



BEDAB – URBAN RENEWAL UPDATE



- Urban Renewal Overview
- Core Area Urban Renewal
 - Schedule/Process Timeline
 - Preliminary Boundary
 - Initial Tax Increment Projections
 - Preliminary Project Categories
 - Business Re/Development Support
 - URAB Recommendation
 - BURAD Direction

URBAN RENEWAL OVERVIEW



- Tax Increment Financing (TIF)
- Authorized through Housing Act of 1949
- Authorized through State Statutes (ORS 457)
- Purpose:
 - Provide financing mechanisms to implement plans
 - *By utilizing increases in Property Taxes to fund projects*
 - Address 'blighting' influences in designated areas
 - *Defined by ORS 457 as:*
 - *Underdevelopment or underutilization of property*
 - *Poor conditions of buildings*
 - *Inadequacy of infrastructure (streets, utilities, etc.)*
 - Increase tax base

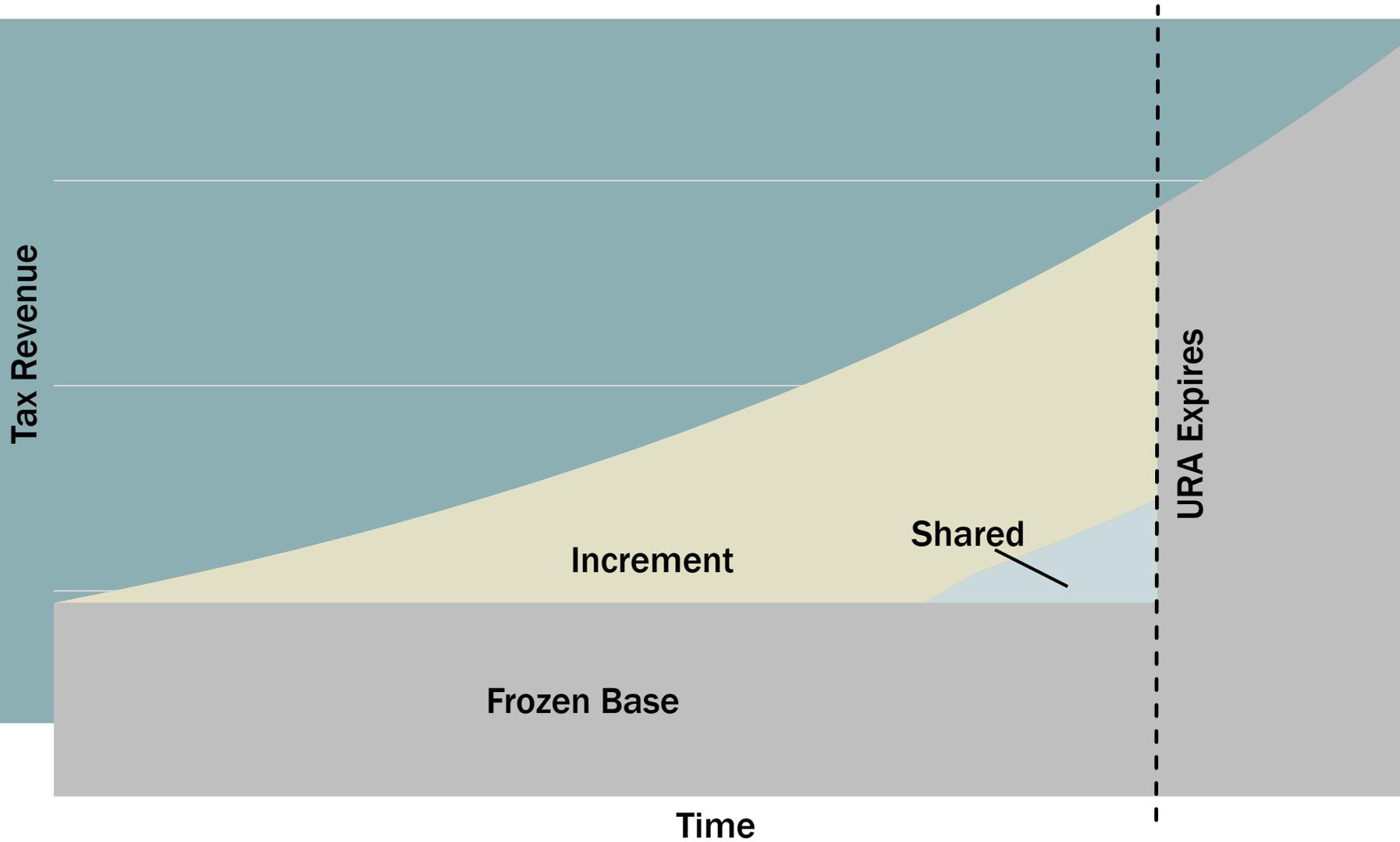
Source: Elaine Howard Consulting, LLC & ECONorthwest



