



TECHNICAL MEMORANDUM – LARGE-SCALE DEVELOPMENT OPPORTUNITIES

Prepared for the City of Bend by:



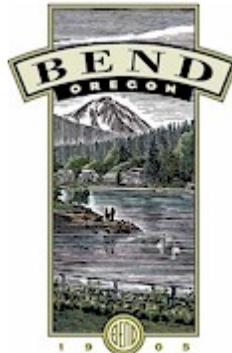
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Introduction

This technical memorandum identifies key large-scale development opportunities in Bend's Central Area. Since the plan will be both a long-term conceptual plan as well as a short-term action plan, it is important to identify locations where significant change can occur. While cities grow and change through the course of many, many small projects, large-scale development opportunities can serve as the catalysts for multiple smaller changes in the surrounding areas. The identification of large-scale opportunity sites supports the plan by:

- Identifying the location of catalyst projects that will spur further redevelopment;
- Providing locations for anchor uses and destinations that will attract development in the future and set the tone and character of the surrounding area;
- Focusing public investments in places that will maximize the leverage of private investments;
- Prioritizing opportunities for “early successes” upon completion of the plan; and
- Helping to quantify the capacity for infill development and overall change.

The memorandum begins with a discussion of the criteria that are used to identify opportunity sites and the conditions in the Central Area. This is followed by a discussion of key large-scale development opportunities.

In the context of this report, the term “large-scale development opportunities” means the following:

- Sites or logical aggregations of sites of at least one acre in size.
- Sites that are vacant.
- Sites that are underutilized (those where the value of the land exceeds the value of any improvements on the land, according to the Deschutes County Assessor Office).

A Note About Corridors

The Urban Land Institute (ULI) has recently conducted significant research on the topic of revitalizing deteriorating urban and suburban corridors. Leland Consulting Group contributed to the final report of their research, *Ten Principles for Reinventing America's Suburban Strips*.¹ The principles outlined in the report are simple, straightforward, and directly relevant to the Central Area, particularly Third Street. The principles are:

1. Ignite Leadership and Nurture Partnership
2. Anticipate Evolution
3. Know the Market

¹ Available free online at <http://www.uli.org/AM/TemplateRedirect.cfm?template=/CM/ContentDisplay.cfm&ContentID=56786>

4. Prune Back Retail-Zoned Land
5. Establish Pulse Nodes of Development
6. Tame the Traffic
7. Create the Place
8. Diversify the Character
9. Eradicate the Ugliness
10. Put Your Money (and Regulations) Where Your Policy Is

Indeed, the framework concept for the Central Area incorporates many of these principles – creating pulse points, addressing traffic, being market responsive, and the introduction of non-retail uses into the corridor. In terms of large-scale redevelopment opportunities, the principles can inform not only the potential uses at each site, but also the actual locations of opportunity sites themselves. Thus, along Third Street, initial efforts at revitalization should be focused at the identified pulse points, allowing other uses, including housing, to fill in the areas in between.

Site Selection Criteria

Large-scale redevelopment opportunity sites should include sites that both have development potential and support implementation of the urban design framework. That is, they must both be redevelopable from an economic point of view, but, equally importantly, they must be located where they will support the evolution of the Central Area Plan. Thus, the selection of opportunity sites is both a quantitative and qualitative evaluation process. The following criteria should be used to identify large-scale redevelopment opportunities:

Support for the Framework Concept – The Central Area Plan Framework Concept includes five key components to implementing the vision: Great Streets, Open Spaces, Gateways, Key Redevelopment Sites, and Pedestrian Links. Figure 1 shows the Refined Framework Concept, identifying key pulse points, great streets, and other design features. Opportunity sites should be located at or near these key features.

- South Central Neighborhood – The neighborhoods south of the Historic Core are likely to see little change in the future, as they will retain their largely residential character. Any redevelopment is likely to be immediately on Wall and Bond Streets and will be of a smaller infill nature, not large-scale. Infill projects along Wall and Bond could include small office and retail buildings, potentially with office or housing above the ground floor. Parcel sizes and the need to not encroach on the surrounding neighborhoods will keep the scale of such projects small.
- North Central Neighborhood – This neighborhood is also largely residential in character and will see mostly infill projects. However, there are gateway opportunities where the neighborhood meets the Historic Core and where east-west streets provide connectivity to Third Street. While some underutilized property exists along Division Street, many of the parcels are small and do not meet the criteria for large-scale

redevelopment. Since the Parkway was built, Division no longer serves the same traffic function as it once did. This could enable it to fill in over time with smaller commercial uses that serve the immediate neighborhood.

