CITY OF BEND
CORE AREA PROJECT

MEETING AGENDA

URBAN RENEWAL ADVISORY BOARD

MEETING DATE: April 2, 2019

MEETING TIME: 12:00 PM to 3 PM

LOCATION: Dining Hall at Salvation Army, 515 NE Dekalb Ave, Bend, OR

STAFF LIAISONS: Allison Platt, Senior Planner
Matt Stuart, Urban Renewal Project Manager

AGENDA

1. **Welcome, introductions** (12:00 – 12:10) – Chair Dale Van Valkenburg
   a. Review and approval of previous minutes
2. **Public Comment** (10 minutes) – Chair Dale Van Valkenburg
3. **Guiding Principles** (Action item, 12:20 – 12:35) – Allison Platt
   a. Staff briefing and URAB discussion
   b. Approval
4. **Urban Renewal Background** (Informational item, 12:35 – 1:05) – Lorelei Juntunen, ECONorthwest
   a. Presentation and URAB discussion
5. **Urban Design Analysis** (Informational item, 1:05 – 1:35) – Ken Pirie, Walker Macy

   The Urban Design Analysis graphically summarizes key existing and future conditions, and identifies urban design opportunities and constraints. It is a first "learning and synthesis" report. Following URAB's discussion, the team will prepare a draft Urban Design Framework – a set of graphic descriptions and recommendations intended to help guide URAB's discussions about future development and investments in the area.

   a. Presentation and URAB discussion
6. **Development Feasibility Analysis** (Informational item, 1:35 – 2:10) – Alex Joyce, Cascadia Partners

   The Development Feasibility Analysis identifies key economic drivers and indicators for development and redevelopment in the study area.

   a. Presentation and URAB discussion
7. **Sub Area Visioning** (Brainstorming item, 2:10 – 2:50 PM) – Allison Platt

   The purpose of this item is to explore how the Guiding Principles might be implemented in the subareas. The discussion question to brainstorm is: "Looking 10-20 years out, what are the priority development and investment outcomes needed in each subarea."

CITY OF BEND
CORE AREA PROJECT

MEETING AGENDA

8. **Public Comment** (10 minutes) – Chair Dale Van Valkenburg
9. **Next steps/close**
   a. Next URAB meeting – May 14, 2019, time and location TBD
   b. Adjourn

PLEASE NOTE:

In addition to the packet materials for the above-listed agenda items, staff has prepared the following items:

- Public Involvement and Communications Plan
- Existing Conditions and Applicable Plans Report

Please contact Allison Platt if you have any questions or comments regarding these documents.

Accessible Meeting Information
This meeting/event location is accessible. Sign language interpreter service, assistive listening devices, materials in alternate format such as Braille, large print, electronic formats and CD Formats, or any other accommodations are available upon advance request. Please contact Allison Platt at aplatt@bendoregon.gov or 541-322-6394. Providing, at least, 3 days' notice prior to the event will help ensure availability.

CITY OF BEND
CORE AREA PROJECT

MEETING MINUTES

URBAN RENEWAL ADVISORY BOARD

MEETING DATE: February 12, 2019

STAFF LIAISONS: Allison Platt, Senior Planner
Matt Stuart, Urban Renewal Project Manager

1. **12:05 pm**

   Roll Call: Dale Van Valkenburg, Robin Vora, Bart Bowen, Elise Jones, Tim Page, Adam Bledsoe, Whitney Swander, Michelle Rhoads, Craig Davis, Jim Landin, Sonja Porter, Steve Porter, Zak Sundsten, Sarah Bodo, Joe Viola

   Mayor Russell

2. **Meeting Specific Agenda Items**

   a. Welcome, Introductions

Mayor Russell welcomed and thanked members. She stated this Board will create a path for the Core Area.

i. Staff introduced

ii. Board Members stated their occupation and background.

b. Overview of the Urban Renewal Advisory Board

i. History/Creation/Purpose

Overview of project. Board will advise the project team throughout duration of project and make a recommendation to BURA using feasibility study as to whether to pursue an urban renewal district in the core area of Bend. A brief overview of historical planning efforts that led to this project was discussed including the following:

- 2004: Central Area Plan
- 2014: Bend Central District Multimodal Mixed-Use Area (MMA) Plan
- 2016: UGB process- City amended Comprehensive Plan and identifies nine opportunity areas and 10 expansion areas. Four opportunity areas are in the core area.
- 2018: Return on Investment Analysis

ii. Project Overview

Area includes four UGB identified opportunity areas: KorPine, East Downtown, Bend Central District, East Highway 20/Greenwood, plus new sub areas of Division and Wilson.

Core Area Project:

Phase I (Growth Management): Community engagement; development potential analysis; existing conditions; urban design framework; vision, projects, programs; urban renewal boundary analysis; implementation framework; urban renewal feasibility study; and urban renewal recommendation to BURA ==> Core Area Implementation Strategy Report.

Phase II (Economic Development) if approved: Urban Renewal plan and report. Hearings and adoption which forms a new Urban Renewal District.

Potential outcomes of project: New Urban Renewal District; recommendations for new programs; tools that offer incentives for development; recommended projects and priorities for the City's Capital Improvement Program (CIP); changes to street standards and specs; development code changes.

Potential incentives and tools: Urban Renewal District; Multiple Unit Property Tax Exemption (MUPTE); Vertical Housing Development Zone (VHDZ); Local Improvement District (LID); Development Agreement; Reimbursement District; SDC Program; Enterprise/Opportunity Zone Incentives; Business or Economic Improvement District (EID); Affordable Housing Tax Exemption (AHTE); façade improvement program; art/beautification program; parking district or parking management program; Transportation Demand Management (TDM) or Agency (TMA) program; and land swap incentives or (Tenant) relocation program.

Preliminary Schedule: The goal is to finish both phases of project by August 31, 2020. URAB meetings will be scheduled every 6-8 weeks. The goal of this project schedule, if it is recommended to pursue urban renewal district, is to capture property tax revenue as soon as possible before new tax assessor numbers are released in October of 2020 and begin to collect tax increment starting in 2021.

The project will result in two final reports: Core Area Implementation Strategy Report and Urban Renewal Plan and Report

Consultant Team:

Angelo Planning Group, Lead
Walker Macy, Urban Design
Cascadia Partners, Redevelopment Feasibility
ECONorthwest, Financial Analysis
Elaine Howard, Financial Analysis/Urban Renewal
Kittleson & Associates, Transportation
Stacy Stemach, Architectural/Local Design

c. Advisory Board Member Comment (30 min)

   i. Defining Success

   ii. Desired Outcomes

The board provided input by answering the following question: "This project will be a success if…". Input from each Board member was used to develop the Guiding Principles, which are included in the agenda packet (See Item 2).

d. Chair and Vice Chair

   i. Expectations

Chair and Vice Chair will act as the leadership of the Board moving forward. They will work with staff on setting agendas, chair meetings, serve as the voice of the Board to Council, and review key documents.

   ii. Nominations

Robin Vora nominated Tim Page, noting he lives in the area and provides a neutral perspective.

Elise Jones nominated Craig Davis. Craig Davis responded he doesn't feel he has the interconnections that Dale does.

Steve Porter nominated Dale Van Valkenburg, noting his breadth of relevant experience.

Sonja Porter nominated Steve Porter who declined, recommending someone with more experience on public agency boards to take the role.

Elise Jones nominated Whitney Swander, a native to Bend.

iii. Election/Appointment

Craig Davis moved to appoint Dale Van Valkenburg as chair and Whitney Swander as vice-chair. Adam Bledsoe seconded. All were in favor.

e. Overview of Legal Matters related to a Governing Body

i. Conflict of Interest Policy

Mary Winters, City Attorney provided an overview of Ethics Laws for Oregon officials. Conflicts are considered potential since only making recommendations to Council. Board members must declare any conflicts on record. Conflicts are present when members, their employer, or their family members would receive financial benefit or detriment (business or personal). Conflicts do not apply to governments or non-profits. Members do not have to recuse themselves from voting since conflicts are only potential however they must declare a conflict each time there is a vote.

ii. Public Meetings Law

Governing Body: Any business of the committee needs to be an open process. Meetings must have a quorum for decisions. The biggest concern is using email or social media. Be careful not to discuss any business of the committee in a group email setting, where there could be a quorum. Avoid reply all. Members can disseminate factual information to each other such as an article through staff. Also be aware of serial emails.

Records: Everything you do is public record. Emails can be requested. They are considered a record if talking about meeting or business of the committee.

This should not stop you all from talking about the work of the committee to each other, as long as there is not a quorum. Anything not written down is not a record. A subcommittee can be a government body and is subject to public meetings law.

3. Public Comment

Sweet Pea Cole: Applauds comments. Encourages Board to think about how to engage with people working and living in Core Area.

Carolyn Eagan: Asked everyone where are good locations (churches, schools, etc.) to hold meetings and get people to attend?

Kurt Petrich stated he had three interests in project: worked on UGB task force, has an urban planning background, has property in area and a relationship with owners in the area. He asked where information can be found. Response: on project webpage and URAB webpage.

MEETING MINUTES

4. **Next steps**
   a. Meet with Chair & Vice Chair Elect to review Future Meeting/Agenda items – TBD
   b. Next URAB meeting is tentatively scheduled for April 2, 2019. Time and Location TBD Need new location. Goal is same time.
   c. **Adjourned at 2:07 pm**.

Project team will take Word document with input from Board members and make into guiding principles.

Urban Renewal Advisory Board (URAB)

CITY OF BEND
CORE AREA PROJECT

PREPARED FOR: URAB Members

PREPARED BY: Allison Platt, Senior Planner
Matt Stuart, Urban Renewal Project Manager

DATE: April 2, 2019

This memorandum proposes a set of guiding principles for the Core Area Project and Urban Renewal Advisory Board (URAB). The vision and principles in this memorandum were drafted based on input and information discussed at the first URAB meeting on February 12, 2019. A summary of URAB's project success brainstorming is included at the end of this document.

Guiding Principles

- **Create a place where you can live, work and play.** This area is transformed into a vibrant mixed-use city center where businesses thrive, people live, and there are community gathering spaces for people to enjoy and recreate.
- **This plan leads to direct outcomes, it is implemented.** This plan does not sit on a shelf. It leads to feasible, implementable projects and outcomes both in the short and long term.
- **This area connects the East and West sides of Bend.** This area breaks down physical and socio-economic barriers between the East and West sides of Bend such as US 97, 3rd Street, and the railroad. This area is full of attractive amenities that draw residents from both sides of Bend.
- **There is affordable housing.** This area has a supply and mix of housing types that are affordable to those of all income levels.
- **This is a walkable area with a balanced transportation system.** This area is walkable, destinations and services are within an easy and comfortable walk, and you do not need a car to get around. The area provides opportunities for all transportation users including those that drive in to the area and need to park, bicyclists, and transit users.
- **Public investments support and catalyze private development.** The appropriate public investments have been identified to attract private investment. This is an environment that developers can thrive in.
- **Transparent and open public process that ensures that those affected by the decisions are involved in the process.** Throughout the planning process, community members have a voice in the process to ensure this plan maintains Bend's charm. Project outcomes and trade-offs are developed to spread benefits evenly.

DRAFT

Defining Project Success Results

- A plan that addresses the following challenges for this city/area: housing supply/prices (affordability), limited connectivity between east/west, auto reliance, high per capita resource consumption. This underdeveloped central area can address these challenges to urbanize/modernize. Move Bend from disjointed smaller town to connected city.
- Success is not having another plan that sits on a shelf. Implementation that addresses issues (housing, walkability, transportation). 2 tiers: 1. Higher level (transportation), 2. Manageable/short term feasible strategy (final product) something actually happens.
- Connect east and west, inviting area for students/younger + older generations. Keep high school students in Bend longer, keep Bend local. Maintain Bend's quality of life.
- Don't let the plan sit on a shelf. Opportunity for true mixed use area. Blend work, businesses, homes. Connected, mixed-use versus segregated uses (industrial, housing, etc)
- Mixed use (work/live space). Improve visual appeal, make area multimodal, increase desirability of area.
- Higher density, bigger buildings but maintain Bend character. How do we do this/incentivize entice someone that wants to go big? Balance Bend character with viability to developer big. Mitigate risk for the first developer to go vertical/dense.

- Development in Bend has become painful especially for outside developers (don't become boulder). Make development feasible. Parkway to 3rd St- take advantage of opportunities/character. This area could be like Deep Ellum in Dallas which is also walking distance from the downtown. Keep character, use location, make attractive to outside money. Leverage opportunity zones. Very few large parcels poses challenges. Address parking concerns (can't do underground here, parking zoning requirements can be restrictive or too high requirement).
- Huge opportunity to unite east and west with dynamic center. Greenwood/3rd is center of town. This area currently provides relief for rent prices and supports local businesses, it has a lot of potential. Needs close amenities (not needing car to get basic services). Needs catalyst projects for Bend to see potential. Need to visualize it/make it tangible. People need to feel what it will be like. We need to sell the vision for this area.
- Success is making this area a usable space not just a space to pass through. It addresses concerns of transportation, affordability, automobile reliance. It is to people that we must build our plans (not buildings), Jane Jacobs quote. Through process inviting people to have a say. Give Old Bend folks a say in whats happening/future. Give community a voice in process.
- Be forward thinking while also honoring Bend's character. Keep plan unique to Bend. Reduce barriers to change in this area (for example 3rd St).
- Success is the committee collaborating to make something really creative. Bend is unique, great place to live without intentional investment. This is an opportunity to be intentional, creative and thoughtful to keep it great. Transportation is number one priority. Safe crossings (Greenwood, 8th, 3rd). Commitment from City on affordable housing that is close to the Core (near to transportation options/amenities).
- This area is the donut hole in the middle of the city (it is not comfortable right now). This area is ripe for change, its ok for character to change here, people would probably appreciate it. It's currently an underutilized area. This is a plan that isn't on the shelf, it uses economic development components (incentives, attract private investment) for success. Walkability, bikeability, build connections and improve existing connections. At the end, investors want to spend money here because people want to live here (this area has amenities, you don't need to drive, everything you need in 10 minute walk). Public investment drives private (build on past examples of successes in Bend such as the downtown urban renewal and Colorado/Arizona couplet). Area is welcoming.
- 3rd, US97, RR are barriers. Success is breaking down barriers. Hawthorne connection is crucial. Opportunity for civic center and to connect downtown to juniper swim & fitness. Create framework that developers can thrive in. Jumpstart affordable housing in Central District (needs policy support).
- This creates a Roadmap to chart a course for the future. There is a transparent forum for a discussion about trade-offs to bring this together (housing, transportation, etc). Create place that people want to live and work that takes into consideration demographic changes. The investments of this plan need to benefit those who are in this area (understand trade-offs that affect quality of life). Get ahead of the curve of change- make change happen the way we want it to change instead of letting it happen to us. Coordinates with CET transit plan and City TSP to create livability.
- Success is a community gathering space in this area so that people can work, live, AND play. Affordable housing. This area is attractive but not gentrified (for businesses + residents). How to balance that. Environmentally responsible design, be leaders in responding to Climate change. Creates incentives for LEED, environmental design components. Encourage alternative modes (walkability, bikeability) but find balance with cars. Success is balancing needs. Avoid design by committee.

CITY OF BEND
CORE AREA PROJECT

Fact Sheet: Urban Renewal in Bend's Core Area Project

PREPARED FOR:	Urban Renewal Advisory Board
COPY TO:	Allison Platt, Senior Planner
	Matt Stuart, Urban Renewal Project Manager
PREPARED BY:	Elaine Howard, Elaine Howard Consulting, LLC
	Lorelei Juntunen and Becky Hewitt, ECONorthwest
DATE:	March 7, 2019

What is Bend's Core Area Project?

Bend's Core Area Project (CAP) will result in a common vision and implementation plan for the Core Area of the City. During the 2016 Urban Growth Boundary expansion process, the City identified several opportunities areas (Bend Central District, East Downtown, Inner Highway 20 / Greenwood, and KorPine) within the Core Area that require focused implementation attention. Through the CAP process, the City will work with property owners, area residents, and other stakeholders to:

- Develop an urban design framework for the area.
- Identify needed circulation improvements to enhance connectivity within and among areas.
- Identify programs and projects for the area, including streetscape improvements, public spaces, gateways, affordable housing, or art and beautification programs.
- Determine location, phasing, and costs for necessary infrastructure (sewer, water, storm water and transportation) to support potential development and redevelopment of the area.
- Identify any needed code amendments or zoning changes, if necessary, to achieve the vision for this area.

Importantly, the CAP will also identify specific funding strategies, incentives, and other tools that can be used to achieve the vision for the area's future. Urban renewal is primary among the tools that the City will evaluate. This document describes what urban renewal is, how it works by Oregon law, and how its feasibility will be evaluated as part of the CAP process.

Urban Renewal: A Primer

What is urban renewal?

Urban renewal is a program used throughout Oregon to provide a financing mechanism to implement city plans in designated urban renewal areas. The goal of urban renewal is to make investments that spur development that would not have otherwise occurred. The revenue to pay for projects in an urban renewal area is generated by the growth in assessed property value. Urban renewal funds may be invested in administration of an urban renewal plan and in capital projects, such as streetscape improvements, new construction or rehabilitation, or other

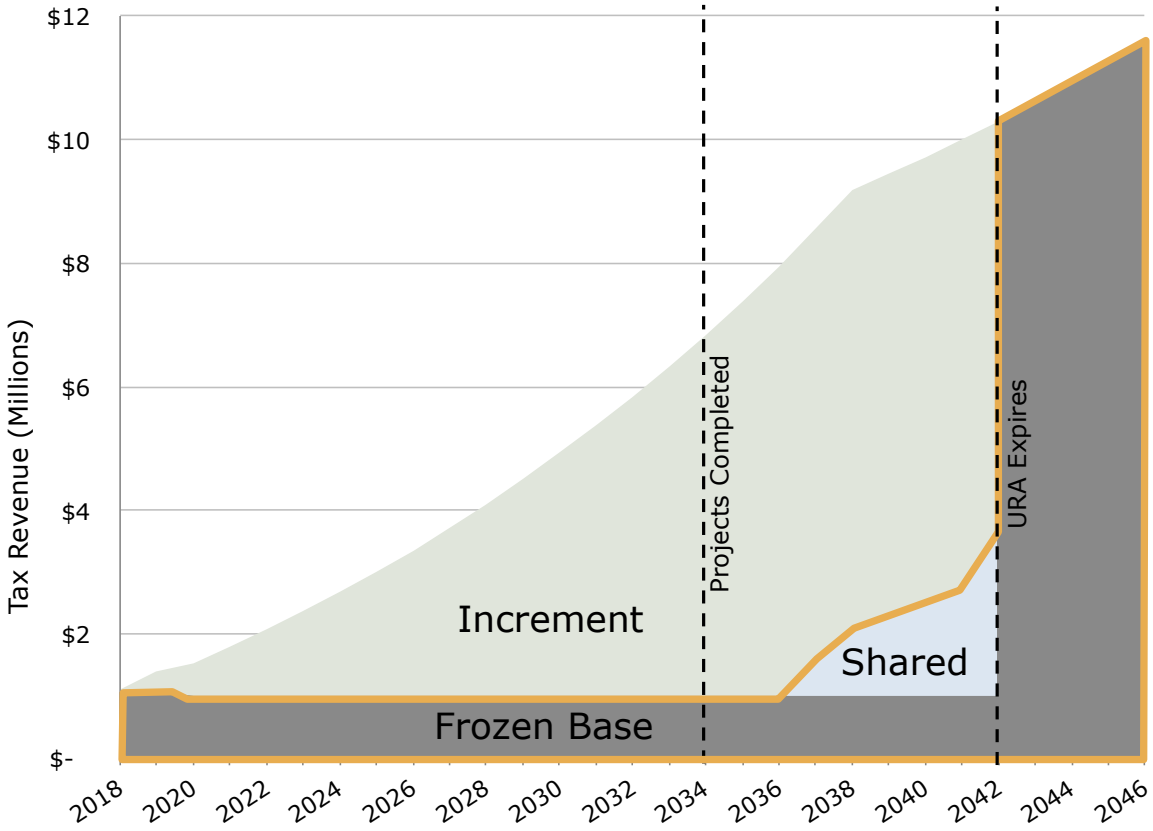
physical investments in the public or private realm. Those projects must be described in an adopted urban renewal plan that meets statutory requirements defined in ORS 457.

How are urban renewal projects financed?

In Oregon, property taxes, with or without urban renewal, increase for two reasons: 1) The assessor may increase property assessed values by no more than 3.0% per year; 2) The property owner completes new construction or substantial renovation of their property resulting in increased assessed valuation.

When an urban renewal area is created, the property tax revenue from that area is diverted into the following revenue streams:

- **Frozen Base** (shown in dark gray in the graphic below)**:** The total assessed value of all properties in the urban renewal area when it is formed. The frozen base revenue stream continues to go to the regular taxing jurisdictions, such as the city, the county and the school district.
- **Increment** (shown in light green below)**:** These are the funds that are available to finance urban renewal projects. When property values increase over time from new development and appreciation, taxes off this growth goes to the urban renewal agency for use in the urban renewal area for use on projects, programs, and administration throughout the life of the area, instead of going to the overlapping taxing districts.
- **Shared** (shown in blue below)**:** Once the urban renewal area is successful and generating significant increment each year, according to standards established in ORS 457, a portion of the increment is "shared" with affected taxing districts. Revenue sharing begins when tax increment revenues reach 10% of the initial maximum indebtedness (or the cap on total spending that is defined in the adopted urban renewal plan) in a given year a portion of the annual increment over 10% is shared with the overlapping taxing districts. Once tax increment revenues reach 12.5% of the maximum indebtedness, the increment to the urban renewal agency is capped at 12.5% of the initial maximum indebtedness and the remainder of tax increment revenues are distributed to the overlapping taxing districts.



Early Years:

Increment revenues are usually small. The urban renewal area incurs loans to fund strategic improvements to stimulate new development.

Middle Years:

Development occurs, boosting increment revenue. The urban renewal has more capacity to fund projects.

Late Years:

Annual increment revenues are large. Final projects are completed, outstanding debt is repaid, and the urban renewal closes down. Revenue sharing may occur if thresholds are met.

After Expiration:

Once all projects have been completed and debt repaid, all of the tax revenue returns to overlapping taxing districts and they receive the benefits of increased property values.

Does urban renewal increase my taxes?

No. Urban renewal is not a new tax on property and does not increase the amount a property owner pays in property taxes. Property taxes are based on the tax rate and the property's assessed value and increases as the assessed value grows. Urban renewal does not increase the tax rate.

How does urban renewal generate revenue if it does not increase property taxes?

The financial impact of the urban renewal is not on the property tax payer, but on taxing jurisdictions. Urban renewal revenues are generated from increases in assessed value of property within an urban renewal area after it is formed. While the urban renewal area is active, other taxing jurisdictions' revenue from that area remains largely fixed, and the tax revenue from the increase in assessed values goes to the urban renewal agency to pay for projects that help to spur new investment. When the urban renewal area expires, taxing jurisdictions can expect to receive more tax revenue than they would have without an urban renewal area, due to the increased assessed values stemming from the increased investment in the area.

Does urban renewal affect school district funding?

School districts are not directly affected by urban renewal. Under Oregon's school funding law, the Oregon Department of Education combines property tax revenues with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone due to the use of tax increment financing are replaced with State School Fund revenues, as determined by the state funding formula. While urban renewal statewide has an impact on the amount of funding in the State School Fund, the legislature can re-allocate other funding sources to the State School Fund.

What are the benefits of urban renewal?

Over the long term, the urban renewal area could produce significant revenues for capital projects. Some examples of urban renewal investments include:

- Capital improvement loans for small or startup businesses
- Storefront improvement grants for improvements to existing properties
- Streetscape improvements and transportation enhancements, including new lighting, trees, sidewalks, and intersection improvements
- Redevelopment projects, such as mixed-use or infill housing developments
- Historic preservation projects
- Parks and plazas
- Utility or infrastructure projects to support new development

How will urban renewal be studied and potentially adopted in the CAP process?

The CAP process has two phases, as follows:

Phase 1 – Core Area Implementation Strategy. This phase will develop the vision, urban design framework, and implementation framework. It will also include a detailed urban renewal feasibility evaluation.

While not required in in the Oregon Revised Statute, many communities choose to undertake a feasibility study to explore the potential for urban renewal to contribute to area revitalization. In the CAP, the urban renewal feasibility study task of Phase 1 will result in a recommendation regarding whether to proceed to a full urban renewal plan and report. It will also explore and make recommendations regarding the following components of a potential urban renewal plan:

- Goals for urban renewal investment
- Recommended boundary for the urban renewal area
- Prioritized list of the capital projects that can feasibly be funded with urban renewal dollars, to implement the urban design framework for the area
- An urban renewal financial feasibility analysis, including a recommended cap on total urban renewal spending (or maximum indebtedness)
- Discussion of the interaction among other potential implementation and funding tools and urban renewal

Phase 1 begins in January 2019 and will be completed by June 2020.

Phase 2 – Urban Renewal Plan and Report. In Phase 2, the city will prepare an urban renewal plan, which will establish an official urban renewal boundary, goals and objectives for the urban renewal area, and outline projects and programs which will help improve conditions of the area. The plan also sets the spending limit (called maximum indebtedness) for the urban renewal area. A technical report accompanies the plan, which contains the financial feasibility analysis and forecasts when funding will become available to pursue projects within the area. The urban renewal plan must go through a public review process and be adopted by the Bend City Council (City Council). The general schedule is to begin in (or before) June 2020 and to considered for adoption by September 2020. Phase 2 is contingent upon the successful completion of Phase 1, including a conclusion by the city that a Core Area urban renewal area will feasibly implement the goals for the area.

The CAP public review process includes the following steps:

- In December 2018, the City Council established the Urban Renewal Advisory Board (URAB) to guide the project and determine the feasibility of urban renewal for Bend's Core Area.
- The URAB will meet a minimum of eight times between February 2019 and May 2020. The meetings are open to the public and public comment will be part of every agenda.
- The URAB process will be complemented by an extensive community engagement program, including workshops, outreach meetings, and on-line information[1].
- Meetings to explain the process, boundary, and potential projects will be held with all overlapping taxing districts.
- Deschutes County will be briefed on the urban renewal plan.
- The Bend Planning Commission will review the urban renewal plan for conformance with the Bend Comprehensive Plan.
- The City Council will hold a public hearing and vote on the urban renewal plan.

Any action by the City Council must be by non-emergency ordinance and after a public hearing is held. Notice of the public hearing must be sent to individual households in the City of Bend as required by statute. Non-emergency ordinances can be referred to voters within 30 days of adoption.

[1] For additional information, please go to: https://www.bendoregon.gov/government/departments/growth-management/coreareaimplementation

BEND CORE AREA PROJECT

CONCEPTUAL URBAN DESIGN FRAMEWORK: ANALYSIS

April 2nd, 2019

CITY OF BEND
CORE AREA PROJECT

Table of Contents

Introduction

About the Core Area Project

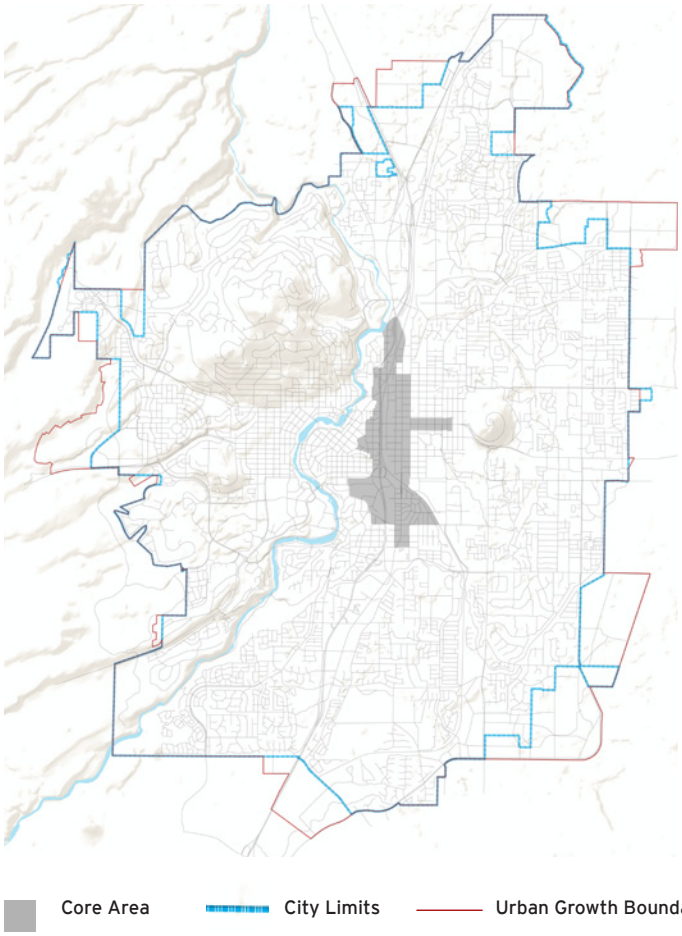
The Bend Core Area Project (CAP) is intended to create a common vision and implementation plan for the Core Area of Bend. Through this process, the City will work with property owners, area residents, and other stakeholders to:

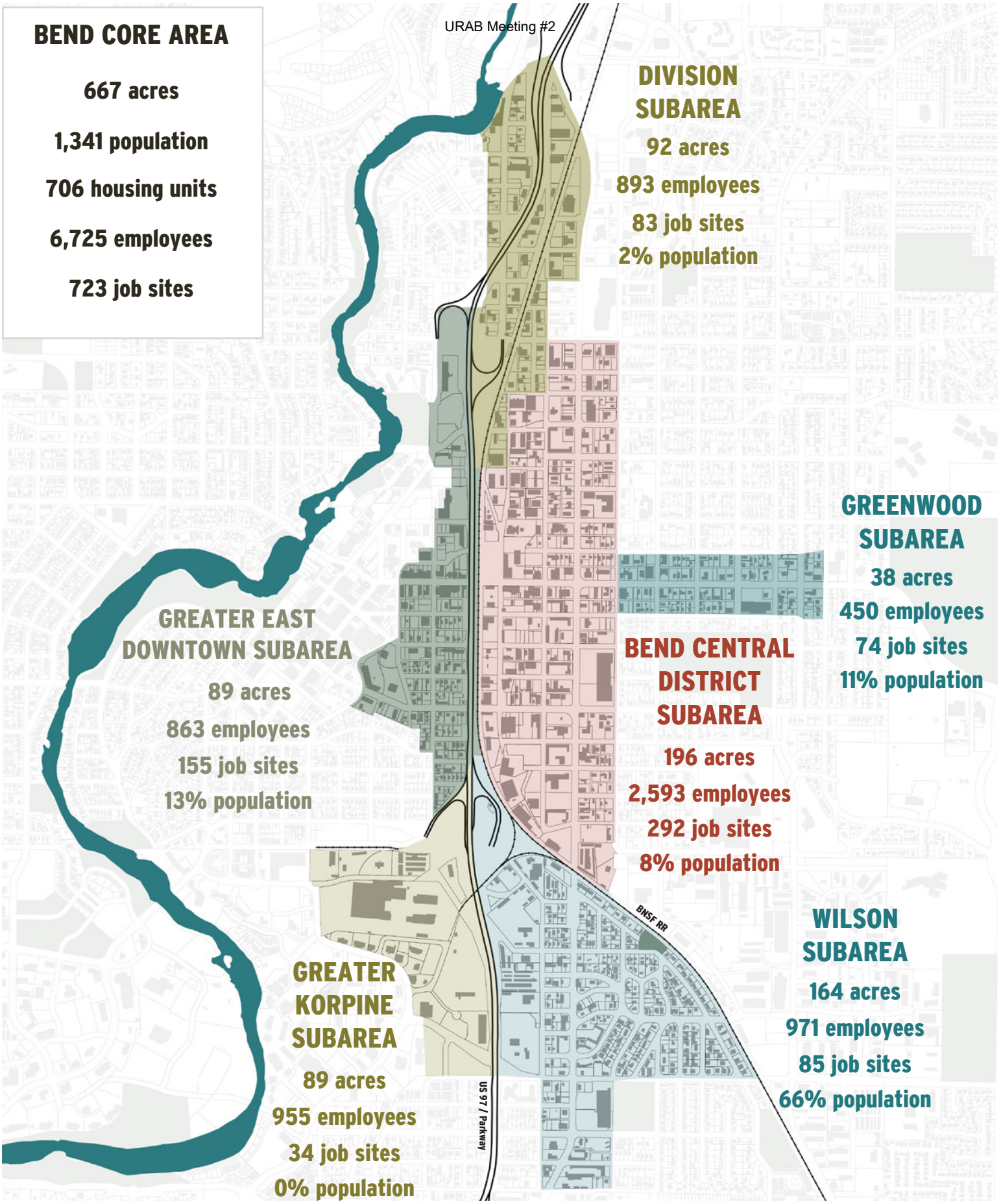
- Develop an urban design framework for the area.
- Identify needed circulation improvements to enhance connectivity within and between areas as well as to the city at large.
- Identify programs and projects for the area, including streetscape improvements, public spaces, gateways, affordable housing, or art and beautification programs.
- Determine location, phasing, and costs for necessary infrastructure (sewer, water, storm water and transportation) to support potential development and redevelopment of the area.
- Develop funding strategies, incentives, and other implementation tools, such as urban renewal, to achieve the vision for the area and encourage public-private partnerships.
- Identify any needed code amendments or zoning changes if necessary to achieve the vision for this area.
- Determine the boundary of a potential urban renewal district that would encourage investment within the area through tax increment financing.
- If recommended by the Bend Urban Renewal Agency (BURA), adopt an Urban Renewal Plan and new Urban Renewal District.

Purpose and Format of this Report

This Urban Design Analysis is a first step toward the creation of an urban design framework for Bend's Core Area. The analysis, and subsequent framework mapping, are intended to define where and how the Core Area can develop and redevelop into the more urban, connected and livable area envisioned in the Comprehensive Plan. By defining and mapping the "where and how" for place making opportunities in the Core Area, the "why and how much" of the City's future investments and development programs will be better informed and intentional.

This report is formatted to document previous planning and selected existing conditions, and, analyze urban design issues and opportunities. Its emphasis is on synthesis and urban design mapping, not data and comprehensive inventories. For additional background information, please see the Bend Core Area Project webpage.





