

Urban Renewal 101





What is Urban Renewal?

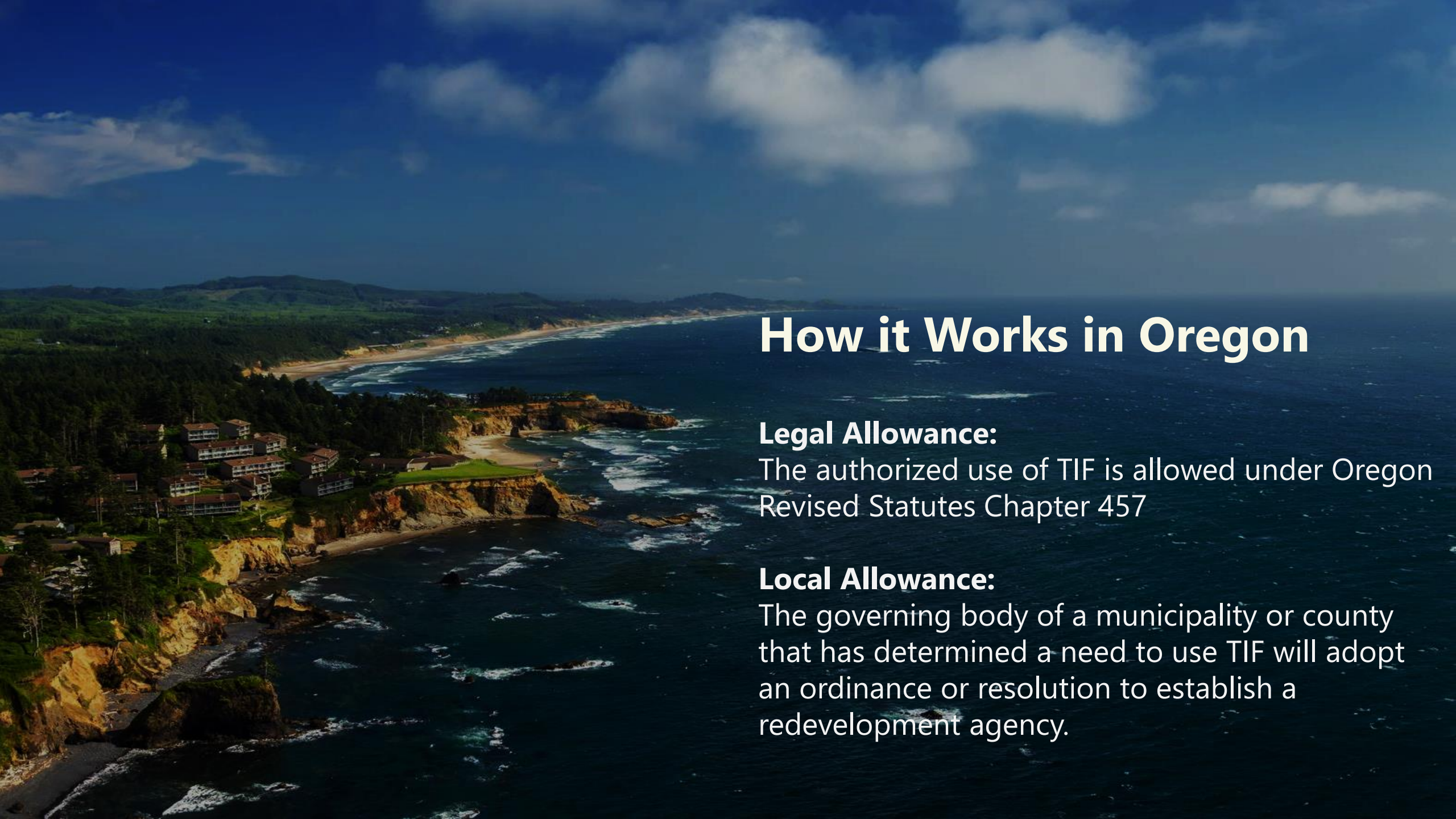
A government or private initiative designed to revitalize struggling, underinvested, or “blighted” city neighborhoods.





What is Tax Increment Financing?

Simply put, tax increment financing, or TIF, is a financial mechanism that uses *tomorrow's* revenues to fund projects *today* that mitigate blight conditions and improve property values.



How it Works in Oregon

Legal Allowance:

The authorized use of TIF is allowed under Oregon Revised Statutes Chapter 457

Local Allowance:

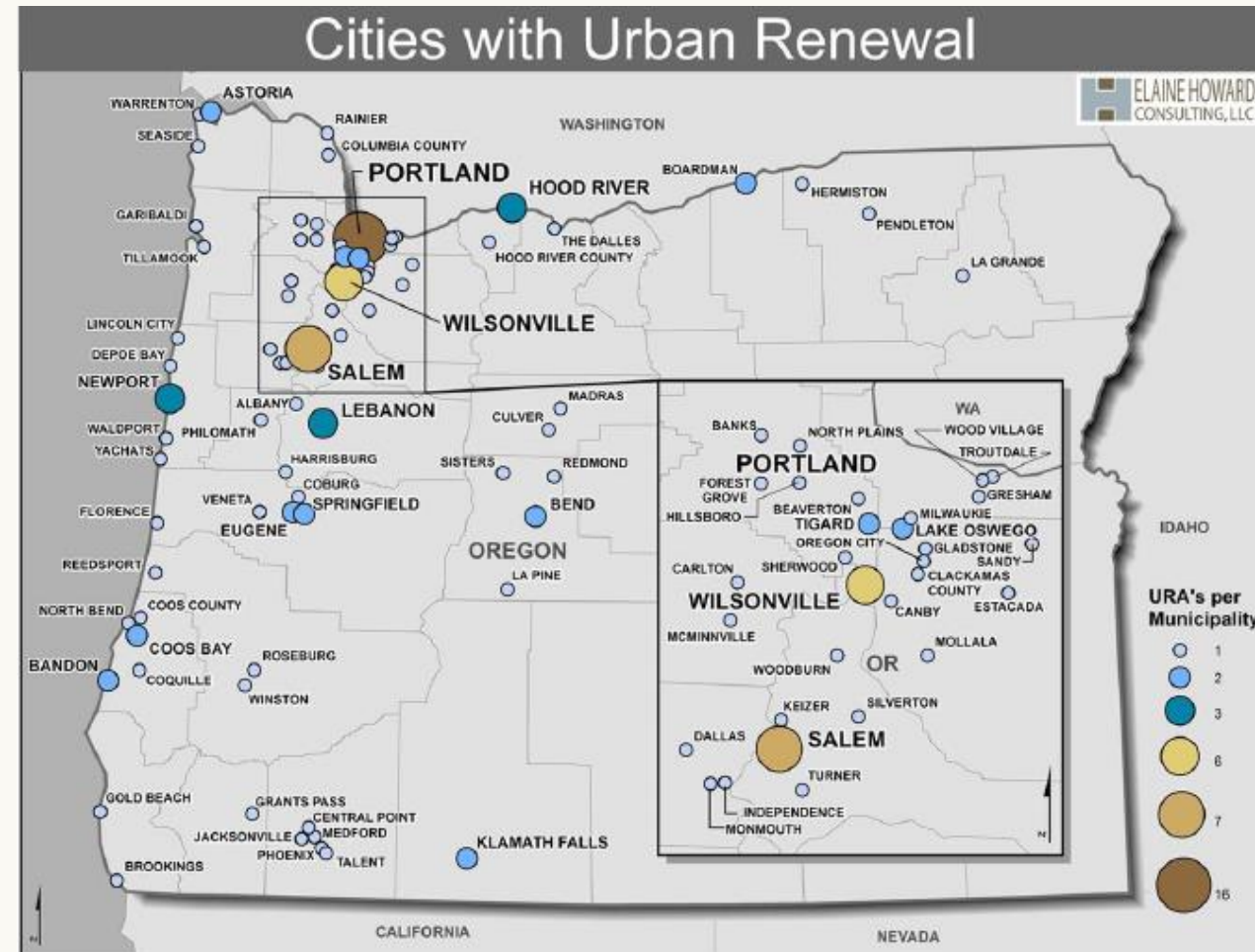
The governing body of a municipality or county that has determined a need to use TIF will adopt an ordinance or resolution to establish a redevelopment agency.

How it Works in Oregon

1. Enacted through the Housing Act of 1949
2. 49 out of 50 States

In Oregon:

- Authorized by Oregon Revised Statutes Chapter 457
- 60+ municipalities with tax increment financing
- 100+ total urban renewal areas



Source: Elaine Howard Consulting, LLC

How it Functions in Bend

What is the BURA's Role

The Bend Urban Renewal Agency acts as the official redevelopment agency for the City of Bend. BURA is an investment corporation that carries out investment activities in established TIF areas to improve property values and enhance the livability and economic vitality for TIF area's residents and businesses.

Is BURA the same as the City.

No. While the board is comprised of the governing body, BURA is a separate corporate entity from the City of Bend. Any act of BURA shall be considered an act of BURA and not the City of Bend. (ORS 457.045)

The Role of Staff

City of Bend-BURA 2018 Intergovernmental Agreement

Provides staff support for public meetings, budget preparation and oversight, financial management and reporting, human resources, payroll and benefits administration, contract procurement and administration, information technology and support, facility office space, engineering and project management, and planning services related to project development.

Jonathan Taylor, Urban Renewal

Under the direction of the City Manager, or his designee (Katy Brooks, Economic Development Officer, manages policy development, the day-to-day operations, budget, and adopted projects/programs for BURA. Provide support to relevant advisory bodies and communication support for urban renewal related issues.

What is Blight?

Areas or parcels that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of 14 conditions (ORS 457.010)



Unsafe structures



Undeveloped Land



Infrastructure needs

Limitations

Yes.

Communities with a population greater than 50,000 are allowed 15% of total acres and 15% of total assessed value in TIF Areas.

