

Minutes

Core Area Advisory Board

Thursday December 14, 2023

Council Chambers, 710 NW Wall Street Bend, OR

3-5pm PST

This meeting will be held in person for board members and via Zoom for members of the public.



CITY OF BEND

3:00 p.m. Core Area Advisory Board Meeting

Roll Call

- Corie Harlan, Chair
- Elisa Cheng, Vice-chair
- Alyssa Heim
- Dale Van Valkenburg
- John Fischer
- Jeff Baker
- Katherine Austin
- Kina Chadwick
- Kurt Alexander
- Rachel Colton, Bend Park, and Recreation District
- Whitney Hale, Deschutes County
- Lynne Mildenstein, Deschutes Library District
- Andrea Breault, Cascade East Transit (COIC)

1. Conflicts of Interest Disclosures

- **Corie Harlan**- Chair, Core Area Advisory Board (CAAB) Central Oregon Land Watch. No potential conflicts of interest.
- **Kina Chadwick**- Member of Core Area Advisory Board (CAAB). No potential conflict of interest.
- **Elisa Cheng**-Vice-Chair, Core Area Advisory Board (CAAB). No potential conflicts of interest.
- **John Fischer**- Member of Core Area Advisory Board (CAAB). Potential conflict of interest. My employer has acted as consultant to one of the applicants. I will recuse myself on one of the agenda items 3.
- **Jeff Baker**- Member of Core Area Advisory Board (CAAB). No potential conflicts of interest.
- **Alyssa Heim**- Member of Core Area Advisory Board (CAAB). Potential conflict of interest. I own Big Story Book Store on Greenwood in the BCD. Colima market applied for the business assistant, which is directly adjacent to my bookstore, ***(per the Core Area Business Assistance Program Policy, anyone that has a financial interest them or their family member or is directly adjacent to the business must recuse themselves of the business assistance deliberations today)***.
- **Kurt Alexander**-Member of Core Area Advisory Board (CAAB). Potential conflict of interest declared. Dogwood has applied for one of the business grants so I will not take part in Agenda Item 3 discussions.
- **Kathy Austin**-Member of Core Area Advisory Board (CAAB). No potential conflicts of interest.
- **Dale VanValkenburg**-Member of Core Area Advisory Board (CAAB). My employer Brooks Resources or TB Bend owns 100 NW Hawthorne and 181 Franklin Avenue. I do not believe there is anything on the agenda that would be a potential conflict of interest.

Non-Voting Members declaration:

- **Sharon Smith**-Bend LaPine School District. No conflicts.
- **Rachel Colton**-No conflicts to declare.
- **Whitney Hale**-Abstaining from discussion on Agenda item 3. The County owns property that is directly adjacent to one of the applicants and I have a kid in childcare with another of the applicants.
- **Lynne Mildenstein**-No conflicts.
- **Andrea Breault**-No conflicts.

2. Approve Minutes (5 minutes) – Chair Corie Harlan

Kathy Austin moved to approve the October 19, 2023 minutes; Kurt Alexander seconded.

Unanimously approved.

3. Business Assistance Program Application Review and Preliminary Funding Recommendations (65 minutes) – Allison Platt & Jonathan Taylor

Allison Platt reminded all on the committee that those with conflicts will need to sit in the audience, Kurt Alexander, Alyssa Heim, and Whitney Hale moved to the audience or recused themselves from discussion for Agenda item 3.

Allison Platt shared a presentation slide of “Application Overview” noting there is \$100K available for this grant cycle and approximately \$169K in funding requests.

CAAB members were asked to review all seven applications and send preliminary scores to staff by **Tuesday, December 12 at noon**. Staff has prepared a memo to support member review of applications. Staff is seeking a recommendation from CAAB on how to allocate the \$100,000 of available funding for this program among applicants. CAAB may also establish a subcommittee to meet one final time this year to finalize funding recommendations.

Alternatively, CAAB can provide direction to staff to finalize funding awards based on CAAB direction given at the meeting today. BURA will tentatively review CAAB’s funding recommendations at their February 7 meeting.

Design Assistance:

- **Riverside Animal Hospital**-looking to improve employee parking and landscaping. Design assistance must be budgeted at \$7500, because this program is meant for the city to hire a consultant to help in doing the design concept work.

