

August 20, 2026

Core Area Advisory Board – August 2026



Project Update: BCD System Development Charges

Background:

On December 17, 2025, the Core Area Advisory Board presented and recommended five policy considerations to the Bend City Council through the adoption of the 2026-2030 Strategic Investment Plan and the CAAB 2-Year Work Plan.

Recommendation #1:

"The City of Bend explore the creation of time-limited, BCD-specific development incentives" including, but not limited to, system development charges.

Current Considerations and Discussions

System Development Charge Exemption

- ~2-Years
- Non-residential adaptive reuse project
- Core Area-wide
- If site redevelops, no SDC credits would be provided
- Subject to or exempt from minimum development standards
 - Building expansions of up to 50 percent of the existing building area or 5,000 square feet, whichever is less;
 - Outdoor use or parking expansions of up to 50 percent of the existing area or 5,000 square feet, whichever is less;
 - Limited changes in use that do not substantially increase demand on public facilities; and
 - Other minor site and building modifications eligible for MDS review.

Policy Questions – Presented to Developer Roundtable

- Whether SDCs are a primary barrier to adaptive reuse projects.
- Which geographic areas should qualify.
- How long incentives?
- Tied to specific community outcomes?
- Infrastructure funding impacts associated with reduced fee collections.
- Trade-offs to exemptions

Grant Criteria Development

The Board will discuss initial outcomes and criteria for the implementation of a tenant improvement grant in the Core Area.



Property Improvement Grant Policy Recommendation

- **Purpose**

- Provide matching grants for interior and exterior improvements to properties within an urban renewal area.

- **Program**

- BURAs authorize BURAs staff to develop and implement program guidelines

- **Authority**

- BURAs staff will review and recommend in Murphy Crossing and Juniper Ridge
- CAAB will review and recommend in the Core Area

Recommended Motion

- "I move to recommend that BURA approve the Property Improvement Grant Program and Policy as presented."

Grant Criteria Development

The Board will discuss initial outcomes and criteria for the implementation of a tenant improvement grant in the Core Area.



Proposed Scoring System – All Areas (60 points)

Criterion	Points	Basis of Judgment
Project readiness	10	Design status, permit posture, contractor selected, lease executed or LOI in hand, realistic schedule. Higher scores for projects that can commence within 90 days.
Financial capacity and match certainty	10	Match documented and committed rather than projected. Landlord allowance evidenced by executed lease. Applicant financial capacity to carry costs pending reimbursement.
Cost reasonableness	8	Budget consistent with market cost per square foot for the use and building type. Competitive bids obtained. Scope proportionate to award requested.
Business viability	8	Operating history, business plan quality, management experience, realism of revenue assumptions. New businesses are not disadvantaged; unsupported assumptions are.
But-for necessity	8	Evidence the project does not proceed at this scale, in this location, or on this schedule without assistance. Weak or pro forma assertions score low.
Increment and investment leverage	8	Private dollars per BURIA dollar; expected assessed value effect; permanence of the improvement. See Section 4.4 for nonprofit treatment.
Plan conformance	8	Direct advancement of stated objectives of the applicable urban renewal plan, cited by section.

Core Area Criteria - Foundation

The Core Area 2030 vision is an emerging safe and welcoming arts, entertainment, and business district where more people are choosing to live and new businesses are established. The Strategic Investment Plan identifies three operative conditions: the district offers limited customer experiences apart from community-supported retail such as grocery stores, pharmacies, and banks; bike-share data confirms minimal trip generation to and from the district; and the district contains no parks, trails, or open space. The five-year goal directs \$8.9 million toward \$100 million in private development, at least 100 housing units, increased frontage beautification, more customer experiences, and at least one acre of park.

Proposed Core Area – District Factor (40 Points)

Criterion	Points	Basis of Judgment
Street-level activation delta	10	The extent to which the proposed interior scope changes the condition of the space as experienced from the public right-of-way. Scored on: work making a currently unoccupiable space occupiable (restroom, accessibility, mechanical, life safety); removal of interior obstructions at the window line; interior lighting visible from the sidewalk; placement of the active use and public-facing
Customer Experience Creation	8	The use creates a customer experience or supplies a transaction. Dining, arts, entertainment, production with a public face, and social and gathering uses score highest.
Identity alignment	8	Consistency with the Core Area identity themes — locally owned production, gathering function, district-specific character, working-district use, and adaptive reuse of existing building stock. Formula and generic build-outs score low.
Extended-hours operating commitment	6	The operating commitment the applicant is willing to memorialize in the Award Agreement — posted evening and weekend hours, and a use that holds people in the district rather than moving them through it. Scored on the commitment, not the construction; physical capacity to operate extended hours is scored under criterion (a). An applicant unwilling to commit to posted hours scores zero regardless of use type.
Locational contribution	5	Position relative to the Priority Uplift Area, the Hawthorne pedestrian crossing alignment, transit, and existing anchor businesses. Projects that close a gap between activated nodes score higher than isolated projects.
Tenant continuity and displacement effect	3	Whether the project retains an existing Core Area business or displaces one. Projects displacing a viable existing tenant score zero on this criterion.