Core Area Facts

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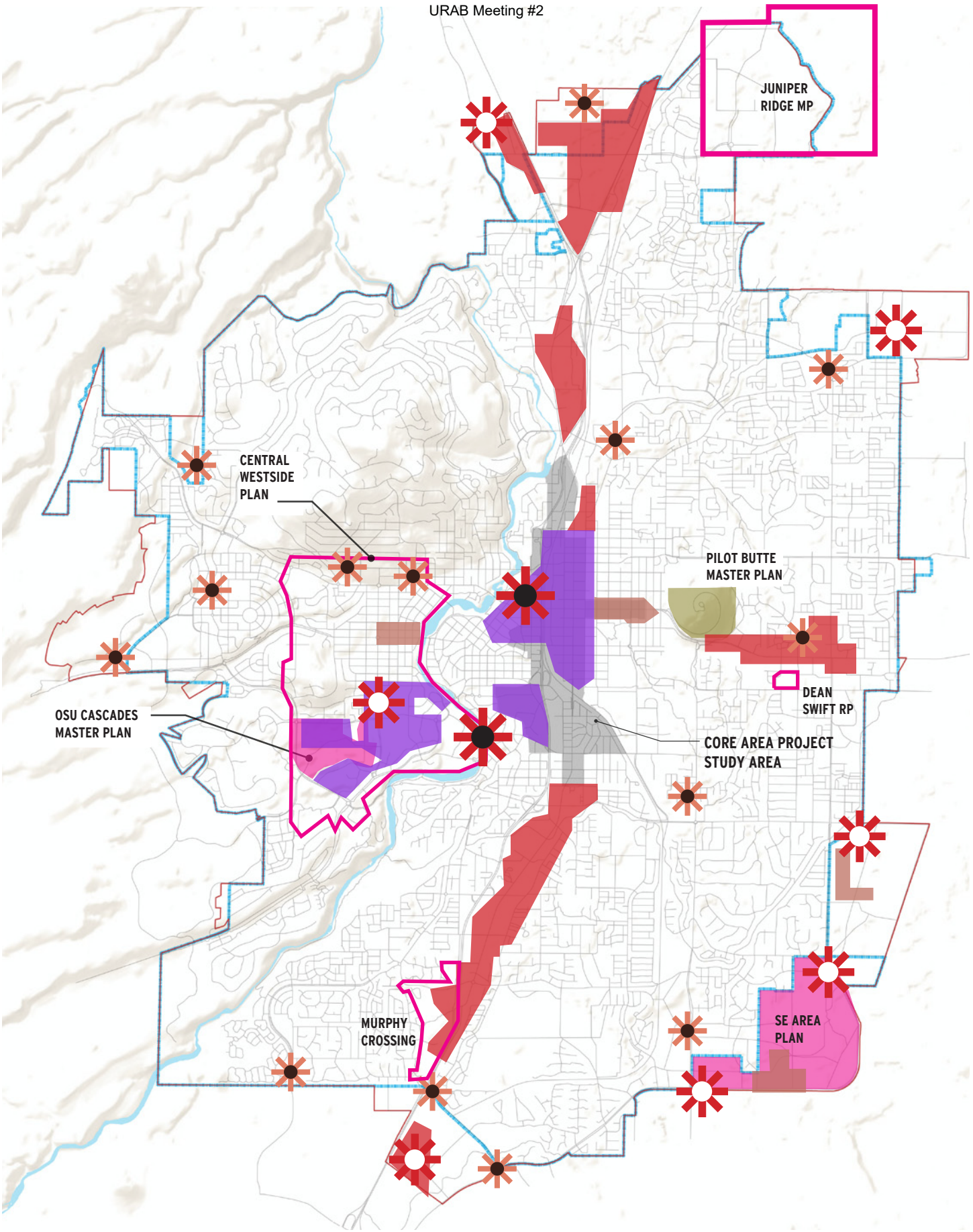
PREVIOUS PLANS + EXISTING CONDITIONS



Centers & Corridors Urban Form (Comp Plan): KEY

- Urban Mixed Use Center
- Community Commercial Ctr
- Local Commercial Ctr
- Mixed Use District
- Major Commercial Corridor
- Community Commercial Corridor
- City Limits
- Urban Growth Boundary
- Plans

Previous Plans | City Scale

N

20

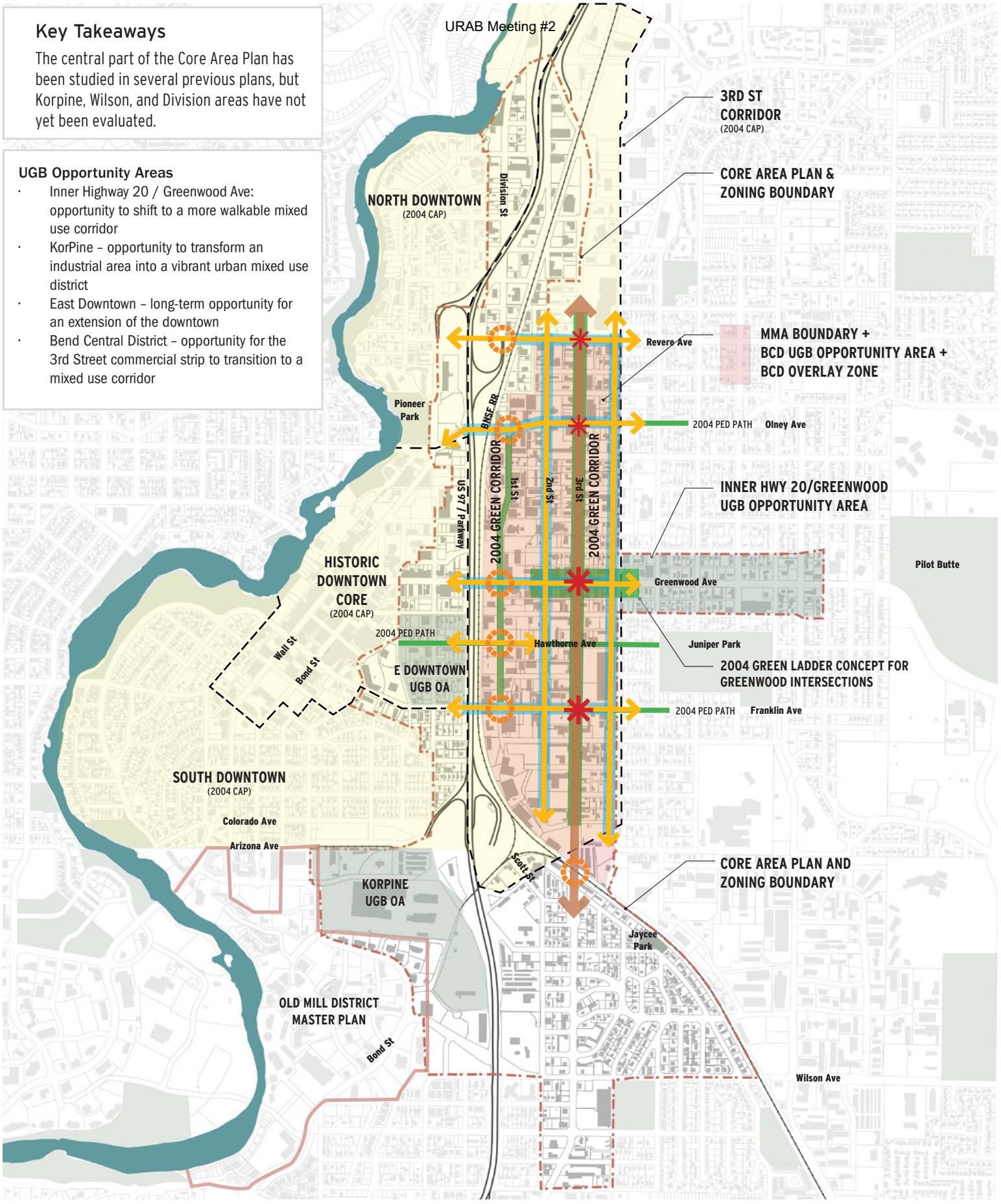
0 1500' 3000' 6000'

Key Takeaways

The central part of the Core Area Plan has been studied in several previous plans, but Korpine, Wilson, and Division areas have not yet been evaluated.

UGB Opportunity Areas

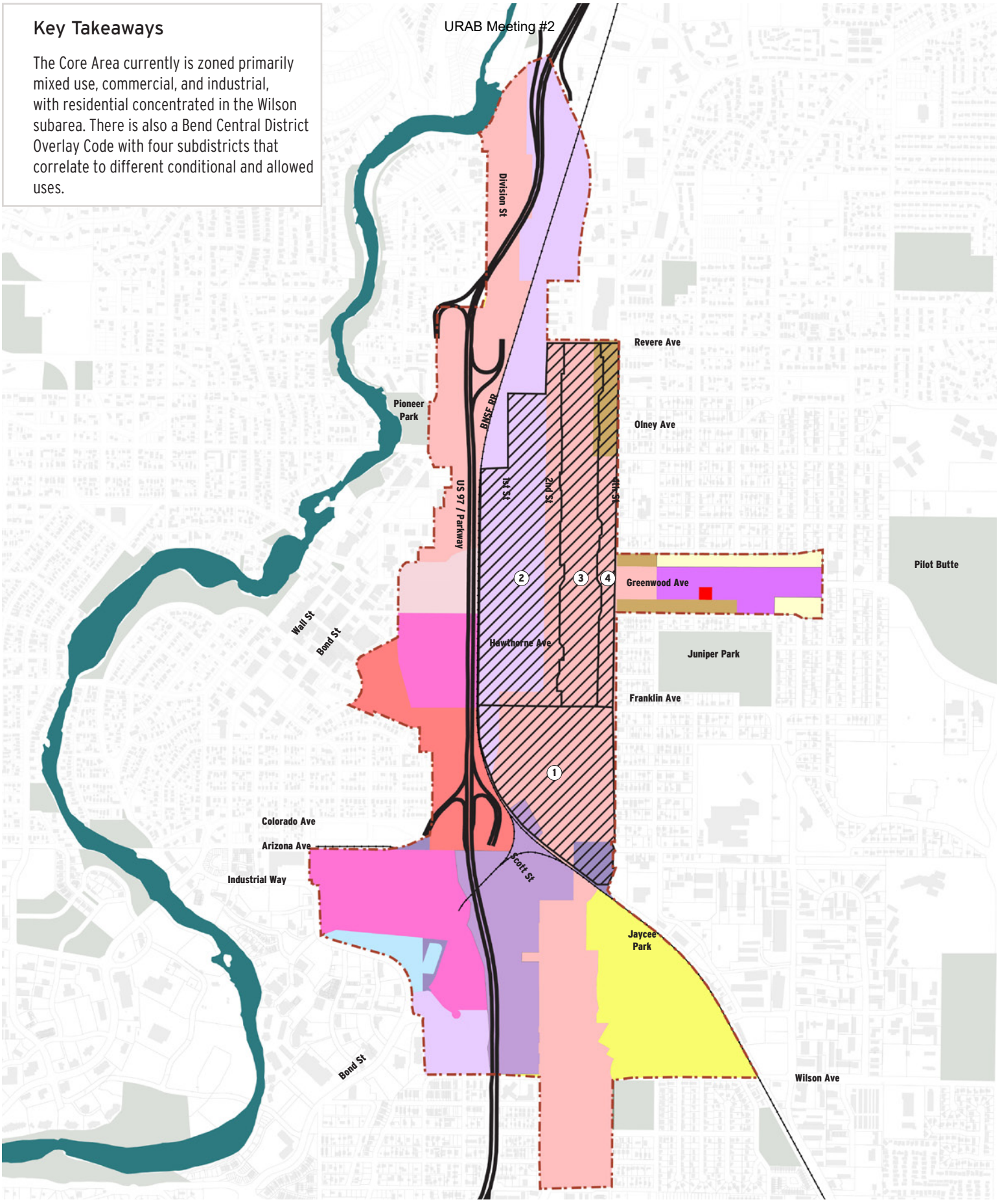
- Inner Highway 20 / Greenwood Ave: opportunity to shift to a more walkable mixed use corridor
- KorPine – opportunity to transform an industrial area into a vibrant urban mixed use district
- East Downtown – long-term opportunity for an extension of the downtown
- Bend Central District – opportunity for the 3rd Street commercial strip to transition to a mixed use corridor



Previous Plans | Core Area

Key Takeaways

The Core Area currently is zoned primarily mixed use, commercial, and industrial, with residential concentrated in the Wilson subarea. There is also a Bend Central District Overlay Code with four subdistricts that correlate to different conditional and allowed uses.



CB
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PARKS
Core Area

Bend Central District Overlay Code
1. South Subdistrict
2. 1st & 2nd St Subdistrict
3. 3rd St Subdistrict
4. 4th St Subdistrict

Zoning

N

22

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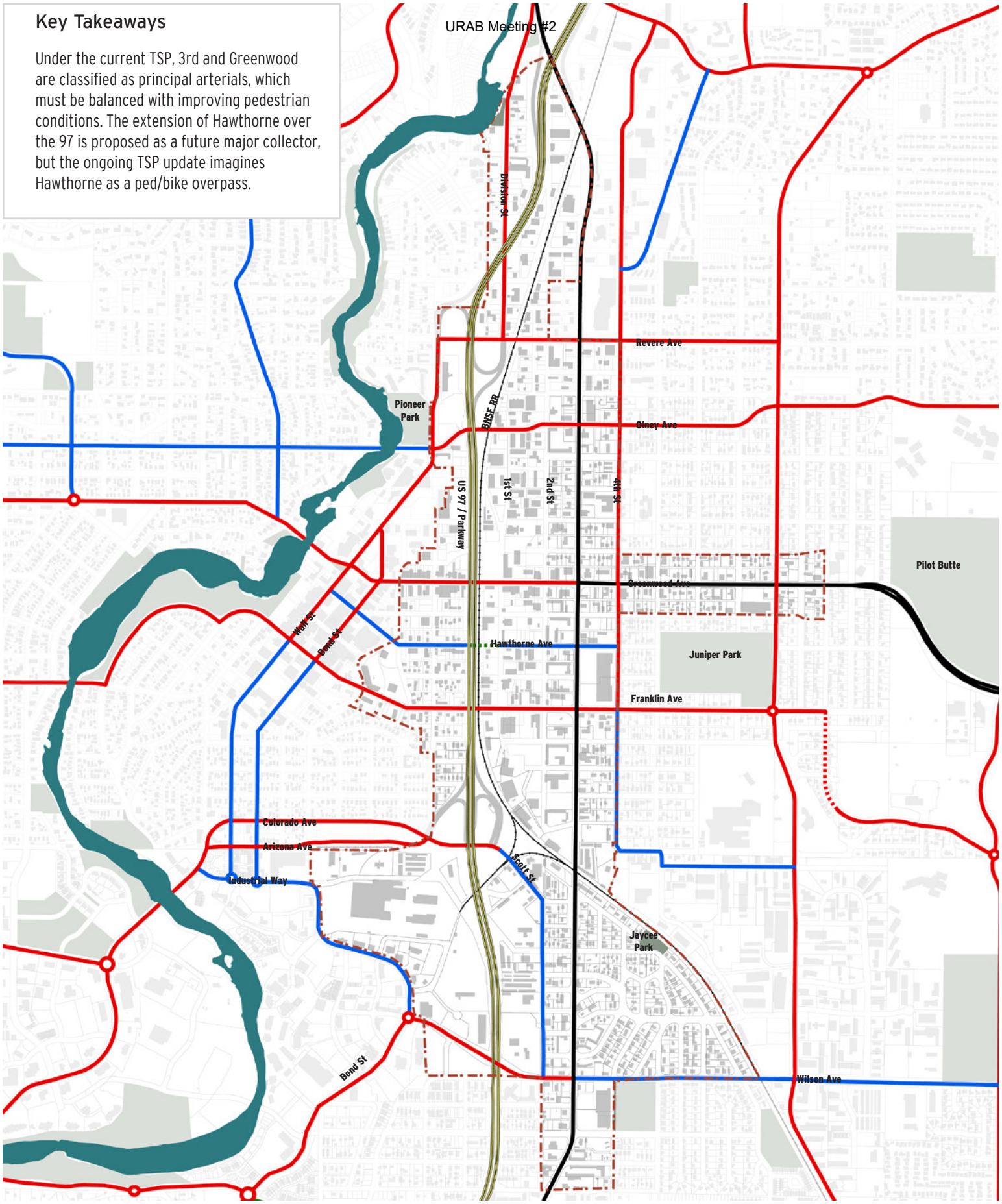
Key Takeaways

Under the current TSP, 3rd and Greenwood are classified as principal arterials, which must be balanced with improving pedestrian conditions. The extension of Hawthorne over the 97 is proposed as a future major collector, but the ongoing TSP update imagines Hawthorne as a ped/bike overpass.



Expressway
Principal Arterial
Major Arterial
Proposed Major Arterial
Minor Arterial
Proposed Minor Arterial
Major Collector
Core Area

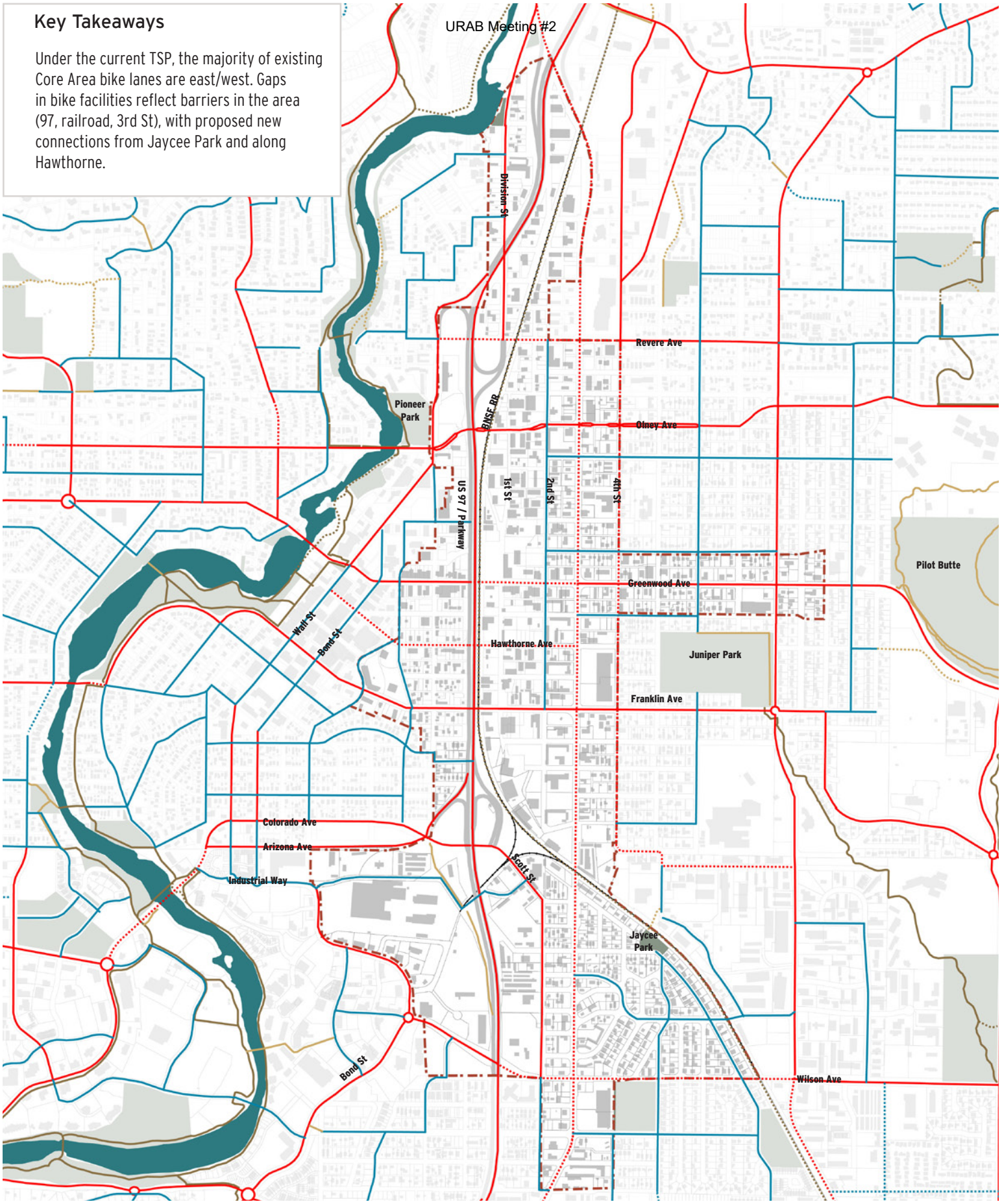
2016 TSP Street Classification

N

0 400' 800' 1600'

Key Takeaways

Under the current TSP, the majority of existing Core Area bike lanes are east/west. Gaps in bike facilities reflect barriers in the area (97, railroad, 3rd St), with proposed new connections from Jaycee Park and along Hawthorne.



- Existing Bicycle Lane
- Future Bicycle Lane
- Existing Shared Roadway
- Future Shared Roadway
- Existing Multi-Use Path, Primary
- Future Multi-Use Path, Primary
- Existing Multi-Use Path, Connector
- Future Multi-Use Path, Connector
- Core Area

2016 TSP Bicycle + Pedestrian System

N

24

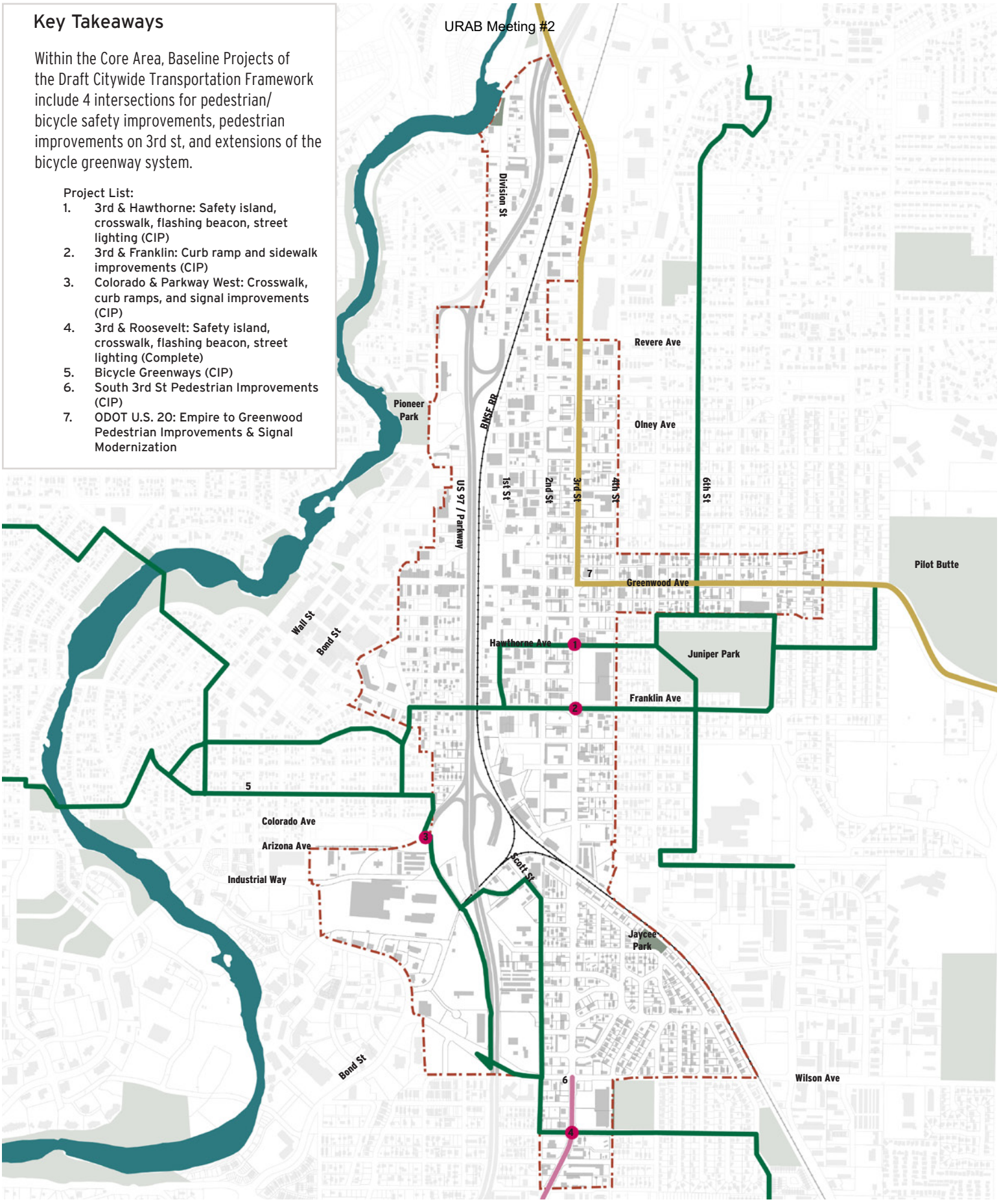
0 400' 800' 1600'

Key Takeaways

Within the Core Area, Baseline Projects of the Draft Citywide Transportation Framework include 4 intersections for pedestrian/ bicycle safety improvements, pedestrian improvements on 3rd st, and extensions of the bicycle greenway system.

Project List:

1. 3rd & Hawthorne: Safety island, crosswalk, flashing beacon, street lighting (CIP)
2. 3rd & Franklin: Curb ramp and sidewalk improvements (CIP)
3. Colorado & Parkway West: Crosswalk, curb ramps, and signal improvements (CIP)
4. 3rd & Roosevelt: Safety island, crosswalk, flashing beacon, street lighting (Complete)
5. Bicycle Greenways (CIP)
6. South 3rd St Pedestrian Improvements (CIP)
7. ODOT U.S. 20: Empire to Greenwood Pedestrian Improvements & Signal Modernization



Bicycle Greenways

ODOT U.S. 20

Pedestrian Improvements

Citywide Safety Improvement:
Areas for pedestrian/bicycle improvements, due to high number of crashes

Draft Citywide Transportation Framework Baseline Projects

N

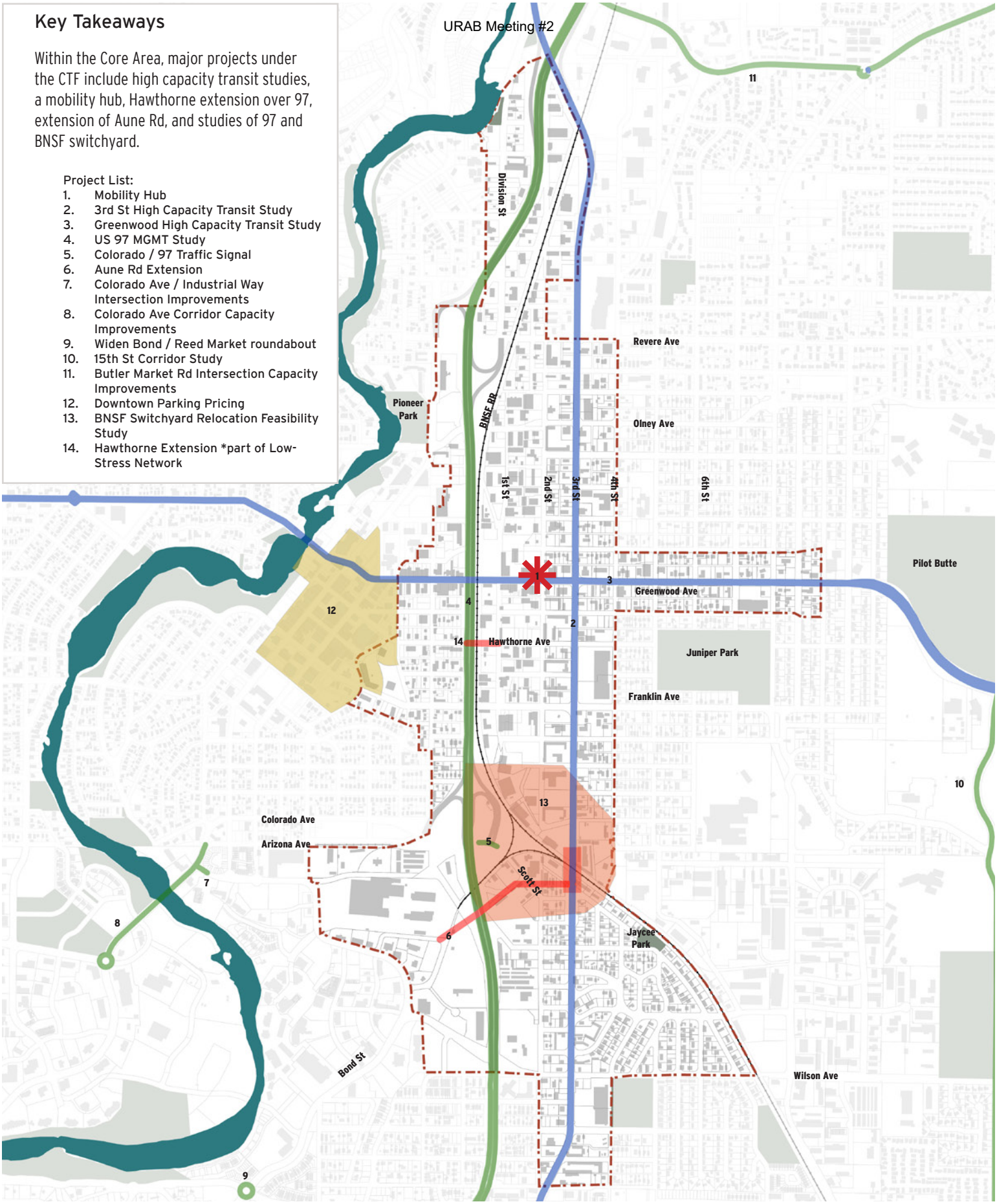
0 400' 800' 1600'

Key Takeaways

Within the Core Area, major projects under the CTF include high capacity transit studies, a mobility hub, Hawthorne extension over 97, extension of Aune Rd, and studies of 97 and BNSF switchyard.

Project List:

1. Mobility Hub
2. 3rd St High Capacity Transit Study
3. Greenwood High Capacity Transit Study
4. US 97 MGMT Study
5. Colorado / 97 Traffic Signal
6. Aune Rd Extension
7. Colorado Ave / Industrial Way Intersection Improvements
8. Colorado Ave Corridor Capacity Improvements
9. Widen Bond / Reed Market roundabout
10. 15th St Corridor Study
11. Butler Market Rd Intersection Capacity Improvements
12. Downtown Parking Pricing
13. BNSF Switchyard Relocation Feasibility Study
14. Hawthorne Extension *part of Low-Stress Network



Draft Citywide Transportation Framework

High Capacity Transit Study

Corridor Studies / Widening / Intersection Improvements

Road Extension

Parking Pricing

Mobility Hub

BNSF Switchyard Feasibility Study

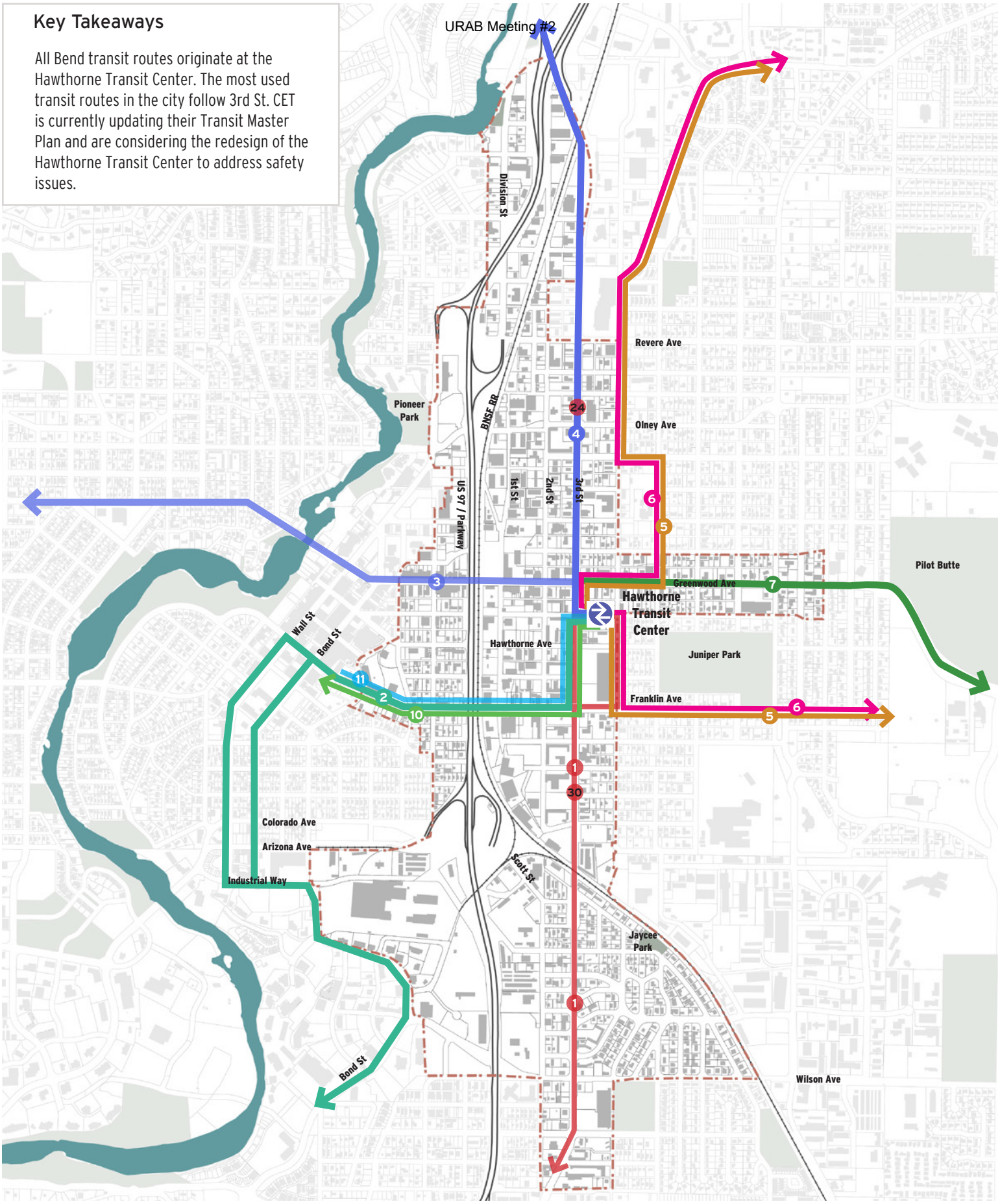
Core Area

N

0 400' 800' 1600'

Key Takeaways

All Bend transit routes originate at the Hawthorne Transit Center. The most used transit routes in the city follow 3rd St. CET is currently updating their Transit Master Plan and are considering the redesign of the Hawthorne Transit Center to address safety issues.



