457, this section provides an extensive review of the relevant local objectives of the Comprehensive Plan, the Development Code, and the BEDAB Strategic Plan. It is intended to provide an explanation of how the draft Plan and Report conforms to aforementioned relevant local objectives and it is the generally accepted practice for the Planning Commission to review and provide input to ensure compliance with the Comprehensive Plan.
- Legal Description: Required per ORS 457. Typically is not completed and inputted into the document until prior to Council Adoption.

Report

- Definitions: Plan & Report standard. Provides statement of meaning for terms used within the documents.
- Introduction: Provides background on the development of the Plan & Report; draws from the Core Area Project.
- The Projects in the Area and the Relationship between TIF Area Projects and the Existing Conditions in the Area: Required by ORS 457, section reiterates the project descriptions and identifies the existing conditions within the district that precipitate their need. URAB reviewed the Existing Conditions analysis at Meeting #2, reviewed the initial project list at Meeting #5, further refined the projects at Meeting #6, and approved the project descriptions at Meeting #7 (with additional language regarding the applicability for Affordable Housing projects and the term “vulnerable”).
- The estimated Total Cost of each Project and the sources of moneys to pay such costs: Required by ORS 457, section identifies the project category costs (in current dollars) and identifies additional funding sources available (outside of TIF) that would be required to complete the described projects. URAB reviewed costs and potential other funding sources at Meeting #5, and approved the draft Finance Plan at Meeting #6.
- Financial Analysis of the Plan: Required by ORS 457, section shows projected funds available over the projected life of the Area. URAB initially reviewed the revenue forecasting approach at Meeting #4, provided guidance for the draft Finance Plan at Meeting #6, and approved the draft Finance Plan at Meeting #7.
- The estimated amount of Tax Increment Revenues required and the anticipated year in which indebtedness will be retired: Required by ORS 457, section shows projected revenues and debt service allocation over the projected life of the Area. URAB initially reviewed the revenue forecasting approach at Meeting #4, provided guidance for the draft Finance Plan at Meeting #6, and approved the draft Finance Plan at Meeting #7.
- The anticipated completion date for each Project: Required by ORS 457, section shows the allocation of funds for each project category over the projected life of the district. URAB initially reviewed the revenue forecasting approach at Meeting #4, provided guidance for the draft Finance Plan at Meeting #6, and approved the draft Finance Plan at Meeting #7.
- Revenue Sharing: Required by ORS 457, section provides guidance on how revenue sharing with the overlapping taxing districts will be defined and what thresholds will need to be met to trigger revenue sharing requirements should revenues exceed projections.
- Impact of the Tax Increment Financing: Required by ORS 457, section provides the impact of the foregone property tax revenue on the overlapping taxing districts.

- Compliance with statutory limits on Assessed Value and size of TIF Area: Required by ORS 457, state law limits the percentage of both a municipality's total assessed value and the total land area that can be contained within TIF/Urban Renewal Areas at the time of establishment. This section demonstrates compliance with state law.
- Existing Physical, Social, and Economic Conditions and impacts on Municipal services: Required by ORS 457, section describes the existing conditions and other relevant background information within the TIF Area in order to document the impact on municipal services and the occurrence of "blight" (as defined by state law).
- Reasons for Selection of each TIF Area in the Plan: Required by ORS 457, section details the reason(s) for selecting the Area, including but not limited to curing "blight" (as defined by state law).
- Relocation Report: Required by ORS 457, which references ORS 35, section provides direction on the adoption of rules and regulations, if necessary, for the administration of relocation assistance. BURA is required, by law, to provide relocation assistance to "displaced persons" if a project results in BURA acquiring real property. The draft Plan and Report do not identify any specific acquisition of property, therefore the section indicates the rules and regulations shall be adopted prior to the identification and inclusion of an acquisition project. URAB reviewed this component at Meeting #6.

Requested Action

At Meeting #8 (March 17th, 2020), the project team is requesting URAB review and take action to approve the draft Core Area TIF Plan and Report, and recommend the draft Core Area TIF Plan and Report to BURA for further consideration and to Council for future adoption.