Proposed Scoring Methodology

Step	Line	Calculation
1	Base Maximum	Per tier
2	Award Factor	Total Score ÷ 100
3	Scaled Base	Line 1 × Line 2
4	District Factor	(District Score – 20) ÷ 20
5	Priority Uplift	Line 1 × 25% × Line 4, if applicable
6	Core to Juniper Bonus	Line 1 × 50% × Line 4, if applicable and wage gate met
7	Quality-Scaled Bonuses	(Vacancy + F&B full values) × Line 2, if applicable
8	Rapid Deployment Reserve	\$3,000 flat, if applicable
9	Calculated Award	Sum of lines 3, 5, 6, 7, 8 — rounded to nearest \$500
10	Cost Cap	50% of Eligible Project Cost
11	Combined Subsidy Cap	Subsidy reaches 65% of Total Project Cost
12	Allocation Cap	Remaining area allocation for the fiscal year
13	FINAL AWARD	Lowest of lines 9, 10, 11, and 12

Award Examples

Example A — Core Area, Tier 1, strong project in the uplift area. Total 88; District 34. Base \$75,000. Award Factor 0.88 → Scaled Base \$66,000. District Factor 0.70 → Uplift $\$75,000 \times 25\% \times 0.70 = \$13,000$. Vacancy bonus $\$8,000 \times 0.88 = \$7,000$. F&B $\$10,000 \times 0.88 = \$8,800 \rightarrow \$9,000$. Rapid Deployment \$3,000. **Calculated Award \$98,000.** Eligible cost \$260,000 → cost cap \$130,000, not binding. **Final award \$98,000.**

Example B — Core Area, Tier 1, marginal project. Total 62; District 21. Base \$75,000. Award Factor 0.62 → Scaled Base \$46,500. District Factor 0.05 → Uplift $\$75,000 \times 25\% \times 0.05 = \$1,000$. No other bonuses. **Calculated Award \$47,500.**

Theme/Pillar Development

The Board will discuss initial outcomes and criteria for the implementation of a tenant improvement grant in the Core Area.



A STATED AMBITION: MORE HOUSING

The five themes that follow describe the Core Area as it is. One thing this document states as ambition rather than description is that the Core Area should become home to substantially more people than it is today.

It is set apart from the identity themes deliberately. Identity themes earn their authority by being demonstrably true of the district — tested against anchor evidence, the district tours, and Advisory Board review. The residential Core Area does not yet exist to be tested.

Naming it as ambition does not diminish it; it locates it correctly and gives the themes something to serve. Two themes already carry the ambition directly.

The ambition is the destination. The identity themes are how the Core Area reaches it without ceasing to be itself.

THEME 01 MADE HERE

"The Core Area produces. It doesn't just consume."

Anchor Evidence

- 10 out of 26 anchors

UDF Cross Reference

- Creative, industrial, "Makers"

Why It Matters

- Production is what makes the Core Area economically distinct and structurally resilient

THEME 02 WHERE BEND GATHERS

The city's common room — morning, evening, after, and home.

Anchor Evidence

- 12 out of 26 anchors

UDF Cross Reference

- Vibrant, “places to live, work and play.”

Why It Matters

- Hospitality is the activity floor of urban life. It produces foot traffic that makes streets feel safe after dark, supports the small businesses that produce neighborhood character, and pays the property taxes that capitalize TIF. Residents deepen that floor and make it durable

THEME 03 UNAPOLOGETICALLY ITSELF

Wonderfully weird. Refreshingly real. Not a copy of anywhere else.

Anchor Evidence

- 9 out of 26 anchors

UDF Cross Reference

- Quirky, distinct

Why It Matters

- Refined and curated districts can be found in every growing city, and Bend has already built a great deal of the suburban commercial pattern that is the default alternative. Genuinely odd, locally rooted, anti-corporate districts are rare

THEME 04 GRIT THAT GROWS

Grit is the constant. Density is how it grows — not what it trades away.

Anchor Evidence

- Adaptive reuse and new develop will be required to meet plan objects and to foster more anchor growth.

UDF Cross Reference

- The UDF identifies adaptive reuse as a Core Area strength (“adaptive reuse and affordable retail/industrial space,”

Why It Matters

- This theme ties identity directly to land-use policy and TIF investment strategy

THEME 04 A WORKING DISTRICT

"Daily life, not just destination."

Anchor Evidence

- Anchor evidence was business focused, the working-district reads through the workforce that they sustain.

UDF Cross Reference

- "Places to live, work, and play" formulation (p. 11) gives explicit weight to the work dimension that the original theme set under-emphasized

Why It Matters

- Succeed on destination metrics and worker outcomes

THEME CHANGES

- **Theme 01, Made Here** — unchanged.
- **Theme 02, Where Bend Gathers** — widened.
- **Theme 03, Unapologetically Itself** — essence line replaced.
- **Theme 04, Built to Be Reused** — renamed and rescoped as Grit That Grows.
- **Theme 05, A Working District** — unchanged in substance.