Hawthorne Transit Center

Bus Lines

Core Area

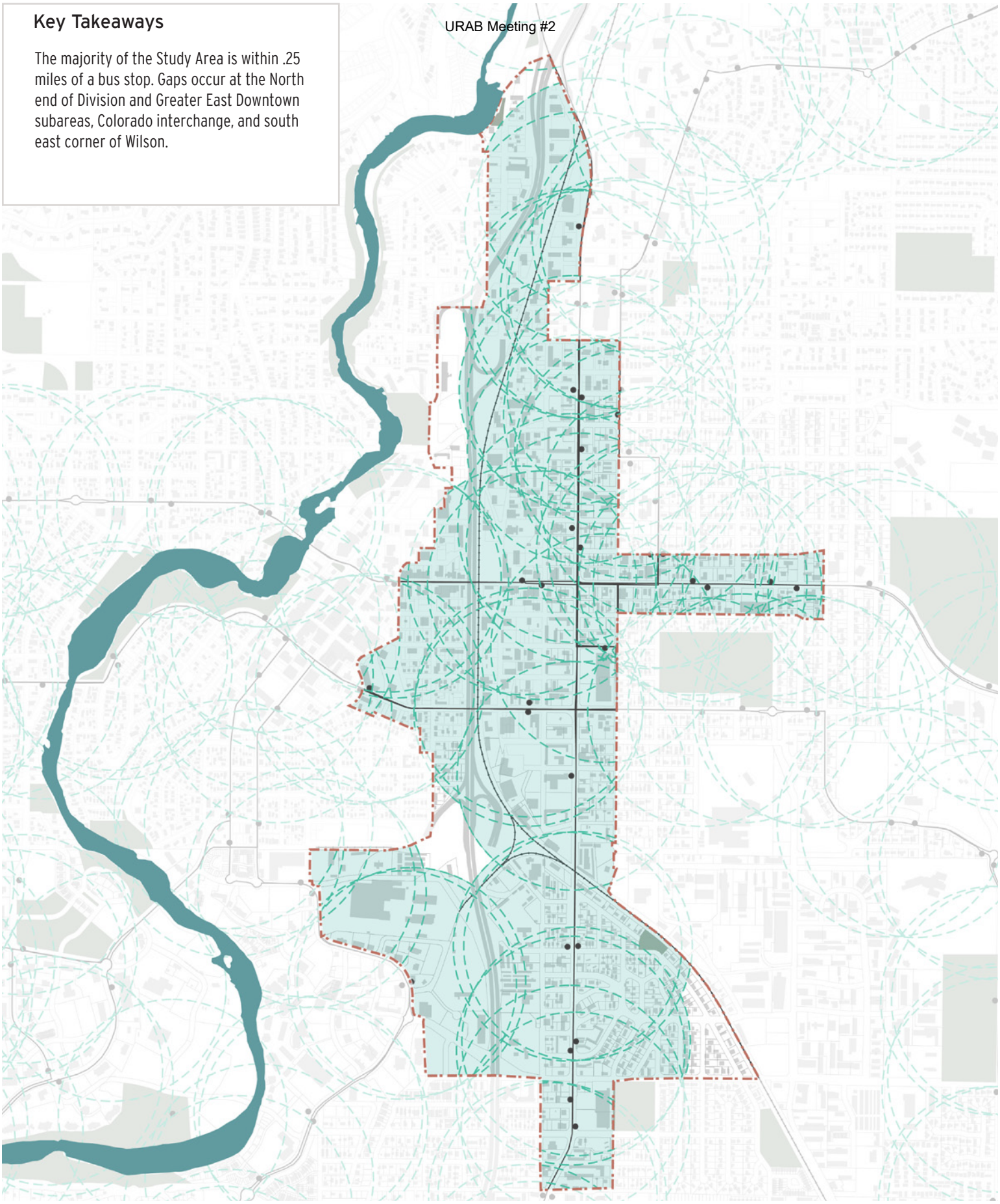
Transit

27

0 400' 800' 1600'

Key Takeaways

The majority of the Study Area is within .25 miles of a bus stop. Gaps occur at the North end of Division and Greater East Downtown subareas, Colorado interchange, and south east corner of Wilson.



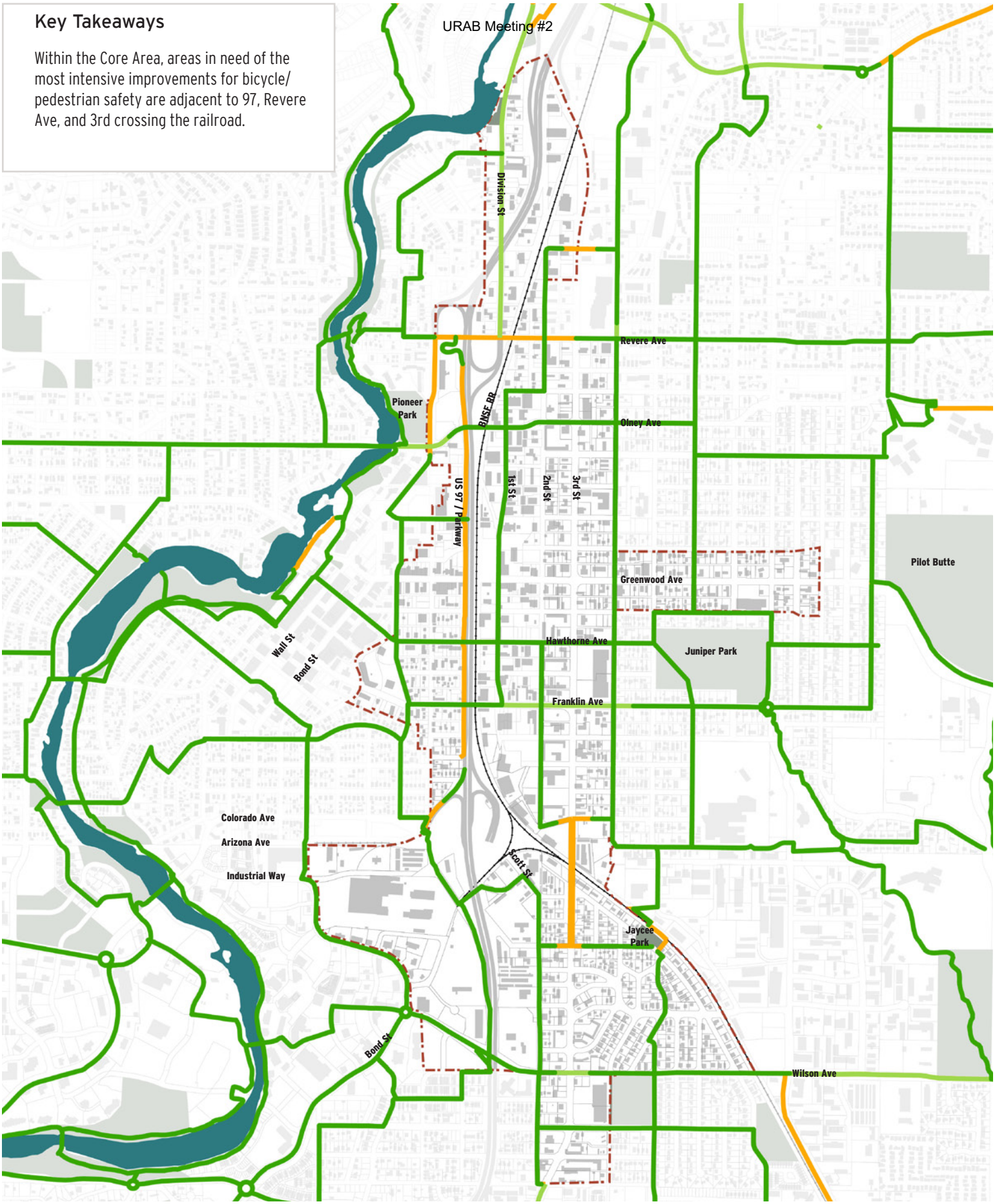
1/4 mile radius around bus stop
Bus Stop
Bus Route
Core Area

Transit Stops

N
28
0 400' 800' 1600'

Key Takeaways

Within the Core Area, areas in need of the most intensive improvements for bicycle/ pedestrian safety are adjacent to 97, Revere Ave, and 3rd crossing the railroad.



Currently low-stress

Requires relatively minor improvements

Requires more intensive improvements

Core Area

Draft Low Stress Bicycle Network

N

0 400' 800' 1600'

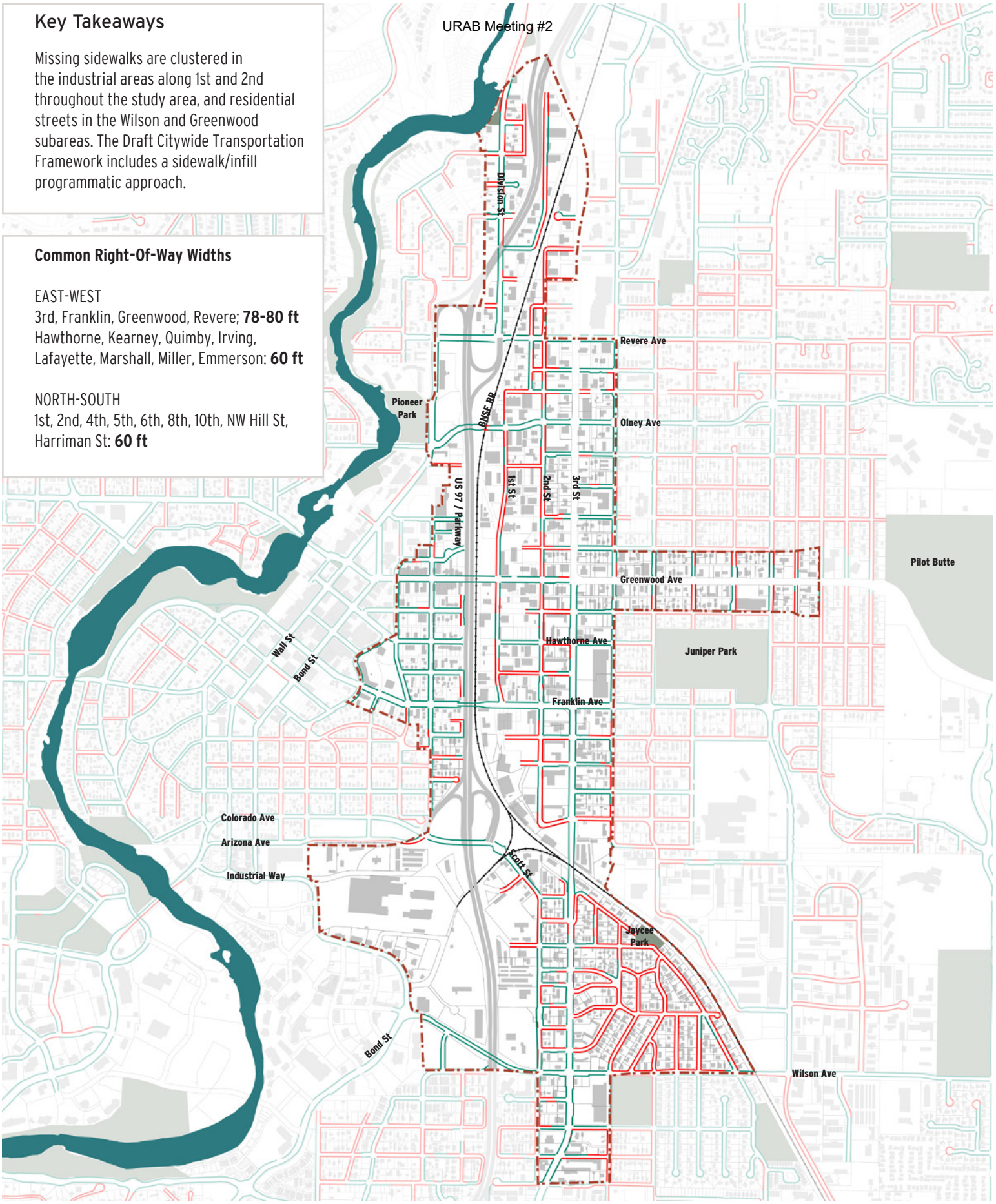
Key Takeaways

Missing sidewalks are clustered in the industrial areas along 1st and 2nd throughout the study area, and residential streets in the Wilson and Greenwood subareas. The Draft Citywide Transportation Framework includes a sidewalk/infill programmatic approach.

Common Right-Of-Way Widths

EAST-WEST
3rd, Franklin, Greenwood, Revere; **78-80 ft**
Hawthorne, Kearney, Quimby, Irving, Lafayette, Marshall, Miller, Emmerson: **60 ft**

NORTH-SOUTH
1st, 2nd, 4th, 5th, 6th, 8th, 10th, NW Hill St, Harriman St: **60 ft**



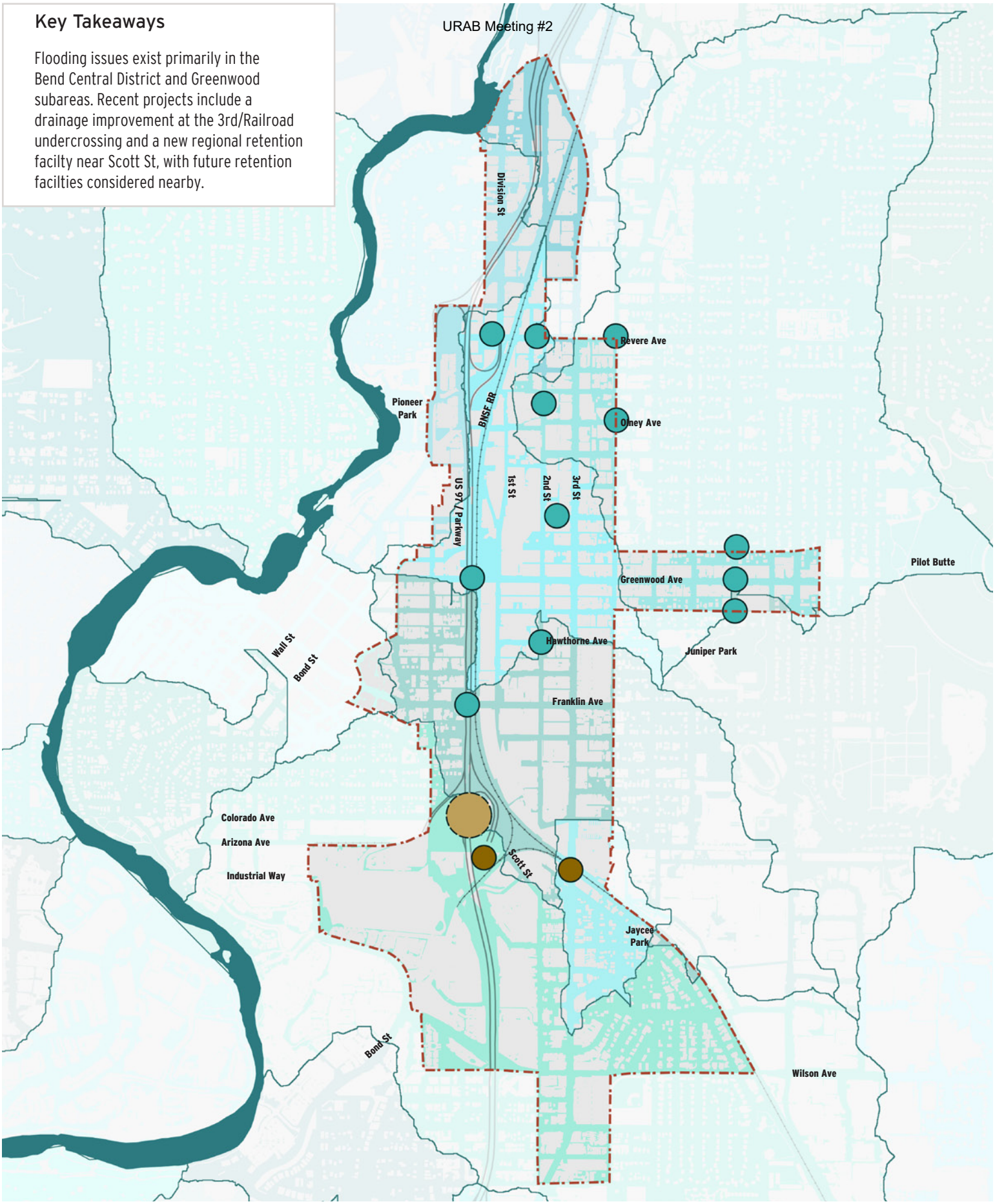
Missing Sidewalks
Existing Sidewalks
Core Area

Sidewalks

N
30
0 400' 800' 1600'

Key Takeaways

Flooding issues exist primarily in the Bend Central District and Greenwood subareas. Recent projects include a drainage improvement at the 3rd/Railroad undercrossing and a new regional retention facilty near Scott St, with future retention facilties considered nearby.



Areas of flooding

Recent improvements

Potential future regional retention facility

Impervious areas (commercial/industrial)

Stormwater basins

Core Area

Stormwater

N

31

0 400′ 800′ 1600′

URBAN DESIGN ANALYSIS

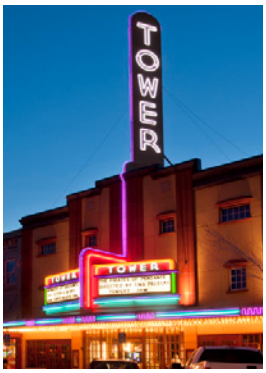
Downtown Bend Urban Design

Downtown Bend offers key lessons to guide the future redevelopment of the Core Area. The variety of small, eclectic businesses create a unique character and active public realm in Bend. These assets are strengthened by the compact street grid, wide sidewalks, street trees, and safe pedestrian crossing.

Activated alleys

Wide variety of small scale retail in updated buildings

Pedestrian interest & nighttime activity



Landmarks

Street tree canopy shades sidewalk

Angled on street parking slow traffic

Bumps outs make safer crossings for pedestrians

Eclectic collection of buildings define Bend's history & vitality

Colorful, varied building facades with pedestrian scale signage

Wide sidewalks act as gathering space

Upper Floor setbacks minimize bulk

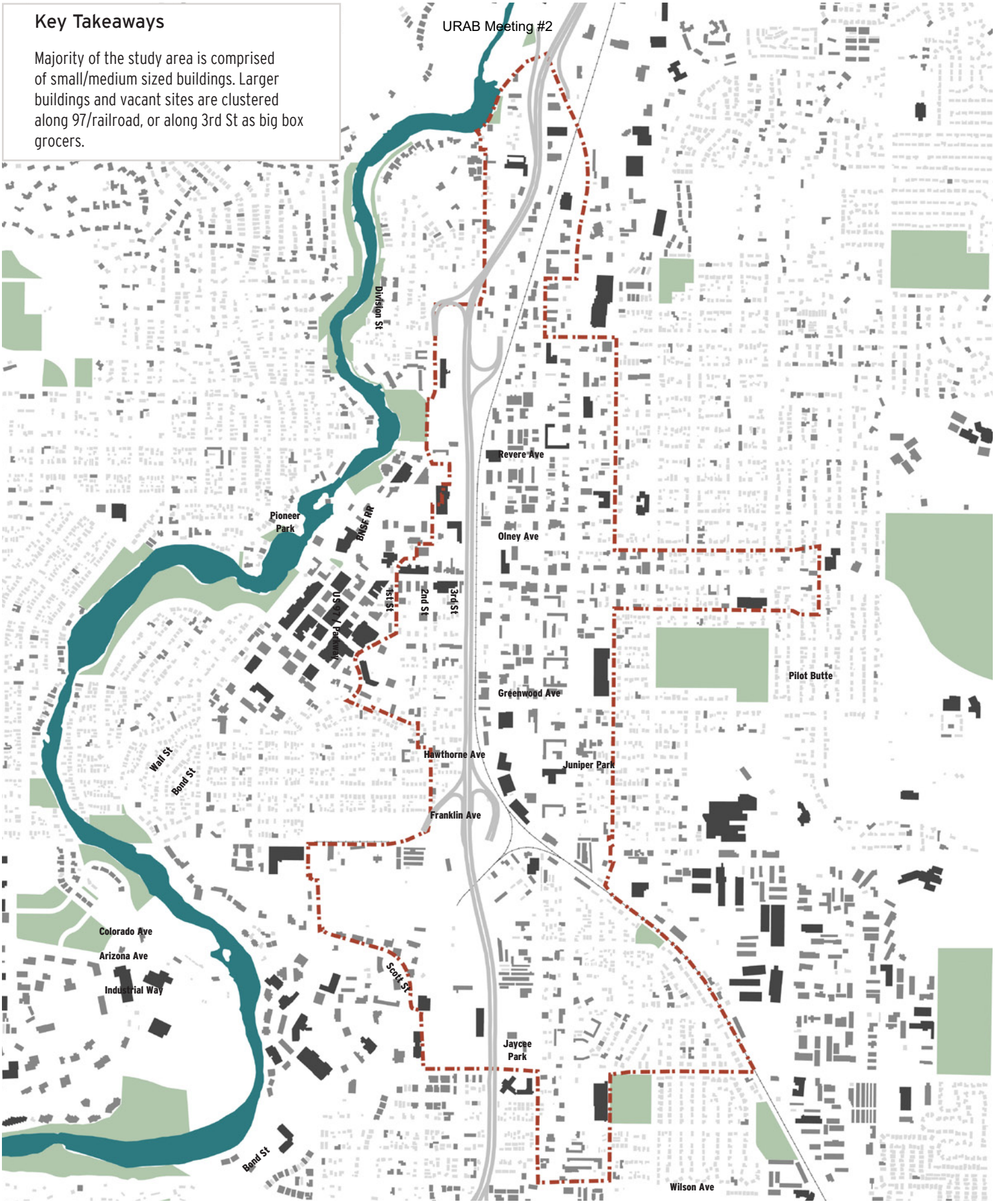
Compact street grid

Taller Buildings Enclose Street

Active corners help create urban "rooms" at intersections

Key Takeaways

Majority of the study area is comprised of small/medium sized buildings. Larger buildings and vacant sites are clustered along 97/railroad, or along 3rd St as big box grocers.



<3,000 sq ft

3,000 - 20,000 sq ft

>20,000 sq ft

Core Area

Building Source: Microsoft 2010

Urban Form Analysis | Building Size

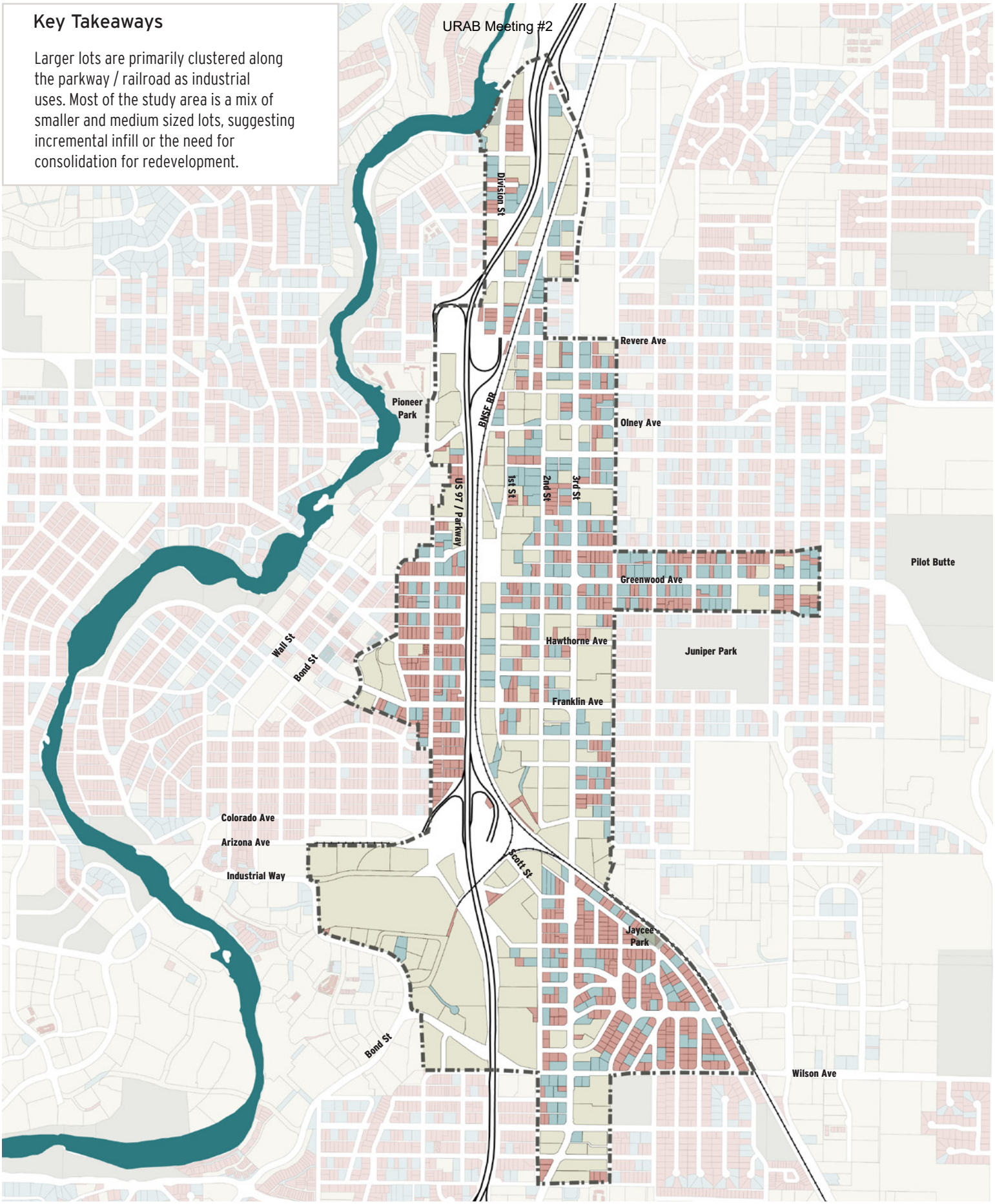
34

N

0 400' 800' 1600'

Key Takeaways

Larger lots are primarily clustered along the parkway / railroad as industrial uses. Most of the study area is a mix of smaller and medium sized lots, suggesting incremental infill or the need for consolidation for redevelopment.



Tax Lot <10,000 sq ft

Tax Lot 10,000-22,000 sq ft

Tax Lot >22,000 sq ft

Core Area

Urban Form Analysis | Taxlot Size

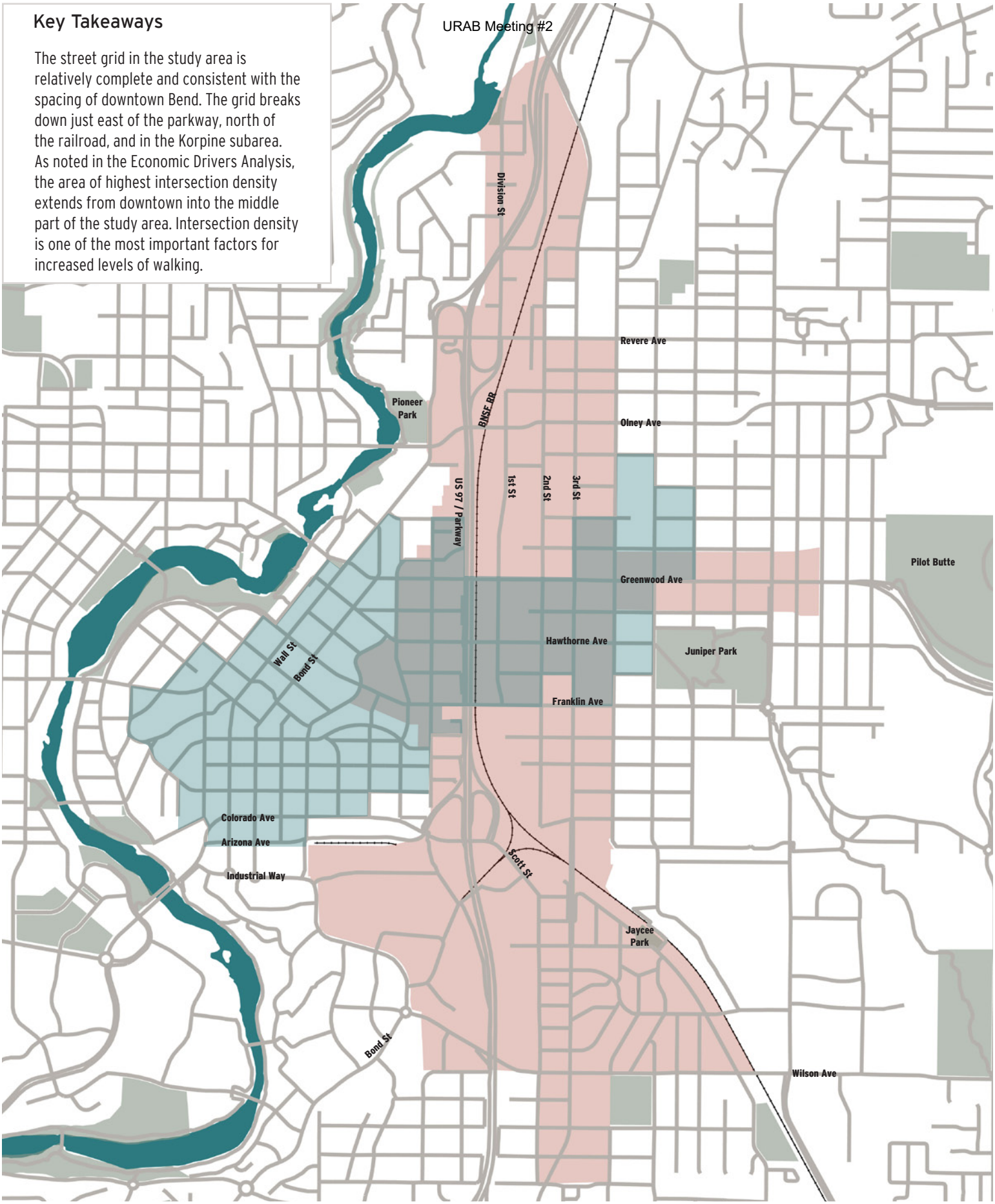
N

35

0 400' 800' 1600'

Key Takeaways

The street grid in the study area is relatively complete and consistent with the spacing of downtown Bend. The grid breaks down just east of the parkway, north of the railroad, and in the Korpine subarea. As noted in the Economic Drivers Analysis, the area of highest intersection density extends from downtown into the middle part of the study area. Intersection density is one of the most important factors for increased levels of walking.



Core Area

Highest Intersection Density (>180 intersections / square mile)

Streets / Highways

Urban Form Analysis | Street Grid

N

36

0 400' 800' 1600'

evolving

isolated

Division Subarea

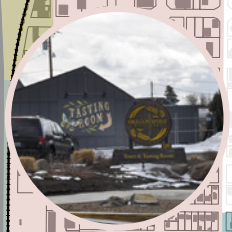
Division St

adaptive

civic

Revere Ave

Bend Central District Subarea



creative

walkable

car-centric

Greenwood Ave

Greenwood Subarea

3rd St

Hawthorne Ave

small-scale

Franklin Ave

gritty

Greater East Downtown Subarea

mixed-use

Scott St

up-and-coming

emerging

tucked-away

industrial

affordable

Wilson Ave

Wilson Subarea

Greater Korpine Subarea

Core Area Existing Character Overview

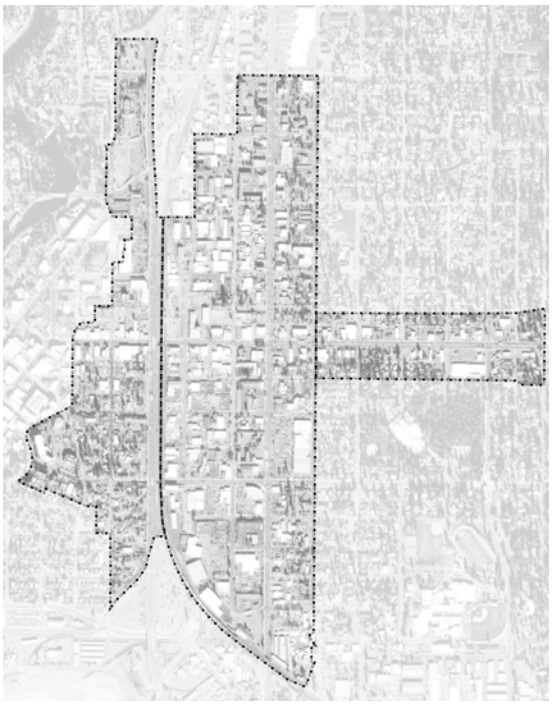
N

0 400' 800' 1600'

Core Area Sections for Analysis

Because of the scale of the Bend Core Area Project, urban design analysis is organized into three sub sections: central, south, and north. The following pages contain an overview of each section's existing character, gateways, and analysis of the transportation and built environment. Gateways are entry points to districts which welcome, orient, and define the district. The Bend Core Area contains twelve entry points across the Parkway or railroad and many of these do not serve as welcoming gateways into the district.