Construction Assistance:

- **Open Space Event Studios/Central District Investments LLC**-Request is \$50,000. Applying for architectural and engineering services to prepare for a change of use.
- **Growing Tree Children’s Center (childcare)**- Request is \$18,250. Electrical service upgrades to support heat ventilator upgrades to meet outdoor air requirements.
- **Colima Market**- Request is \$25,000. Applying for signage, exterior lighting, exterior paint, new delivery door and lock, and entryway improvements. They lease the space with option to renew current lease expires 2026 and has a three-year option for renewal.
- **Dogwood Cocktail Cabin** -Request is \$50,000. Existing business is relocating into former Spoken Moto building that was relocated to NE 2nd Street. Variety of tenant improvements, business has letter of intent with initial lease term of five years, with (2) 5-year options to renew.

- **Owner of 1631 NE 2nd Street** (Four businesses inside the building: Ritual Beauty Bar, Puppy Parlor, Broken Halo Salon, Ajaye Beauty)- Request is \$17,253. The project is to improve ADA compliance, roofing repairs, exterior painting, lighting, and signage.
- **Timber Kiddies Preschool**- Request is \$10,000. They have already done some improvements in hopes of getting reimbursed along with other improvements such as signage and State licensing to operate this childcare facility. They have a lease with option to renew for a 1-to-3-year term.

Kathy Austin asked for clarification regarding the ADA access for 1631 NE 2nd street.

- Allison Platt has followed up; the owner is out this week.
- Jonathan Taylor - since they specifically stated an ADA improvement is needed, the City is now forced to help this business make that improvement if we are giving city funds. Since their budget included other things, we have to fund the ADA portion first before other improvements can be funded.

Allison Platt recommended to prioritize the ADA improvements first if this business is granted the award.

Kina Chadwick-Are you able to foresee the increase in budget that is needed for the ADA, or will that fall within their request?

- We do not have enough information to determine that today.

CAAB Scoring:

Colima market scored the highest followed by 1631 NE 2nd Street, Open Space, Dogwood, Growing Tree, Timber Kiddies, and Riverside Animal Hospital.

Staff presented two Funding options for CAAB consideration and discussion:

Funding Option "A," you are funding something for all.

Option "B" you do not fund Riverside Animal Hospital because it scored the lowest of all applicants.

Both Option A & B equal \$100K

Committee members had a robust discussion about the various applications and the pros and cons between Options A & B.

Staff provided the following clarifications about applications:

- Staff noted that if 1631 NE 2nd Street is awarded funding, the accessibility improvements would need to be addressed first due to American with Disability Act requirements. Staff connected with the applicant prior to the meeting but do not currently have enough information about the actual costs for the accessibility improvements to help inform CAAB discussion today, it is possible the accessibility improvements could cost the full amount they requested (approximately \$17,000)
- Staff noted that while Riverside Animal Hospital's proposal was to upgrade their parking lot, they are very committed to improving the landscaping and overall aesthetics, particularly of the intersection of Wall/Olney and their

property. In addition, there may be synergy opportunities since the City has a Capital Improvement Project that is impacting this property as well.

There were comments about whether Riverside met the program priorities since it was primarily parking lot improvements. Some members noted that Riverside is women owned and has access issues today.

Members discussed catalytic potential of various projects. Some noted they did not feel 1631 NE 2nd Street was that catalytic. Others argued that improvements there would support four businesses and the importance of accessibility improvements to support those businesses. Others noted that they wished childcare providers scored higher. Jeff Baker noted he tried to acknowledge that childcare is catalytic because of the community's need for it in his scoring. Elisa Cheng noted she really tried to think about a project's demonstrated financial need in her scoring.

There was some discussion about the long term sustainability of the Timber Kiddies childcare provider. CAAB members that were leaning towards option A had concerns about whether that was spreading the funding too thin among all applicants

Jeff Baker proposed a revised Option (Custom "Option C") for consideration to an increase 1631 NE 2nd Street funding for Option A by \$2,500 and reduce Open Space & Dogwood by \$1,250 each.

Corie Harlan-We need to be careful on this as we do not have the concrete bid in the application. An observation, we have these buckets, they are all important but also weighted. Catalytic potential is key. Open space and Dogwood have more of that vibe, therefore, I am more supportive of option "A" as is.

Jeff Baker- I would add that Second Street supports four businesses.

Kina Chadwick-Also, Second Street would not be able to make the updates without our help.

Corie Harlan- There are three options on the table. Option "C" is our new custom funding option with small adjustments to Open Space and Dogwood so that we can fully fund 1631 N.E. Second Street.

Kathy Austin- I lean toward Option C but can be persuaded. Leaning toward option "A" because Colima and Second Street has already said they cannot do it without our money.

