



CITY OF BEND

CAAB Subcommittee

Core Area Development Partnership Program

October 11, 2022

Meeting Agenda

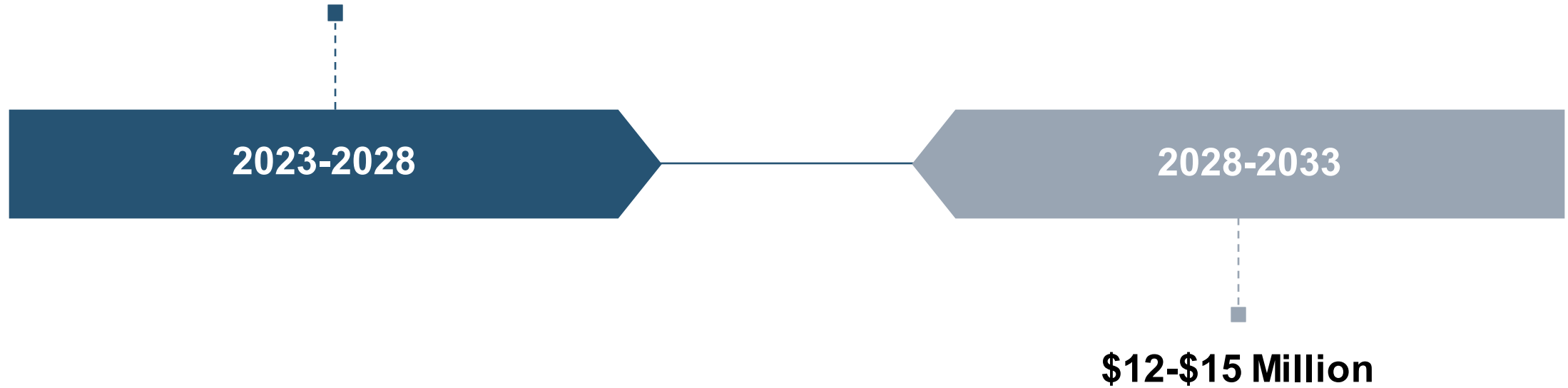
- Intros/Conflict of Interest Disclosures
- Staff presentation (40 minutes)
 - Development Partnership Best Practices Overview
 - Development Examples
- Public Comment (15 minutes)
- Discussion (35 minutes)



