

**Development Assistance
Program Suite**

THE CORE AREA REVITALIZATION EFFORT GRANT PROGRAM

Invest Bend • Bend Urban Renewal Agency

THE CONCEPT

The Core Area Revitalization Effort Grant Program provides direct financial support to property owners and tenants in the Core Area to improve visible exterior elements of commercial buildings that enhance customer and pedestrian traffic. It is designed for high volume and small individual awards rather than a small number of large grants, with the goal of producing visible district-wide improvement in a short time horizon.

ESTABLISHED TENETS — what is already adopted

- Direct support to existing Core Area property owners and tenants — not external developers.
- Visible, public-facing improvements only — interior work routes to the Tenant Improvement Grant.
- Match ratio is 50/50 up to \$50,000
- Reimbursement-based — owner or tenant fronts the cost; BURA reimburses upon completion.

DESIGN QUESTIONS FOR THE BOARD — what needs your input

The following parameters are open and will be shaped by Board direction before the program returns for endorsement.

1. **Per-property funding cap.** Comparable programs range from \$5,000 to \$25,000 per property. Lower caps fund more properties; higher caps support more substantial work.
2. **Specific Area Bonus.** Should there be stackable or location specific bonuses (rapid deployment, vacancy, job creation)? Should geographic priority be near identified Core Area anchor clusters in the first program years?
3. **Eligibility.** Open to property owners only, to tenants with owner consent, or to both? How are very small or newly arrived businesses brought in? Types of businesses
4. **Eligible improvements.** Broad scope (all visible exterior work) or focused (specific categories like signage, lighting, accessibility, historic restoration)?
5. **Application structure.** Rolling applications (more accessible) or competitive rounds (stronger cohort effect)? Is staff design review required, advisory only, or not required?
6. **Annual program budget.** What total annual allocation is appropriate? Comparable program budgets range from \$50,000 to \$300,000 per year, scaled to cap and expected volume.

NEXT STEPS — what happens after this meeting

- › Develop modified draft program design incorporating Board direction (60 days).
- › Hold direct conversations with Core Area property owners on program design and likely demand.
- › Return to the Board with final program design and standard agreements for endorsement.

CORE AREA COMMERCIAL RETAILER GRANT PROGRAM

A concept-stage proposal for Board input • Investment Program Suite • CAAB

THE CONCEPT

The Commercial Retailer Grant Program would provide direct financial support to large retail businesses in the Core Area for business establishment, operational upgrades, and storefront activation — covering signage, branding, merchandising, point-of-sale systems, equipment, and marketing investment. The program is distinct from the CARE Program (exterior building improvements) and the Tenant Improvement Grant (interior construction); it supports the business itself rather than the building or its build-out, and is intended both to retain existing retailers and to attract new ones to the district.

ESTABLISHED TENETS — what is already decided

- Brick-and-mortar storefront required; online-only retail is not eligible.
- Coordinated with the Facade Grant and Tenant Improvement Grant programs
- Reimbursement-based with documented expenses and a minimum operating commitment.

DESIGN QUESTIONS FOR THE BOARD — what needs your input

The following parameters are open and will be shaped by Board direction before the program returns for endorsement.

1. **Per-business funding cap.** Comparable programs range from \$5,000 to \$25,000. Smaller caps fund more businesses; larger caps support more meaningful storefront activation.
2. **Match ratio.** Should the program be 50/50, 75/25 (BURA pays more), or scaled to business size and revenue?
3. **Retention or attraction focus.** Open to both existing Core Area retailers and new arrivals, or prioritized toward one? Should attraction grants be larger than retention grants?
4. **Eligible expense categories.** Equipment, branding and signage, marketing and grand-opening costs, working capital, or some narrower subset? Are food and beverage retailers treated the same as goods retailers?
5. **Performance requirement.** Should grants include a minimum operating commitment (e.g., open for two years) with a clawback if the business closes early?
6. **Pop-up and short-term retail.** Should short-term, seasonal, or pop-up retail be eligible for a reduced grant tier, or excluded?
7. **Annual program budget.** What total annual allocation is appropriate?