Bend is at 3.38% (Assessed Value)

Bend is at 7.80% (Acreage)



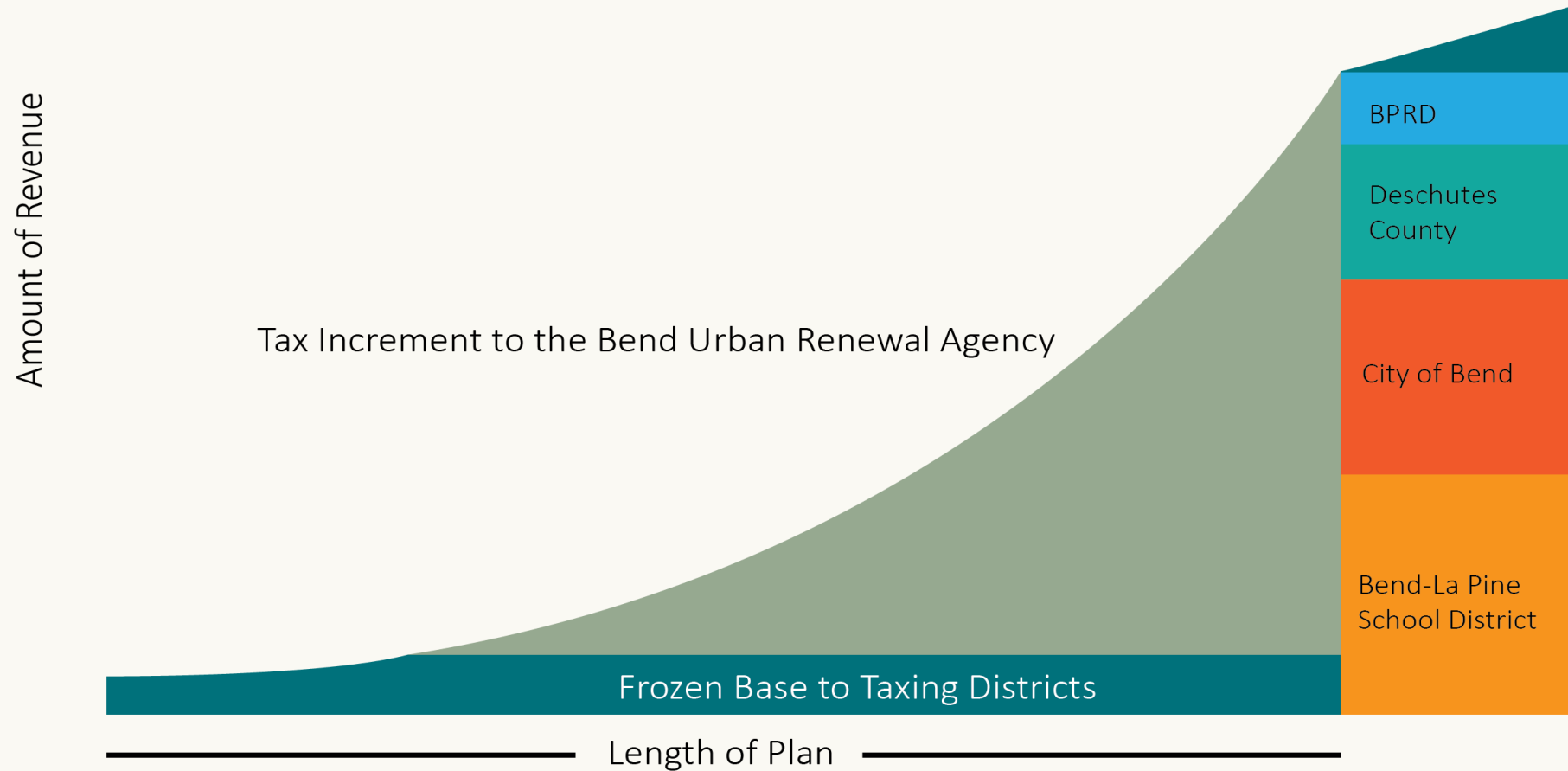
What are eligible projects?