- The Third Street Corridor is envisioned for a much more significant transition, from an auto-oriented commercial strip to a series of pedestrian-oriented “pulse points” and the transition of the Railroad District from a light industrial area to a medium-density urban neighborhood. Therefore, large-scale redevelopments are more appropriate and needed here.

For these reasons, the selection of large-scale development opportunity sites discussed later in this memorandum is organized around these pulse points.

Figure 1: Refined Framework Concept



Source: StastnyBrun Architects

Existing conditions opportunities and constraints – A previous technical memorandum described the existing conditions throughout the Central Area, including traffic conditions, infrastructure, zoning, and other elements.

- **Zoning** – For the purposes of identifying development opportunity sites, zoning is not considered a constraint since an expected outcome of the plan would be changes to zoning designations needed to implement the framework concept. Certain development opportunity areas, especially

the Railroad District, will require new zoning to allow for housing and office mixed uses.

- Utilities – There are considerable constraints to large-scale development in the wastewater system until the new Westside interceptor is built. Storm drainage is also potentially constrained, especially if new development increases impervious surface area.
- Traffic – Many of the roads in the study area are congested and will need major improvements to meet the needs of existing traffic flows. More intense development in the Central Area will likely exacerbate the situation. However, traffic constraints are largely limited to the major signalized intersections along Third Street – while locations such as Greenwood and Franklin at Third are over capacity, there is more available capacity in intermediary locations such as Hawthorne and Third.
- Access – As traffic improvements are implemented, it is likely that an access management program will be needed, likely resulting in a reduction of access points to properties directly fronting Third Street. This would be a constraint to small-scale development, where properties might need to find alternative access points, but large-scale developments are well-suited to access management programs.

Real estate fundamentals – Most development in the Central Area will be private investments in housing, office, and commercial buildings. Therefore, each development opportunity must meet certain fundamental criteria for real estate success (e.g., high visibility, drive-by traffic for retail, good access, market demand, etc.). By their nature, pulse points have excellent visibility and typically have good access, which makes them ideal places for large-scale development.

Willing partners – Although property owners were not contacted in the course of this analysis, any redevelopment would be based on the interest and will of each property owner to participate in a redevelopment. As the plan moves further into implementation, the City should build relationships with property owners in key areas to better understand their current investment timelines and desire to redevelop. These relationships will improve the overall understanding of the market conditions in the Central Area and will increase the opportunities for public-private partnerships.

Underutilized property – Redevelopment is often easier on land that is vacant or underutilized. On such sites, there are usually few site constraints, which reduces development costs. Further, with little or no income being generated, there is often economic pressure to put the land into a higher use in order to produce revenue to cover taxes and maintenance. On the other hand, the time and expense of redevelopment often does not make economic sense for properties that are already highly developed and have an existing revenue stream.

These include all properties with an improvement value of less than \$20,000 as tracked by the Deschutes County assessor.² As can be seen in Figures 3 and 4, there are relatively few vacant sites in the Central Area. Many of those that are identified in the map are actually parks and cannot be developed. Thus, most redevelopment in the Central Area will need to occur through the redevelopment of already developed properties.

Properties that are developed can be considered underutilized when the value of the underlying land exceeds the value of any improvements on the land (land to improvement ratio greater than one). Therefore, properties colored more darkly indicate those that are underutilized. It is difficult to discern a pattern in the colors, but there are higher proportions of underutilized properties directly fronting Third Street, along the railroad, and near the riverfront. In the case of Third Street and the riverfront, this is an indication that the market values land in those locations very highly, whereas those properties adjacent to the railroad are likely underutilized due to the relatively low value of improvements.

Leverage – Large-scale developments will be just one component of implementation of the Central Area Plan. Many other smaller projects will be needed in order to call the plan a success. Properties that have the potential to attract additional investment should be prioritized. Likewise, priority sites should be chosen that leverage recent or planned public investments in streets, open space, infrastructure, and other features.