- Oregon Constitution limits the rate of growth of property value to taxation (Measures 5 & 50).
- Limit is based on a property's maximum assessed value (MAV).
- MAV can't increase by more than 3% each year...
- UNLESS, there are changes to the property, such as:
 - Addition of a new structure
 - Improvement of an existing structure
 - Subdivision/partition of property

Source: Oregon Department of Revenue

HOW DOES IT WORK?



Source: ECONorthwest

POTENTIAL PROJECT EXAMPLES

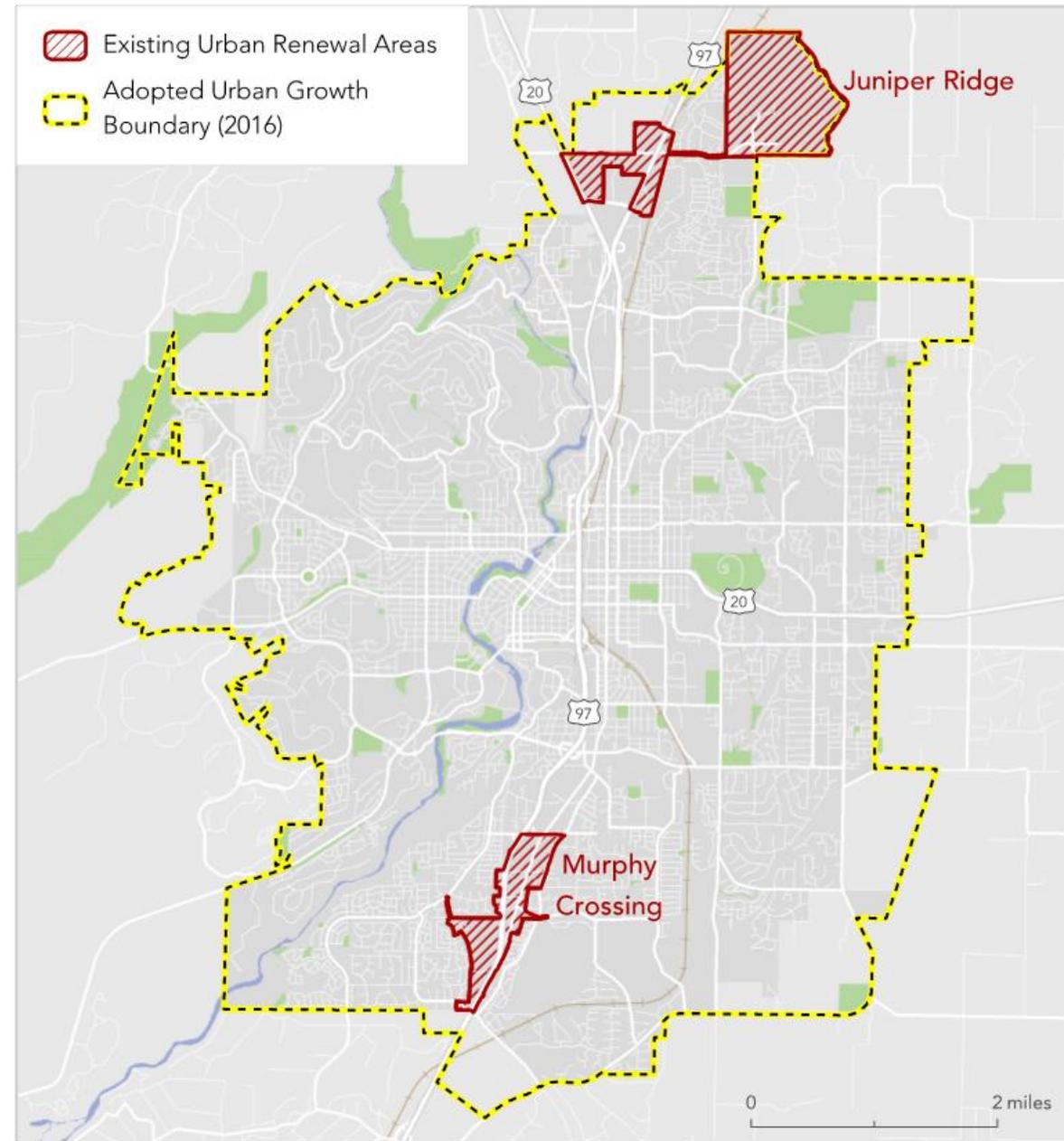


- Utilities or infrastructure
- Streetscapes