Central Section

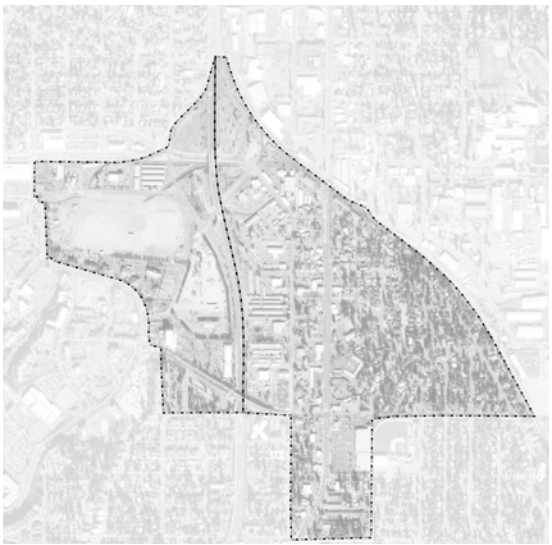


Greater East Downtown Subarea

Greenwood Subarea

Bend Central District Subarea

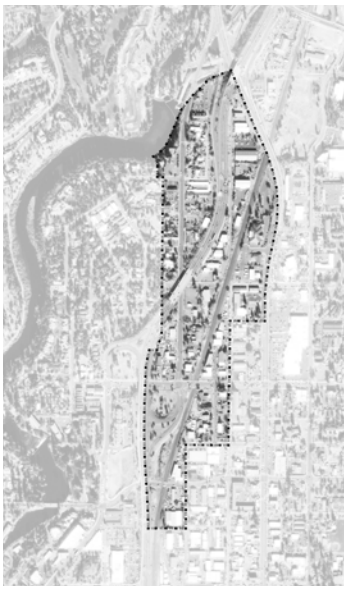
South Section



Greater Korpine Subarea

Wilson Subarea

North Section



Division Subarea

Central Section

Greater East Downtown Subarea | Character

The Subarea includes a number of charming old structures with pleasant street frontage that have been converted to small businesses. While the subarea is well-connected to downtown, it also feels isolated by the Parkway, Franklin and Greenwood.

Creative reuse of buildings

Pilot Butte views through alleys

Parkway is noisy pedestrian barrier

View of downtown

Mix of businesses on a walkable, human-scaled section of Greenwood

Older buildings, stoops, & human-scale signage

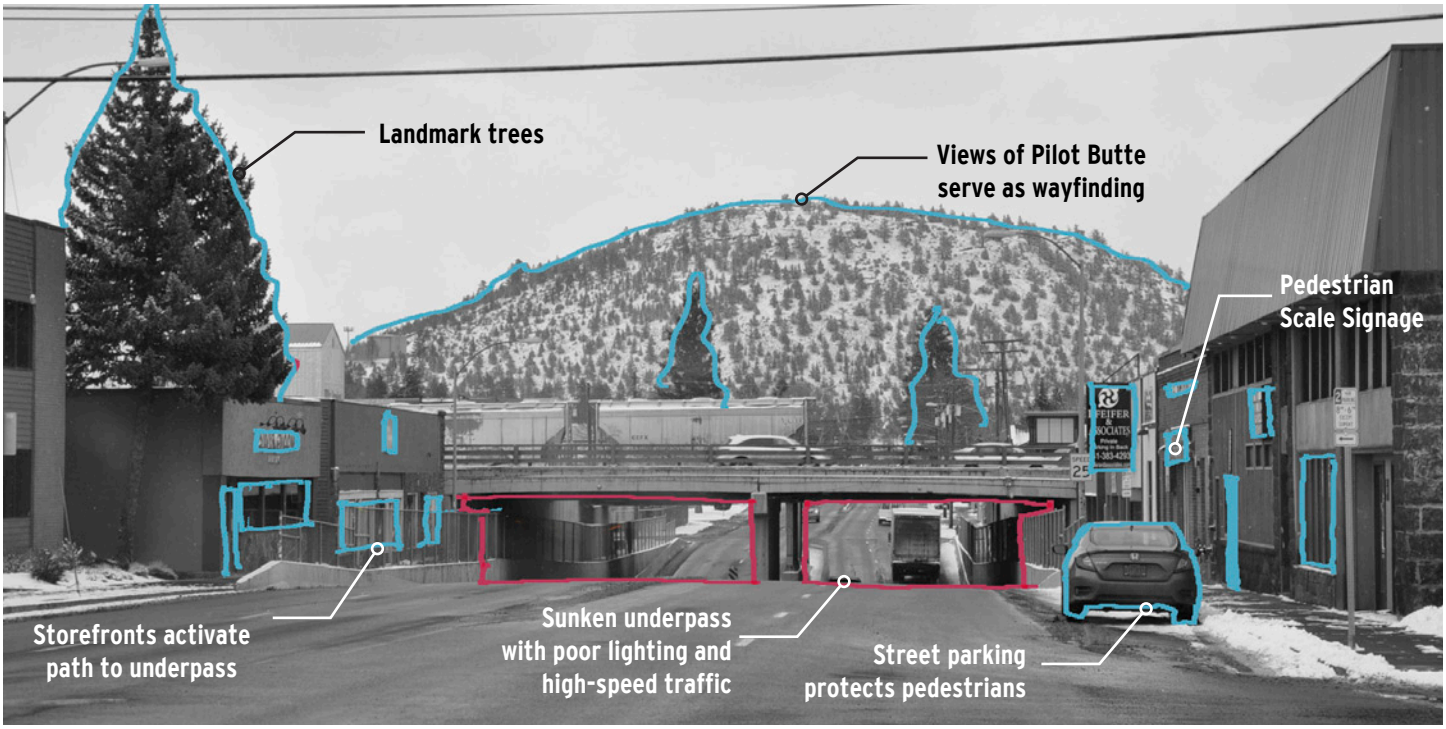
House converted to local business

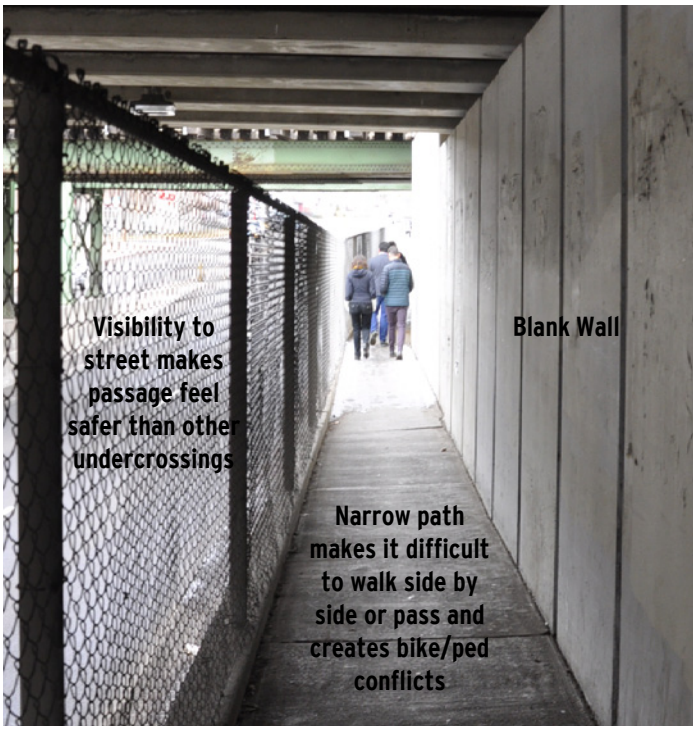
Central Section

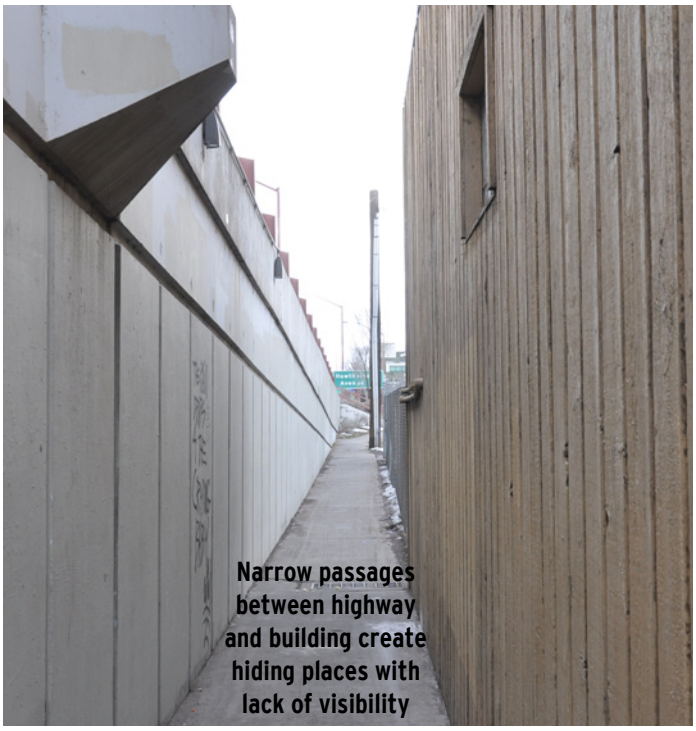
Greater East Downtown Subarea | Gateways

Gateways are entry points which welcome and direct people into a district. In the Central Section, there are entry points at Greenwood and Franklin which currently have issues of insufficient lighting, inactive edges, and inadequate space for pedestrians and bicyclists.

Greenwood Underpass



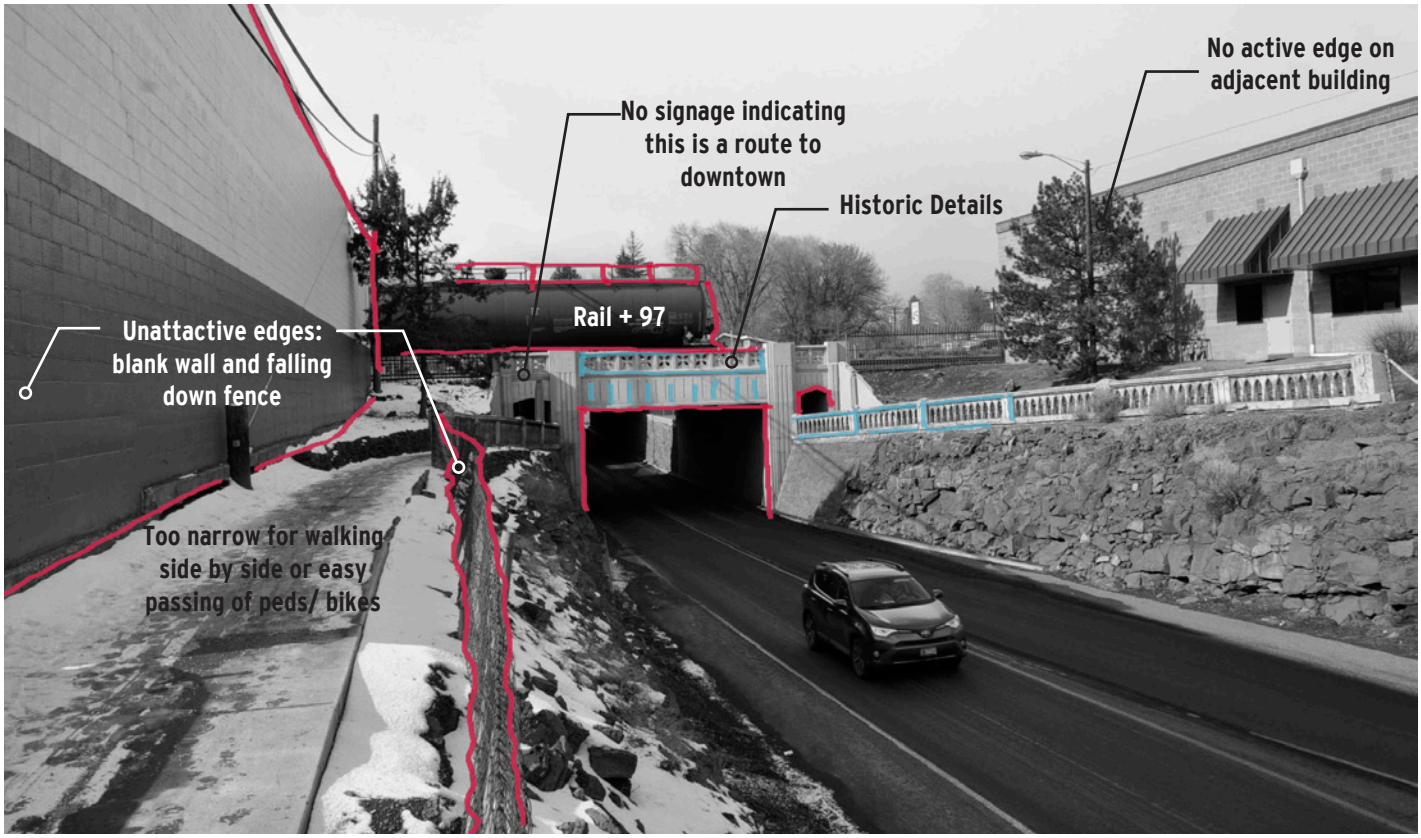




Central Section

Greater East Downtown Subarea | Gateways

Franklin Underpass



Central Section

Bend Central District Subarea | Character

The Subarea is a large extent of larger light-industrial parcels somewhat hidden behind auto-oriented commercial uses on 3rd. Utilitarian structures are being adapted for new food and 'maker' uses, with associated frontage improvements and evening/weekend activity.

Inviting signage

Greenwood is a barrier to pedestrian crossing

Bright paint on industrial buildings

Engaging front window and outdoor seating

Tower as local landmark

Adapted industrial shed

Unique silhouette of Quonset hut

Central Section

Greenwood Subarea | Character

Greenwood is an important east-west connection for the city, which has led to an auto-oriented corridor which splits this subarea into two segments. Strong views of Pilot Butte and prominent trees lend a natural character that will provide a distinct identity to a future higher-density, walkable transit corridor.

Landmark silhouette and vintage signage

Drive through uses and minimal streetscape improvements

Landmark trees and Pilot Butte

Haphazard retail displays

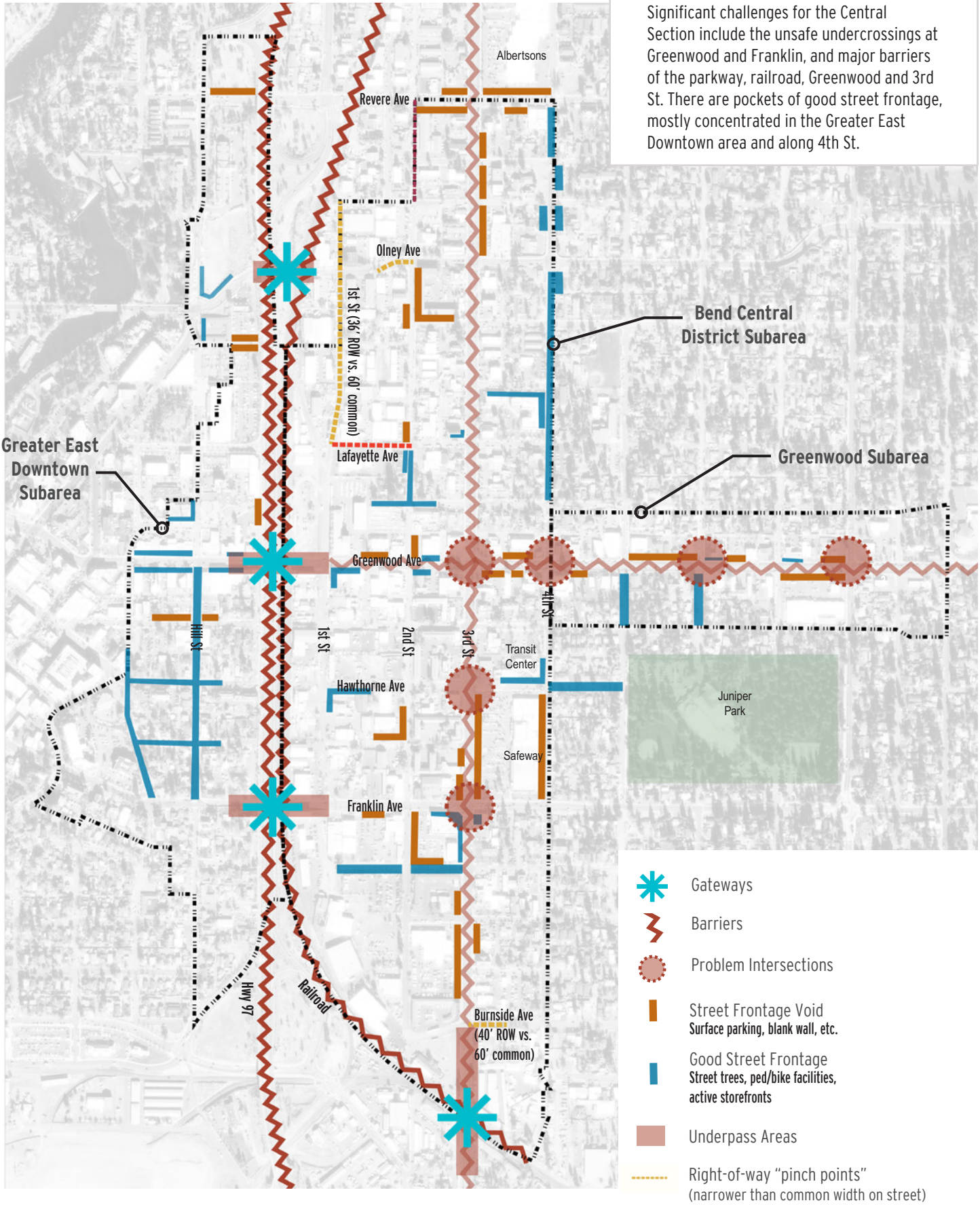
Surface parking lot edges on strip malls create a frontage void

Auto oriented signage and minimal storefront windows

Central Section Transportation Analysis

Key Takeaways

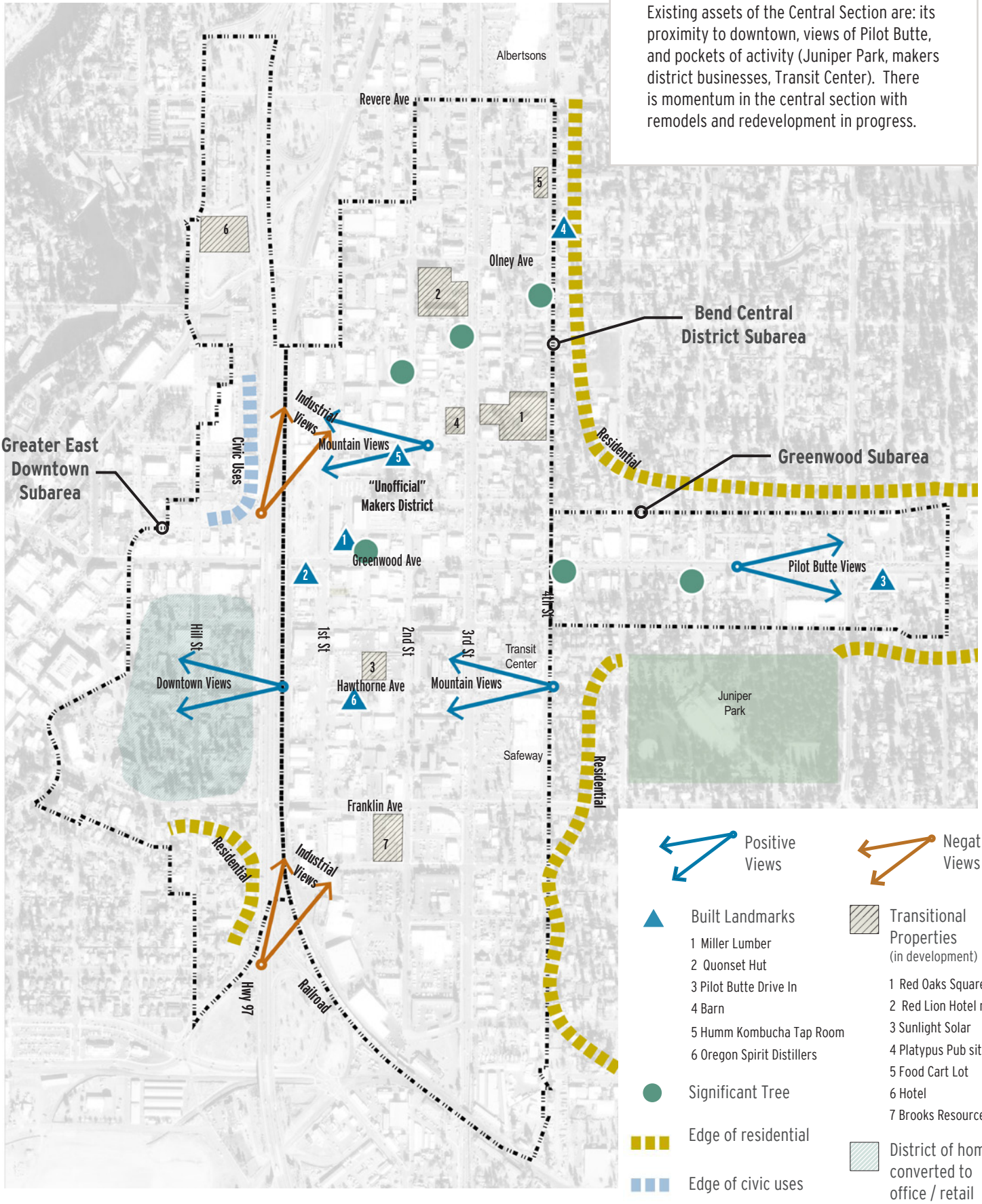
Significant challenges for the Central Section include the unsafe undercrossings at Greenwood and Franklin, and major barriers of the parkway, railroad, Greenwood and 3rd St. There are pockets of good street frontage, mostly concentrated in the Greater East Downtown area and along 4th St.



Central Section Built Environment Analysis

Key Takeaways

Existing assets of the Central Section are: its proximity to downtown, views of Pilot Butte, and pockets of activity (Juniper Park, makers district businesses, Transit Center). There is momentum in the central section with remodels and redevelopment in progress.



South Section

Greater Korpine Subarea | Character

The Subarea is generally comprised of large parcels adjacent to the rapidly-changing Old Mill District. Older structures have been adapted for food and small-scale commercial uses. Connectivity is incomplete but there are good opportunities to integrate the Subarea with the rest of the City's fabric.

Large parcel with potential for connectivity

Casual outdoor space and industrial materials

Rustic wood and metal structures

Mountain views

Nearby Box Factory houses a variety of local businesses

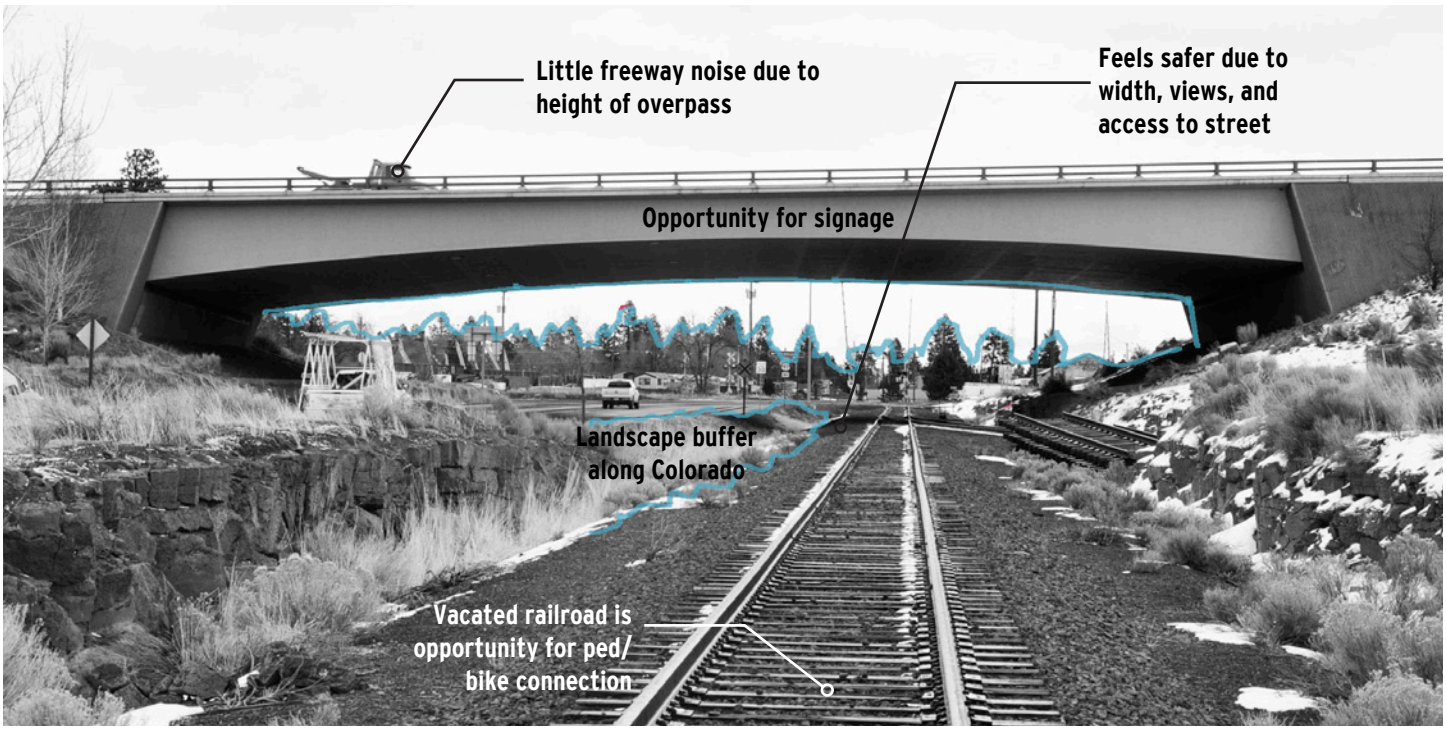
Corrugated metal sheds along railroad spur

South Section

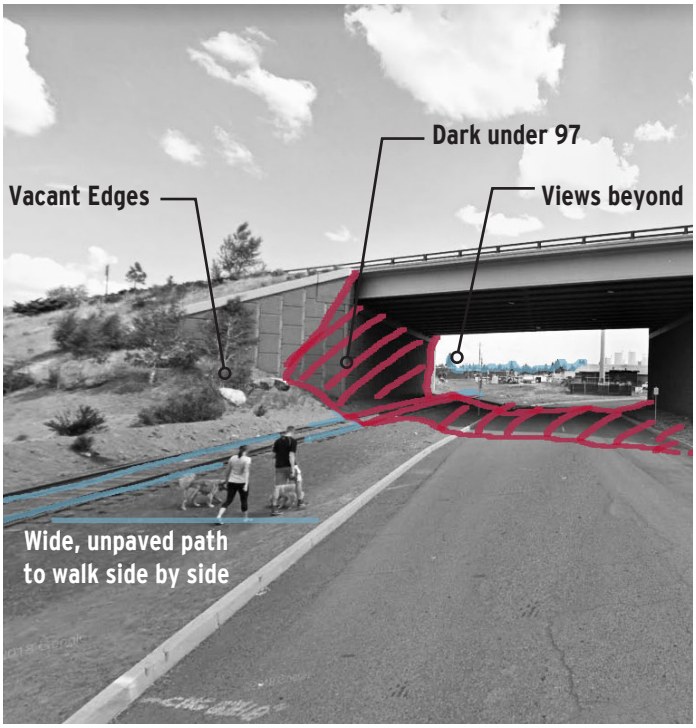
Greater Korpine Subarea | Gateways

The Korpine Subarea has gateways at Colorado, Aune, and WIlson, which are wider and less constrained than many gateways in the Bend Core Area. These gateways have potential for improvement (signage, wide ped/bike paths) and would benefit for more active uses adjacent to the gateways.

Colorado Underpass



Aune Underpass



Wilson Overpass

South Section

Wilson Subarea | Character

The Wilson Subarea is primarily low-density residential, transitioning to small-scale retail and dining uses along 3rd and further west, to larger industrial-scale parcels adjacent to the Parkway. Connectivity is challenged by barriers such as the BNSF RR, 3rd Street Underpass and unsafe Wilson Ave crossings.

Affordable, missing middle housing

Modest homes on small lots

Pockets of creative businesses in adapted industrial space

Inviting landscape and brick industrial-era buildings

Older businesses along 3rd

Industrial and large unscreened surface lots

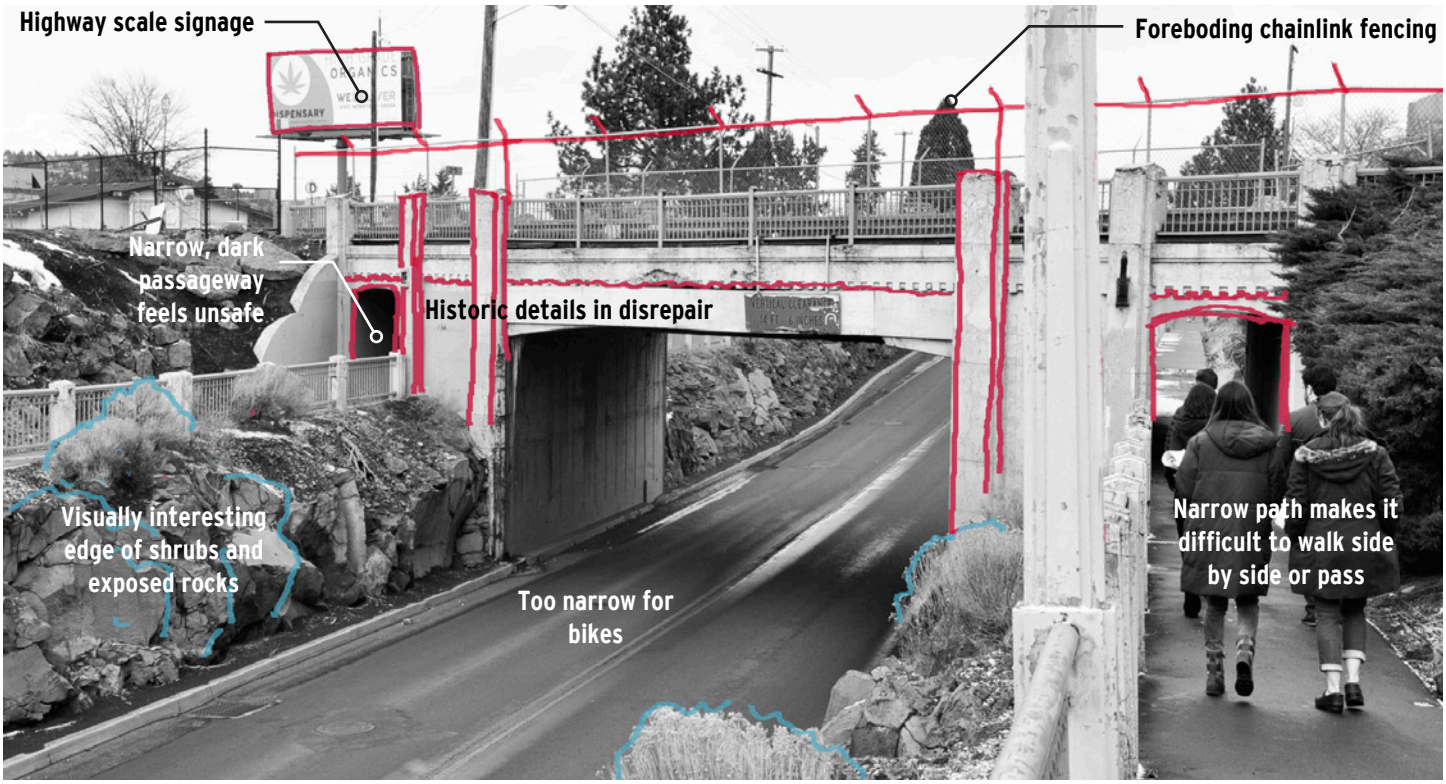
Auto oriented businesses and signage

South Section

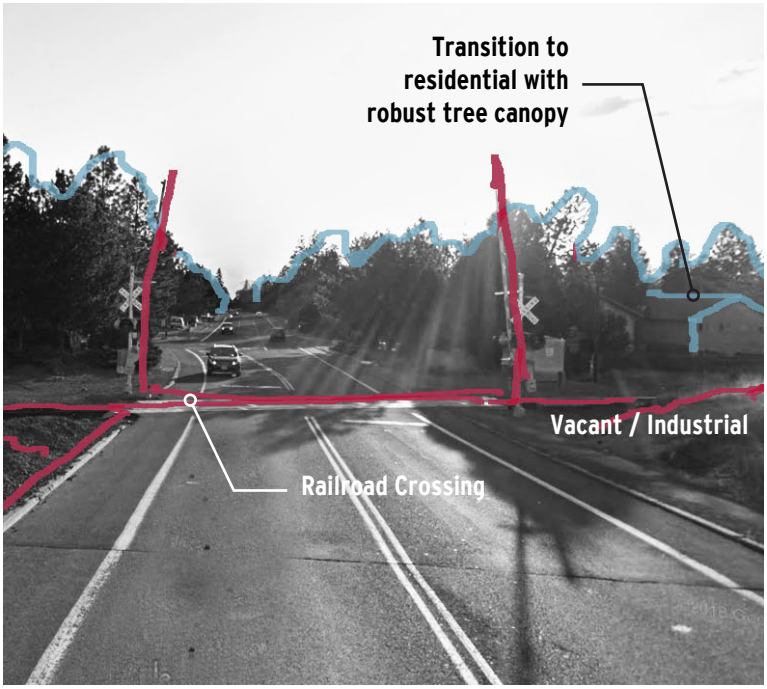
Wilson Subarea | Gateways

The Wilson Subarea has gateways at 3rd and Wilson, with a potential new gateway at Jaycee Park. 3rd St, similar to Franklin, has significant safety issues for pedestrians and bicyclists due to its narrow width and constrained passageway. There is potential at Wilson and Jaycee Park to connect and identify Wilson as a district.