Property Acquisition Development

The Board will discuss initial property evaluation criteria and strategy values for the development of an urban renewal property acquisition strategy.



WHY ARE WE DOING THIS

- The Bend Urban Renewal Agency currently owns no real property. As BURAs three Urban Renewal Areas — Core Area, Murphy Crossing, and Juniper Ridge — mature and tax increment resources grow, property acquisition will increasingly be available as a tool to implement the goals of each adopted Urban Renewal Plan.
- Before that first acquisition happens, BURAs wants a written strategy in place — a document that sets out why BURAs would acquire property, what standards apply, how decisions are made, and how the public holds BURAs accountable. Establishing that framework in advance is materially easier than adopting it after a controversial deal has set precedent.

What Can BURAs Do Under Oregon Law

- BURAs can acquire by **purchase, exchange, or donate**.
- BURAs can **hold, manage, and dispose of** property, including transferring it to private developers who commit to develop it consistent with the Plan.
- Disposition below fair market value is permitted **if BURAs document an equivalent public benefit** through covenants, affordability restrictions, or development requirements.
- All acquisition and disposition activity is subject to **public meetings, public records, and public hearing requirements** under Oregon law.

What a Property Acquisition Strategy Include:

- Purpose Categories
 - Selection Criteria
 - Due Diligence Standards
 - Approval Thresholds
 - Holding and Management Standards
 - Equity and Community Benefit Standards
 - Transparency
- Why BURA acquires property (for example: site assembly for catalytic projects, land for parks or public facilities, land banking for known future uses, infrastructure right-of-way, blight removal).
 - How candidate acquisitions are evaluated (Plan alignment, catalytic potential, cost-to-benefit, market readiness, risk, equity impact).
 - What BURA verifies before closing (appraisals, environmental, title, zoning, tenancy).
 - Which decisions staff can make, which require the BURA Board, which require public hearings.
 - How BURA manages property it owns.
 - How property leaves Agency ownership — competitive solicitation, direct conveyance to a public partner, negotiated disposition, or ground lease.
 - How BURA addresses displacement risk, affordability, and community benefit.
 - Annual reporting and continuing public accountability.

Values Development Through Real Decision (10mins)

SCENARIO 1 — PRESERVING COMMERCIAL CHARACTER

A Core Area commercial building is being sold to a tax-exempt entity that would use it for their operations. The property would come off the tax rolls and valuable commercial real estate is forgone for the foreseeable future. BURA could compete to acquire and reserve commercial ground-floor use through covenants.

→ ***Should BURA intervene? Under what conditions — and when should we stand aside?***

Values Development Through Real Decision (8mins)

SCENARIO 2 — STRATEGIC SIGNIFICANCE FOR PLAN GOALS

Three adjacent parcels come on the market that together could support 60–80 housing units — directly advancing adopted Plan Goals and Principles for housing near transit. Acquisition cost is approximately \$10M with disposition to a developer likely returning \$5-8M under a 30-year affordability covenant.

→ ***Is the trade-off worth it? What thresholds would make this a yes?***

Values Development Through Real Decision (10mins)

SCENARIO 3 — STRATEGIC PARCEL WITH A TENANT

A property identified in the Plan as necessary for a future public plaza comes on the market. A locally-owned business is currently operating there and has three years left on their lease. Acquiring advances the Plan Goal; it also displaces the business at lease end.

→ ***Should BURR proceed? What obligations follow from the acquisition?***

Values Development Through Real Decision (10mins)

SCENARIO 4 — LAND BANK WITHOUT A BUYER

A well-located parcel is available at a discount — the seller needs a quick close. The parcel aligns with adopted Plan Goals and Principles, but no developer is currently identifiable. Holding costs are estimated at \$180K per year for 3–5 years before disposition becomes feasible.

→ ***Should BURA acquire? What holding conditions would make this responsible?***

Values Development Through Real Decision (10mins)

SCENARIO 5 — PATIENT PARCEL ASSEMBLY

A half-block in the Core Area has eight small parcels under separate ownership. Individually each is too small to redevelop; assembled, the block could support a major mixed-use project. Assembly requires 3–5 years of patient negotiation, an estimated \$10M in total cost with significant transaction and holding expenses, and any single holdout could jeopardize the play.

→ ***Should BURA pursue multi-parcel assembly? What justifies the effort — and when should we walk away?***

Values Development Through Real Decision (10mins)

SCENARIO 6 — OWNING AND DEVELOPING

BURA acquires a strategic parcel. Rather than disposing to a private developer with covenants, BURA takes on the development role directly — engaging architects, contracting construction, ultimately owning or ground-leasing the completed project. Direct control over affordability, tenancing, and design comes at the cost of internal capacity, competition with private developers, and full exposure to development risk.

→ ***Should BURA ever develop directly? Under what conditions is that the right posture?***

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