CORE AREA PROJECT REPORT

PREPARED FOR: Bend Urban Renewal Advisory Board
 COPY TO: Project Team
 PREPARED BY: Allison Platt, Senior Planner
 DATE: March 17, 2020

Introduction

The purpose of the Core Area Project (CAP) Report is to summarize the recommendations of the Core Area Project. At its March 17, 2020 meeting, the Urban Renewal Advisory Board (URAB) is asked to discuss, refine as needed, and recommend the CAP Report for consideration and approval by the Bend Urban Renewal Agency and City Council.

Included in your packet is the fourteen-page Executive Summary of the report. The Executive Summary is intended to be used as a standalone summary document of the full report. It describes the key findings and recommendations of the project.

The full CAP Report (150+ pages) is posted to the project web site. The majority of it consists of content that has already been reviewed by the URAB, with additional graphics and formatting. In addition, a Technical Appendix has been prepared and posted; it is a compilation of documents provided during URAB’s eight meetings.

The following table lists the content of each chapter, at what URAB meeting the content was previously reviewed by URAB (and whether the content is new), and relevant Technical Appendix documents.

Chapter	URAB Meeting Reviewed	Relevant Technical Appendix
Executive Summary	Summarized Content (URAB 8)	
Introduction	New Content (URAB 8)	
Existing Conditions	URAB 2 <ul style="list-style-type: none"> Some revised/new content provided in this version related to recommended TIF Boundary 	Urban Design Analysis Existing Conditions Report
Urban Design Framework	URAB 3	Urban Design Framework
Development Feasibility Analysis	URAB 2	Development Feasibility

Chapter	URAB Meeting Reviewed	Relevant Technical Appendix
Implementation Plan	URAB 6 & 7	Urban Renewal Analysis Transportation Community Engagement Development Code Audit & Recommendations
Action Plan	URAB 7	

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Figure ES-1. Recommended Core Area Urban Renewal/TIF Area



Executive Summary

CORE AREA PROJECT ACCOMPLISHMENTS

Beginning in early 2019, the City of Bend set out to create a common vision and implementation plan that included the use of urban renewal/tax increment financing (TIF) as a funding mechanism to support strategic investments in the area. The Core Area Project (CAP) process brought together City representatives, taxing districts, property owners, area residents, and other stakeholders to guide the planning process and its implementation. These groups worked together to successfully:

- Identify urban renewal/TIF investments, including transportation and infrastructure projects, affordable housing assistance, public and open space facilities, wayfinding, and development assistance;
 - Develop an implementation plan and action plan to complement the urban renewal/TIF recommendations;
 - Identify and remove regulatory barriers to development, particularly for housing; and
 - Recommend a new urban renewal/TIF area, and complete a draft Urban Renewal/TIF Plan and Report per state statute for intergovernmental review.
- Establish guiding principles for the CAP process and its implementation;
 - Create an urban design framework;
 - Determine the boundary and feasibility of a new urban renewal/TIF area;



WHY THIS PLAN?

The need for this project stems from several goals and policies adopted in Bend’s 2016 Comprehensive Plan update. The Comprehensive Plan recognizes Bend’s Central Core as has having a unique potential for quality, urban-scale development—the City’s best opportunity to “grow up.”

In 2018 the City Council evaluated implementation needs and opportunities for the Comprehensive Plan and concluded that more work was needed to unlock the potential of the Core Area.

To date, the Core Area has underperformed—development has been mostly single-story retail and remodels. No housing has been built, despite the City’s 2016 Urban Growth Boundary (UGB) goals for 400 new housing units by 2028 and 1,800 new housing units by 2040. The Council authorized the Core Area Project to:

1. Evaluate the feasibility of urban renewal/TIF and proactive city investments and initiatives in the Core Area; and
2. Bring together previous planning studies into a cohesive framework of urban design and place making strategies that would complement and guide public and private development.

In addition to its growth management and public investment role, the project provided, and will continue to provide, a forum for coordination and integration between various city plans and initiatives that apply in the Core Area, including: the Transportation System Plan (TSP) update, Bend’s housing initiatives, the Bend Community Climate Action Plan (CCAP) implementation, and ongoing capital improvement planning.