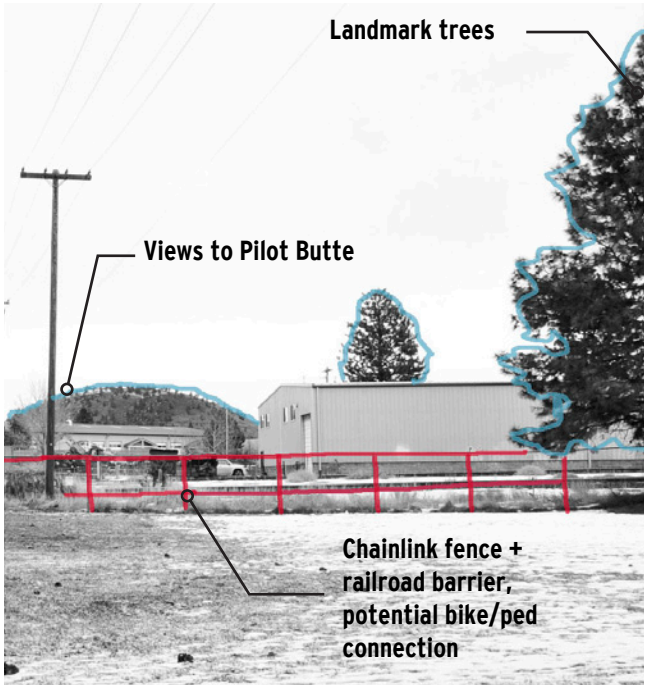
3rd St Underpass



Wilson RR Crossing



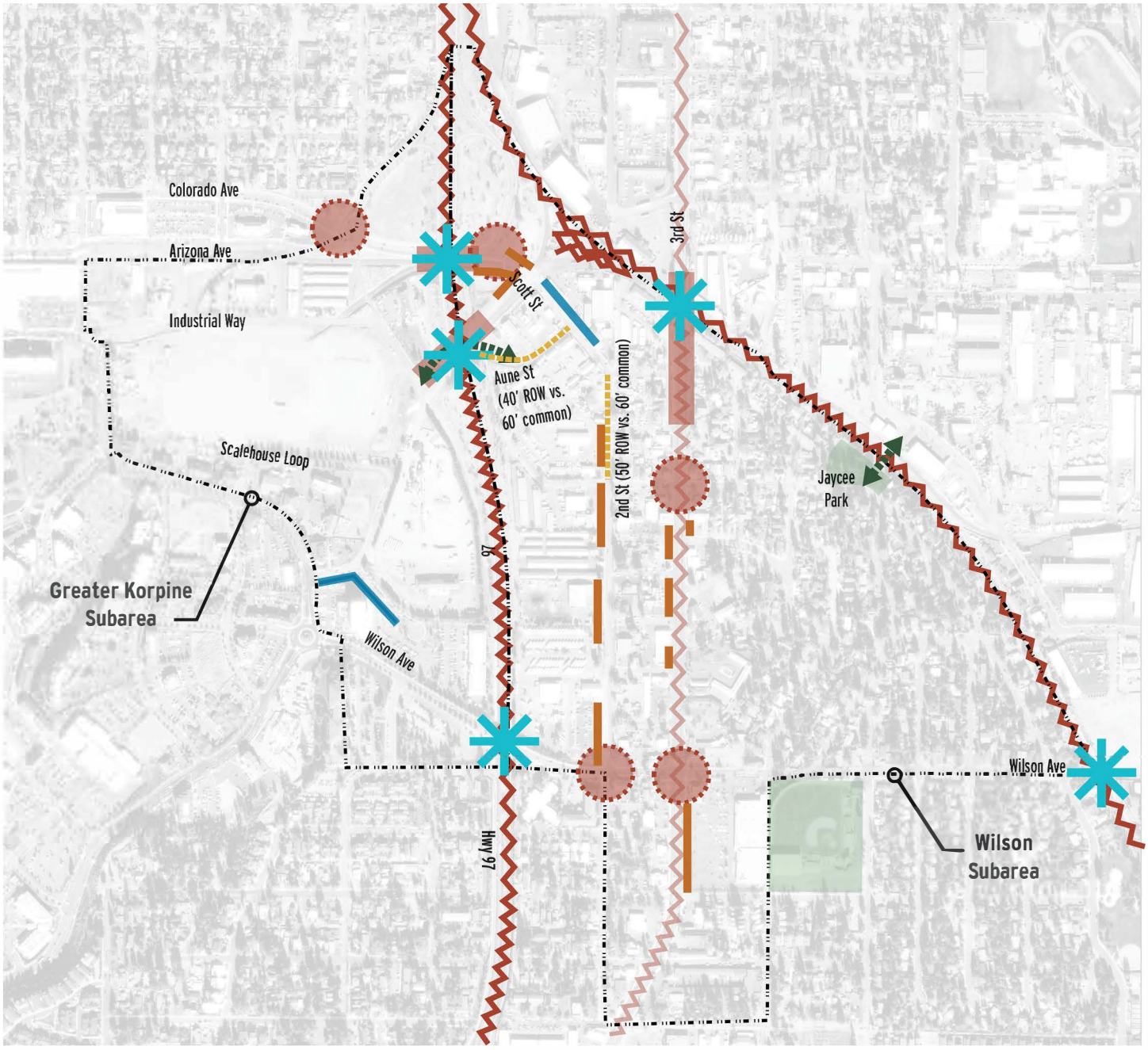
Jaycee Park



South Section Transportation Analysis

Key Takeaways

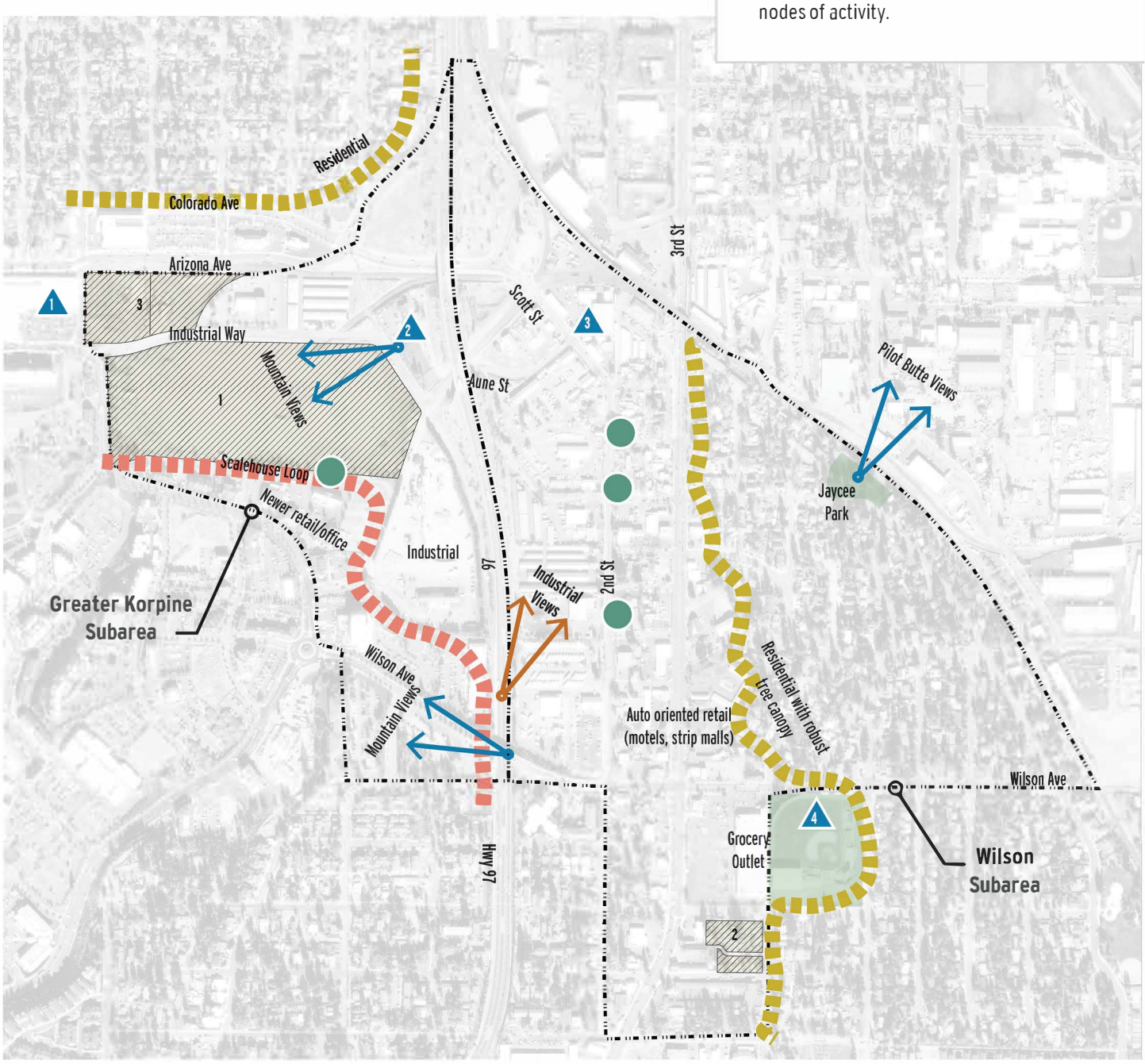
The South Section will benefit from greater ped/bicycle connections and improved gateways across the parkway, 3rd, and railroad. Street frontage voids are most concentrated along 2nd and 3rd street whereas good street frontage areas are limited and scattered.



South Section Built Environment Analysis

Key Takeaways

More than other parts of Core Area, the South Section has large parcels likely to redevelop. Despite these large tracts, the section has notable built landmarks and significant trees that contribute to the area's emerging identity. The residential neighborhoods on the edges of the south section would benefit from easier connections to access current and future nodes of activity.



North Section

Division Subarea | Character

The Division Subarea includes pieces of adjacent residential and industrial neighborhoods, with scattered auto-centric commercial throughout. It is divided into isolated areas by the parkway, 20 and railroad. The underpasses are more generously proportioned than other areas and have potential for improvement.

Improved streetscape

River views

Unscreened surface parking on edges

Small motels with vintage signage

Railroad divides area

Pockets of planting and engaging retail frontage

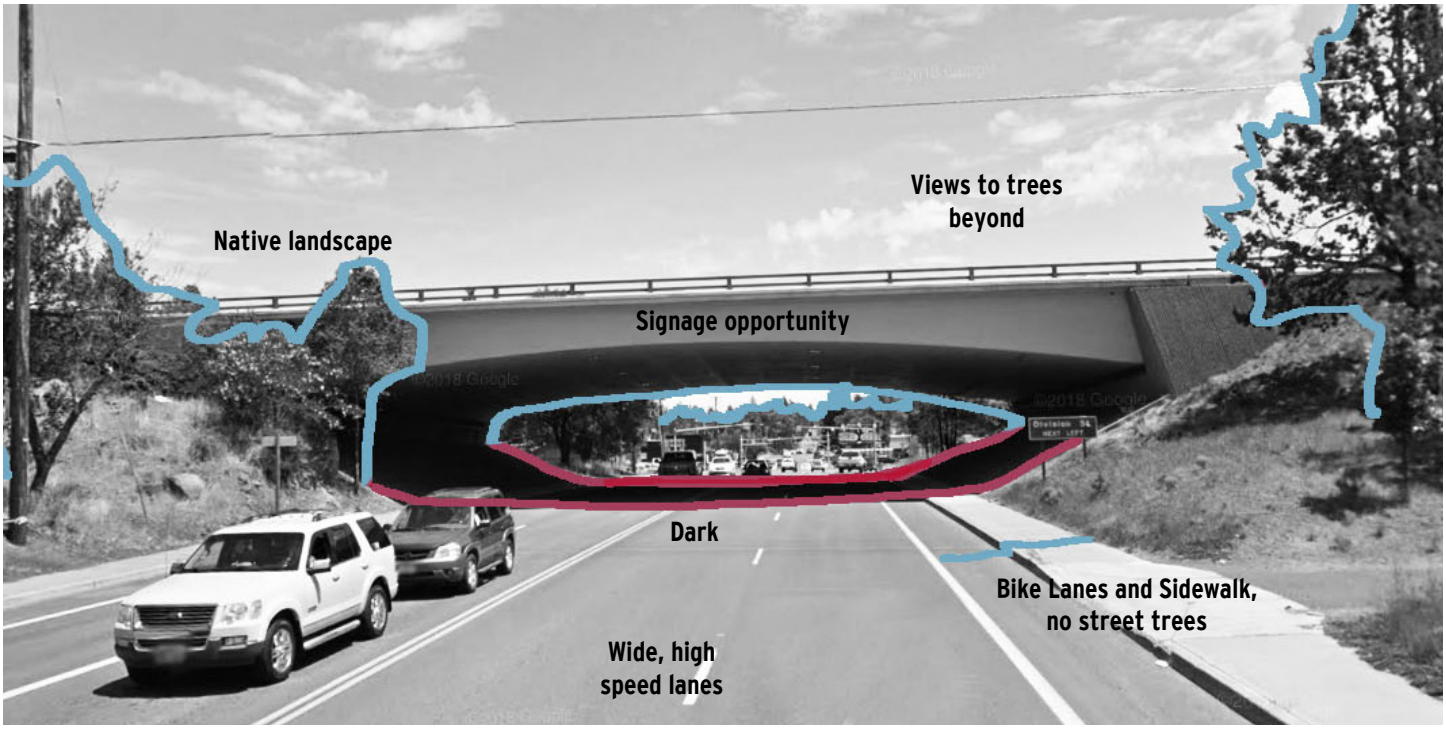
Adapted metal sheds to retail with upgraded streetscape

North Section

Division Subarea | Gateways

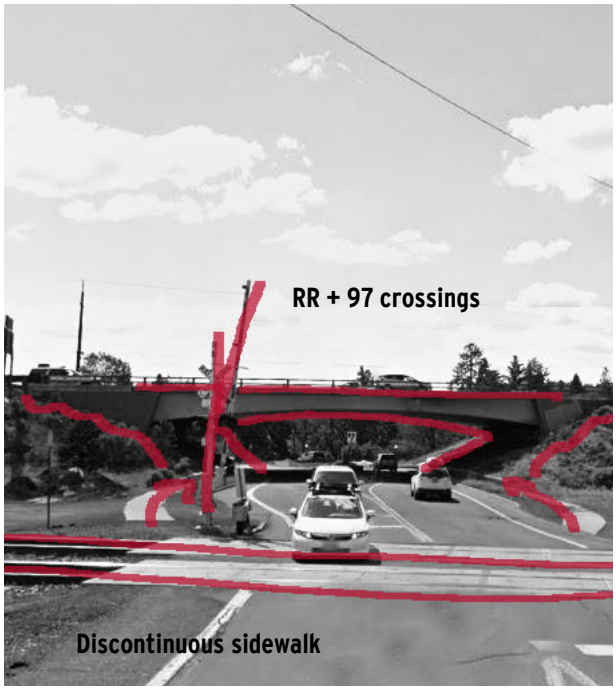
The North Section has gateways at Revere, Division, and Olney, which are generally wider with better separation of bicycle and pedestrian facilities. These gateways have potential for improvement in signage, landscaping, and activity adjacent to these gateways.

Revere St Underpass

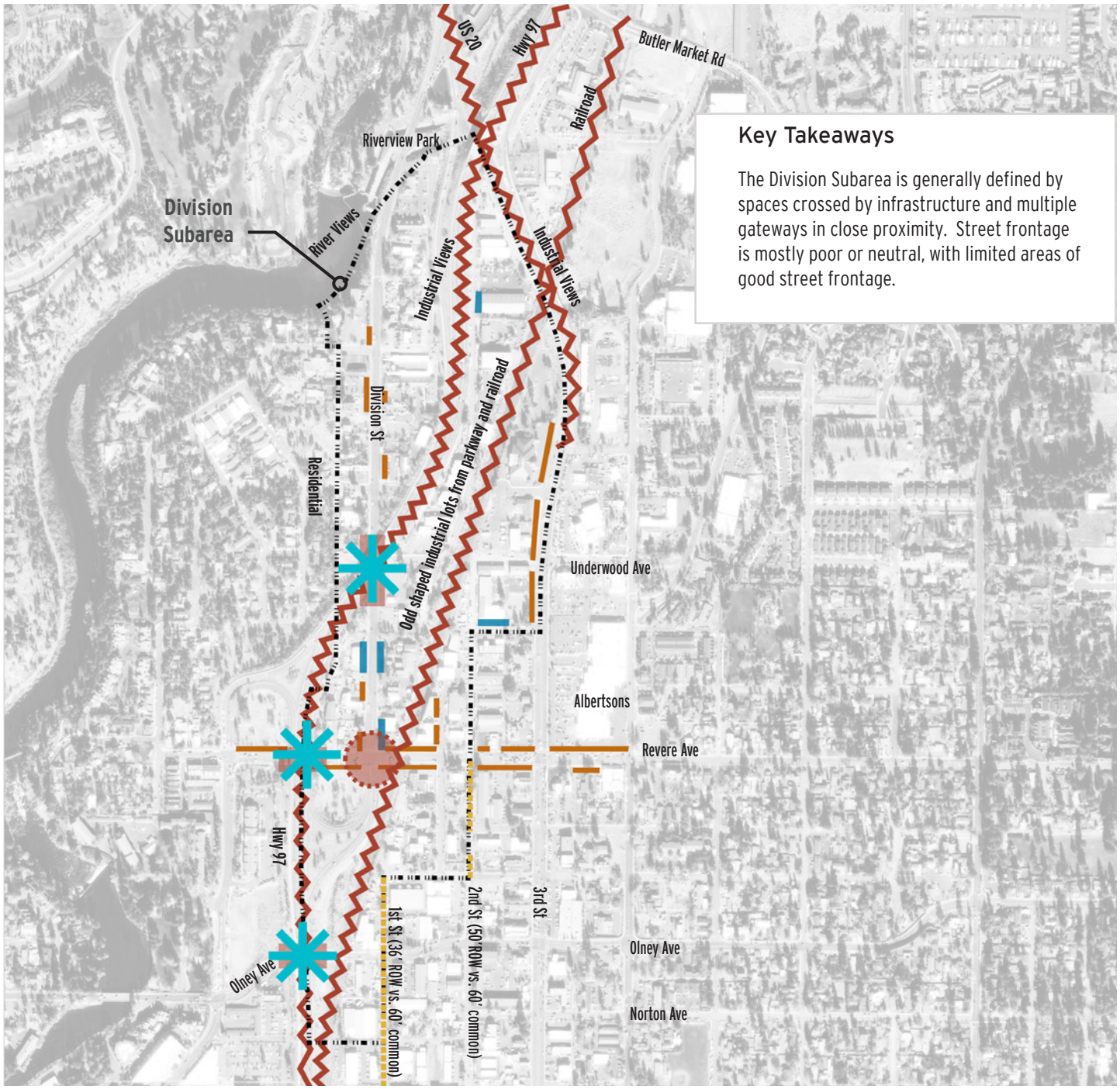


Division Underpass

Olney Underpass / RR Crossing



North Section Transportation Analysis



Key Takeaways

The Division Subarea is generally defined by spaces crossed by infrastructure and multiple gateways in close proximity. Street frontage is mostly poor or neutral, with limited areas of good street frontage.

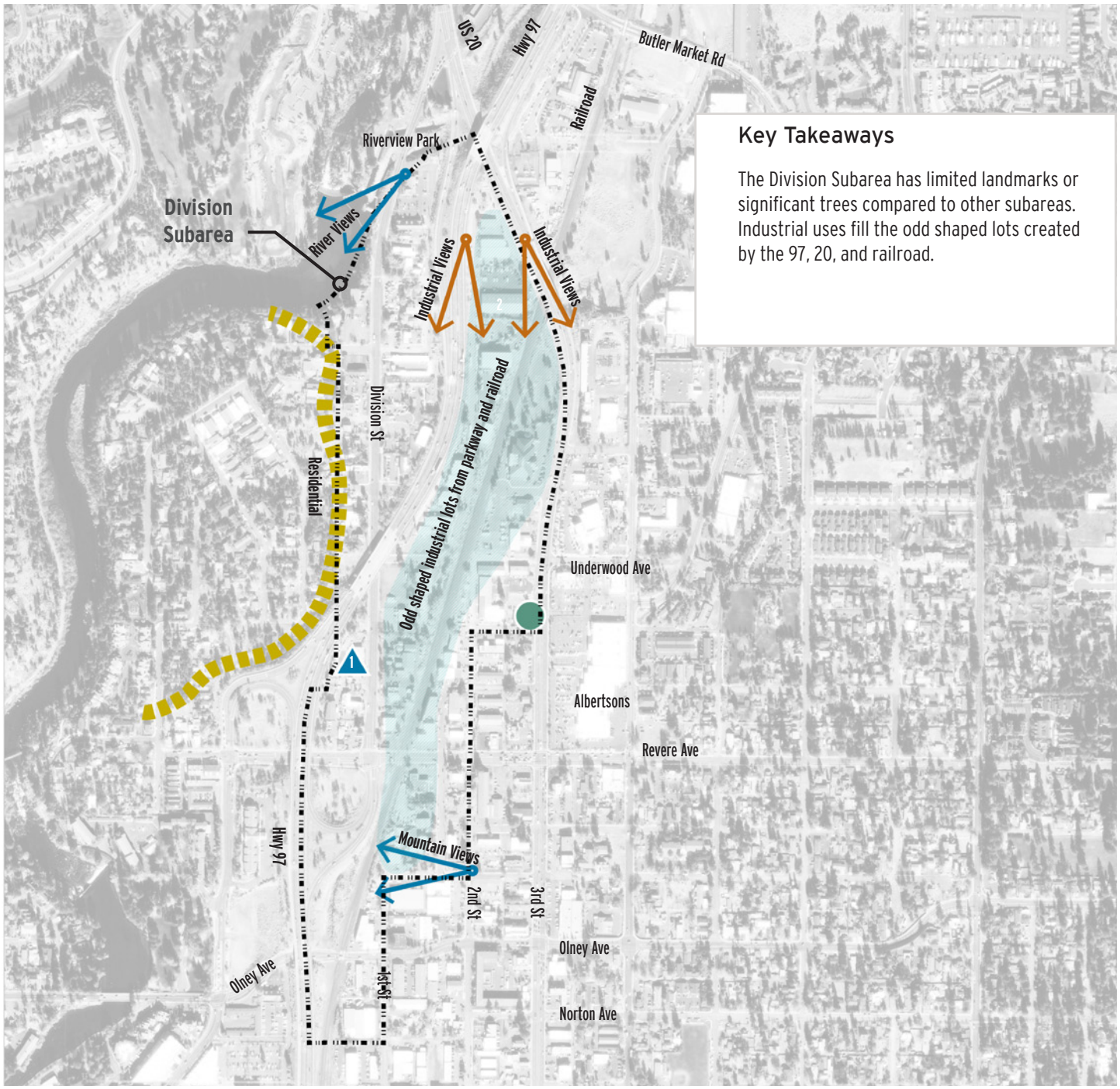
- Gateways
- Barriers
- Problem Intersections
- Subarea Boundaries
- Underpass Areas
- Good Street Frontage
  Street trees, ped/bike facilities, active storefronts, etc
- Street Frontage Void
  Surface parking, blank wall, etc.
- Right-of-way "pinch points"
  (narrower than common width on street)

N

0 200' 400' 800'

54

North Section Built Environment Analysis



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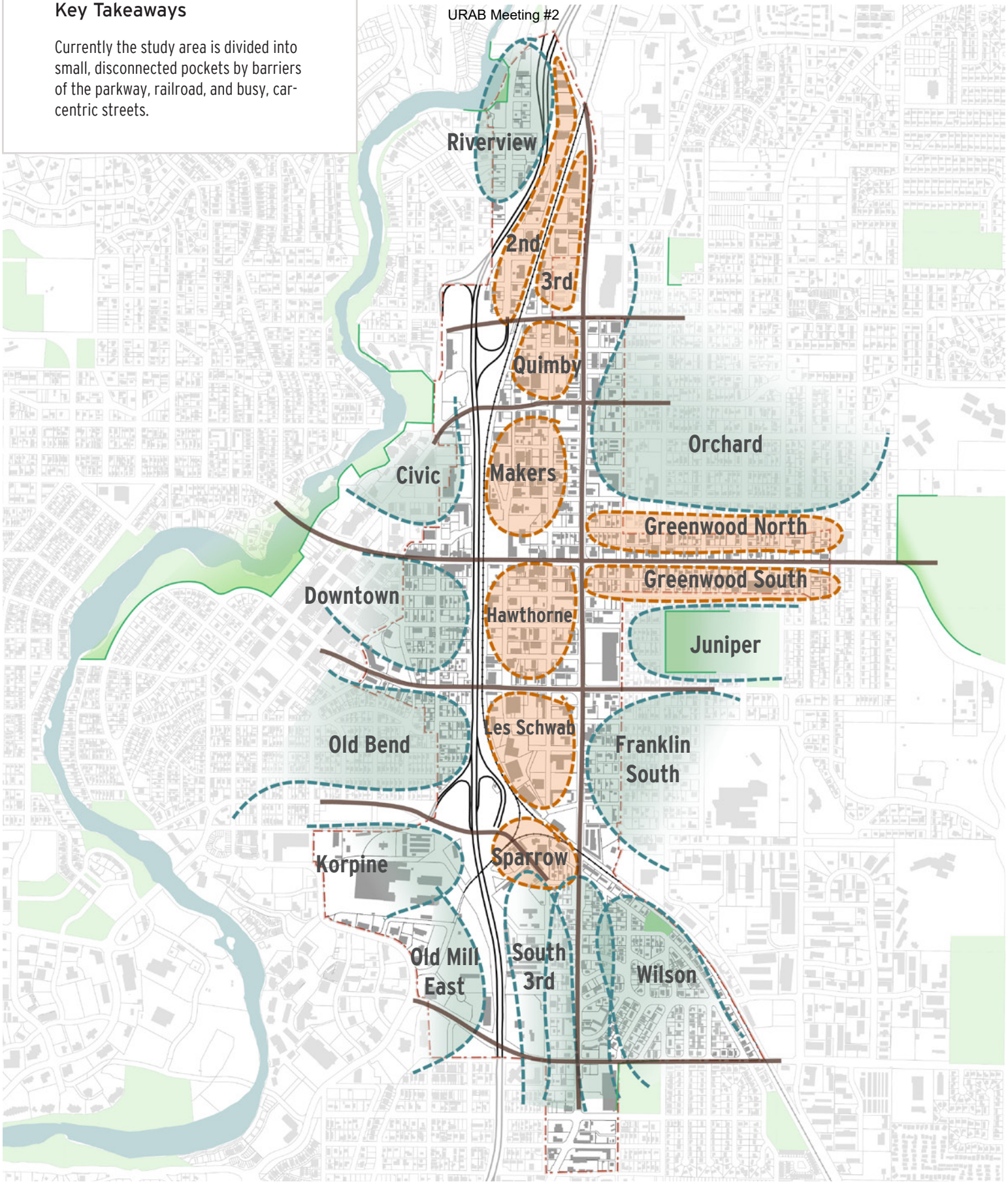
Key Takeaways

Currently the study area is divided into small, disconnected pockets by barriers of the parkway, railroad, and busy, car-centric streets.



Disconnected Pockets

Cohesive Districts

Districts | Existing

N

0 400' 800' 1600'

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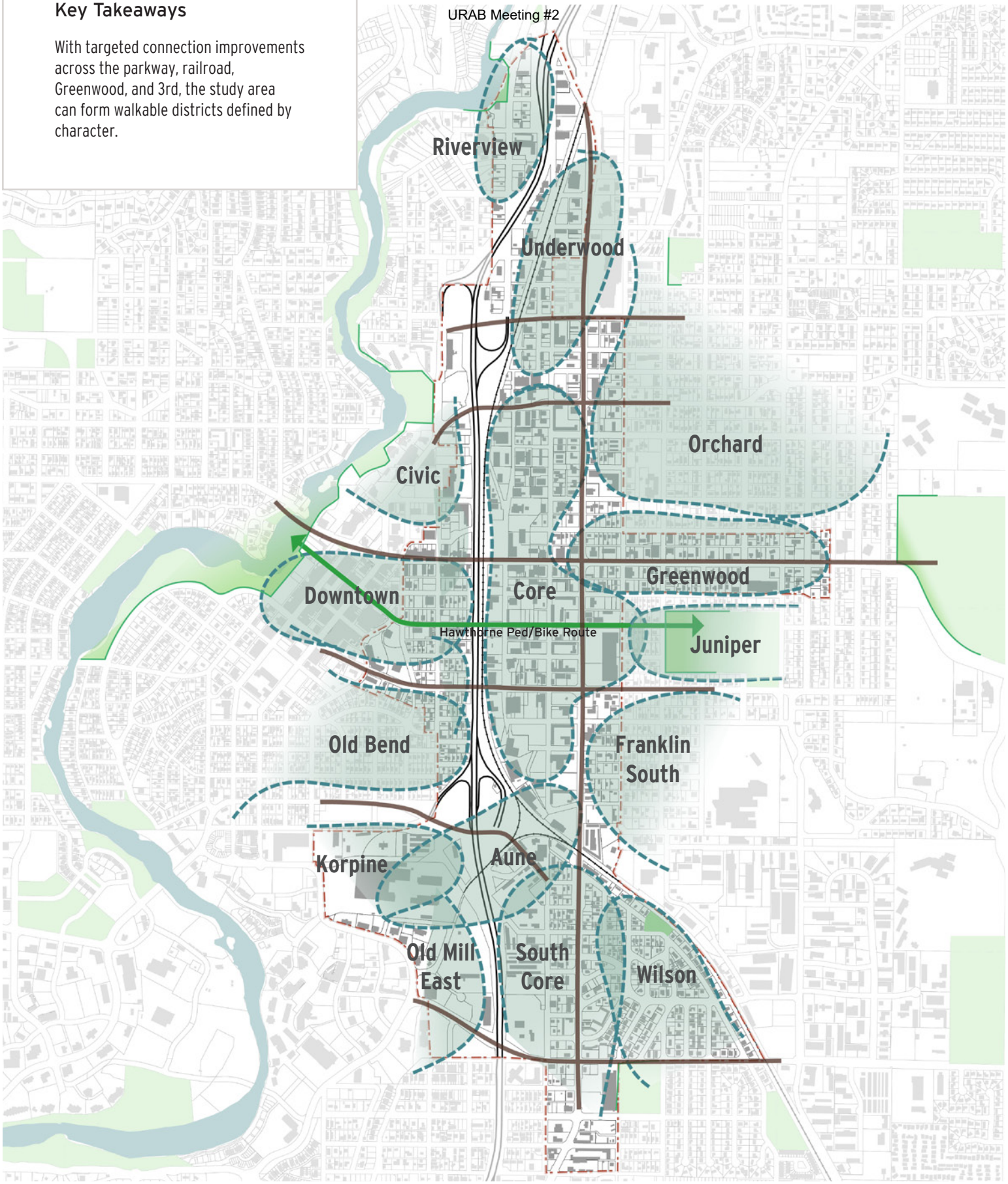
Key Takeaways

With targeted connection improvements across the parkway, railroad, Greenwood, and 3rd, the study area can form walkable districts defined by character.



Districts | Potential

57

BEND CORE AREA PLAN

CONCEPTUAL URBAN DESIGN FRAMEWORK: ANALYSIS

April 2nd, 2019

CITY OF BEND
CORE AREA PROJECT

CITY OF BEND
CORE AREA PROJECT

DEVELOPER INTERVIEWS

PREPARED FOR: Urban Renewal Advisory Board (URAB)

PREPARED BY: Cascadia Partners LLC

DATE: 03/26/2019

Developer Interviews Summary

Cascadia Partners (CP) interviewed 5 land owners and developers active in the Bend market. The developers interviewed include two seasoned, Bend-based developers; two relative newcomers to the Bend market with extensive experience outside of this market; and one motivated property owner / aspiring developer. All interviewees own land within or very near the study area and are very interested in the process outcomes.

The developer interviews focused on gathering insights on the strengths and weaknesses of different parts of the study area, from a market (desirability) and infrastructure perspective. The interviewees were also asked about the real estate cycle, construction costs, rents and the likelihood of new construction making financial sense in certain areas. A few common themes emerged, and these are explained below.

The only real diverging points of view related to the size of the current study area, which was viewed by 2 of the 4 interviewees as too large. The other two interviewees did not have an opinion on that question.

Residential is Driving Market Currently

Four of the five developers interviewed are exploring projects within the study area that are predominately driven by rising residential rental rates. The one developer not currently exploring a residentially-focused development project within the study area said they would if and when construction costs declined (see next take-away). Only two felt that other uses, such as retail and co-working office, could be strong enough financially to be successful—and these two have sites that are particularly well-situated for these highly location-depended uses.

Historically High Construction Costs

Construction costs, both labor and materials, are at historically high levels currently. This requires achievable rents that are not feasible in many areas, and at levels untested in other areas. Certain developers were willing to “bet” on achieving these rents in untested areas, like the BCD, but others are less willing in the near term. Since there have been no major mixed-use projects constructed in the study area, it is hard to know for certain how high achievable rents could be – and developers and lenders like certainty when making decisions.

There is some speculation that the current high construction costs could cause a slowdown in new construction broadly, and that this slowdown could lead to a gradual reduction in cost—particularly labor cost. But this remains to be seen. High costs provides some advantage to those with low land costs. Conversely, those who recently purchased land within the study area have paid historically high prices and they are much more dependent on top-end rents to be successful. In summary, areas with longstanding and/or low-cost property ownership could see the nearest term feasibility—assuming these owners are motivated.

Infrastructure Off-Site Costs a Challenge

The required off-site infrastructure upgrade costs are a major barrier to development feasibility. Interviewees mentioned off-site sewer and transportation costs as particularly high. There is significant hope that TIF can help spread the cost burden of these needed improvements. The current model penalizes early investors because the cost burden of these upgrades can fall disproportionately on their shoulders if they have to carry the cost for initial improvements that go beyond their proportionate share and they are not reimbursed for costs beyond that share for an extended period of time.

Absence of Urban Amenities and Connectivity Hurt Feasibility

The quality of the streetscape environment and the lack of connectivity to downtown and other parts of the study area are major barriers, physically and psychologically, to investment. Developers and property owners interviewed are hesitant to make substantial investments in some of the more industrial portions of the study area because they are “relatively untested markets” for new construction, mixed-use compared to downtown and the west side.

Zoning Tweaks Needed in Most Areas – Some More Extensive than Others

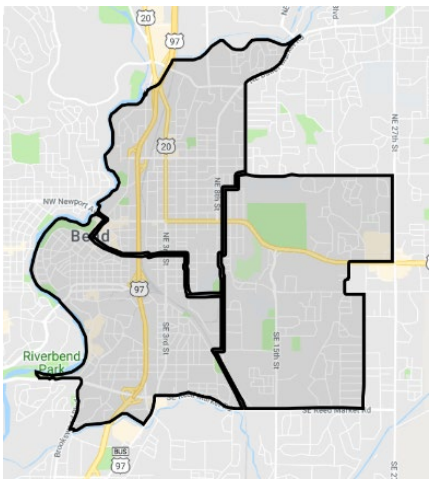
While the UGB process and adoption of the BCD Overlay Code resulted in major improvements in aligning the zoning allowances with the market and the City’s vision for these areas, interviewees noted that other areas that have not had such a detailed planning effort are still misaligned. For instance, the commercial zones have front setbacks, high parking standards and prescriptive use mix requirements that make mixed-use or apartment construction cost infeasible.