Size of parcel – By definition, large-scale development opportunities should be of a significant size. Parcels or aggregations of parcels of at least one acre in the Central Area should be sought out. At many key locations, there simply are no large parcels, so any large-scale development will require the aggregation of smaller parcels.

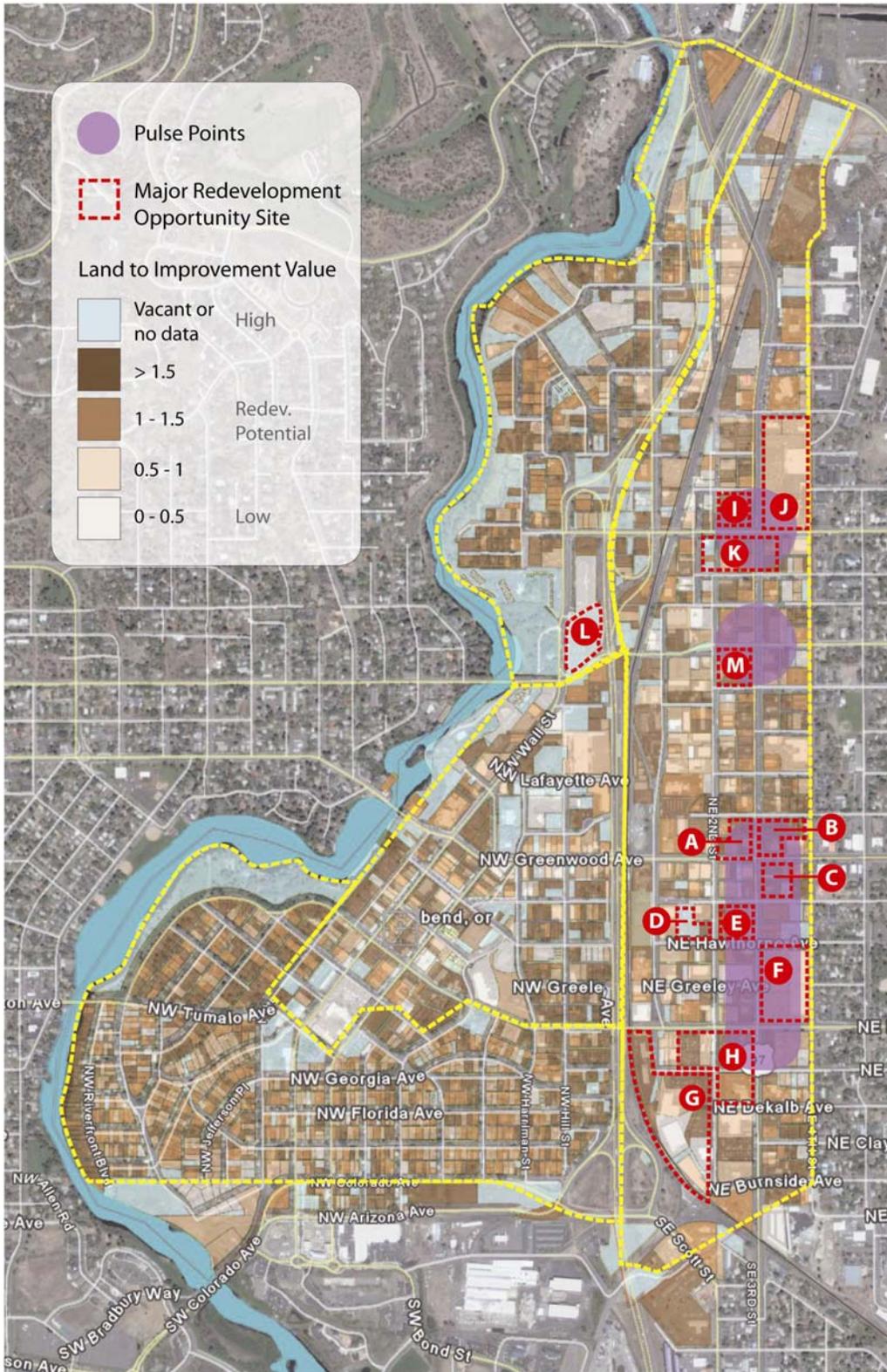
Ownership – Public ownership creates a unique opportunity for the City to play a lead role in implementation. Properties under public ownership should be identified. However, in the Central Area (outside the Historic Downtown Core), there is virtually no publicly owned land aside from parks. One exception to this is the former Bend Bulletin property at Hill Street and Olney Avenue, which the City purchased for a potential new city hall. The City recently decided to build a new city hall at its current location, which frees the former Bend Bulletin site for redevelopment.