FROM STUDY AREA TO URBAN RENEWAL/TIF AREA

Urban renewal/TIF boundary decisions are foundational; they play a primary role defining in the financial viability and effectiveness of any urban renewal/TIF plan. Tax increment is the primary funding source for urban renewal/TIF and may only be collected from inside an adopted boundary, and tax increment dollars may only be spent inside the boundary.

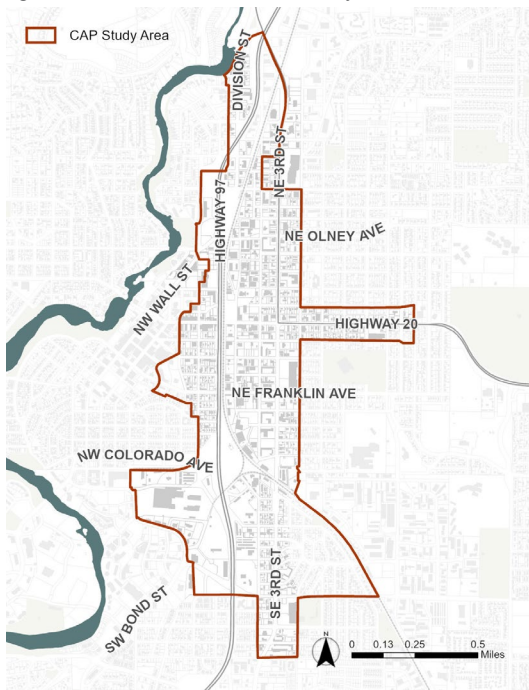
The process for establishing and refining the urban renewal/TIF boundary as part of the Core Area Project included:

- Conducting an initial analysis of the CAP study area, including the six sub-areas;
- Projecting the tax increment, estimating Maximum Indebtedness

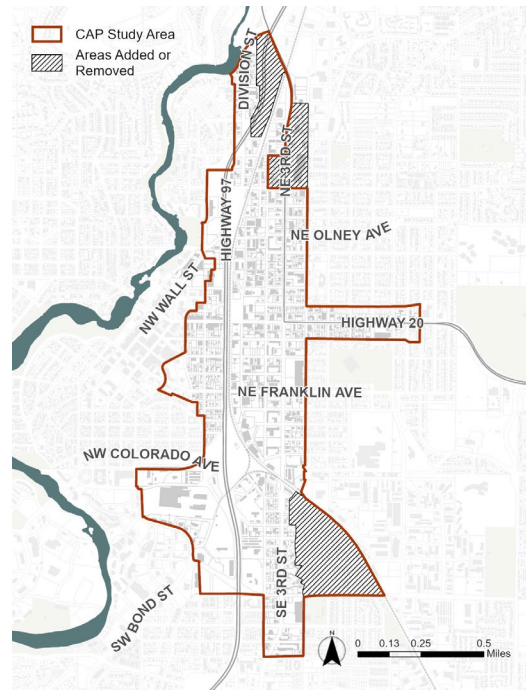
(MI), and estimating the amount of funding available based on an initial boundary recommendation; and

- Making several small boundary refinements to add or remove additional properties based on their zoning or development potential.