Elisa Cheng-Option "C" for the reason Kathy stated, I do not think taking away \$2,500 from Open Space or Dogwood is going to break them.

Dale Van Valkenburg- I am leaning toward option "A" but if someone made a motion toward Option "C," custom funding I would support it.

Jeff Baker-I support option "C," and the major requirement is making sure of the ADA as that is a major requirement issue, although we do not know the cost but do not want to put it on hold.

Kina Chadwick-Option "C."

Corie Harlan-I am leaning more toward option "A."

MOTION:

I, Jeff Baker make motion for the custom funding option C that we discussed in CAAB and recommend to BURA. Kina Chadwick seconded.

Jeff Baker, Dale Van Valkenburg, Corie Harlan, Elisa Cheng Kathy Austin, and Kina Chadwick, all Ayes.

Option C (Recommended funding Option by CAAB)

Applicant	CAAB Recommendation
Colima Market	\$24,500.00
1631 NE 2nd St	\$17,000.00
Open Space	\$18,750.00
Dogwood	\$18,750.00
Growing Tree	\$10,000.00
Timber Kiddies	\$3,500.00
Riverside Animal Hospital	\$7,500.00 (Design Assistance)
TOTAL	\$100,000.00

Staff noted that can send out a survey to all CAAB members who participated to get feedback on how to improve the program next year.

Fellow CAAB members Kurt Alexander, John Fischer and Alyssa Heim were invited back to the Dias.

Allison Platt outlined the implementation of the program.

Applicant introductions:

- Leah and Charlie Teal, owner Open Space studios and the garage space.
- Debby Putnam and Jamie from Riverside Animal hospital.

Implementation of the program:

- Bring CAAB recommendation to BURA to review on February 7, 2024, meeting.
- BURA makes funding awards.
- Staff to develop Grant agreements with each business that is approved by BURA.

- Agreements to list out what is eligible for reimbursement through the program.
- Funds that are expended within 12 months prior to the Grant agreement would be eligible for reimbursement.
- Funds that are not spent within 18 months or the business does not meet the Grant agreement terms.

The following are two options on how to expend those funds. Asking for CAAB feedback:

- Option “1” award the remaining funds to projects in accordance with that ranking priority.
- Option “2” take any remaining funds that do not get used and enroll them into a future program year.

Kathy Austin voiced concern over the 18-month timeline. For some of the projects they may not be able to get it designed and into construction that quickly.

- Jonathan Taylor-We could do that as long as the construction has begun, you have a limited pot of money to make those investments. The longer it goes on the less impact these dollars make. If staff sees within 12 months, they have made substantial progress, then we can put in a Grant agreement that they can come back for an extension.

Kina Chadwick-Is there going to be any kind of continuation to connect with Latinx business owners?

- Allison Platt- contract ending with Janet, will re-evaluate in the 2024 year. I think our goal is to continue to make that grant process accessible and straight forward for businesses and more equitable outreach for the next application cycle.

Elisa Cheng -For this particular year, leaning toward option “1” because of catalytic potential but may not be true for every year.

Kathy Austin agrees with Elisa’s comments. Option “1” for now and evaluate in future to see how this one goes.

Alyssa Heim-There may be three more grant time periods and the other recipients may be done with their projects. I think back into the bucket a year and a half later for future projects.

Dale Van Valkenburg-Agrees with Alyssa Heim.

- Allison Platt-the soonest we run another grant cycle is for the following FY.

John Fisher-18 months is a lot of time and things might shift with what has been ranked, I like option “B”.

Corie Harlan-Prefers option “B.”

Kathy Austin-Option “B”

- Allison Platt will send out survey before the end of year and have CAAB members fill it out by January 15th and use for discussions before starting a new application cycle. Also, can be sent to applicants as well.

John Fischer commented on the ADA compliance piece and mentioning that then triggers a compliance violation and puts it to the top regardless of catalytic potential. There are many buildings in BCD and Core area that are ADA noncompliant by district standards.

Dale Van Valkenburg-We could end up spending lots of money bringing up buildings to ADA standards that are not going to be there much longer such as the Les Schwab site.

- Allison Platt asked if one of the CAAB members would speak on behalf of the recommendation when it goes before BURA, February 7.
Corie Harlan agreed to appear.

4. Core Area Funding Update (20 minutes) – Jonathan Taylor

A question is presented to CAAB, how do we manage TIF over the next 10 years? Currently, there is a much lower growth rate than plan adoption in 2020. It was estimated in 2020 at 4% growth rate. This past year we had 0%. This means we do not get the amount of TIF that we had projected over the last 3 years.