There was support among the interviewees for zone standards that enable and encourage the development of mixed-use buildings on small lots—many of the issues identified were particularly acute on small lots.

High System Development Charges

Two of the interviewees specifically mentioned that System Development Charges (SDCs) were undermining the financial feasibility of projects they were evaluating. Both suggested that the ability to finance these fees with a subordinated (2nd position) City loan would have benefit to them. Oregon allows cities to establish SDC financing programs. Several cities, such as Hillsboro and Milwaukie in the Portland metro area, have successfully implemented this tool.

Opportunity Zones Could Equal Less Expensive Equity



The majority of the study area is within Opportunity Zone designated Census Tracts (right). Opportunity Zones are a select number of federally-designated Census Tracts that have special tax benefits for investors who agree to invest specific funds in either development projects or businesses within the tracts. In order to be eligible, the investment funds need to be capital gains derived from a sale of property, stocks, or other assets whose sale results in a capital gain.

According to the interviewees, there has been an uptick in interest from outside equity investors to invest in development projects within these areas. The tax benefits associated with Opportunity Zones means that equity invested in these areas should, in theory, require a lower return rate to make the investment competitive with other, higher performing areas. None of the developers and owners interviewed had actually secured these funds (or volunteered that detail) so the impact the Opportunity Zone designation could have remains to be seen.

CITY OF BEND
CORE AREA PROJECT

ECONOMIC DRIVERS OF REDEVELOPMENT

PREPARED FOR: Urban Renewal Advisory Board (URAB)

PREPARED BY: Cascadia Partners LLC

DATE: 03/22/2019

Summary

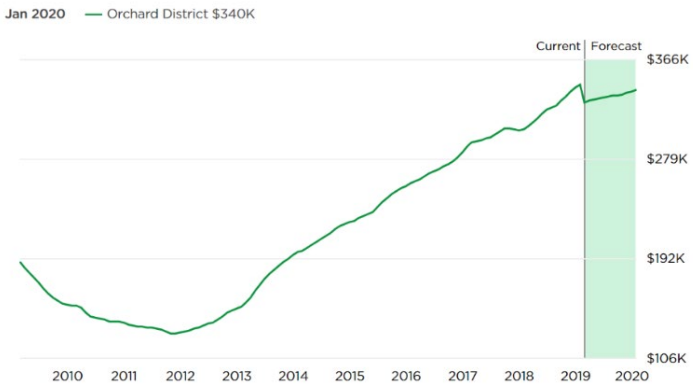
Cascadia Partners has detailed below several economic drivers that influence redevelopment. In summary, Bend and large portions of the study area are well positioned to capture future investment. Bend is a fast-growing community with the potential to see significant redevelopment if certain investments and policy changes can take place. The missing ingredients in several areas are: upgraded infrastructure - including safe, walkable streets that connect different parts of the study area and adjacent amenities; and strategic zoning changes that better align with the market potential.

Key Economic Drivers of Redevelopment

Demand and Supply Imbalance

The most basic driver of redevelopment feasibility is when the demand for a development type exceeds the supply. The most recent development cycle followed the Great Recession which saw construction slow dramatically, particularly in Bend, even though in-migration continued to grow. Housing demand has acutely outpaced supply. As a result, the strength of residential demand has underpinned redevelopment in Bend, and many other markets.

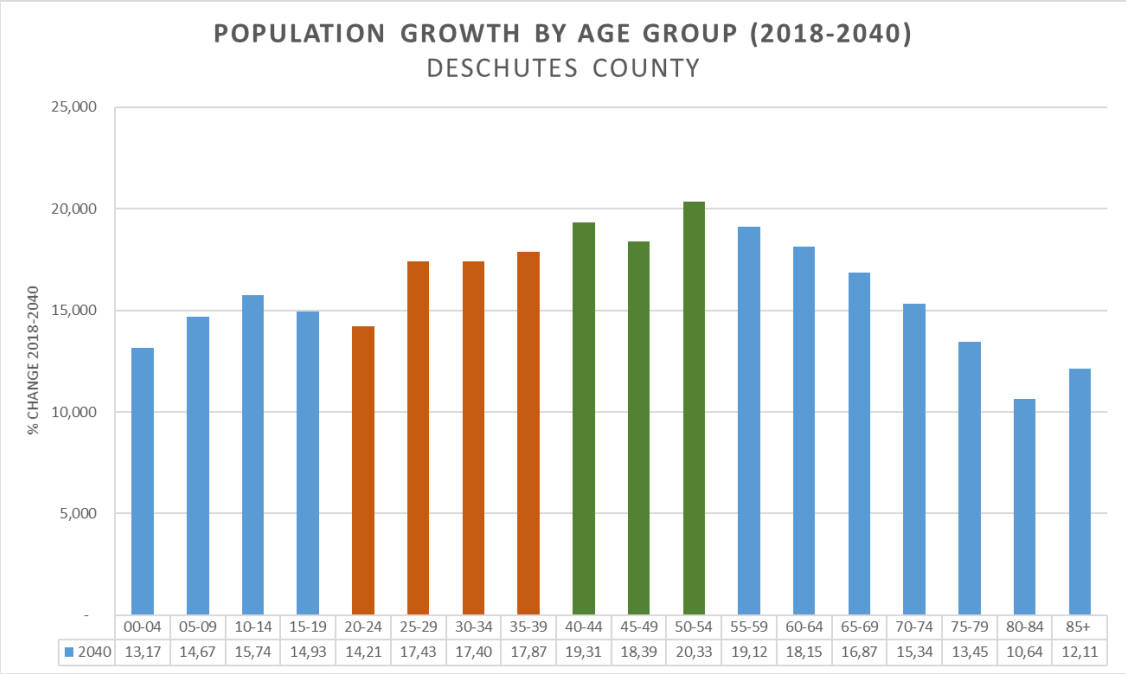
Home sale prices have escalated quickly within existing neighborhoods of Bend as there are more buyers than homes on the market. The Orchard District borders the eastern edge of the study area and the Zillow Home Price Index graph (right) shows a steep upward price trend within that neighborhood.



Demand for new retail and office space has been less intense and much of that can be met by upcycling the existing supply. Lower achievable rents in these two product types means that new construction is not feasible, except in very select locations. This has resulted in fewer newly constructed retail and office space within the study area. The new retail that is being contemplated by our interviewees is mostly secondary to residential, which is the main source of revenue.

Demographic and Population Changes

Bend is one of the fastest growing mid-sized metro areas in the entire country. Demographic and population change trends are influencing consumer and housing preferences locally. The two largest demographic groups driving housing demand nationally are Baby Boomers and Millennials. By 2040, the PSU Center for Population Research Center forecasts that 43% of all residents in Deschutes County will be either Millennials or Baby Boomers (graph below: orange bars represent Millennial age groups and blue bars represents Baby Boomer age groups).



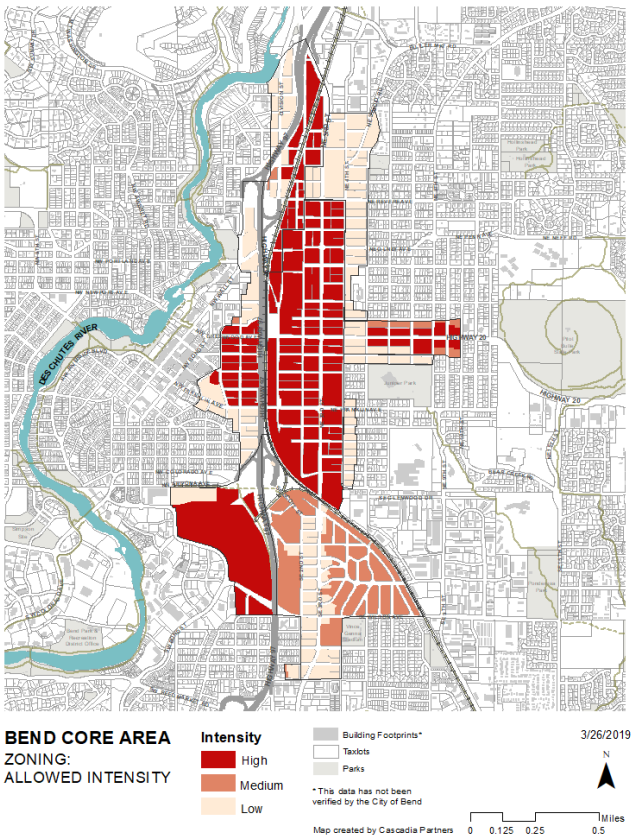
Bend has long been a popular relocation destination for retirees and is increasingly a destination for young families. According to state enrollment figures, Bend-La Pine School District is one of the fastest growing school districts in the state since the Great Recession with the influx of Millennial families.

Importantly for the study area, Boomers and Millennials have a strong preference for walkable, high amenity living. Bend's growth in these demographic groups would seem to suggest the study area is well positioned to succeed with the right mix of public and private amenities and walkable enhancements.

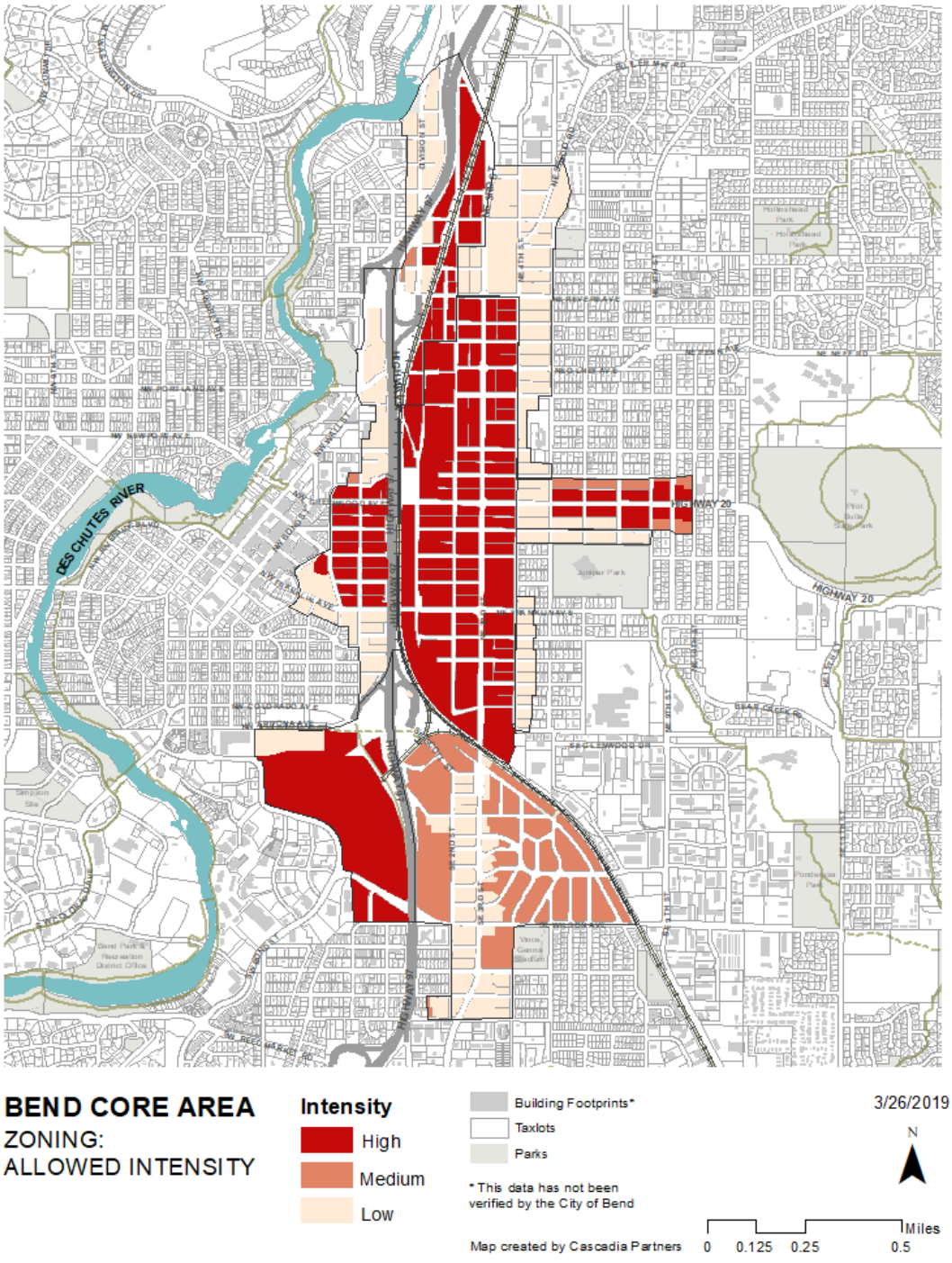
Zoned Potential

A key factor in redevelopment potential is what someone can do with their property (zoning). Development is risky, costly and time consuming. Generally, the future use must be substantially more valuable than today's use in order to make redevelopment appealing or feasible. Increased value is typically associated with increased intensity or density of uses.

The zoning landscape is not the same across the study area. In areas like the KorPine or the Bend Central District (BCD) sub areas, where recent changes to zoning have substantially increased the intensity of what is allowed, activity and interest is highest. Whereas, in areas with more general commercial or residential zones that have not been substantially updated recently, the market interest is lower. Zoning is not the single determining factor for redevelopment, but without the right zoning, redevelopment is not likely.

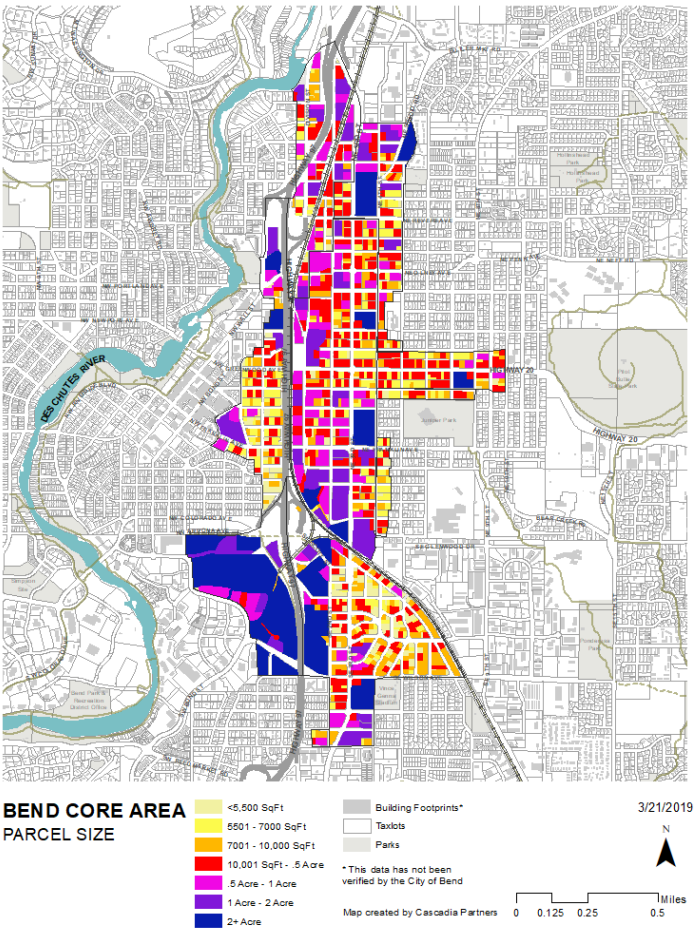


Map: Relative Allowed Intensity of Zoning

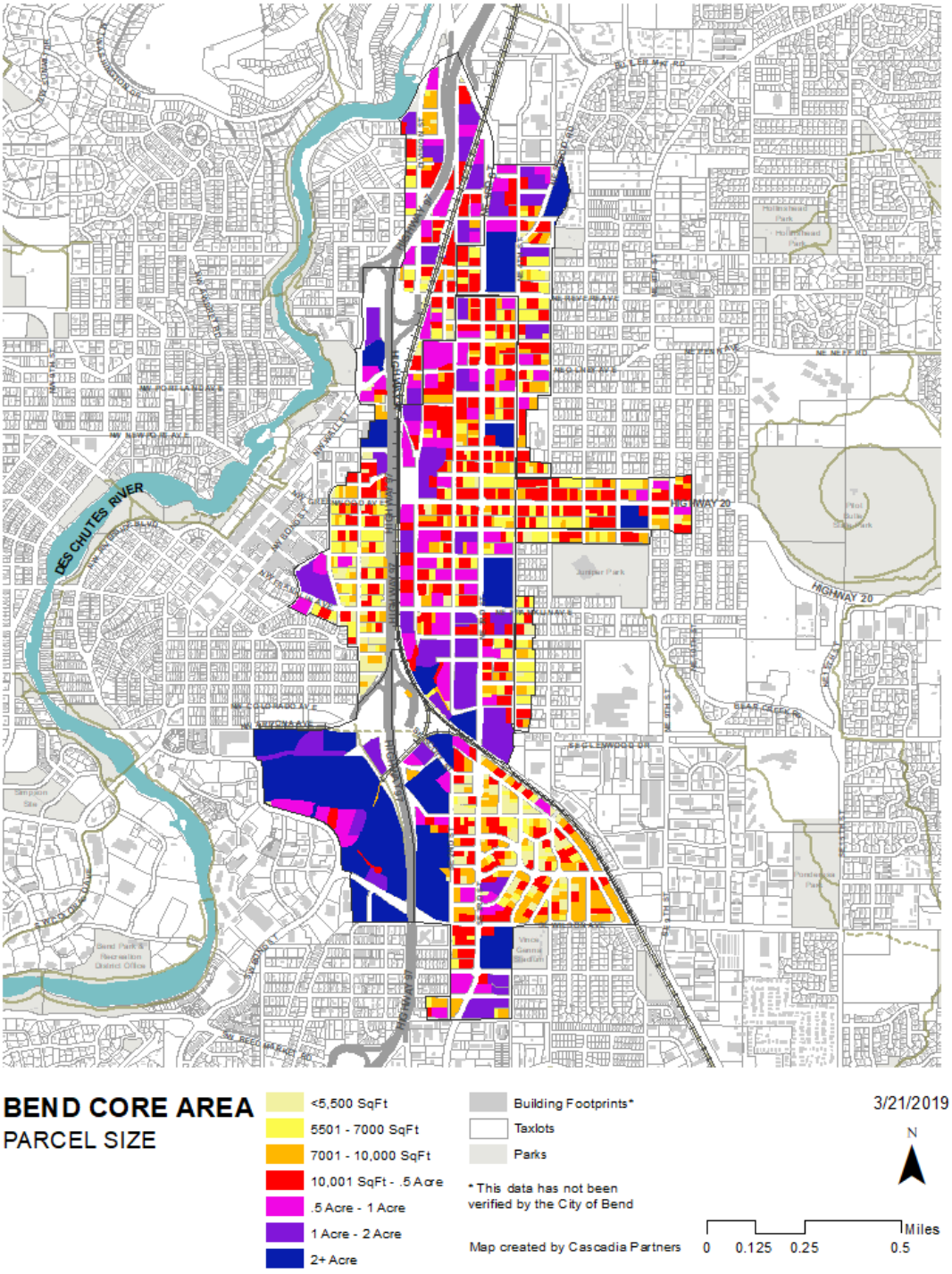


Parcel Sizes

Parcel size is often listed in factors impacting redevelopment, and there is some level of efficiency in building construction that can be achieved on parcels over a certain size (half acre or more). More often than not, however, the real challenge in redeveloping small sites relates to zoning standards that are not compatible with smaller footprint buildings. Accommodating off-street parking is the single most significant design hurdle for small sites. In cities and neighborhoods where zoning standards have been liberalized (in particular off-street parking requirements greatly reduced or eliminated), small sites are developed far more easily and quickly.



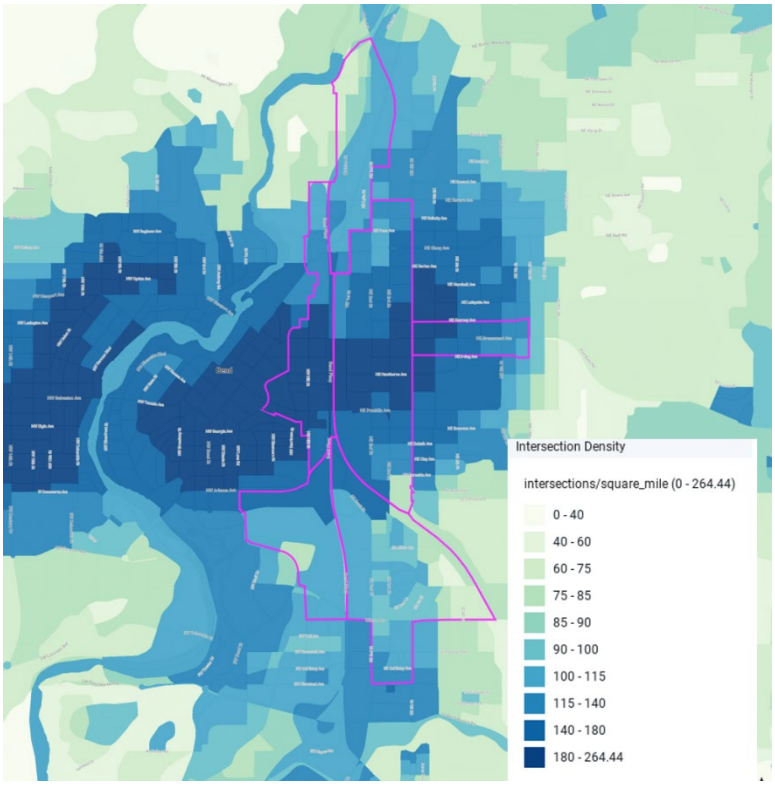
Map: Parcel Sizes



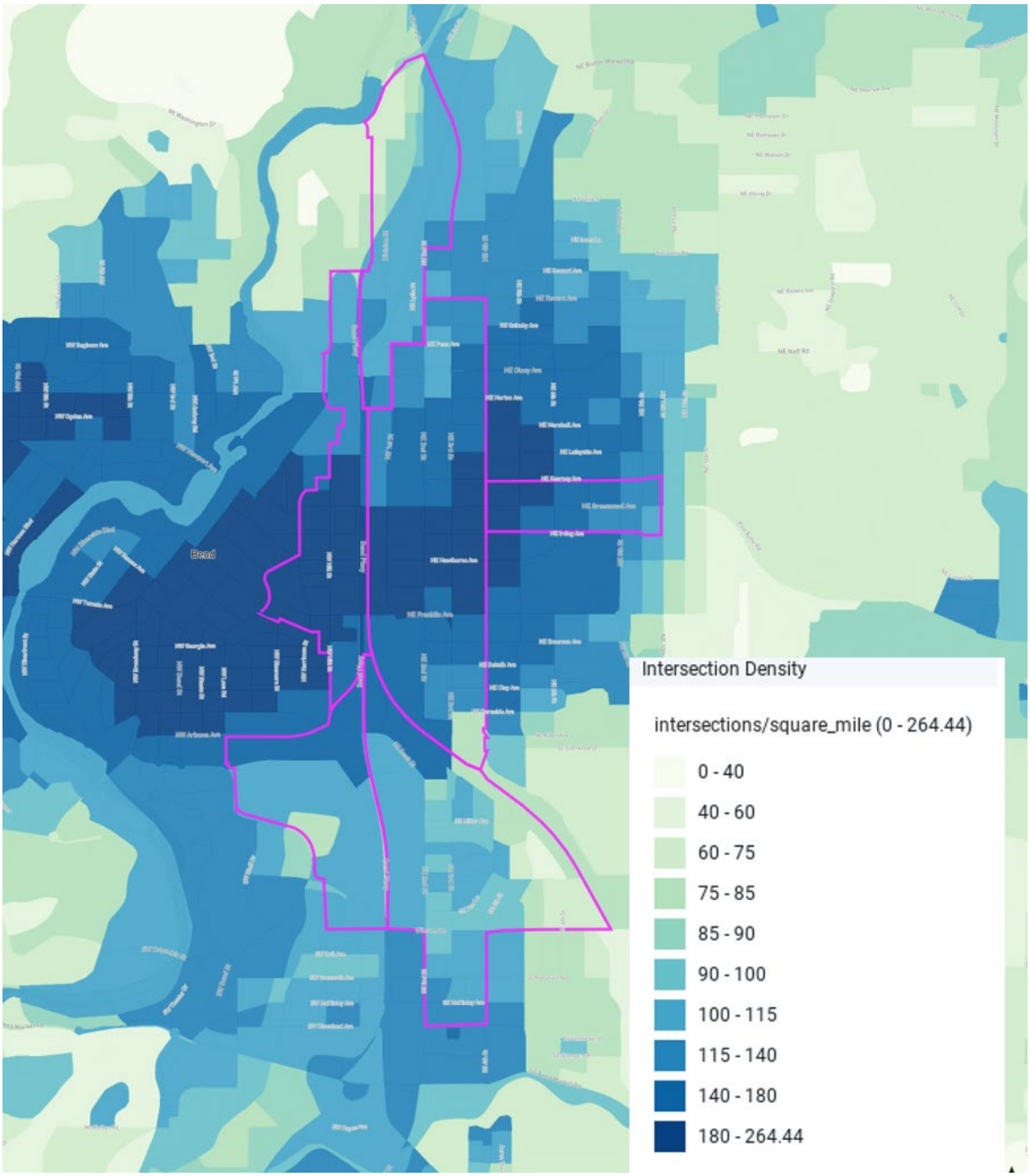
Walkability

Areas with walkable and bikeable streets with limited major pedestrian barriers are more desirable than isolated and unwalkable places. As the intersection density map to the right shows, the East Downtown and BCD sub areas show up as the most well-connected areas outside of downtown and the Central Westside.

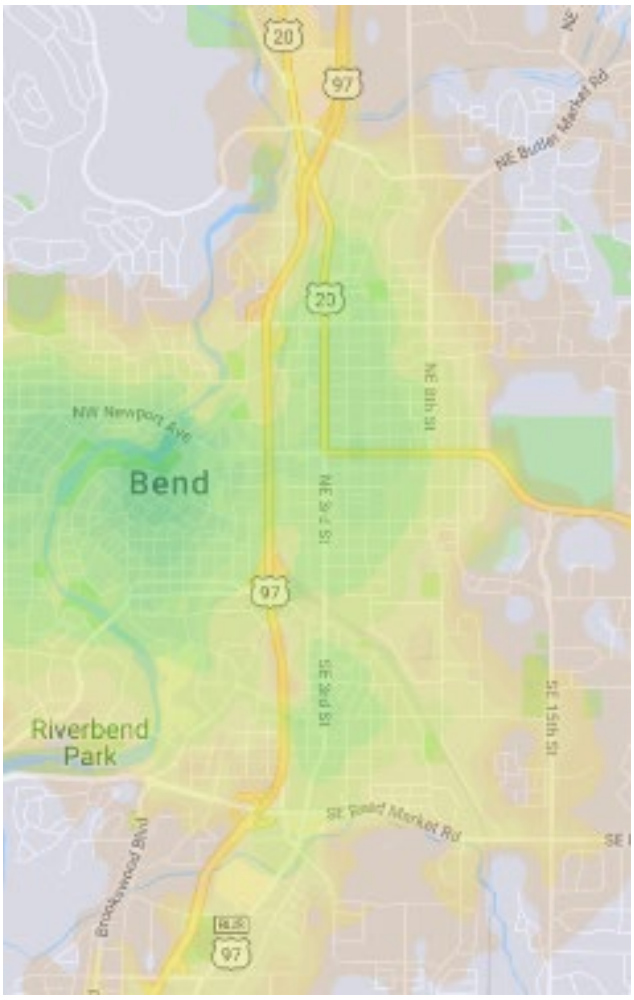
Within the close-in areas of Bend, the Central West Side and Wilson areas offer a case study comparison. Both areas have a wide range of housing types, including many missing middle types, and relatively connected internal street grids. But there are fewer sidewalks within or around Wilson and very few amenities accessible without crossing a major barrier.



Map: Intersection Density



Close Access to Amenities – Public and Private



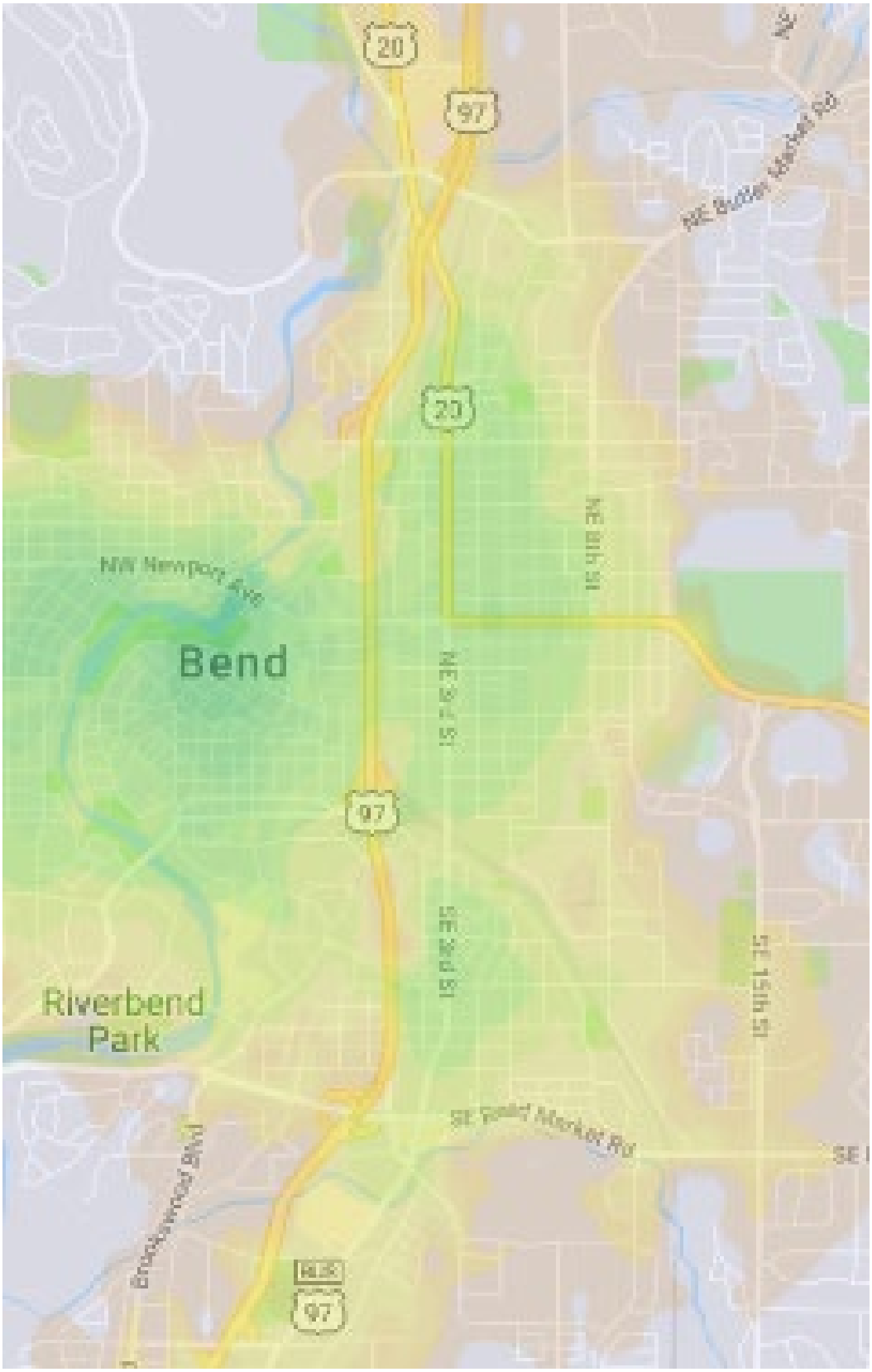
Safe and easy access to major centers of activity or community anchors drives desirability and market demand. Areas close to downtown and other major community amenities, such as grocery stores, parks, trails, breweries, and neighborhood business districts, are more desirable, which translates into higher achievable rents, which results in more feasible development. Close proximity alone is not enough, the access must be safe and convenient—particularly on foot or by bike.

The Walk Score map to the right highlights that there are pockets of well-connected and amenitized areas, but they are relatively isolated from one another.

Areas that have the best access to these types of amenities are:

- **East Downtown** – short walk to downtown, not separated by major transportation barrier
- **KorPine** – close walk to many private amenities, such as Old Mill, Crux, Box Factory and a grocery store; not separated from downtown by any major transportation barriers
- **Greenwood and surrounding residential zones** – while not as strong as the two areas above, there is an emerging set of local and neighborhood business amenities on Greenwood; walking distance to Juniper Swimming and Fitness center and Pilot Butte State Park.

Map: Walk Score



Ownership

The ownership of parcels can influence redevelopment potential in a variety of ways. The owner must be interested in development for redevelopment to be possible. The cost basis (or amount money the owner has “into the land”) land is important in a City like Bend where land prices have escalated rapidly in a relatively short period of time. Those owners with a low-cost basis (often long-term owners) can leverage that “land equity” into a development project. And since they are not paying current market prices for land, they are less reliant on top-end rents and less vulnerable to high construction costs compared to others just entering the market.

Sites with longstanding or low-cost basis property owners who are motivated to develop have a distinct advantage to those buying land at market rates today. The KorPine area has several such longtime/low basis and seemingly motivated land owners. The Bend Central District, East Downtown, and Greenwood are more mixed, with several recent (relatively high priced) land sales but also a mix of longtime land owners.

CITY OF BEND
CORE AREA PROJECT

DEVELOPMENT FEASIBILITY ANALYSIS

PREPARED FOR: Urban Renewal Advisory Board (URAB)

PREPARED BY: Cascadia Partners LLC

DATE: 03/22/2019

Introduction

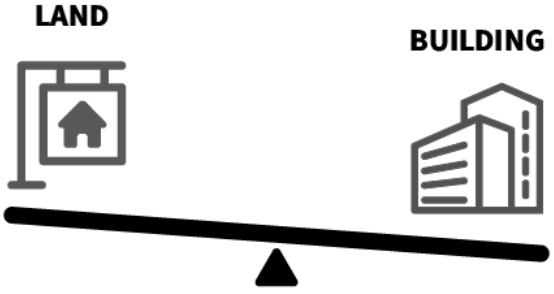
Cascadia Partners (CP) performed a market-driven assessment of current redevelopment feasibility within the Core Area Project boundary. The assessment started with a review of recent development trends within the study area (building permit data) and was informed by both the Developer Interviews and Economic Drivers Analysis that are summarized in companion memos.