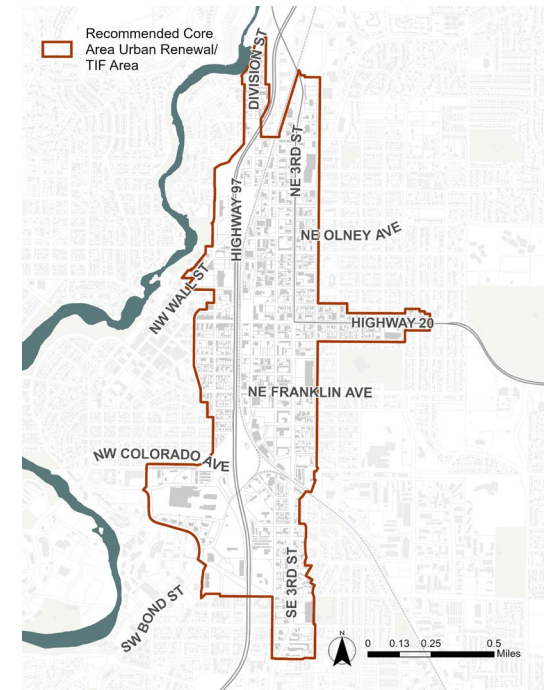
Figure ES-2. Core Area Boundary Process



Initial Study Area



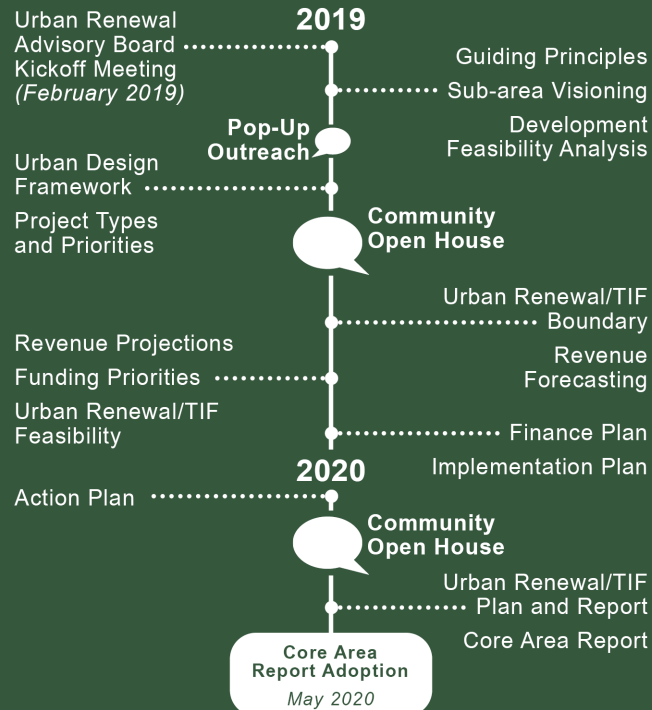
Evaluation



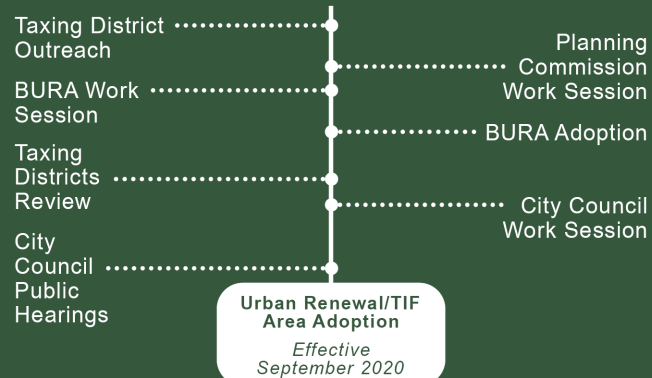
Recommended Core Area Urban Renewal/TIF Area

CORE AREA PROJECT TIMELINE

PROJECT RECOMMENDATIONS AND URBAN RENEWAL/TIF FEASIBILITY



URBAN RENEWAL/TIF PLAN AND REPORT



THE 2019-2020 CAP PROCESS

In 2019 the Bend Urban Renewal Agency (BURA) established the Urban Renewal Advisory Board (URAB) to serve as the advisory committee for the CAP process. The 18-member board, representing a broad cross-section of stakeholders and community members, met eight times between February 2019 and March 2020.

The community-driven process had active participation from URAB members, taxing districts, property and business owners, state agency partners, and City officials and staff. In addition to URAB meetings, the process included five “pop-up” outreach events at Core Area businesses, two open houses, two online surveys, and discussions with each of the taxing districts.

Project staff also provided briefings and work sessions with advisory committees, Planning Commission, BURA, and City Council. The timeline on this page summarizes the process to-date and shows the planned steps that will be conducted for adoption of the Urban Renewal/TIF Plan and Report.

GUIDING PRINCIPLES



Create a place where you can live, work, and play.



This is a walkable area with a balanced transportation system.



This area removes barriers and connects the East and West sides of Bend.



This plan leads to direct outcomes, it is implemented.



Affordability is preserved.



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.

CORE AREA URBAN DESIGN FRAMEWORK

The concepts proposed in the Urban Design Framework present a simple and clear vision for public improvements that will help improve the area and complement private development.