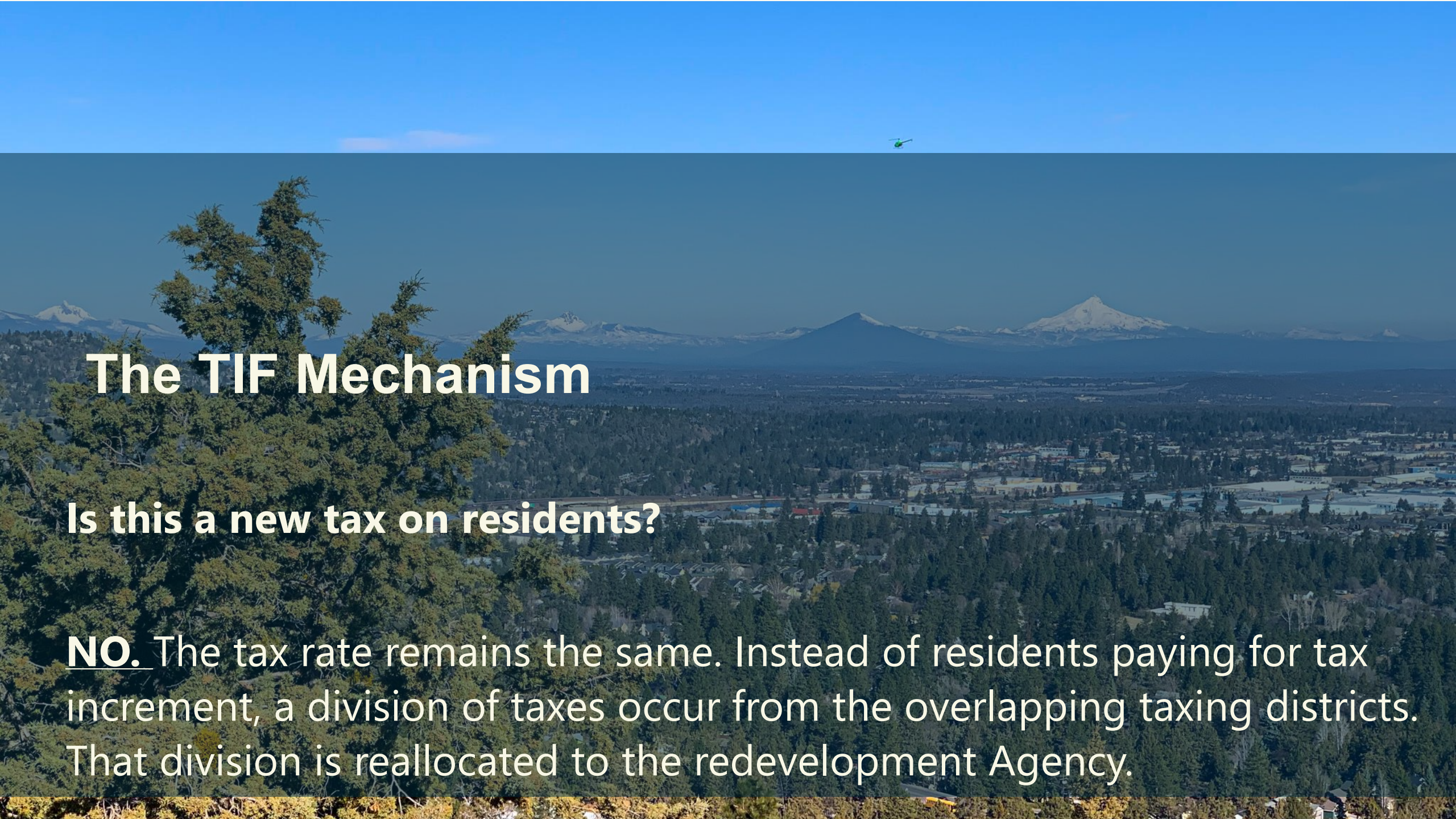
- Infrastructure
- Land purchases
- Parks and open spaces
- Incentives, Loans, Grants
- Public facilities*

General rule of thumb is a capital project have a usage life of more than 10 years.

The TIF Mechanism

After an area is established for consideration, BURD will determine what the frozen base is and the projected increment over a period of time. **There is no legal requirement on the plan length.** Various amounts of increment will be determined to adequately fund the identified projects. The final amount adopted will become the maximum amount of indebtedness (MI) that BURD can use.





The TIF Mechanism

Is this a new tax on residents?

NO. The tax rate remains the same. Instead of residents paying for tax increment, a division of taxes occur from the overlapping taxing districts. That division is reallocated to the redevelopment Agency.



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The TIF Mechanism

Does it show on tax statements?

Yes. Due to Ballot Measure 50 and ORS 457, all tax rate payers in the City of Bend will see approved TIF areas on their statements.

TAX BY DISTRICT

SCHOOL DISTRICT #1	1,049.82
C O C C	136.75
HIGH DESERT ESD	21.29
EDUCATION TOTAL:	1,207.86
DESCHUTES COUNTY	281.74
COUNTY LIBRARY	121.23
COUNTYWIDE LAW ENFORCEMENT	275.47
COUNTY EXTENSION/4H	4.96
9-1-1	79.75
CITY OF BEND	617.82
CITY OF BEND LOCAL OPTION	170.68
BEND JUNIPER RIDGE URBAN RENEWAL	28.86
MURPHY CROSSING URBAN RENEWAL	11.90
BEND CORE URBAN RENEWAL	14.67
BEND METRO PARK & RECREATION	321.98
GENERAL GOVT TOTAL:	1,929.06
COUNTY LIBRARY BOND	69.37
CITY OF BEND ROAD BOND 2011	23.67
CITY OF BEND ROAD BOND 2021	105.82
BEND METRO PARK AND REC BOND	28.72
SCHOOL #1 BOND 2013	170.25
SCHOOL #1 BOND 2017	92.62
SCHOOL #1 BOND 2023	114.51
C O C C BOND	18.37
BONDS - OTHER TOTAL:	623.33

The TIF Mechanism

An aerial night photograph of a city, likely Bend, Oregon, showing a mix of residential and commercial buildings with snow-covered roofs. The city lights are visible against the dark sky, and the mountains are in the background.

Impact on Special Bonds and Levies

No. Special bonds and levies are not affected by the division of taxes. These voter approved initiatives will continue to receive the frozen base amount and the associated tax rate with all new development.

Does this affect Bend-La Pine School District

No. Any division of revenues from a local school district is offset by the State School Funding Formula.

TIF Implementation

TIF PLAN (MI, Projects, Area)

- Projects
- Outline of development
- Map and legal description
- Relationship to local objectives
- Land uses
- Relocation plans
- Property acquisition plans
- Maximum indebtedness

TIF Report (Justification, Conditions)

- Conditions report
- Reasons for the area
- Blight remediation plan
- Estimate costs for projects
- Anticipated date of project completions
- Financial analysis
- Taxing districts impact

Plan Amendments

Minor Amendment

Approved by BURR Resolution

- Modification of Boundary by less than 1% of the original plan area
- Changes to projects
- Changes to project costs
- Goals

Substantial Amendment

Same process as approving a new plan.
Requires City Council approval.