² A handful of sites identified as vacant may actually have development on them but appear as vacant due to missing data at the assessor's office.

Selected Large-Scale Development Opportunity Sites

Since the framework of the plan is to build upon pulse points located along Third Street, the selection of large-scale development opportunities is discussed in that context. In each area, there are multiple properties that could qualify as redevelopment opportunities. However, none of them will necessarily be developed unless the property owner decides to move forward. Therefore, at this stage of planning, they can be considered conceptual development opportunities to illustrate the potential capacity for redevelopment. Subsequent tasks will need to be performed to define specific land uses that are appropriate at each site and to identify an implementation plan to begin development.

Figure 2. Large Scale Development Opportunity Sites



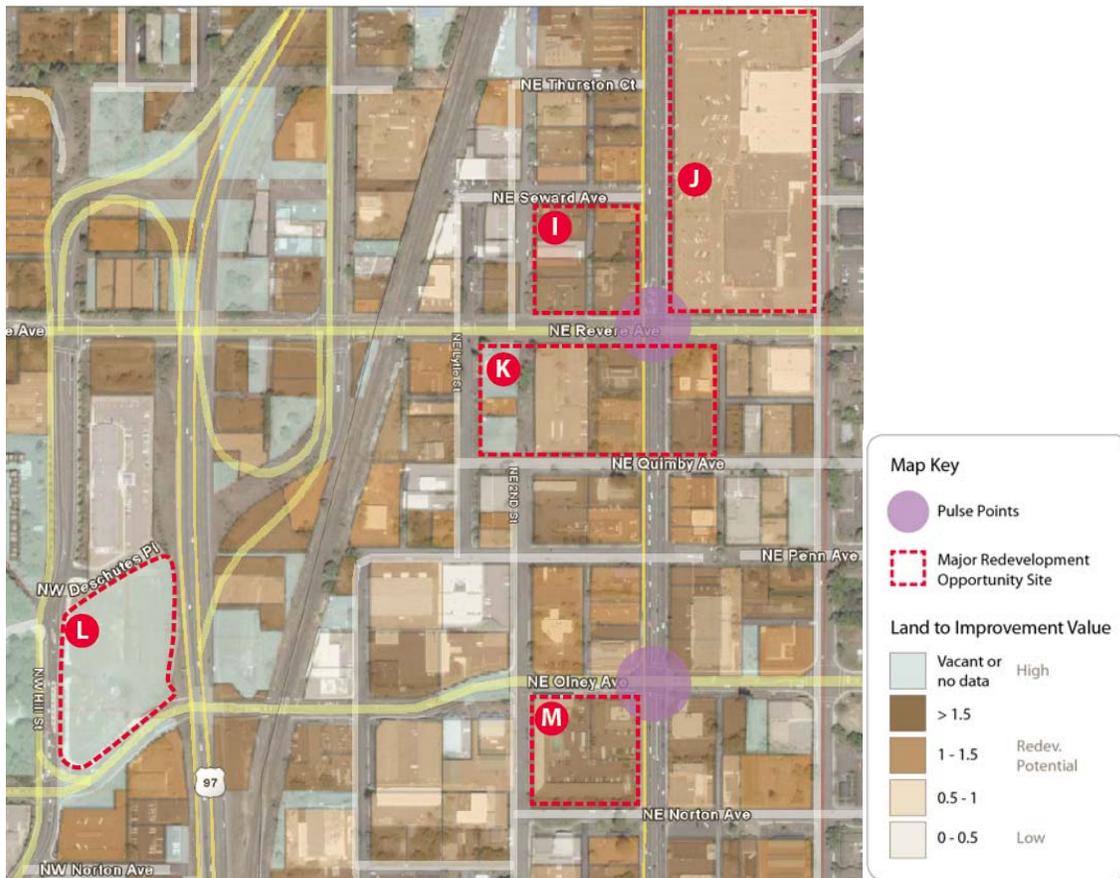
Source: Leland Consulting Group, Google Earth, and City of Bend.