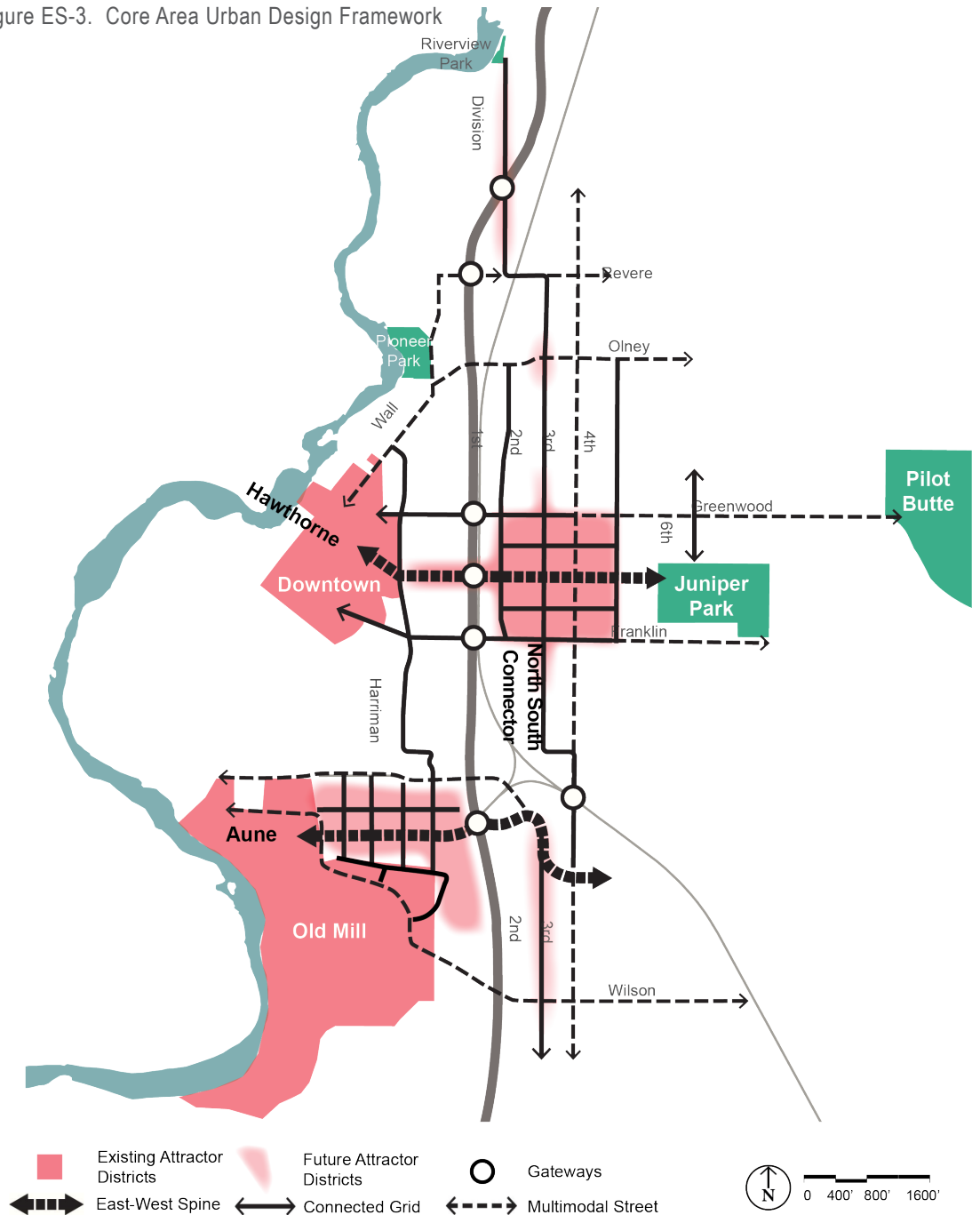
Existing attractor districts in Bend, such as Downtown and the Old Mill District, are high-quality, active, and vibrant places that will be well-connected to the Core Area through a hierarchy of three different corridor types, each with a varying level of public realm improvements.