NEXT STEPS — what happens after this meeting

- › Develop a draft program design incorporating Board direction (approximately 60 days).
- › Hold direct conversations with Core Area property owners, businesses, and prospective borrowers about program design and likely demand.
- › Return to the Board with final program design, standard agreements, and any necessary supporting policies for endorsement.

CORE AREA TENANT IMPROVEMENT PROGRAM

A concept-stage proposal for Board input • Investment Program Suite • CAAB

THE CONCEPT

The Tenant Improvement Program would provide reimbursement grants for interior buildout costs to convert vacant or underutilized commercial space for tenant occupancy. Eligible work includes interior partitions, fixtures, finishes, HVAC and mechanical modifications, plumbing, electrical, restroom buildout, ADA accessibility upgrades, and code-required improvements. The program is designed to address the cost barrier that keeps landlords from filling vacant Core Area space and keeps tenants from committing to spaces requiring substantial buildout.

ESTABLISHED TENETS — what is already decided

- Interior, build-to-suit work only — exterior work routes to the Facade Grant.
- Tied to a signed lease commitment with a defined minimum lease term.
- Reimbursement-based on documented expenses and completed work.
- Either landlord or tenant eligible, depending on who incurs the cost.

DESIGN QUESTIONS FOR THE BOARD — what needs your input

The following parameters are open and will be shaped by Board direction before the program returns for endorsement.

- 1. Per-project funding cap.** Comparable programs range from \$10,000 to \$50,000 per build-out. Higher caps support larger spaces; lower caps fund more tenants.
- 2. Match ratio.** Should the program be 50/50, tiered (BURA pays more for early-stage tenants), or based on a per-square-foot formula?
- 3. Minimum lease term required.** Three years, five years, or longer? Longer terms protect the public investment but exclude shorter commercial leases that are increasingly common.
- 4. Eligibility.** Open to landlords, tenants, or both? How are sub-tenants and shared-space arrangements treated?
- 5. Eligible improvements scope.** Full interior build-out, or focused on specific categories such as ADA compliance, code-required improvements, or kitchen and restroom infrastructure?
- 6. Clawback structure.** If the tenant exits before the minimum lease term ends, is the grant repaid in full, prorated, or forgiven if a replacement tenant is found?
- 7. Annual program budget.** What total annual allocation is appropriate? Comparable programs run from \$100,000 to \$500,000 annually depending on cap and expected volume.

NEXT STEPS — what happens after this meeting

- › Develop a draft program design incorporating Board direction (approximately 60 days).
- › Hold direct conversations with Core Area property owners, businesses, and prospective borrowers about program design and likely demand.
- › Return to the Board with final program design, standard agreements, and any necessary supporting policies for endorsement.

BURA MICRO LOAN PROGRAM

A concept-stage proposal for Board input • Investment Program Suite • CAAB

THE CONCEPT

The Micro Loan Program would provide small loans, typically in the \$5,000 to \$25,000 range, to very small businesses, sole proprietors, and emerging entrepreneurs in the Core Area who would not qualify for traditional bank financing. The program serves businesses with limited credit history, light documentation, or modest collateral, addressing the gap between pure grant programs and conventional small business loans. Loans could be paired with mandatory technical assistance to improve business outcomes and increase the likelihood of graduation to conventional lending.

ESTABLISHED TENETS — what is already decided

- Below-market interest rates and flexible repayment terms.
- Light documentation requirements; character- and cash-flow-based underwriting.
- Targeted to underbanked and historically excluded borrowers.
- Geographic boundary: urban renewal area businesses only

DESIGN QUESTIONS FOR THE BOARD — what needs your input

The following parameters are open and will be shaped by Board direction before the program returns for endorsement.