- Modification of plan area greater than 1%
- Increase debt allowance up to 20% of original MI

FY2026-2030 Strategic Investment Plan

An inaugural plan that establishes a predictable and coordinated framework for collaboration with public and private partners.

FOCUS

Economic Development

Cultivate opportunities that grow resilient, diversified, and prosperous local economies through entrepreneurial growth and businesses development.

Housing

Encourage the construction of quality and stable housing across a broad-spectrum types, styles, and sizes.

Infrastructure

Ensure that reliable and sustainable public systems are present and accessible to support new private investments and encourage highest and best use of property.

Mobility

Expand transportation mobility choices and connections that enable universally accessible urban renewal districts.

Placemaking

Develop public spaces and energize environments where a concentrated mix of uses create valued sense of place that welcomes current and future residents and businesses.

Five-Year Mission 2026-2030

"Implement the Urban Renewal Investment Strategy as a local tool to support housing, neighborhood commercial, entrepreneurial development, business and land development and beautification with a target of 500 jobs created and 1,000 multifamily housing units constructed by 2030."



2030 Targeted Community Returns

1. Build 1,000 multifamily housing units
2. Assist with the creation of 500 jobs
3. Develop 20-acres of land
4. Create at least 4-acres of parks, trails, open space
5. Assist 20 new small businesses
6. Improve 5,000 sqft. of business frontage
7. Construct 2,000 linear feet of public infrastructure
8. Generate \$1.50 in economic impact for every \$1 invested

Core Area Investment Strategy

VISION

The Core Area is an emerging safe and welcoming arts, entertainment and business district where more people are choosing to live and new businesses are established

CURRENT 5-YEAR INVESTMENT STRATEGY TIMELINE



Fiscal Year

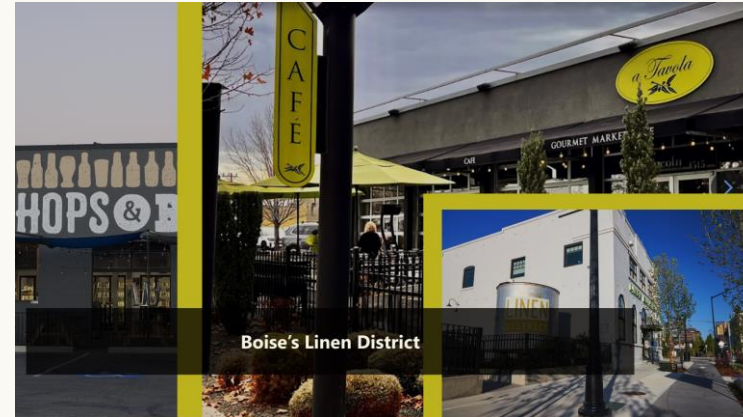
Strategy Goal

Invest \$8.9 million in projects to spur \$100 million in private development that builds at least 100 housing units, increases frontage beautification, creates more customer experiences and builds at least 1-acre park.

Strategy	Initiative	Investment Amount
Create Place & Foster Vibrancy	Retail & Restaurant Market Analysis	\$75,000
	Catalyst Site Map	--
	Green Space Development	\$700,000
Move the Market	Incentives (Grants, Loans)	\$5,325,000
	Property Acquisition Strategy	--
	Property Acquisition	\$1,300,000
Leverage & Deploy	Public Infrastructure – Franklin	\$1,500,000
	Total	\$8,925,000

Best Practice Case Studies

1. Every successful district had a named anchor before investment arrived
2. Public investment compound over decades
3. Timelines spanned decades, not years.
4. Recurring programming built reliable visitation before residential density existed
5. One voice held the identity

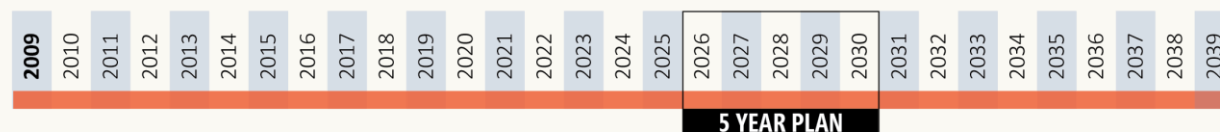


Murphy Crossing Investment Strategy

VISION

A connected, mixed-use commercial area with growing housing options, revitalized retail spaces, and open space amenities.