The purpose of the redevelopment feasibility analysis is to determine which parcels within the study area would be likely to redevelop given a combination of current factors: land cost, the value of permitted building types (zoning) and specific locational factors, such as walkability, access to amenities and land ownership (described in more detail in the Economic Drivers memo).

Note: This assessment evaluates an area slightly larger than the Core Area Project boundary, for study purposes only. The study area for this memo includes 15 blocks located east (one block) and north around the Bend Central District subarea in order to evaluate redevelopment indicators in that area. See Appendix, Item 2 for boundary comparison map.

The Redevelopment "Tipping Point"

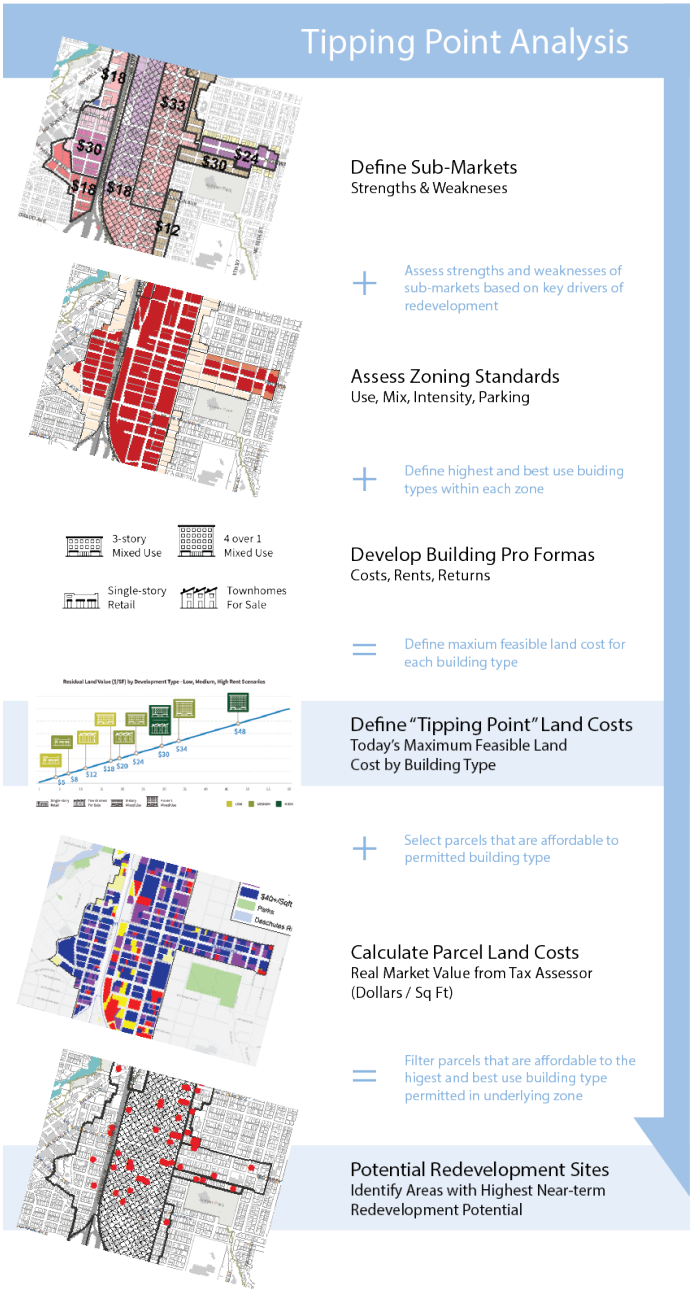
Whether a parcel is likely to redevelop can be understood as a balance between the cost of land and the price a building can afford to pay for land. If the land is too expensive for a given building type, the redevelopment is unlikely to happen. If the land cost is low enough for a developer to be able to afford and still achieve the needed financial returns, the redevelopment could happen.



The "tipping point" balance:
If the building is feasible and can afford the land, the project "tips" into feasible. If not, redevelopment doesn't happen.

Tipping Point Analysis Process

The tipping point analysis involves combining several data layers to arrive at a map of areas with likely redevelopment potential. These individual steps are described in more detail in sections below. The graphic to the right is an attempt to summarize how each of these important pieces of the analysis fit together—and result in a redevelopment potential map.



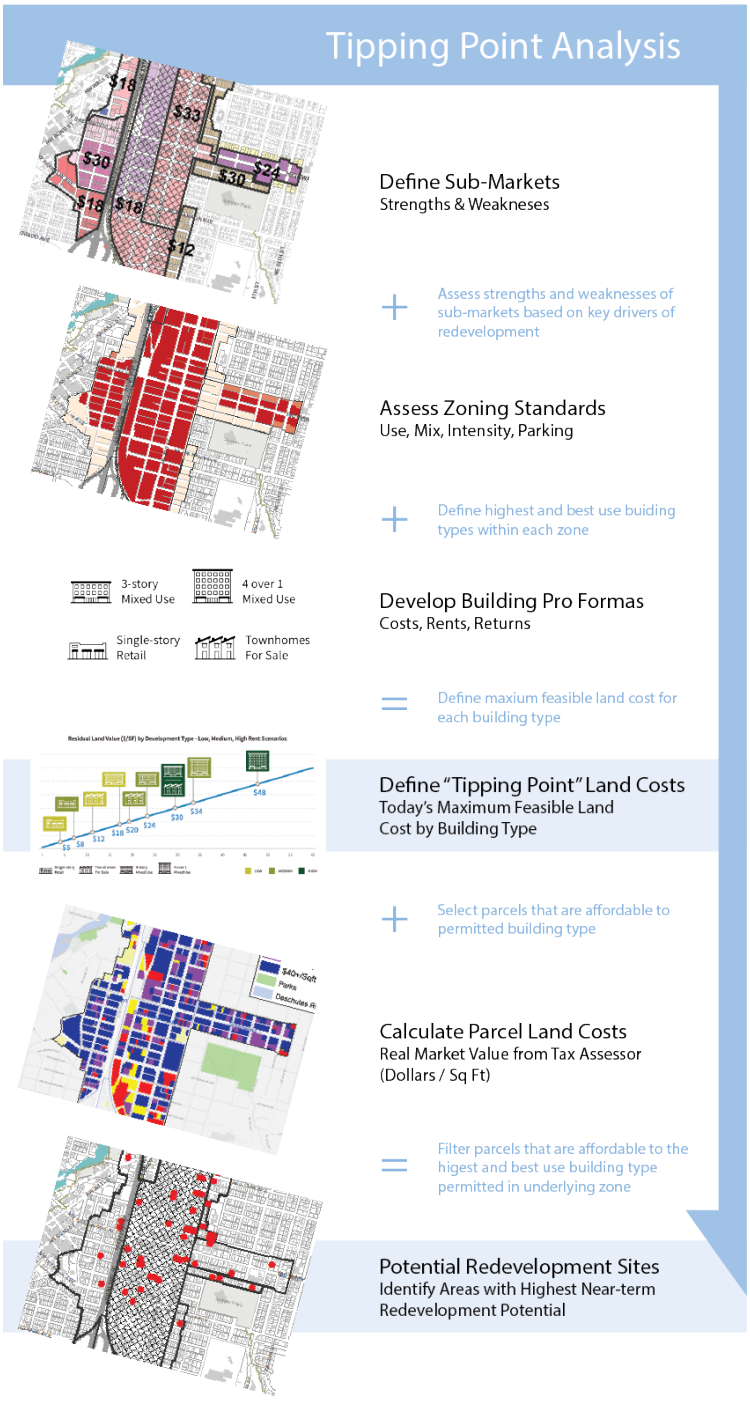
A first step is to understand the relative strengths and weaknesses of certain sub-markets within the study area. Many of these "economic drivers of redevelopment" are explored in more depth in the accompanying Economic Drivers memo. An analysis of recent permit and construction activity was conducted below and confirms many of these strengths and weaknesses.

Assessing the different zone districts and their unique standards, such as allowed intensity and required parking, allows us to build pro forma models for buildings than can be permitted within the study area. Zoning can be more or less aligned with underlying market strength. A deeper analysis of zoning-related barriers will be presented in a next phase of CP work.

The pro forma analysis allows us to estimate the maximum land price that these building types can afford to pay—which is called the "tipping point."

We can then filter the parcels within the study area based on which are "affordable" to a given, permitted building type. The parcels that are affordable are assumed to be feasible for redevelopment—and the map of those parcels is our redevelopment feasibility map.

Figure: Key Steps in Tipping Point Analysis



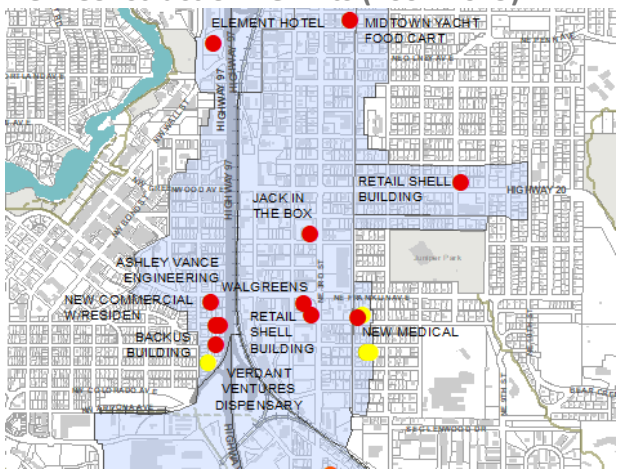
Analyzing Recent Construction

An analysis of permit data in the study area from 2007-2019 reveals several interesting findings.

New "Ground-up" Construction is Limited – and Mostly Single-Story Retail

There have been relatively few new construction projects (35) within the study area since 2007, compared to 87 remodel permits. The new construction projects that have occurred are largely single-story retail buildings, often with national chain retail tenants, such as Walgreens and Jack in the Box, or owner-occupied new buildings.

New Construction Permits (2007-2019)



See larger image below

The only substantial new vertical construction project is the Elemental Hotel site at the corner of NW Wall St and Olney Avenue, currently under construction.

Meetings with City planning staff indicate there are several projects in the pre-application stage that have yet to officially submit permit documents.

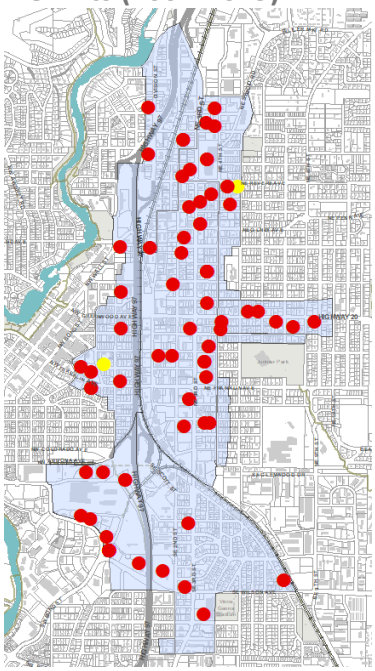
More Investment in Remodels

Over the same period of 2007 to today, there were twice as many remodel permits than new construction permits within the study area. The study area has a large amount of older retail space. The cost to remodel is less than the cost of new vertical development.

This large amount of relatively low-cost retail space limits achievable retail rents and thus limits the viability of newly constructed retail space, except in very select locations and/or with a national tenant in-hand. Many of the remodels realized within the study area are to accommodate auto-oriented retail and service chain stores, such as fast food.

The viability of residential can help tip the scales of feasibility of vertical mixed-use, by helping to overcome relatively low retail rents, but that is only beginning to happen and only in areas with zoning that supports more dense building forms

Remodel Permits (2007-2019)



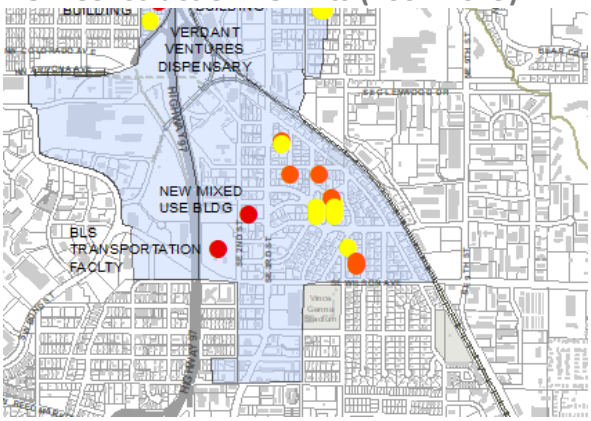
See larger image below

(e.g. Urban Mixed Use). Building permits for true mixed-use development are being processed in other higher amenity parts of the City, such as the Central West Side.

Wilson Area Seeing Mostly Single Family (Re)development

Of the 14 new construction permits issued in the Wilson area since 2007, 9 were for single family homes. Only 5 were for duplexes. The orange dots to the right represent new duplex permits, while the yellow dots represent new single-family permits.

New Construction Permits (2007-2019)



See larger image below

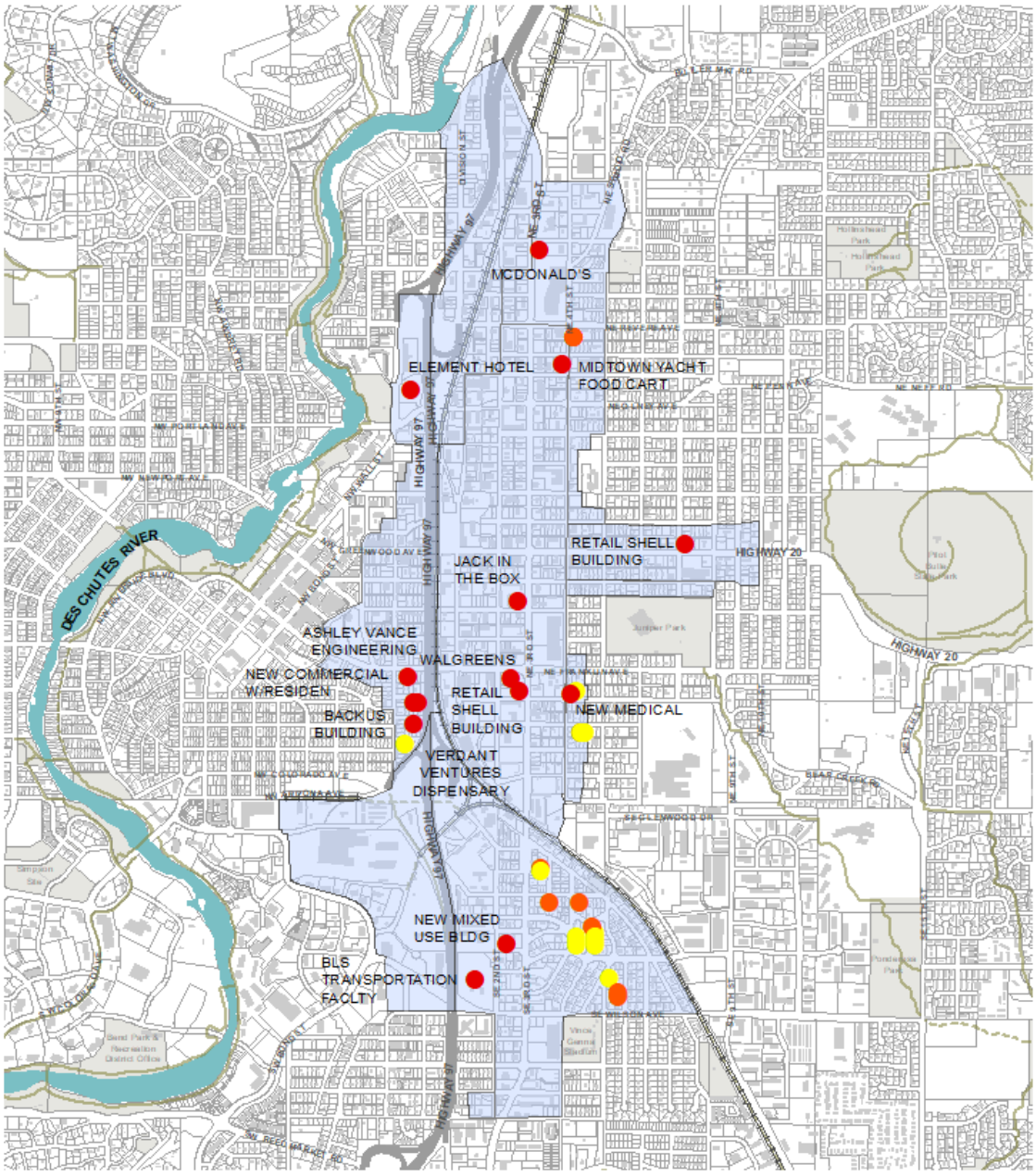
The zoning in Wilson technically allows multifamily, duplex and triplex dwellings, but the combination of parking and FAR limits greatly diminish the potential for this type of “missing middle” housing construction. Single family and some duplex buildings are the most likely outcome. The townhome building type used in this analysis is not viable in this area. The risk of a continuation of the single family (re)development is that the low-cost housing stock in this area will begin to disappear being replaced on a 1-to-1 basis with relatively expensive single-family homes.

Conclusions – Recent Construction

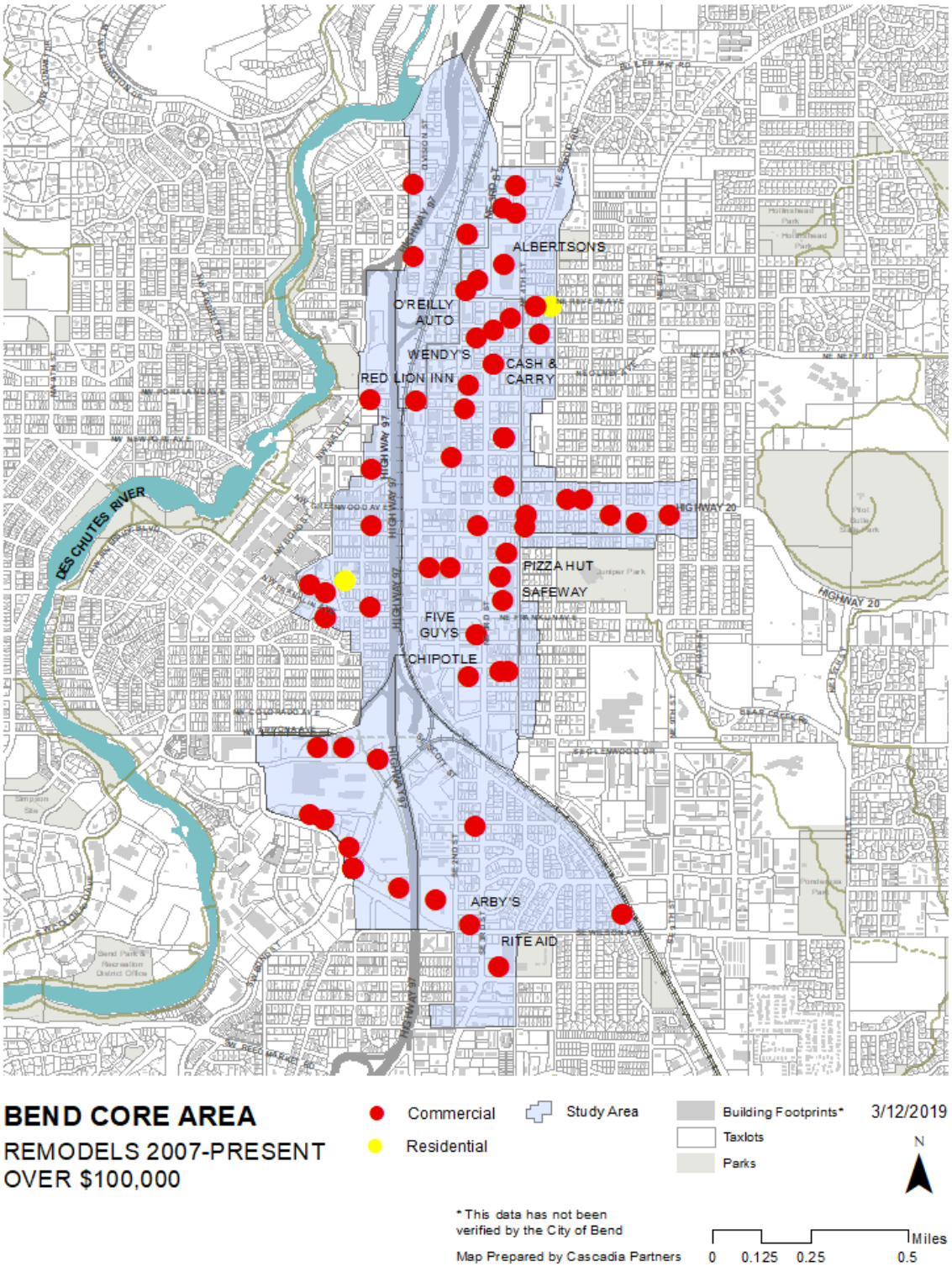
The study area is experiencing significant investment, but mostly in the form of remodels of existing retail spaces and some newly constructed single-story retail. Construction of new mixed-use buildings is not yet widespread. This would suggest that the area does not yet have all the ingredients necessary to enable mixed-use buildings to be financially viable—or to “tip.” However, there are indications from planning staff and interviews with land owners and developers of increased interest in vertical mixed-use development within the study area.

Pairing the conclusions of this analysis with those summarized in our Developer Interview Memo and the Economic Drivers Memo, we conclude that a focus on infrastructure upgrades (placemaking and streetscape enhancements) and zone standard changes could make the feasibility of mixed-use development a reality.

Map: New Construction Permits (2007-2019)

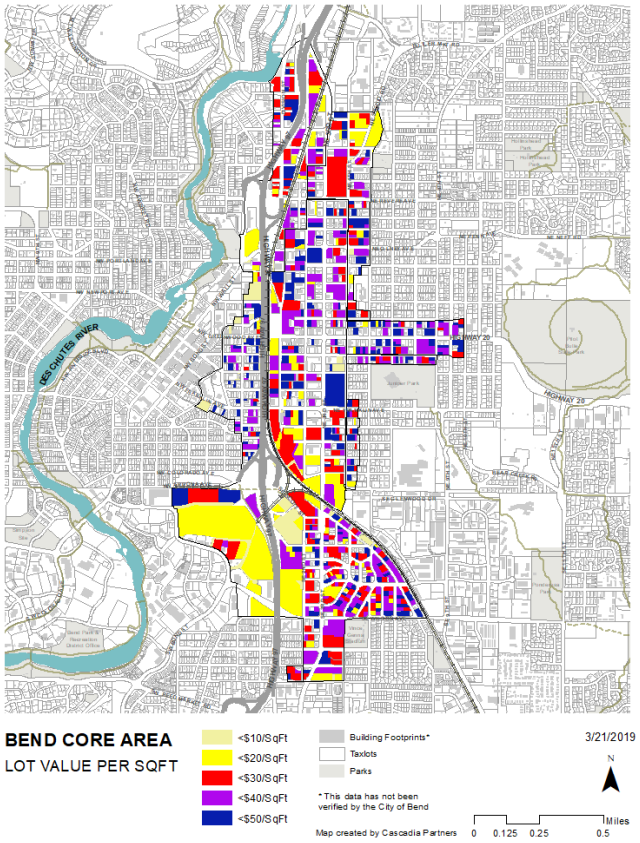


Map: Remodel Construction Permits (2007-2019)



Defining Land Cost

The Deschutes County Tax Assessor maintains a parcel-based dataset of Real Market Values (RMV) for all property within Deschutes County, including within the City of Bend and CAP study area, excluding publicly owned properties not subject to property taxation. For this analysis, we used this RMV as the assumed "purchase price" for parcels. We derived an average dollar per square foot of "cost" by dividing the Total Real Market Value (of buildings and land) by the lot square footage.



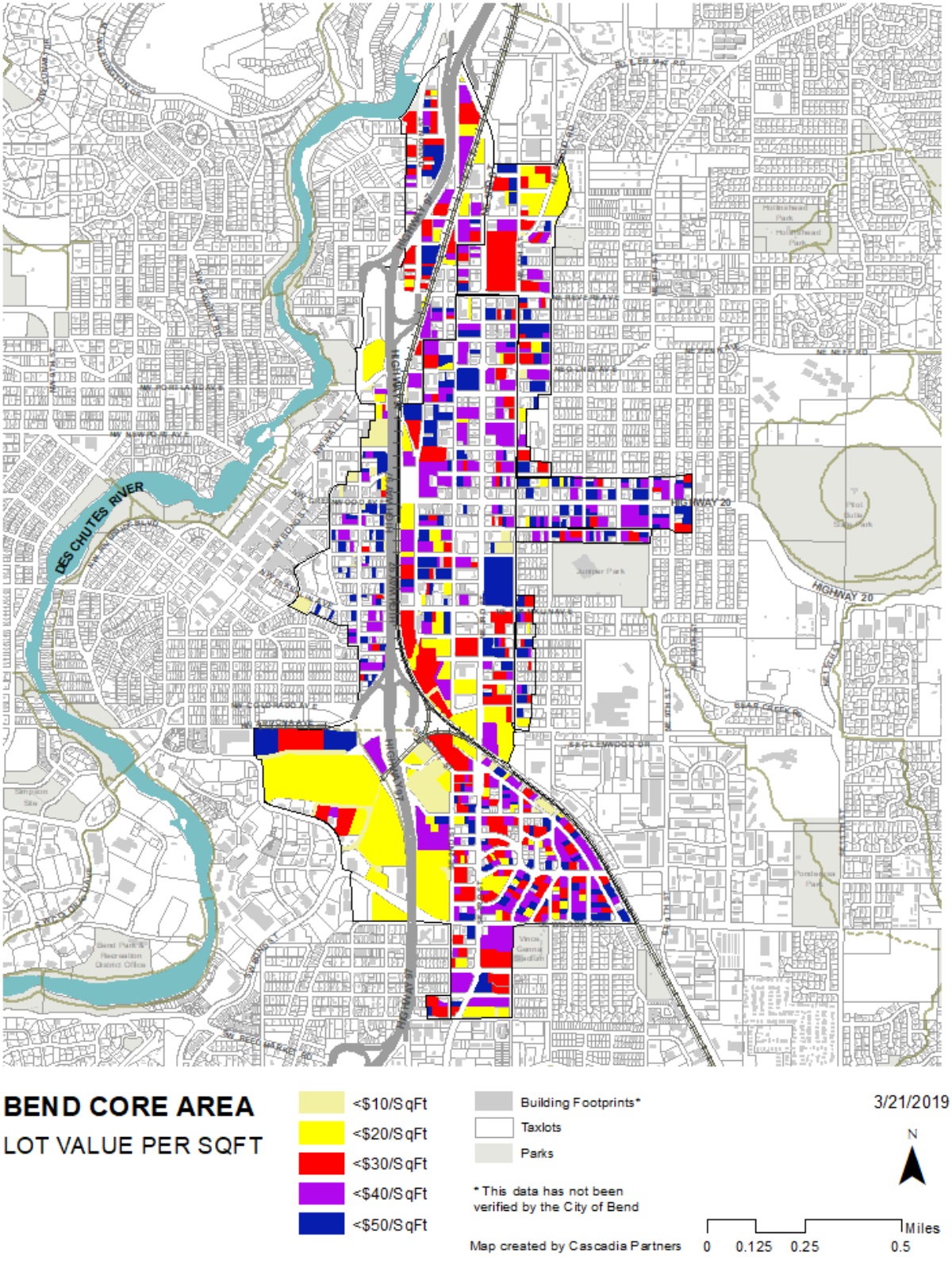
While the RMV from Tax Assessor data is the best available data, it has limitations. The RMV is not a formal appraisal and the amount someone is willing to pay for land depends, in part, on their unique circumstances, such as their cost of capital or tax liabilities.

The map to the right and below display the study area parcel costs colored by RMV per square foot (less than $10 and $20 per square foot respectively). The red parcels represent $20-30 per square foot, purple are $30-40, and the blue are above $40. One can see that there are many small parcels with values at or above $40 per square foot. As the next section of this memo explains, that is a relatively high cost for most buildings to pay for land.

Key Notes and Assumptions

- Publicly owned lands and parcels with no Real Market Value listed were excluded from this analysis.
- Condominium sites are represented as many small parcels within the parcel dataset, and the data is not compatible with this analysis and was not used – they are high value and unlikely to redevelop anyway.
- Several duplicate parcels exist in the study area – we did not "clean" up the data and remove these parcels since it does not appear to be a widespread issue but is worth noting.

Map: Total Value per Square Foot of Lot Area (Square Feet)



Defining a Building's "Tipping Point" for Land Cost

The key assumption in a tipping point analysis is that redevelopment is only likely on parcels that are affordable for a developer to pay and still achieve their financial return objectives. In other words, if it is too expensive to purchase and redevelop a parcel and still make an acceptable return, then that parcel is unlikely to be redeveloped.

The "tipping point" value is not static but varies based on the desirability of a given location (the achievable rents) and the type of buildings allowed by zoning. For example, a parcel with high visibility, a pleasant pedestrian environment and with easy access to nearby amenities is likely desirable and can likely achieve relatively high retail and residential rents. If the zoning of that parcel also allows both retail and residential in a cost-effective building form, that could allow a developer to pay a relatively high land cost. However, if the zoning is not well aligned with the market and allows only retail or industrial development, or requires high levels of costly on-site parking, a developer is greatly limited in their ability to pay high prices for land.

The maximum dollar amount for land that a given building can afford to pay is known as the "tipping point." Under that cost, the parcel is assumed to redevelopable. Above that cost, a parcel is assumed not to be redevelopable.

Limits of Estimating Redevelopment

Whether a parcel redevelops or not is dependent on many factors, several of which are impossible to quantify in this type of analysis. Ultimately land owners control the destiny of parcels, no matter how strong the market is. For instance, each owner has unique motivations, financial constraints, tax liabilities, etc. For the purposes of this analysis, we must assume all property owners act "rationally" and decide to redevelop when it would appear to make financial sense.

Building Library for Analysis – Pro Formas

CP developed four pro forma models for a representative range of likely building types. These models are used to establish the range of maximum land prices that could be paid by different building types. CP also modeled a high, medium and low "market strength" version of each building. Several zone districts cover subdistricts that have higher or lower market strength. These different submarkets are assumed to have higher or lower achievable rents. Certain building types, such as the mixed-use types, are not permitted in all zones within the study area. In the analysis, buildings were only paired with parcels on which they could be permitted under today's zoning.

Buildings Based on Today's Zoning

It is important to note that these building pro formas conform to existing zoning standards. There are code-related challenges within several of the zone districts within the study area that reduce the land price. CP will be producing a more detailed assessment of zoning-related barriers in a future phase of work, but below are a few examples of key zoning-related issues identified thus far.

- MU, BCD zones are most flexible, especially in height and parking
- Small sites are still impacted by on-site parking and certain ground floor use restrictions

- ME has prescriptive land use limits in vertical mixed-use that make vertical mixed-use challenging
- MR has a relatively restrictive maximum height (45')
- RH works for small lot single family and townhomes, but not well for multiunit buildings even though permitted due to low density limits and high parking
- RM works for small lot single family, but not for 2-3 unit buildings even though permitted also due to low density limits and high parking
- CG, CL, IL is furthest from market-feasible due in part to high parking, front setbacks, and no horizontal mixed-use allowed

Building Types

Below is a description of each building type and a graph showing how much land cost the different market-strength versions of these buildings can afford to pay. Table 1 lists the types of buildings or uses that were tested in each zoning district.

- **Mixed-Use 5-story:** 5-over-1 podium style construction is a relatively cost-effective type of vertical mixed-use building. This type of building is allowed and technically feasible within the BCD and MU zone districts. There are current zoning standard challenges that make this type of building very difficult to permit within the CL and CG zones. For instance, front setbacks and high parking standards limit the feasibility of vertical mixed-use projects in these commercial zones.
- **Mixed-Use 3-story:** 3 story mixed-use buildings have a few advantages in medium strength market areas. First, they can be constructed fully with wood frame (cost effective) and they can be surface parked (instead of structured parking) in areas with relatively low parking standards.
- **Townhomes:** Two versions of for sale townhome pro formas were created: low and medium strength versions. Home sale prices in Bend are very strong and townhomes are feasible to be built in the RH zones on the east side of the BCD where residential sales prices have been escalating rapidly in recent years.
- **Stand-alone Retail:** For stretches of 3rd Street outside of the BCD overlay area, the streetscape and other amenities limit the viability of residential uses. Retail rents are also relatively low and there is ample existing building area that is cheaper to rent, compared to potential rental or sales values of new construction. These building types have low relative tipping points.

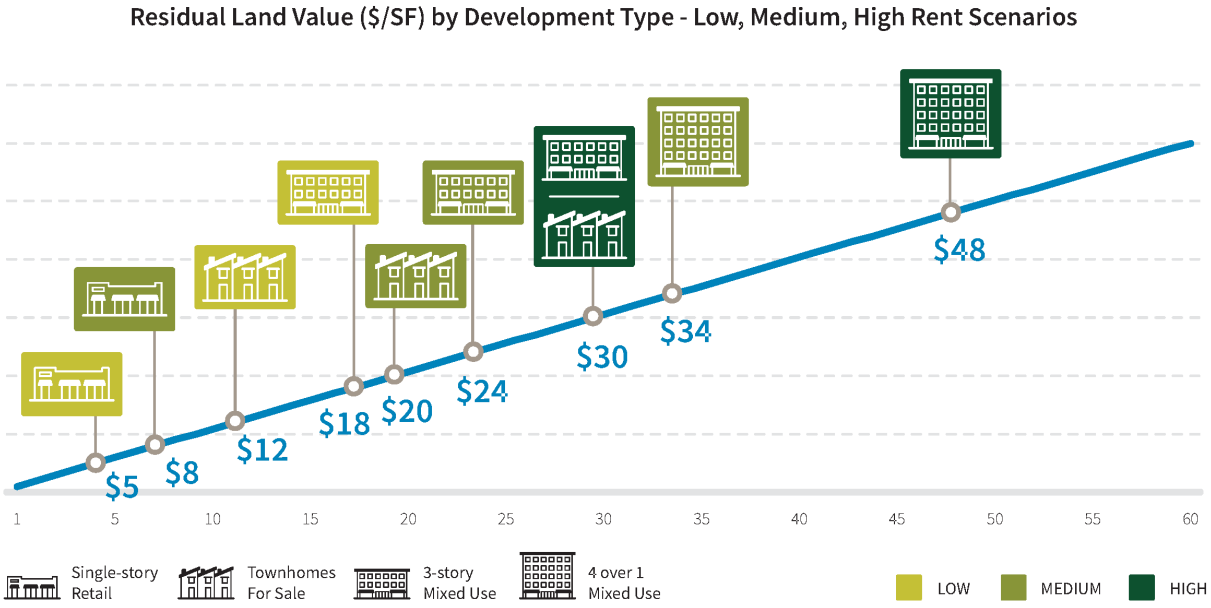
Residual Land Value

The term "residual land value" used in the graph below is a real estate industry term that refers to the value of a given piece of land based on the development potential. Land that has a higher development potential, where a developer can pay more for the land and still achieve their financial return goals, has a higher residual land value.