1. **Loan size range.** Comparable programs operate in the \$5,000–\$25,000 range. Should BURA set a single maximum, or tier loan sizes based on business stage?
2. **Interest rate.** Below-market fixed rate (e.g., 2–4%), zero-interest for startup loans, or a tiered rate based on credit profile?
3. **Term length.** Three years, five years, or up to seven? Shorter terms reduce default risk; longer terms reduce monthly payment burden.
4. **Underwriting model.** Character-based, cash-flow-based, or hybrid? What documentation is required? Does the program use 5-Cs underwriting, or a more flexible alternative framework?
5. **Capitalization source and loan loss reserve.** Source of loan capital — BURA TIF revenue, federal program partnership, or CDFI co-funding? What loan loss reserve is appropriate to capitalize?
6. **Underwriting partner.** BURA staff, a CDFI partner (e.g., Craft3, MESO), an independent lending committee, or a hybrid model?
7. **Annual lending volume target.** How many loans per year? Comparable micro loan programs originate 10–40 loans annually depending on capital available.

NEXT STEPS — what happens after this meeting

- › Hold direct conversations with URA property owners, businesses, prospective borrowers, stakeholders, and lenders about program design and likely demand.
- › Return to the Board with final program design, standard agreements, and any necessary supporting policies for endorsement.

CORE AREA SMALL BUSINESS LOAN PROGRAM

A concept-stage proposal for Board input • Investment Program Suite • CAAB

THE CONCEPT

The Small Business Loan Program would provide medium-scale loans, typically in the \$25,000 to \$250,000 range, to established small businesses in an urban renewal agency pursuing expansion, equipment acquisition, or significant working capital needs. The program is distinct from the Micro Loan Program by size and underwriting rigor, and from the Predevelopment Loan Program by purpose — it supports business operations and growth rather than real estate development.

ESTABLISHED TENETS — what is already decided

- Targeted to businesses with operating history and demonstrated revenue.
- Near-market interest rates with longer terms than the Micro Loan Program.
- Standard small business underwriting practices.
- Coordinated with SBA programs where applicable.
- Geographic boundary: URA businesses only.

DESIGN QUESTIONS FOR THE BOARD — what needs your input

The following parameters are open and will be shaped by Board direction before the program returns for endorsement.

1. **Loan size range.** Comparable programs operate in the \$50,000–\$250,000 range. Should BURAs set a single maximum, or differentiate by purpose (e.g., equipment, expansion)?
2. **Interest rate structure.** Fixed rate, variable rate, market-indexed, or below-market subsidy? Should the rate vary by use of funds?
3. **Term length and amortization.** Five years, seven, or up to ten? Should equipment loans have shorter terms than capital loans?
4. **Collateral and personal guaranty.** What collateral is required? Are personal guaranties required for all loans or only above a threshold?
5. **Underwriting partner.** In-house BURAs underwriting, CDFI partner, or a bank participation model where a local bank originates and BURAs provides a guarantee or loan loss reserve?
6. **Industry focus.** Open to all sectors, or targeted to specific sectors most relevant to the Core Area (food and beverage, retail, makers, performance, hospitality)?
7. **Annual lending volume target.** How many loans and what total dollar volume per year? What loan loss reserve is appropriate to capitalize the program?

NEXT STEPS — what happens after this meeting

- › Develop a draft program design incorporating Board direction (approximately 60 days).
- › Hold direct conversations with URA property owners, businesses, prospective borrowers, stakeholders, and lenders about program design and likely demand.
- › Return to the Board with final program design, standard agreements, and any necessary supporting policies for endorsement.

CORE AREA PREDEVELOPMENT LOAN PROGRAM

A concept-stage proposal for Board input • Investment Program Suite • CAAB

THE CONCEPT

The Predevelopment Loan Program would provide loans to property owners and developers in an urban renewal district to cover early-stage real estate project costs — feasibility studies, environmental assessments, conceptual architectural design, market analyses, financial modeling, surveying, and entitlement support. The program addresses one of the most common reasons real estate projects in transitioning districts never advance: insufficient capital to validate feasibility before conventional construction financing becomes available.

ESTABLISHED TENETS — what is already decided

- Eligible only for credible real estate projects with clear development intent.
- Funds early-stage costs incurred prior to construction financing.
- Loan is repaid at construction loan close.
- Risk-shared between BURA and the borrower if the project does not advance.
- Coordinated with the Catalytic Development Program for projects pursuing both tools.

DESIGN QUESTIONS FOR THE BOARD — what needs your input

The following parameters are open and will be shaped by Board direction before the program returns for endorsement.