One **East-West Spine** will directly link Downtown with Juniper Park, one of Bend's most popular parks, through the emerging Bend Central District (BCD). The Aune Road spine will connect the Old Mill District through the KorPine site to emerging districts east of the Parkway.

These two spines are complemented by a **Connected Grid** of complete walkable streets, which form the connective tissue within the Core Area's districts. 2nd Street will serve as a primary North-South connector from the Division Sub-area through the BCD to south 3rd Street and the Aune Road spine.

Multimodal Streets, which due to higher traffic volumes create boundaries around emerging districts, will be improved especially on their street edges (from the curb back) and at crossings.

Figure ES-3. Core Area Urban Design Framework



East-West Spine



Wide sidewalks



Outdoor dining, visual interest, special paving



Evening activity

Connected Grid



Safe bike travel



Curb extensions, pedestrian-scale lighting, on-street parking



Mid-block crossing, curb extensions, stormwater treatment

Multimodal Street



Active frontage set back from busy road



Comfortable bus stops



Sidewalks buffered by street trees

Gateways: Overpasses and Underpasses



Accessible



Iconic form



Green and well-lit



Safe, open, visible



Well-lit



Bright murals

DEVELOPMENT FEASIBILITY ANALYSIS

Economic Drivers

The development feasibility analysis included interviews with landowners and developers active in Bend as well as an analysis of redevelopment indicators, to understand opportunities and barriers to development in the Core Area. The analysis identified the following key findings:

OPPORTUNITIES:

- Residential development is driving the market currently and residential demand is high.
- Demographic changes include an increase in Boomers and Millennials with high demand for walkable, high amenity living.
- Opportunity Zones could yield more equity with a lower investment.
- Recent changes to zoning, particularly the formation of new mixed-use land use designations such as the Mixed Urban zone and amendments to the BCD, have substantially increased the intensity of what is allowed, as well as activity and interest.

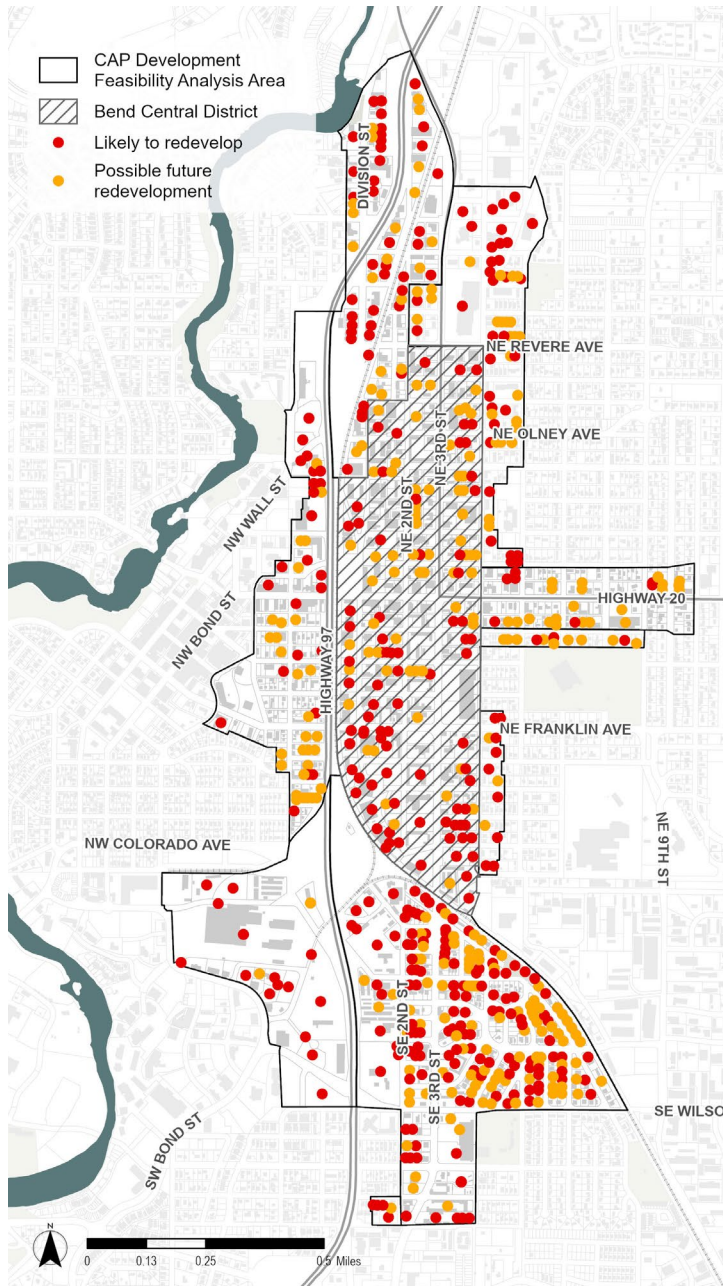
- East Downtown and BCD have the block length and intersection density needed for a walkable street grid that is centrally located near Downtown.
- Areas within the study area that have close access to public and private amenities include East Downtown, KorPine, and the Inner Highway 20/ Greenwood Sub-areas.
- Sites with longstanding owners (low-cost basis property owners) can leverage “land equity” into their development projects. Those longstanding owners who are motivated to develop will have a distinct advantage to those buying land at market rates today.