Table 1: Building Types Tested in Each Zoning District

	Tested Building Types			
Zone Districts	Townhome - For-sale	Hwy Retail	Mixed-Use - 3 Story	Mixed-Use - 5 Story
BCD			■	■
MU			■	■
CB			■	
ME			■	
MR			■	
CG		■	■	
CL		■	■	
RH	■			
RM	■			

Graph: Maximum Feasible Land Price by Building Type

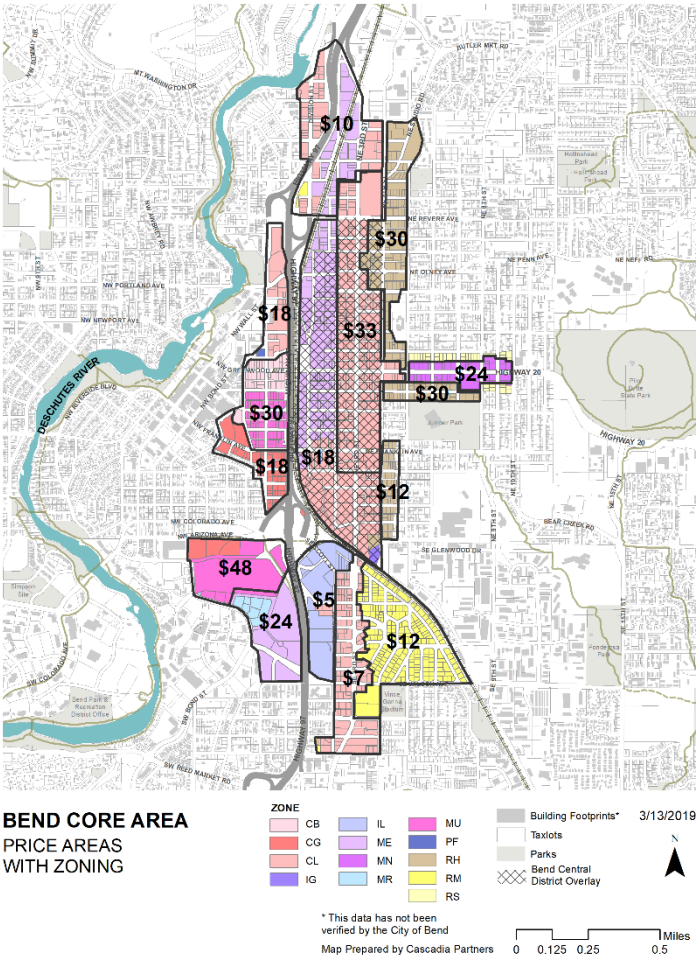


Defining Sub-Area Market Strength

The market strength is not created equally across the project area. Nor is the viability of residential vs. retail the same across the project area.

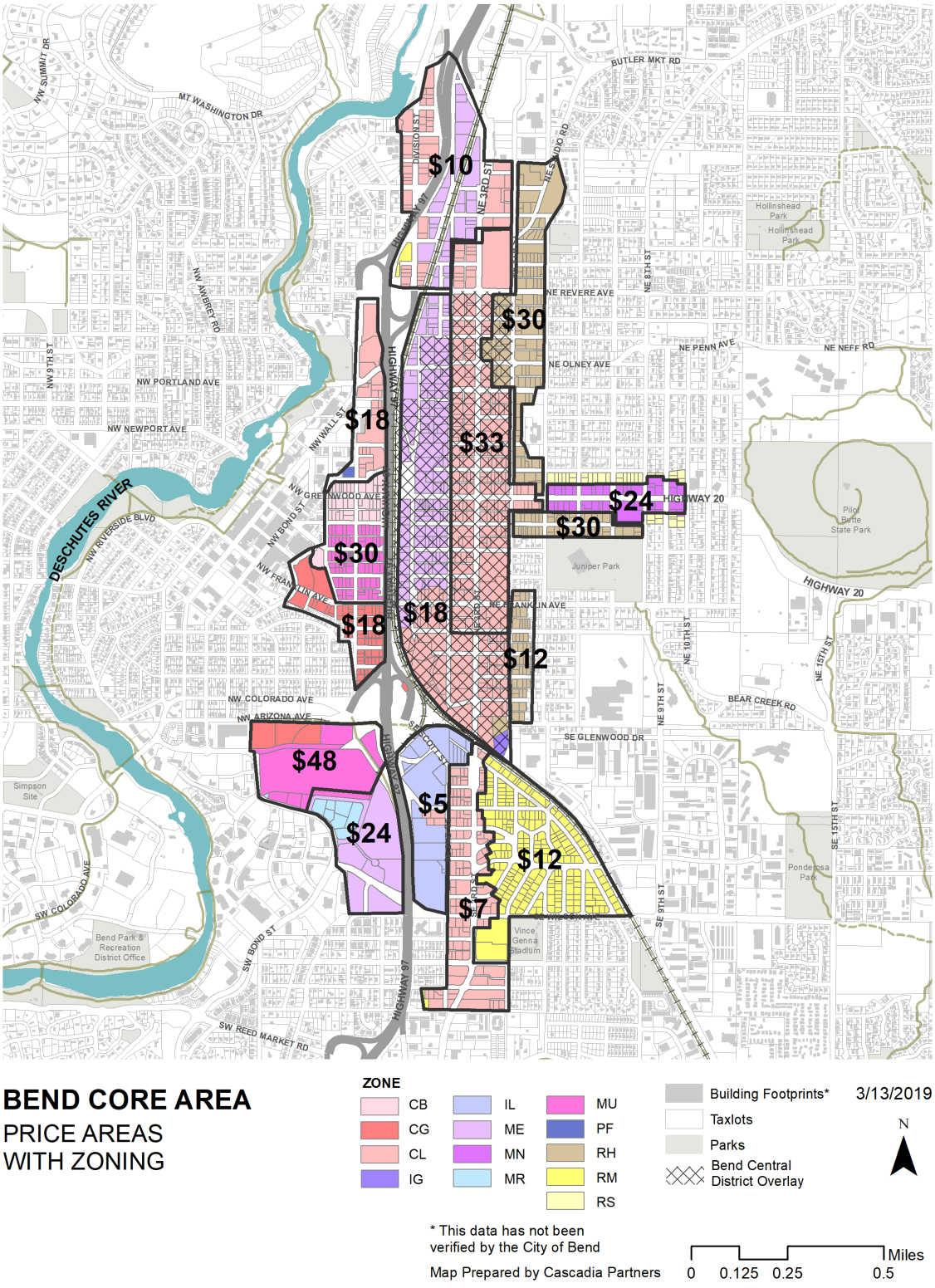
The zone districts impact the viability of development but other characteristics, such as walkability to amenities both public and private, also influence feasibility.

For the purposes of this analysis we have divided the study area into sub-markets that were relatively strong or weak candidates for retail and residential. According to several developers interviewed, speculative office development is not feasible in any large areas outside of downtown proper although they are allowed and envisioned in the future in some of the sub-area planning documents (e.g., the BCD).



The map to the right and below shows the sub-markets and the maximum dollars per square foot of land cost that new buildings could afford to pay and be viable. The range of maximum land costs are quite wide, between $5 and $48 per square foot, which represents the wide range of building types that are of highest and best use in these areas. The land costs shown are related to the building types described in the previous section, including those tested in each zone, as summarized in Table 1.

Map: Maximum Land Price for Feasible Development by Submarket Overlayed on Current Zoning

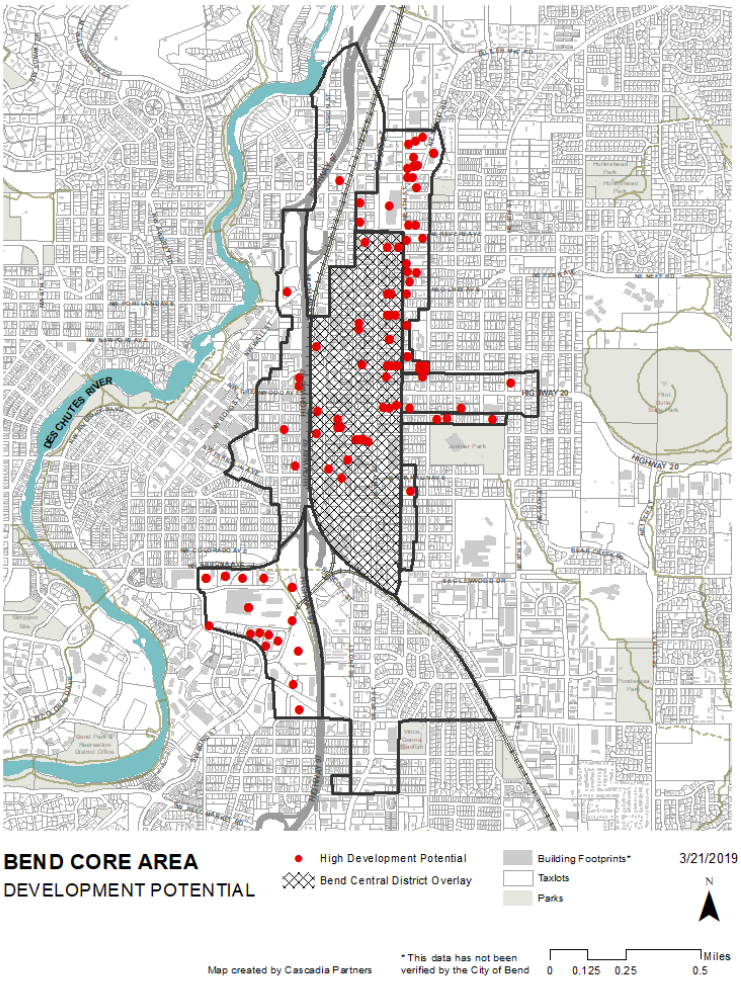


Results Highlights

The results of the analysis show that based on today's zoning and submarket strengths and weaknesses, a current low-to-moderate level of redevelopment potential across most of the study area. For an expanded description of analysis methodology, please see Appendix, Item 3.

This analysis makes no assumption about the timing of this redevelopment. There are no assumed absorption rates or other limiting factors. These parcels are assumed to have near-term redevelopment potential, however, the owners ultimately control that decision.

It is important to note a few reasons for this low-to-moderate result: many parts of the study area have poor infrastructure, such as streets that are not walkable or bikeable, and zoning districts or specific zoning standards that limit redevelopment.

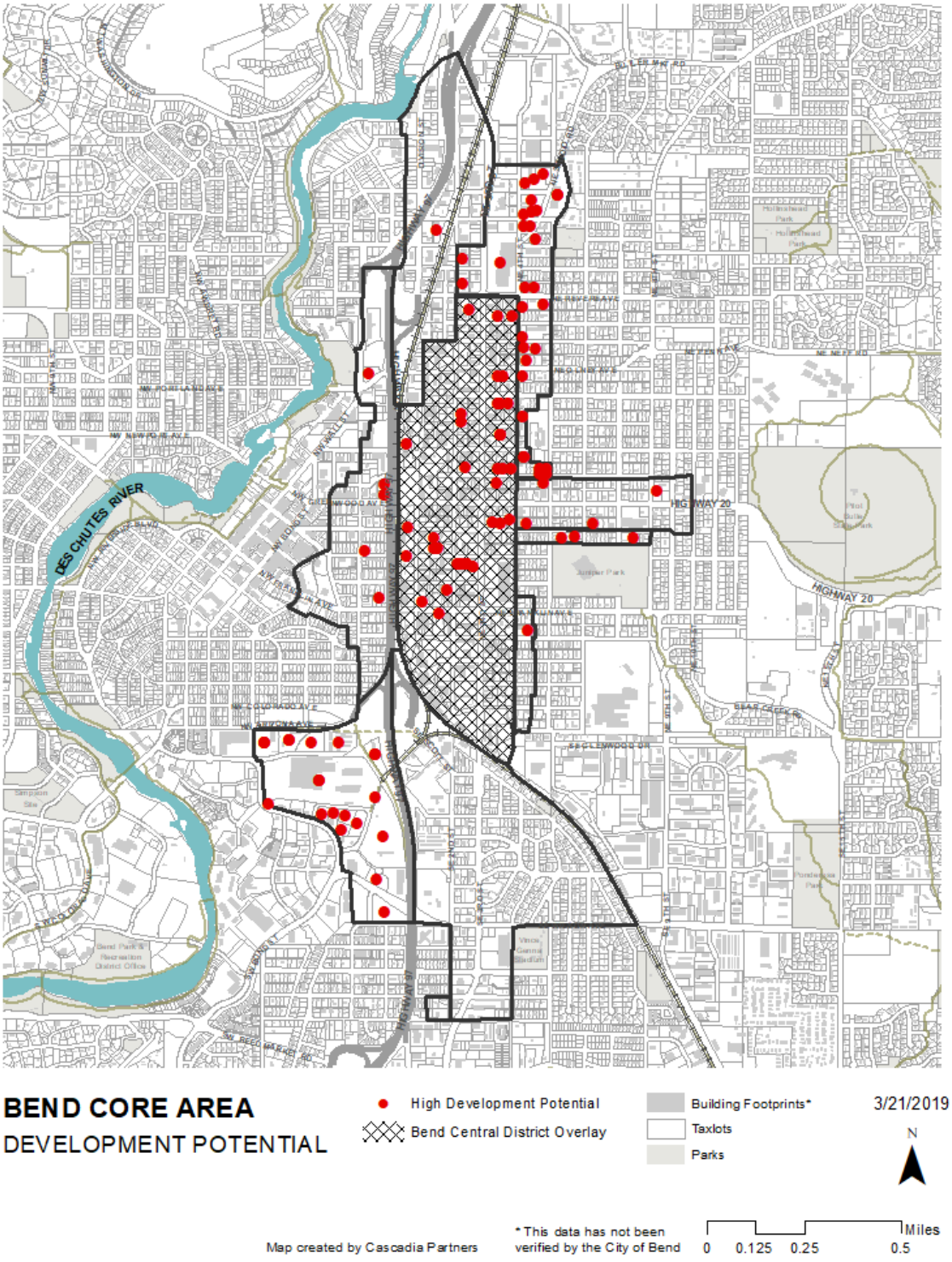


Redevelopment potential is concentrated around KorPine, the BCD and some RH parcels around Greenwood. KorPine shows the greatest redevelopment potential because it is a strong submarket for both residential and retail and there are several large parcels with low "cost."

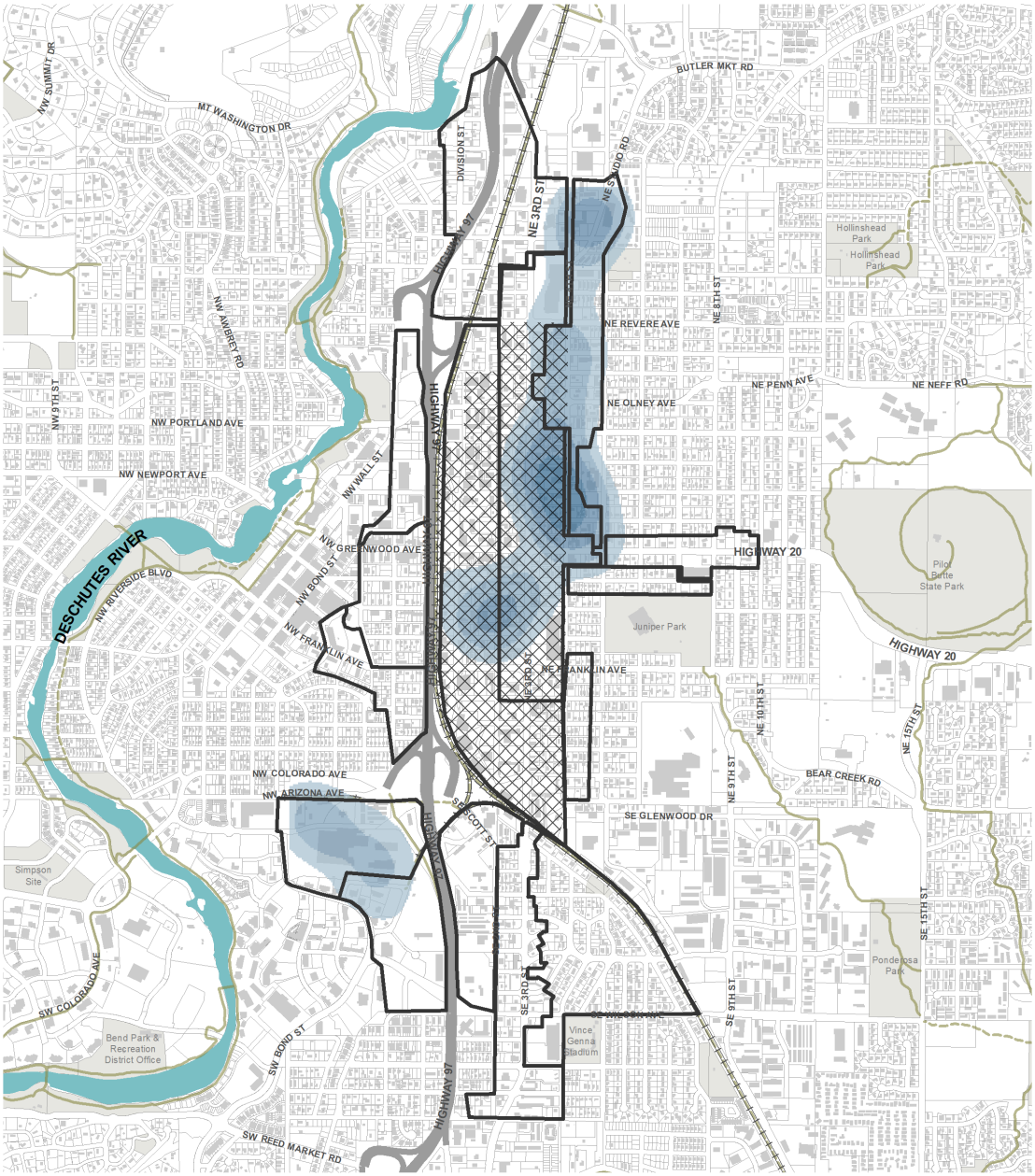
The BCD redevelopment potential is more scattered currently. Tweaks to the current zoning standards would strengthen the redevelopment in this area. In particular, changes that make the redevelopment of small sites more financially feasible would have an impact here—and in other highly parcelized areas such as East Downtown and Greenwood.

With a few exceptions, areas around 3rd north and south of the BCD are more challenging market areas. The streetscapes are hostile to pedestrians and make residential development challenging, requiring more significant investment in streetscape improvements and other infrastructure to make redevelopment feasible. The zoning is also not as liberal or flexible as other areas. Connectivity to downtown and other community amenities is lacking.

Map: Parcels with Redevelopment Potential Assuming Today's Costs, Zoning and Amenities



Map: Heat Map of Areas of Parcels with High Development Potential



Near Term Redevelopment - By the Numbers

The table below summarizes and compares the rates of redevelopment across the different sub-market areas. Of note is that with current high construction costs, only the most desirable places (i.e.- strongest sub-markets) are seeing any substantial redevelopment. And even in those areas, not everything is feasible.

Residential Market Strength	Retail Market Strength	Building Type	Tipping Point	Total Parcels	(Re)developable Parcels	Percent
Low	Low	Hwy Retail	$5/sq ft	29	-	0.0%
Low	Low	Hwy Retail	$7/sq ft	181	-	0.0%
Low	Medium	Hwy Retail	$10/sq ft	124	1	0.8%
Low		Townhome - For-sale	$12/sq ft	310	1	0.3%
Medium	Low	Mixed-Use - 3 Story	$18/sq ft	340	11	3.2%
Medium	High	Mixed-Use - 3 Story	$24/sq ft	89	13	14.6%
High	Medium	Mixed-Use - 3 Story	$31/ sq ft	139	5	3.6%
High		Townhome - For-sale	$30/ sq ft	207	39	18.8%
Medium	High	Mixed-Use - 5 Story	$33/ sq ft	223	28	12.6%
High	High	Mixed-Use - 5 Story	$48/sq ft	24	18	75.0%
Entire study area				1,666	116	7.0%

What If This Process is Successful?

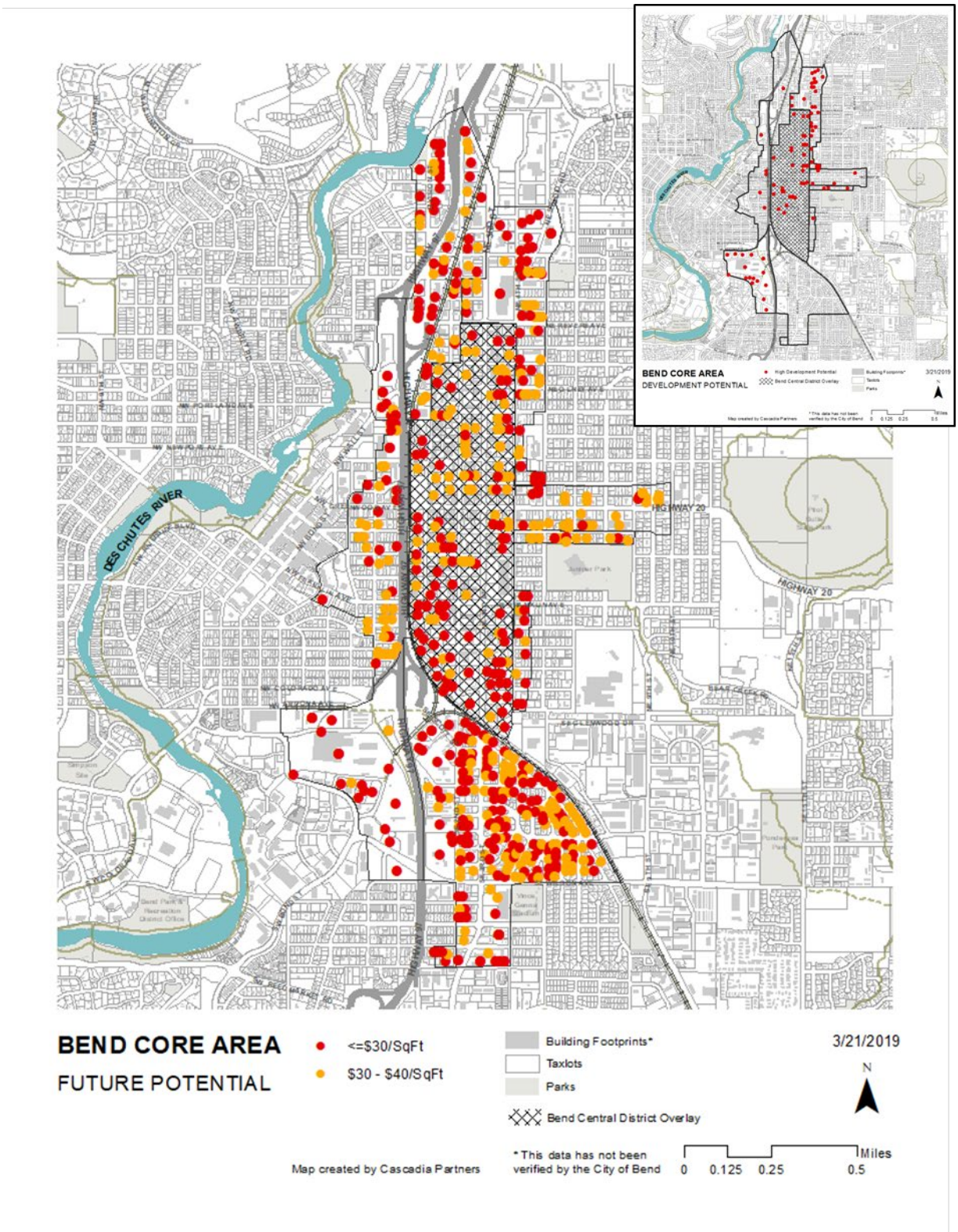
Let's assume for a moment this CAP process is successful at bringing infrastructure investments and policy changes to all of the submarkets within the study area. This would mean the entire study area would achieve a high level of "desirability" and market feasibility. How might that change the development feasibility map?

As detailed in earlier sections of this memo, most of the modeled building types have a "tipping point" land cost of below $30 per square foot. Only two building types able to pay over $30 per square foot in land cost. As a result, we have prepared a hypothetical future redevelopment feasibility map that shows parcels less than $30 per foot and $30-40 per square foot. Parcels with a current value of $30-40 per square foot could be possible to redevelop but are on the far upper end of our "tipping point" spectrum and thus we decided to create two categories. In the map below, we have colored all parcels at or below $30 per square foot dark red to indicate likely redevelopment, and those $30-40 per square foot are colored orange to indicate possible redevelopment.

Conclusions

Two important lessons emerge from this analysis and the key findings identified in the accompanying Developer Interview and Economic Drivers memos. First, investments in safe walkable streets, amenities like parks and plazas, and comfortable and convenient connections to other dynamic areas greatly strengthens the underlying desirability and achievable rents in an area. Second, aligning the zoning with the market potential is critically important. If zoning standards are limiting redevelopment and investment, public investments in infrastructure and place-making elements are much less likely to catalyze substantial new investment. These are the two most important public strategies to align and fine tune in order to "prime the pump" in these opportunity areas.

Map: Potential Future Redevelopment Feasibility Map, with Map of Today's Redevelopment Feasibility as inset

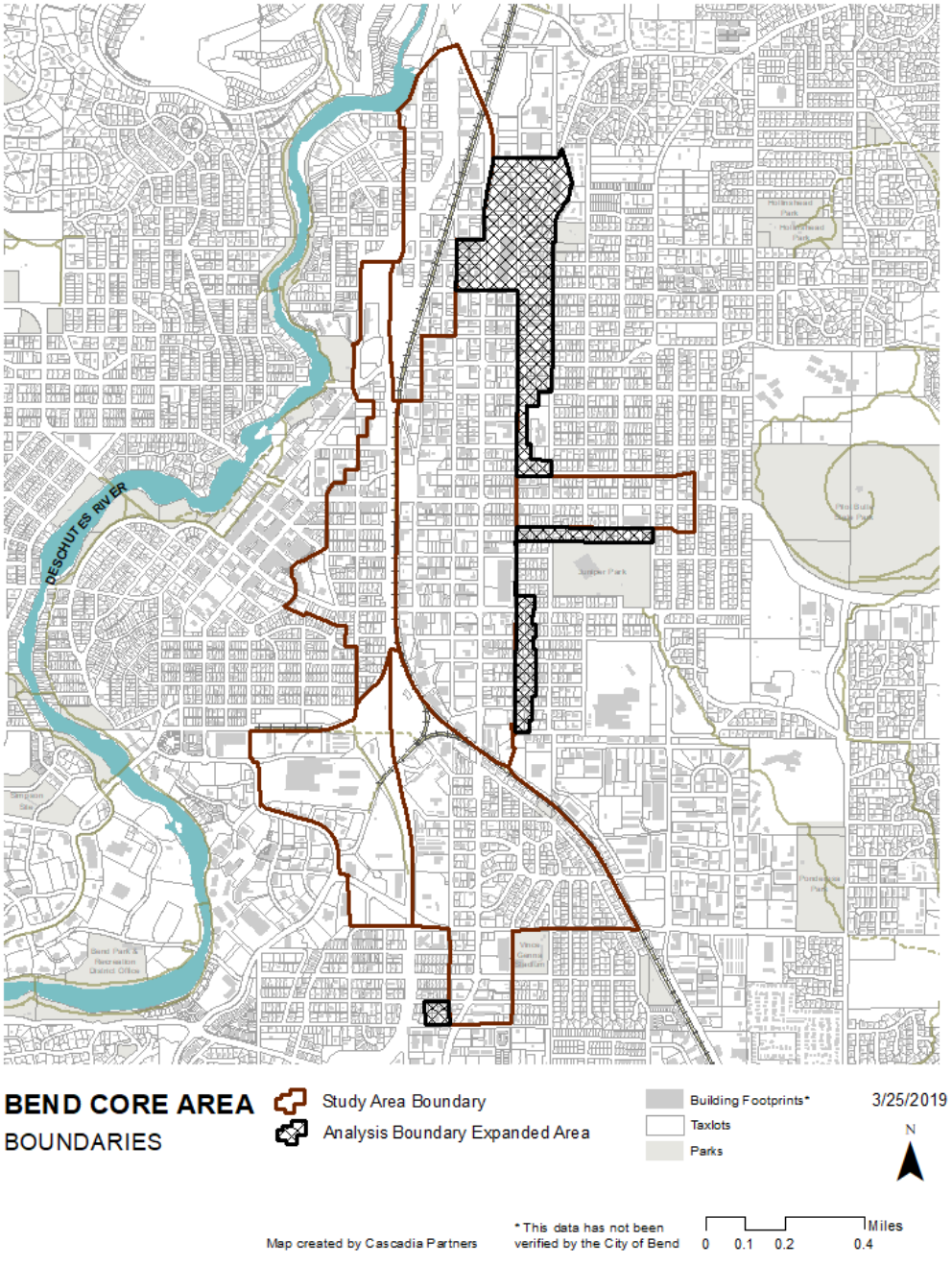


Appendix

Item 1: Key Terminology

- *Residual Land Value*: the value of land based on what is feasible to build on it. For the purposes of this analysis, it is the amount a developer is able to pay for land given the assumed value of the development, the assumed project costs, and the developer's desired profit.
- *Real Market Value*: a prediction of the price your property would sell for in a transaction between a willing buyer and a willing seller.
- *Tipping Point*: the maximum land price point that a developer could feasibly pay for a building type
- *Pro Forma*: a multi-part assessment projecting the financial return a development is likely to make when operating at peak efficiency
- *Building Typology*: a classification of building types according to their similarities for the purposes of our study

Item 2: Boundary Addition for Analysis Purposes



Item 3: Development Potential Methodology

Parcel "Land Value" Data

Deschutes County Property Tax assessor parcel data in Geographic Information Systems (GIS) format was used to derive the assumed land value used in this analysis. Specifically, CP used the Real Market Value (RMV) [1] data maintained by the Assessor for each parcel.

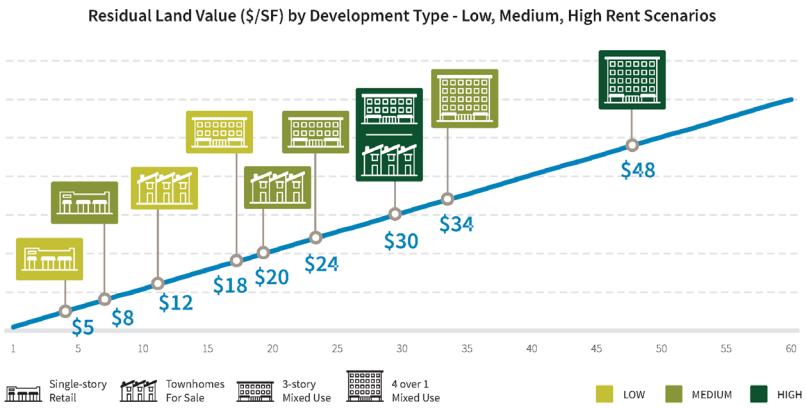
The price per square foot of land was calculated by dividing the Real Market Value by the property square footage. This value is used in this analysis as a proxy for "purchase price" to be compared against the building type pro formas we developed to determine which parcels could have redevelopment feasibility.

Key notes and assumption:

- Publicly owned lands and parcels with no Real Market Value listed were excluded from this analysis
- Condominium sites are represented as many small parcels within the parcel dataset, and the data is not compatible with this analysis and was not used – they are high value and unlikely to redevelop anyway.
- Several duplicate parcels exist in the study area – we did not "clean" up the data and remove these parcels since it does not appear to be a widespread issue but is worth noting

Building Pro Formas

CP developed several building pro formas to establish the range of maximum land prices that could be paid by different building types. Each building type pro forma includes zone standard parameters, such as height and parking requirements; construction costs and assumed rental rates. A residual land value, or maximum feasible land price that can be paid, were calculated for each building type using the pro formas. Those land values are summarized in this graphic.



Sub-Markets – High, Medium, Low

Rental rates are not static within the study area or within a zone district. We divided the study area into sub-markets that were relatively strong or weak candidates for retail and residential. While a zone district may cover multiple sub-markets and technically allow

[1] While RMV is the best data we have to approximate property value, it still has its limitations. The assessor uses a mass appraisal methodology that groups like properties together and masks the natural property-to-property variation that a willing seller-buyer relationship would unveil. This analysis is meant to suggest feasibility rather than to predict actual selling prices. It is not intended as a substitute for a formal appraisal that uses comparables to estimate value.

the same types of buildings, weaker sub-markets result in building types that can only afford lower land costs and stronger sub-markets allow building types that can absorb somewhat higher land costs. A map was created visualizing the geography of how the study area and zone districts were divided into sub-markets.

Assess Tipping Point Thresholds for Zones and Sub-Markets

Based on a sub-market's strengths or weaknesses and zone district, there is a maximum land price a developer could afford to pay and still be financially viable. CP determined which building type could pay the most within a sub-market and zone. All parcels at or below that maximum land price (the tipping point) were assumed to be redevelopable and show up in the redevelopment feasibility maps above.

The assumed building types that can pay the highest land price by zone district are summarized in the table below. Certain zones, such as CG, technically allow taller mixed-use buildings but certain standards, such as parking and the infeasibly high cost of structured parking in most of the study area, effectively limit the amount of building density one could afford to build. As a result, in several instances we have assumed a less intensive building form than is technically allowed in the zone district.

Table 1: Building Types Tested in Each Zoning District

	Tested Building Types			
Zone Districts	Townhome - For-sale	Hwy Retail	Mixed-Use - 3 Story	Mixed-Use - 5 Story
BCD			■	■
MU			■	■
CB			■	
ME			■	
MR			■	
CG		■	■	
CL		■	■	
RH	■			
RM	■			