Revere and Olney Pulse Points

Four large-scale development opportunity sites were selected in the Revere and Olney pulse points. In the same general area, but not directly at the pulse points, the former Bend Bulletin site was also selected.

Site	Size (acres)	Current use	Comments
I	2.0	Misc. commercial, fast food	Almost all parcels on this full block were noted as having a high land to improvement value ratio, indicating that it is ripe for redevelopment. However, there are multiple ownerships, which could make redevelopment more challenging.
J	7.4	Albertsons shopping center	This is one of the largest single ownership sites on Third Street. Although it is not vacant or even underutilized today, retail uses typically are redeveloped every 7 to 10 years in order to keep up with constantly changing industry trends; thus the site is likely to be redeveloped at some point in the next 20 years. Redevelopment would significantly change the character of both the Revere pulse point and areas north along Third Street. Revere also could serve as a gateway to the heart of Third Street.
K	4.0 (not including Third St. ROW)	Misc. commercial	This block and a half includes a number of small vacant parcels as well as other underutilized parcels. Combined, it could provide a significant presence at the Revere and Third intersection.
L	3.0	Vacant	The former Bend Bulletin site is a prime redevelopment opportunity, especially since it is currently owned by the City of Bend. Development here would serve as a gateway to the North Central Neighborhood from downtown as well as from Third Street.
M	2.0	Red Lion Inn, Black Bear Diner	This full-block parcel is identified as having a high land to improvement value ratio, indicating that it is ripe for redevelopment.

Figure 3: Underutilized properties – Olney and Revere pulse points



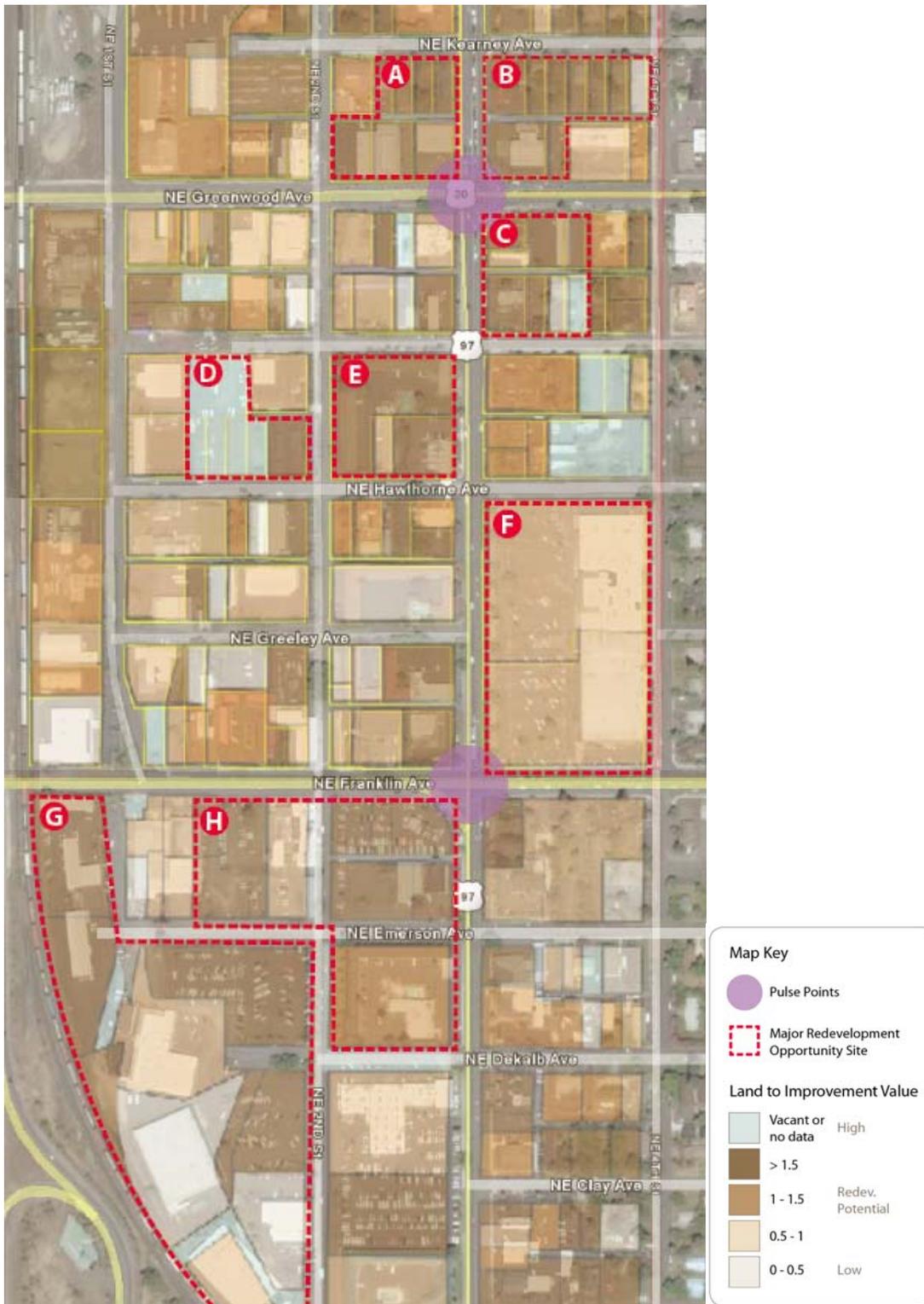
Source: Leland Consulting Group, Google Earth, and City of Bend.