Adopted 2020 TIF Plan vs. Biennium budget and Adopted CIP and Programing Budget slides were shared.

If we focus on the CIP budget, with the revised growth rate and the \$100,00 for business assistance we will remain stable for TIF generation, but many not be able to initiate a second bond for any CIP projects until 2031.

The TIF over 30 years is going to be very helpful with MUPTE approved projects coming onto the tax rolls starting in 2027. Once exemptions expire, TIF dramatically increases. It is this 10-year window that we are trying to balance expectations and manage investments. We can only bond debt based on the increment we generate or anticipate generating.

Out of TIF we pay salaries, benefits, business assistance, Materials and Services (M&S), and for citywide overhead.

MUPTE is serving as a catalytic effort.

- Example given is Jackstraw project.
 - They have applied for MUPTE, they have received some approvals by some of the taxing districts but have not received council approval yet. If they were to get that MUPTE 10-year exemption, the year that exemption expires, because that project generates so much TIF that could raise the whole TIF generation above 14%, which means we must share some of that increment that we generate with all the overlapping taxing districts.

City leadership has recommended the following short term direction for the TIF area:

- Eliminate program expenditures.
except for the business assistance program.
- Maintain committed funded to transportation projects in the CIP
 - 2nd Street
 - Hawthorne
 - Franklin Avenue
- We are expecting CIP cost overages and BURA is to consider the CIP updates in Q1 and Q2.
- We will begin bond efforts for the transportation improvement projects late in 2024.
- City to reevaluate future of MUPTE program.
- January 17 City council will hear about overall Development Incentives program, including MUPTE, TIF and our Enterprise Zone.

Elisa Cheng-Is the short term what you are saying is after the Hawthorne projects we would not to be able to fund any more CIP with our transportation projects?

- Allison Platt-They will bond the anticipated CIP expenditures but we may not be able to initiate the next bond until 2031, unless we see higher growth rates and more increment being generated.

The bond will include the CIP as adopted. So, all the funds will be initiated in that loan.

- If we see more growth, we can bond more regularly we just have to have the ability to make those payments. We do not recommend bonding all at one time.

Dale Van Valkenburg-Why are the numbers lower than anticipated?

- County has been consistently downgrading the CPR (change property ratio) adjustments since 2019.

Kathy Austin-interest rates significantly depressed development.

John Fischer- Jackstraw, why would council award the MUPTE to a project that is under construction?

- They have been anticipating applying for the project the entire time that we had the MUPTE program, and they submitted their application quite a few months ago.

Alyssa Heim-some of the items are things we cannot do anything about, such as interest rates and CPR changing but what can the city do? Recommendations CAAB can do?

- That is where the incentive conversation is important, making some of the larger projects that are planned for the area continuing to move forward. We are having conversations with some of the big developers, and MUPTE is one of the tools to try to incentivize them. Any projects now are not going to hit the tax roll until 2027/28
- For the development assistance program, we have put that on pause considering

the financial update. There were three applications, all of which also applied to MUPTE so the City is already evaluating supporting their projects to a high degree.

5. Work Plan & CAAB Schedule (5 minutes) – Allison Platt

Kurt Alexander and Kina Chadwick have decided to rotate off CAAB. A recruitment process was done. One of the open slots will be filled by Alayne Fardella. We are still recruiting for a property owner/business owner that application is open through December 31, 2023.

We will schedule a longer meeting early next year, an in-depth retreat.

CAAB is moving to quarterly meetings and then we will establish subcommittees for new projects as needed.

6. Public Comments (15 minutes) – Chair Corie Harlan

The city is committed to completing Second Street. There are dedicated staff, and we are actively looking to hire design build team. Staff provided an overview of some of the design features that will be explored with the NE 2nd Street project. City council is scheduled to hear the award of the Midtown Crossing design build contract which included NE 2nd Street next Wednesday, December 20.