CURRENT 5-YEAR INVESTMENT STRATEGY TIMELINE

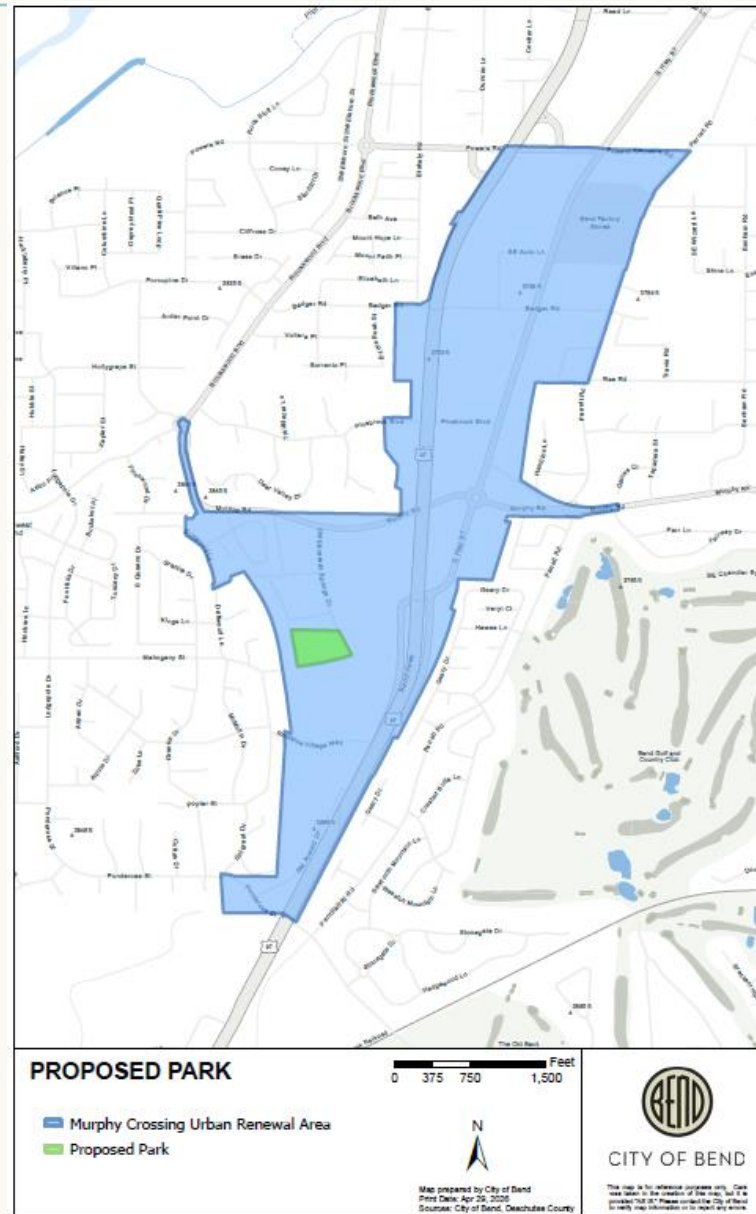


Fiscal Year

Strategy Goal

Invest **\$6.5 million** in projects to revitalize retail shopping spaces, develop at least 10-acres with a target of 300 housing units, incentivize one public park, and improved area transportation connectivity.

Strategy	Initiative	Investment Amount
Revitalize Legacy Retail	Incentives (Grants)	\$1,500,000
Green the Gray	Land Acquisition/Development	\$2,000,000
Enhance Housing Affordability	Incentives (Loans)	\$3,000,000
	Total	\$6,500,000



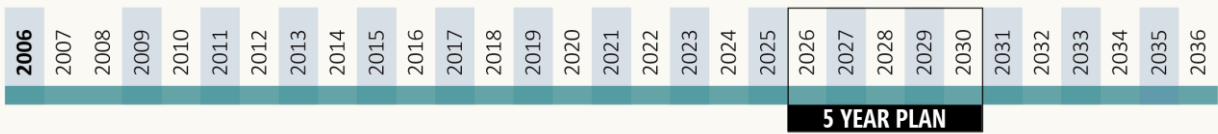
Juniper Ridge Investment Strategy



VISION

A more connected and positioned area that supports the development of high-quality employment.