Greenwood and Franklin Pulse Points

The Greenwood and Franklin pulse points anchor the north and south ends of the “Railroad District” – the area bounded between Third Street, the Bend Parkway, Greenwood, and Franklin. This area is envisioned to transition from light industrial to more intensive urban mixed uses over time. Rezoning of the current IL and CG designations will be required to allow for the integrated mix of uses that would revitalize the area, including urban housing, offices, and mid-rise buildings. Within that area are three key redevelopment opportunities located along Hawthorne Avenue (sites D, E, and F). Sites A, B, and C are all located at the Greenwood pulse point, which was identified by stakeholders as a high priority for revitalization. Sites G and H are located at the Franklin pulse point. Site G is currently occupied by a shopping center anchored by a Safeway store. Although it is actively used, strip retail centers are typically redeveloped every seven to ten years in order to keep pace with changing retail trends and market conditions.

Site	Size (acres)	Current use	Comments
A	1.8	Retail and Residential	Underutilized – could activate the Greenwood pulse point.
B	1.9	Gas Station, Retail, Residential	Greenwood pulse point.
C	1.6	Retail, Restaurant, Office	Greenwood pulse point.
D	1.5	Vacant	On its own, this site is relatively small, but is close enough to sites D and F that it could be considered in combination with those sites. Combined, these sites could anchor the Railroad District and could accommodate a use that draws attention and energy into the neighborhood.
E	2.0	Red Lion Inn, Restaurant	While currently occupied, this site could be redeveloped to draw uses off of Third Street into the Railroad District. In combination with sites D and E, it could be part of a much larger project.
F	5.9	Safeway center, Furniture store, Dental office	While not underutilized, this site is one of the largest single properties on Third Street and has the potential to activate the Franklin pulse point through redevelopment. New development should address the need to bring uses closer to the street on Third, while respecting the transition to residential uses on Fourth.
G	12.5	Bi-Mart, light industrial	Poor retail location, but large contiguous site suitable for housing and office uses
H	7.0 (net acres)	Auto dealership	Multi-block opportunity to activate Franklin Pulse Point. Would require relocation of dealership.

Figure 4: Underutilized property – Greenwood and Franklin pulse points



Source: Leland Consulting Group, Google Earth, and City of Bend.

Conclusion and Next Steps

This memorandum identified a number of potentially redevelopable sites throughout the Central Area, but primarily east of the Bend Parkway and focused at major pulse points. Largely due to rising land prices in Bend, many of these properties have land values that exceed the value of improvements on them. Under such conditions, redevelopment is more likely. Thus, even beyond the 13 sites identified here, there are many smaller redevelopment opportunities. Indeed, the ongoing evolution of the Central Area will largely occur through many small projects rather than one or two large ones. Yet, large redevelopments can serve as catalyst projects that set the new tone for a district, demonstrate the market viability of a new concept, and create excitement and interest in the community.

The specific uses that belong at each site will be determined in subsequent tasks based on further market research, direct contact with property owners and developers, and more definition of implementation recommendations.