James Teeter Structural civil engineer lives near Core area and walks Second Street quite often. Supplied committee with a series of pictures. He is excited about Second Street and cautious/fearful of the standard of construction. The LTS1 is a great idea but it is the street that we have on Minnesota in downtown and through NW crossing. I do not think most parents would let their kids' bike on those streets. My concern is not with shared facilities but that we are putting bikes on streets that look like they are for cars. What I think is a better investment on our part is to put cars on the street that looks like it is for bikes and in making that distinction clear, what I am asking is for you as a body to make that recommendation to city council. The street section that the code is asking for is thirty-six feet wide and what we have out there is thirty feet wide and so moving a curb three feet makes a street wider I do not see that as being a safer street and I don't think that entices development. I think we should lean into our intention with this street and to specifically ask for design elements but ask for a bicycle boulevard. Whether you are walking on the street or are in a parklet eating it is much nicer to have bikes going by that are quiet then having a roadway and cut through traffic for Third Street. I hope to show you my images what we can do. We do not have to slow down the process. It does not have to be any more expensive, but I do think if we do not ask for it something intentionally, we will not get it. I hope as a group you will ask city council to make it a bicycle boulevard.

David Green-Bend bikes. We are very excited about the Core Area and want this project to move forward. The discussions we heard today make it imperative we move fast on Second Street. If we do not move on Second Street it is going to hold up all the development that is planned along there. That said the street that is planned with 11-foot lanes cars are very comfortable driving at 45 or 50 mph. There is no way we can put bikes with sharrows on a street that is straight through and call it safe for all people, ages, and abilities. There is no way a parent is going to let a 10-year-old kid ride on that street. Again, there are a lot of design elements we can add to that street, even if we put the profile in

that is proposed. We can put different surfaces with different color and textures that make the street look narrower. The parking having is raised makes it look like its narrower because the parking does not look like it is part of the street. The trees will help enclose it. Having raised crosswalks both at the intersections and mid-block will slow traffic down. They will act like speed bumps, but they will not look like speed bumps and finally developing a traffic pattern through that area, so cars do not have a chance to build up speed. If we do not do that in the design we will get a street that is not comfortable to walk on, not comfortable to bike on and will defeat the whole purpose of having a mixed use, commercial area that is people friendly and really vibrant and what everybody wants the area to look like. I think, as James said it is going to be important to have you weigh into council to say, "we need a street that we want not a street that is going to be fast traffic and essentially keeps people off the street." Again, moving curbs out three feet on each side for the possibility of sidewalks, which is where the activity should be occurring rather than on the street feels like we are taking a big step backwards, spending a lot of money to make a street we do not want. Let's move forward on this, let's not slow down development. We also need to remember we are going to live with this street for 20 to 30 years and if we build it the wrong way, we are going to defeat the whole purpose of the corridor.

No other public comments.

John Fisher- I like James Teeters images. The point that we are investing a huge amount of money in the Hawthorne overcrossing and having that dump into a standard that is still fairly car centric seems to me to not be the best idea. Let us zoom out and see how these systems connect which at this time we do not have resources to do that. Bend bikes has put forth a lot of effort to show this is bike boulevard, here is how we connect to the broader grid, here is how it serves the vision of Drake to Juniper. I feel inclined to recommend what we can in our capacity, to implement those types of treatments. If we are putting TIF dollars into Second Street it should serve the vision. That gives us some say over what is the vision and how is it achieved.

- Allison Platt- The action CAAB could take is to draft a letter to council related to Second Street and would need kind of direction on what to include in that letter.

Elissa Chang, I would like to move we write a letter to council with that direction, and what we would like to see. I would like the letter to say what James and David were saying to see Second Street look like a commercial mixed-use street, a vibrant Core area street and not just any other street in Bend.

- David Green has sent comments to City council.
- Allison Platt-Adding an alternative analysis is going to delay the delivery of the project and increase project costs.

Kurt Alexander- There are four public comments, two in person and two letters, in opposition to bringing to council a letter asking for changes to the project and they are all business owners on Second Street. If we start to add complexity to Second Street, we are going to slow down the process.

- Elizabeth Oshel, Legal-If you have a potential financial benefit or detriment from

what you are discussing, could you disclose a potential conflict?

Kurt Alexander-I have a property on 821 NE Second Street, and 205 NE Hawthorne Avenue which would have direct impact to what we are discussing.

Dale Van Valkenburg-My employer owns property at 181 Franklin which is on Second Street. I do not have any preference for this cross section. I would love to see the street get improved and it be something that we all like. At some point some committee or City council decided they like that, and I hate to ad hoc and decide, we like something better.

Committee discussed whether to make a Motion to put together a letter about NE 2nd Street.

Committee decided against making a Motion.

Allison Platt encouraged all CAAB members to participate in the design process for the project by participating in Open Houses.

7. Thank you to CAAB members rotating off (5 minutes)

Kurt Alexander

Kina Chadwick

To view a recording of this meeting click the link below:

[December 14, 2023](#)