1. **Loan size range.** Comparable programs operate in the \$250,000–\$750,000 range. Should the cap vary by project scale, or be a single agency-wide maximum?
2. **Interest rate and accrual structure.** Market rate, below-market, or zero-interest? Should interest accrue during predevelopment, or be deferred until construction close?
3. **Eligible cost categories.** Architecture and design, environmental assessment, market study, financial modeling, entitlement and legal work, surveying — all or a focused subset?
4. **Risk-sharing structure.** If the project does not advance to construction, what is the borrower's repayment obligation? Full repayment, forgivable subject to good-faith documentation, or a hybrid?
5. **Conversion mechanism.** At construction close, does the predevelopment loan roll into the construction loan, get repaid in full from construction proceeds, or convert to a grant if specific project conditions are met?
6. **Underwriting committee.** How are projects approved? Staff review, a Board sub-committee, or full Board approval for each loan?
7. **Annual program budget.** What total annual capital should be allocated? Comparable programs commit \$250,000–\$1,000,000 annually depending on project scale.

NEXT STEPS — what happens after this meeting

- › Develop a draft program design incorporating Board direction (approximately 60 days).
- › Consult comparable agencies (CCDC Boise, Asheville/Buncombe County, and others) on structure and lessons learned.

- › Hold direct conversations with Core Area property owners, businesses, and prospective borrowers about program design and likely demand.
- › Return to the Board with final program design, standard agreements, and any necessary supporting policies for endorsement.

DRAFT

CORE AREA CATALYTIC DEVELOPMENT PROGRAM

A concept-stage proposal for Board input • Investment Program Suite • CAAB

THE CONCEPT

The Catalytic Development Program would establish a framework for negotiated tax increment financing rebate agreements with major redevelopment projects in the Core Area. Eligible projects would meet specific criteria for catalytic impact — activating significantly underutilized parcels, generating substantial new assessed value, providing critical public benefits, or unlocking adjacent redevelopment. The program reimburses a portion of the TIF revenue generated by new development to the project sponsor through a long-term performance-based agreement. This is the largest and most negotiated tool in the Investment Program Suite, and each agreement requires individual Board approval.

ESTABLISHED TENETS — what is already decided

- Project-specific negotiated agreements, not formula-based or open application.
- Performance-based — payment tied to actual construction completion and verified assessed value lift.
- “But-for” demonstration required — the project would not occur at this scale, in this location, without the rebate.
- Public benefit requirements (affordable housing, ground-floor retail, public space, design standards, or workforce hiring).
- Each agreement requires individual BURA Board approval at multiple stages.

DESIGN QUESTIONS FOR THE BOARD — what needs your input

The following parameters are open and will be shaped by Board direction before the program returns for endorsement.

- 1. Project size threshold.** What minimum private investment qualifies a project for consideration? Comparable programs set thresholds from \$2 million to \$20 million depending on agency scale.
- 2. Rebate percentage and maximum.** What share of project-generated TIF revenue is eligible for rebate? Typical ranges are 25–100% of incremental TIF, with absolute caps per project.
- 3. Agreement term.** How many years can a rebate agreement run? Comparable agreements run 10–20 years.
- 4. Public benefit menu.** What public benefits qualify, and how are they weighted? Affordable housing units, public art, public space, ground-floor active uses, design standards, prevailing wage, MWBE participation, or others?
- 5. But-for demonstration standard.** What evidence must the developer provide to demonstrate the project would not occur without the rebate? Pro forma analysis, comparable-market evidence, independent review?
- 6. Affordable housing component.** Required for all projects above a size threshold, scaled to project size, or optional but weighted favorably in scoring?

7. Annual or single-project cap. Is there an annual programmatic cap on TIF revenue committed, a single-project maximum, or only project-by-project Board judgment?

NEXT STEPS — what happens after this meeting

- › Develop a draft program design incorporating Board direction (approximately 60 days).
- › Consult comparable agencies (CCDC Boise, Asheville/Buncombe County, and others) on structure and lessons learned.
- › Hold direct conversations with Core Area property owners, businesses, and prospective borrowers about program design and likely demand.
- › Return to the Board with final program design, standard agreements, and any necessary supporting policies for endorsement.

DRAFT