CURRENT 5-YEAR INVESTMENT STRATEGY TIMELINE



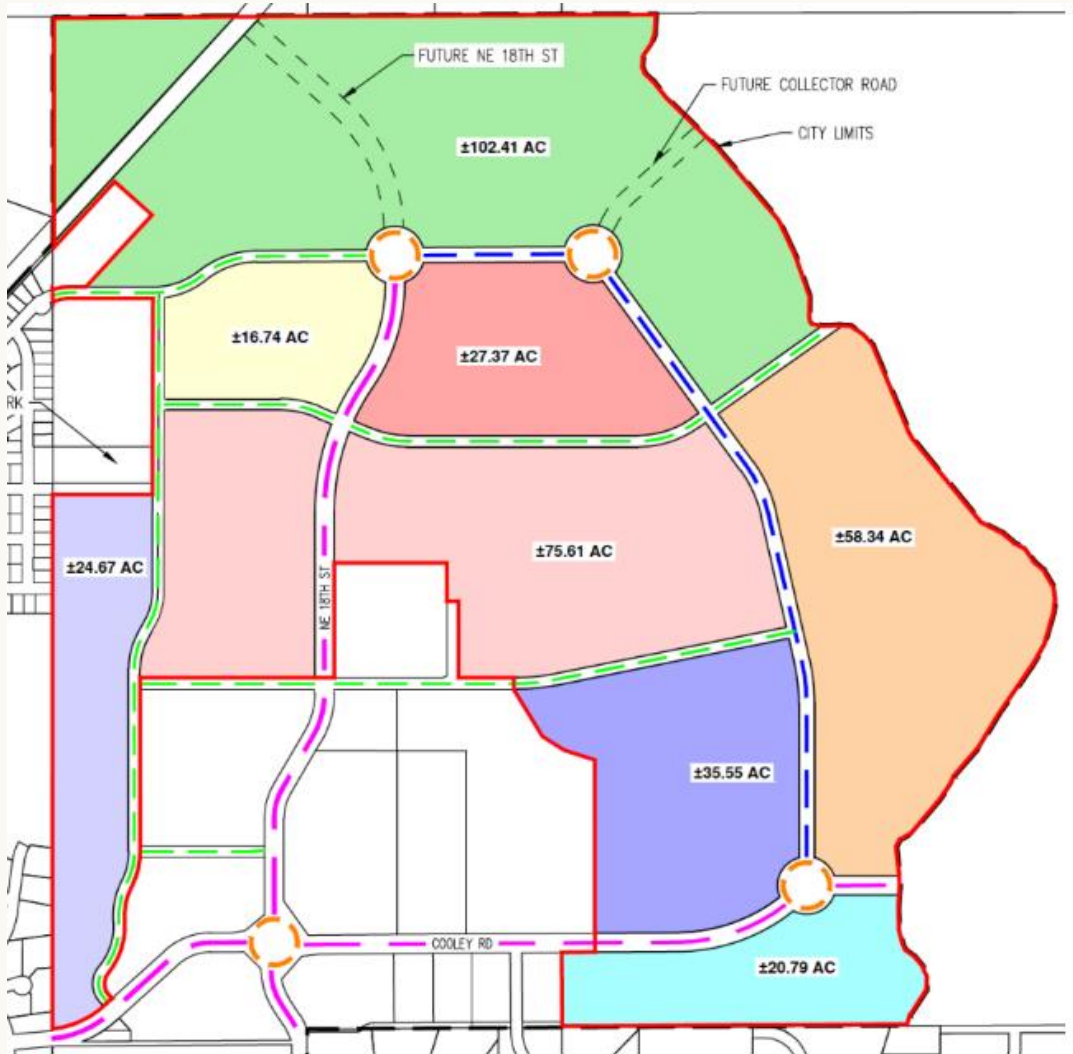
Fiscal Year

Strategy Goal

Extend the Plan duration, expand the Plan boundary, and increase the maximum indebtedness of the district and invest \$26 million to develop 10-acres and create 500 jobs.

Strategy	Initiative	Investment Amount
Strategic Reposition	Amendments	\$35,000 (consultant)
Enhance Employment Development	Property Acquisition	\$10,000,000
	Development Assistance Program	\$6,000,000
Improve Infrastructure Systems	Public Infrastructure	\$10,000,000
Total		\$26,035,000

Juniper Ridge Land Development



BURA Approach

1. \$135M+ Total Area Development Costs
2. 60% Undeveloped
3. Purchase Land for Long-Term Employment Targets
4. Connect to Deschutes Market Road
5. Long-Term Industrial Park

Small Scale Incentives



Large Commercial Site Revitalization Grant Program

The Why

- Encouraging reinvestment in larger-format centers

Background and Need

- Economically functional but exhibit aging and underperforming facades.
- Best practice case studies show that major thoroughfares can be assets when cultivated – not placemaking barriers.

Strategic Objectives

- Enhance the visual character
- Support tenant attraction and retention
- Encourage private property reinvestment
- Deliver visible, near-term improvements that build momentum



Strong interest from commercial centers during Strategic Investment Plan formation

Large Commercial Site Revitalization Grant Program

Funding Range: \$50,000 - \$500,000

Program Concept

1. **Scale Structure** – Tiered based on building or lot size
2. **Public Private Partnership Model** – Private match for shared investment
3. **Geographic Prioritization** - Emphasis locations that can catalyze broader corridor revitalization

Program Framework Considerations

- Support high-quality, visible façade improvements along major corridors
- Opportunities to encourage outcomes such as:
 - Activation of underutilized frontage
 - Sustainability upgrades
 - Long-term tenant stability
- Annual, Competitive Program



Image produced using AI

Tenant Improvement Grant Program

Overview

- Support interior build-out and reinvestment in commercial spaces

Background and Need

- Growing gaps between tenant improvement allowances and total project costs

Strategic Objectives

- Activate vacant storefronts, commercial spaces, and new industrial facilities
- Support business retention and expansion (Economic Development Strategy Goal)
- Complement the existing façade grant programs



Tenant Improvement Grant Program

Program Funding Range: \$10,000 - \$50,000

Program Concept

1. **Activation** – The program will prioritize vacant or underutilized spaces
2. **Participating Match** - Proposed 50% match required
3. **Support Across Business Lifecycle** – Will assist new businesses entering a space, existing businesses expanding operations, and established businesses reinvesting in current location.
4. **Landlord Partnership** - Landlord tenant allowances will count as an eligible match

Eligible Activities

- Interior construction and buildout
- Electrical, plumbing, and HVAC upgrades
- Accessibility Improvements



Core Area Mural Grant Program

Strategic Objectives

- Establish a visible identity for the Core Area that supports existing arts, cultural, and makers businesses by increasing foot traffic and district awareness
- Create an early “signal of change”
- Leverage relatively low-cost investments for high public impact

Program Framework Considerations

1. Incorporate into existing façade program
2. Establish a BURA-led commission process.



Core Area Mural Grant Program

Next Steps:

The Core Area Advisory Board will be developing program parameters, research framework implementation options, and 3rd party partnerships.