BARRIERS:

- Construction costs are at a historical high.
- Infrastructure off-site costs are challenging.
- Absence of urban amenities and connectivity hurt development feasibility.

- Zoning changes are needed in most of the Core Area, some more extensive than others.
- Areas zoned with more general commercial or residential zones that have not been updated recently, have less market interest for development and redevelopment.
- The Core Area has a large number of small properties (under 12,000 square feet) and very few properties over a one-half acre limits redevelopment feasibility for larger scale mixed-use projects.
- Accommodating off-street parking is the single most significant design hurdle for small sites.
- There are areas within the study area that have significant walkability barriers including major crossings, missing sidewalks, and disconnected street grids.

Figure ES-4. Future Core Area Development Potential



Recent Construction Trends

An analysis of permit data in the CAP study area from 2007-2019 found:

- Recent new “ground-up” construction is limited and mostly single-story retail.
- More investment has occurred in remodels.
- Wilson sub-area is seeing mostly single family (re)development.
- The area does not yet appear to be at the tipping point for mixed-use development to be financially feasible. A focus on infrastructure upgrades (placemaking and streetscape enhancements) and zone standard changes could make the feasibility of mixed-use development a reality.

Conclusions

With the introduction of infrastructure investments and policy changes, the study area could achieve a high level of “desirability” and market feasibility. The development feasibility analysis found that the modeled building types (single story retail, mixed-use 3-story, mixed-use 5-story, and townhomes) have a “tipping point” land cost of below \$30 per square foot. Only two building types (medium-rent and high-rent mixed-use 5-story) were found to support over \$30 per square foot in land cost.

A hypothetical future redevelopment feasibility map (Figure ES-4) shows properties less than \$30 per foot (red dots) and \$30-\$40 per square foot (orange dots). The two categories reflect the fact that properties with a current value of \$30-40 per square foot could be possible to redevelop but are on the far upper end of the “tipping point” spectrum. The map shows all properties at or below \$30 per square foot as dark red to indicate likely redevelopment, and those \$30-40 per square foot are colored orange to indicate possible redevelopment in the future.

Two important lessons emerge from this analysis. First, **investments in safe walkable streets, amenities like parks and plazas, and comfortable and convenient connections to other dynamic areas** greatly strengthens the underlying desirability and achievable rents in an area.

Second, **aligning the zoning with the market potential** is critically important. If zoning standards are limiting redevelopment and investment, public investments in infrastructure and placemaking elements are much less likely to catalyze substantial new investment. These are the two most important public strategies to align and fine tune in order to stimulate development in these opportunity areas.

IMPLEMENTATION PLAN

The Implementation Plan describes six key recommendations and a set of implementing actions, summarized in the following table.