Core Area Funding Capacity Estimates

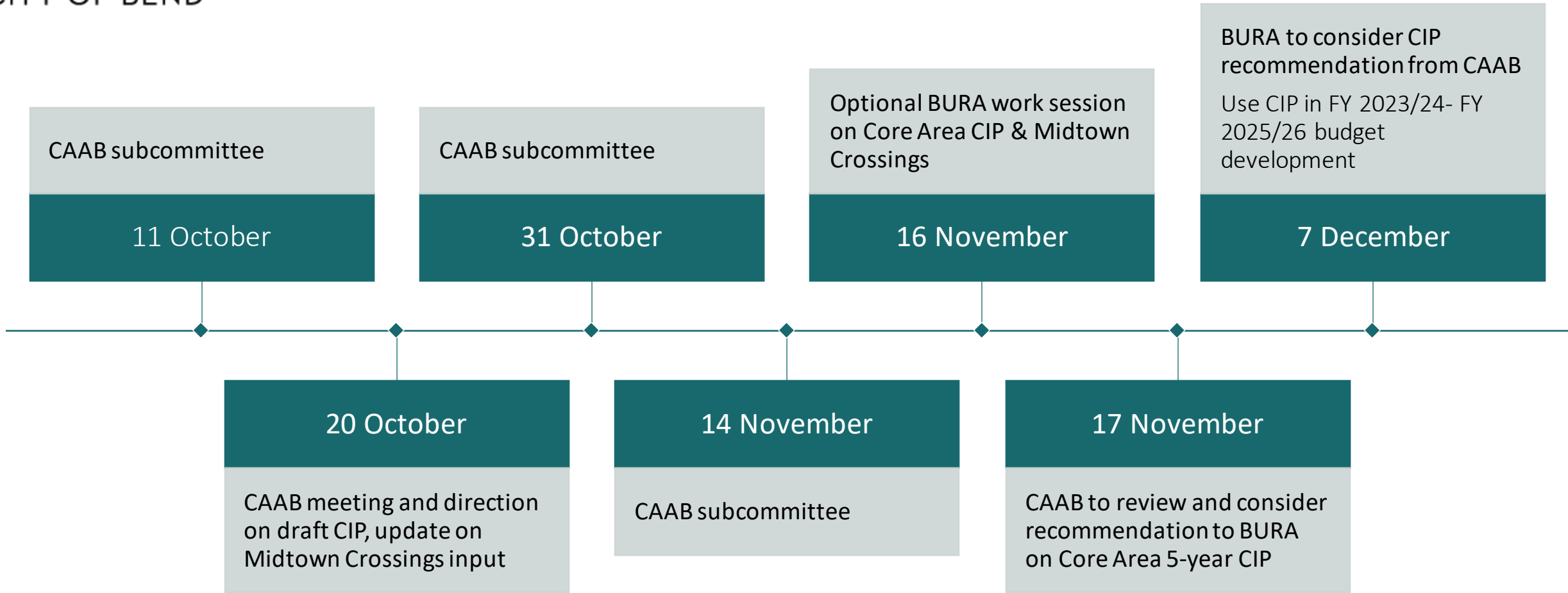


\$6M Midtown Crossings
\$4-4.5M for other needs





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Development Partnership Programs Best Practices

What is a Development Partnership?

Public funding (contribution) to a private development to help close a funding gap through various mechanisms such as:

- Development Assistance Grants or Loans
 - One-time Assistance
 - Rebate or Annual reimbursements
- Business Assistance Grants, Loans, or Pre-Development Assistance
- Land acquisition and/or disposition



Arome (The Arch Building)

432 SW 6th Street Redmond, OR

Urban Renewal Funds: \$384,000 (SDC Buy Down, Property Rehabilitation Program, Housing Loan Fund)

Total Project Investment: \$1.7Million

Renovation of long vacant downtown building to bring kitchenware/specialty food tenant to ground floor and 8 market rate apartment units on 2nd floor.



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Development Assistance Programs Reviewed

- Bend Urban Renewal Agency Juniper Ridge Development Assistance Program
- Capital City Development Corporation Participation Program (Boise, Idaho)
- Salem's Riverfront Downtown Capital Improvement Grant Program
- Salem's West Salem Urban Renewal Area (URA) Grant Program
- Redmond Downtown Property Assistance Programs
- Astoria Development Commission Storefront Improvement Program
- Madras Business Assistance Programs
- Prosper Portland
 - Property Improvement Program (PIP)
 - Business Finance Program
- Wilsonville Investment Now (WIN Program)



Lessons Learned

- **One-time development assistance grants**
 - Generally do not exceed **\$200,000-\$300,000** per development project
 - Can be broken up into annual installments to reduce impact to TIF funding capacity
 - **Prevailing wage requirements** apply and should be evaluated carefully for projects **that receive \geq \$750,000** of public assistance and/or more than 25% of the space is occupied by a public agency
- **Projects with significant public benefit**
 - Often structured so that there is a minimum private to public ratio (ie 6:1).
- **Business Assistance**
 - Often structured as matching grant program or loans that generally do not exceed \$50,000 per development
 - Assistance generally ranges between \$4,000-10,000 with at least a 25-50% match requirement
 - Several programs allow up to 20 hours of predevelopment costs (design, architectural, and engineering work) to be reimbursed by TIF agency
- **Eligibility criteria, evaluation scoring, and or level of assistance can be structured to support community goals such as:**
 - Diversity Equity Inclusion
 - Housing
 - Economic Development



CCDC General Assistance Program (Boise)

Scorecard based on:

- Activate Dormant/ Disinvested Sites
- Reuse of Targeted Sites
- Environmental Remediation
- Utility Infrastructure
- Connectivity
- Compact Development
- Parking Placement & Design
- Targeted Uses
- Walkability
- Sustainable Building

SCORECARD		
SCORE LEVEL QUALIFICATION	REIMBURSEMENT PERCENTAGE	MAXIMUM REIMBURSEMENT TERM
Level A Score: 140+ points	80% of Tax Increment	4 years
Level B Score: 120 – 139 points	50% of Tax Increment	4 years
Level C Score: 119 and below	0% of Tax Increment	n/a

RENTAL HOUSING DEVELOPMENTS			
SCORE LEVEL QUALIFICATION	QUALIFICATION	REIMBURSEMENT PERCENTAGE	MAXIMUM REIMBURSEMENT TERM
Affordable Housing (Low Income Housing Tax Credit project or equivalent)	Serving 60% and below Area Median Income (AMI) on average	Based on Scoring Level + 20% of Tax Increment	8 years
Mixed-Income/ Workforce Housing	Serving 100% AMI and below	Based on Scoring Level	6 years
All Other Housing	Serving 101% AMI and above	Based on Scoring Level	4 years

NOTE: T2 reimbursement cannot extend beyond the last fiscal year of the Urban Renewal District in which a project is located.