Program Launch: January 2027



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Micro Loan Program

Program Structure

- Nonbankable businesses
- Small Scale Loans: <\$25,000
- Fixed rate financing
- Short Term Repayment: 5 years
- Deferral payment period
- Participation in SBDC Education Program*

Eligible Activities

- BURA Grant Match Requirements
- Furniture, Fixtures, and Equipment (FF&E)
- Excludes payroll and carrying costs)



Small Business Loan

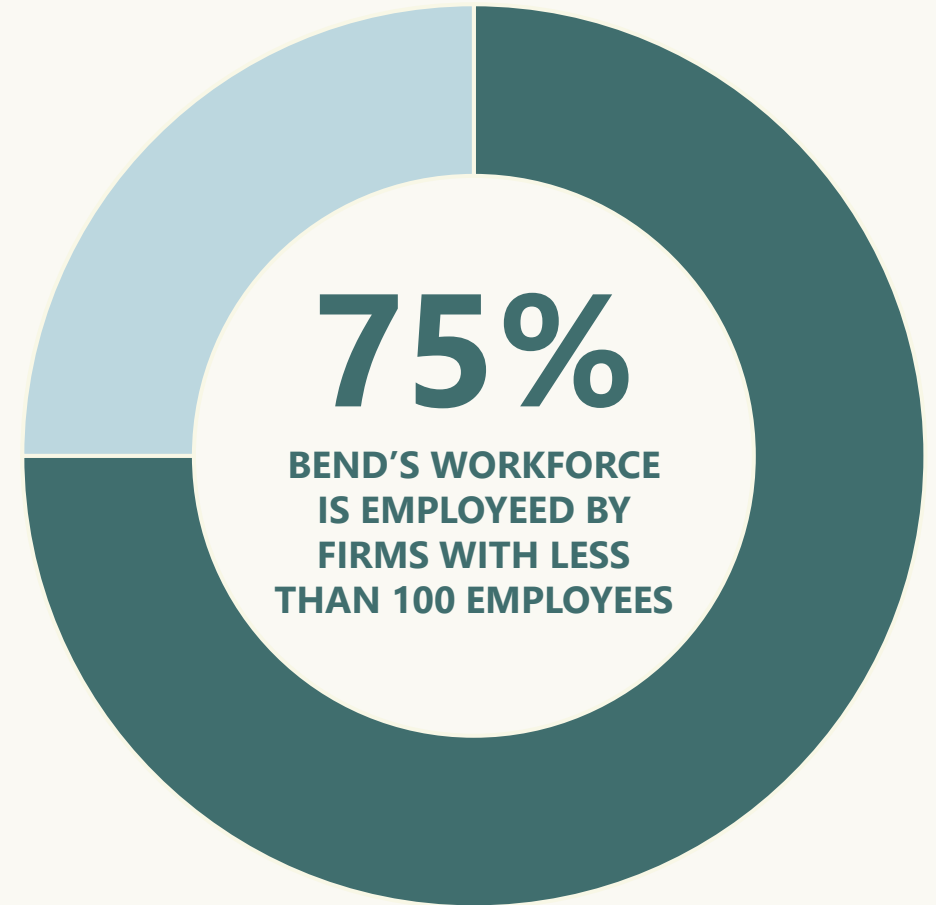
Program Structure

- Moderate-sized loans: \$25,000 – \$250,000
- Fixed rate financing
- Term Repayment Horizon: 7-10 years
- Blended collateral approach
- No prepayment penalties
- Target Gap: 75%

Eligible Activities

- BURIA Grant Match Requirements
- Furniture, Fixtures, and Equipment (FF&E)
- Excludes payroll and carrying costs

Exploring partnerships with Central Oregon Community College, Central Oregon Intergovernmental Council, and Local Lenders



Predevelopment Loan

Program Structure

- Large sized loans: \$250,000 - \$750,000
- Bridge loan structure: <36 months
- Risk tiered interest rates
- Secured lending backed by project property and sponsor guarantees

Eligible Activities

- Feasibility and Market Studies
- Environmental Assessments and Due Diligence
- Conceptual Architectural and Site Design
- Surveying and Site Analysis
- Financial Modeling and Project Structuring
- Entitlement and Permitting Support



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Accommodation Information for People with Disabilities & Language Assistance Services

You can obtain this information in alternate formats such as Braille, electronic format, etc. Free language assistance services are also available. Please email accessibility@bendoregon.gov or call 541-693-2198. Relay Users Dial 7-1-1. All requests are subject to vendor processing times and should be submitted 48-72 hours in advance of events.

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Información sobre accesibilidad en reuniones

Hay accesibilidad disponible en esta reunión. Si se solicita con antelación, se puede disponer de servicio de intérprete de lengua de señas, dispositivos de ayuda auditiva, materiales en formatos alternativos como Braille, letra grande, formatos electrónicos o cualquier otro tipo de adaptación. Póngase en contacto en correo electrónico accessibility@bendoregon.gov o número de teléfono 541-693-2198. Los usuarios del servicio de retransmisión deben marcar el 7-1-1. Por favor, envíe sus solicitudes con 48-72 horas de antelación al evento; todas las solicitudes están sujetas a los tiempos de procesamiento del proveedor.