Table ES-1. Summary of Implementation Plan Recommendations

Recommendation	Recommended Actions
<p>1. Adopt an Urban Renewal/TIF Area</p>	<p>1.1. Adopt an Urban Renewal/TIF Plan and Report.</p>
<p>2. Update the Development Code and Zoning</p>	<p>2.1. Remove barriers to development/redevelopment, particularly for housing and mixed-use development in the BCD.</p> <ul style="list-style-type: none"> • Allow for more housing and focus non-residential mixed-use requirements to designated Main Streets. • Simplify and reduce parking requirements. • Provide flexibility for private development in balance with public needs. <p>2.2. Evaluate code updates to Commercial Limited (CL) and Commercial General (CG) zones in the Core Area to remove barriers to development/redevelopment..</p> <p>2.3. Evaluate code updates in other zones in the Core Area to remove barriers to development/redevelopment, particularly for housing.</p> <p>2.4. Evaluate land use designation changes (Inner Greenwood & SE 2nd Street) in the Core Area.</p>

Recommendation	Recommended Actions
<p>3. <i>Create Development Incentive Programs</i></p>	<p>3.1. Include the Core Area in a citywide tax exemption program.</p> <p>3.2. Modify the System Development Charge (SDC) Financing Program in the Core Area.</p> <p>3.3. Explore land exchange opportunities.</p>
<p>4. <i>Design and Build Key Infrastructure and Public Realm Amenities</i></p>	<p>4.1. Invest in key infrastructure and public realm amenities: Prioritize projects that achieve Core Area goals in future infrastructure plans.</p> <p>4.2. Invest in key infrastructure and public realm amenities: Continue community conversations to locate and invest in public attractions within the Core Area.</p> <p>4.3. Invest in key infrastructure and public realm amenities: Collaborate and identify opportunities for synergistic public realm projects.</p> <p>4.4. Expand capacity to administer Local Improvement Districts (LIDs) and reimbursement districts.</p>
<p>5. <i>Update Street Standards and Mobility Guidelines</i></p>	<p>5.1. Update street standards, specifications, and codes for streets within the Core Area.</p> <p>5.2. Adopt mobility guidelines.</p> <p>5.3. Proactively monitor and manage parking in the Core Area.</p>
<p>6. <i>Involve Stakeholders in Future Policy and Program Development</i></p>	<p>6.1. Form advisory committee(s) for implementation of the Urban Renewal/TIF Plan.</p> <p>6.2. Develop a business improvement program.</p> <p>6.3. Support housing that is affordable.</p> <p>6.4. Incorporate Community Climate Action Plan (CCAP) strategies.</p>

2020 2021 2022 2023
 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4

ACTION PLAN

The Action Plan describes the “what, when, and who” of the implementing work proposed for the Core Area Project. The implementation of these recommendations will occur over many years. This Action Plan focuses on the 2020-2023 period, when the recommended projects and programs will be launched and the “early successes” of the Core Area Project will be delivered.

Each recommended action includes “Implementation Timing.” The time durations are:

Near Term: Through the 2019-2021 budget cycle (1.5 years)



Mid-Term: Fiscal Years (FY) 2021 through 2023 (1.5 to 3.5 years)



Long-Term: Through FY 2023 (3.5 years)



Ongoing: Continues beyond FY 2023



ADOPT AN URBAN RENEWAL/TIF AREA

Adopt an Urban Renewal/TIF Plan and Report



UPDATE THE DEVELOPMENT CODE & ZONING

Remove barriers to development in the BCD



Evaluate code updates to CL and CG zones



Evaluate code updates in other zones



Evaluate land use designations changes



CREATE DEVELOPMENT INCENTIVE PROGRAMS

Include the Core Area in a citywide tax exemption program



Modify the SDC Financing Program



Explore land exchange opportunities



DESIGN & BUILD KEY INFRASTRUCTURE & PUBLIC REALM AMENITIES

Prioritize projects that achieve Core Area goals



Continue community conversations to locate and invest in public attractions



Collaborate and identify opportunities for synergistic public realm projects



Expand capacity to administer LIDs and reimbursement districts



UPDATE STREET STANDARDS & MOBILITY GUIDELINES

Update street standards, specifications, and codes for streets within the Core Area



Adopt mobility guidelines



Proactively monitor and manage parking



INVOLVE STAKEHOLDERS IN FUTURE POLICY & PROGRAM DEVELOPMENT

Form advisory committee(s) for implementation of the Plan



Develop a business improvement program



Support housing that is affordable



Incorporate CCAP strategies





Conceptual rendering of 3rd Street