DEVELOPMENT EXAMPLES



GRAPHIC SITE PLAN D0.5 LAND USE DIST

- 7-story mixed-use building
- 18,250 sf commercial space
- 312 residential units
- Estimated \$90 Million investment

Estimated TIF generation (2026-2051)

- w/ MUPTE: \$12.4 Million, \$150,000 collected initial year
- w/o MUPTE: \$18.6 Million, \$690,000 collected initial year

Development challenges/requests:

- Total costs of improvements in ROW (\$1.4M) for Sisemore 3/4 street collector and Industrial Way frontage improvements

Using Boise's General Assistance (Reimbursement terms), Level A Scorecard* =80% annual reimbursement of increment for 4 years

- w/ MUPTE: \$120K annual reimbursement, \$480K total
- w/o MUPTE: \$552K annual reimbursement, \$2.2Million total

Using Salem's Riverfront Downtown Grant Program terms = \$160,000 + 15% of eligible project cost, max. grant of \$300,000

- w/ and w/o MUPTE: \$300,000 grant

Using Redmond SDC Buy Down program

- \$150,000 (\$5,000 per unit for 30 units)

*This is an example only and not intended to demonstrate actual TIF collections or how this project would score based on Boise's Assistance Program scorecard.

Former Les Schwab Site, Project PDX- 105 NE Franklin Avenue



Mixed-Use Development

Estimated \$50 Million investment on site

Estimated TIF generation (2026-2051)

- **w/ MUPTE:** \$10.5 Million, \$112,000 collected initial year
- **w/o MUPTE:** \$14.2 Million, \$442,000 collected initial year

Development challenges/requests: Developer required to relocate City main sewer trunk line that is currently routed underneath proposed multifamily building location. Costs estimated at \$500,000-700,000

1st Street improvements estimated at ~\$900,000

Using Boise's General Assistance (Reimbursement terms), Level B Scorecard* =50% annual reimbursement of increment for 4 years

- **w/ MUPTE:** \$56K annually, \$224K total
- **w/o MUPTE:** \$221K annual reimbursement, \$884K total

**This is an example only and not intended to demonstrate the actual score of how this project would score based on Boise's Assistance Program scorecard.*

Using Salem's Riverfront Downtown Grant Program terms = \$160,000 + 15% of eligible project cost, max. grant of \$300,000

- **w/ and w/o MUPTE:** \$300,000 grant



- Desire for art mural on side of building and improvements to front entryway.
 - Mural cost estimates*: \$18,700
 - Front entryway: costs unknown

**Cost estimates for design, installation, paint, city permits, and prep. Costs provided by Big Story Books for their recent mural installation.*

Redmond's Design Assistance Program

Up to 15 hours of architectural, engineering, or other design work to investigate feasibility of project (front entryway improvements).

Redmond's Small Projects Grant Program

Up to \$5,000 of funding for exterior rehabilitation projects.





2020- Completed renovations to former 2nd Street Theatre

Would like to expand operations to former auto mechanic shop adjacent to Studio but proposed improvements triggers change of use and therefore sidewalk improvements.

Barriers for investing/expanding: Sidewalk costs, estimated at \$50,500 for construction only.



Public Comment

Please use the Raise Hand function and you will be called on.

If you are on the phone:

*9 to raise your hand

*6 to mute/unmute

Discussion Questions



- What **main barriers** should a Core Area Development Partnership Program help overcome?
- Are their **certain types of developments or uses** that should be **prioritized/incentivized more than others**? How does this vary for properties looking at renovations or expansions to an existing site/business compared to those looking at complete site redevelopment?
- How much do you think a development partnership program **should be funded on an annual basis** based on local examples?
- **What other information do you need** (ie. survey of businesses in the Core Area, examples) to make more informed decisions to develop a Core Area Development Partnership Program?
- Should development partnership programs be scaled or limited for developments that are also taking advantage of MUPTE tax exemption program?

UPCOMING MEETINGS

- CAAB- Thursday, October 20 3-5pm
- Monday, October 31 11am-12:30pm
- Monday, November 14 10:30am-Noon

Location: Council Chambers