- Transportation
- Affordable housing
- Parks and open spaces
- **Redevelopment/Development Assistance**
- Acquisition
- **Storefront improvement grants**
- **Capital improvement loans for small or start up businesses**
- Historic preservation



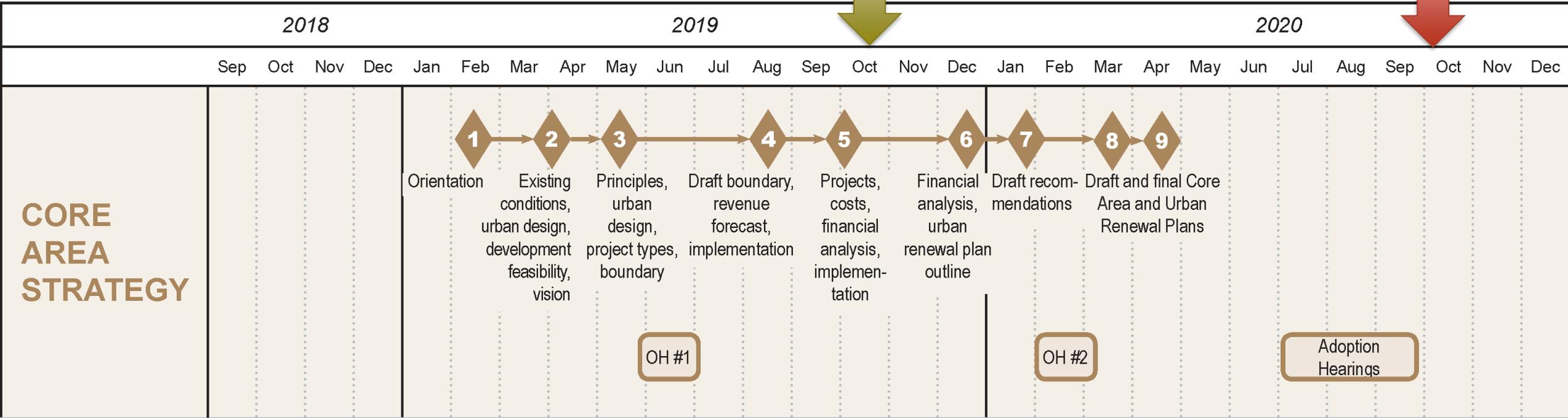
EXISTING URBAN RENEWAL

- **Juniper Ridge**
 - Adopted by BURA in 2005 (Amended 2019)
 - Maximum Indebtedness (MI): \$41.25 Million
 - Total Area: 721.7 acres
- **Murphy Crossing**
 - Adopted by BURA in 2008
 - Maximum Indebtedness (MI): \$52.6 Million
 - Total Area: 275 acres

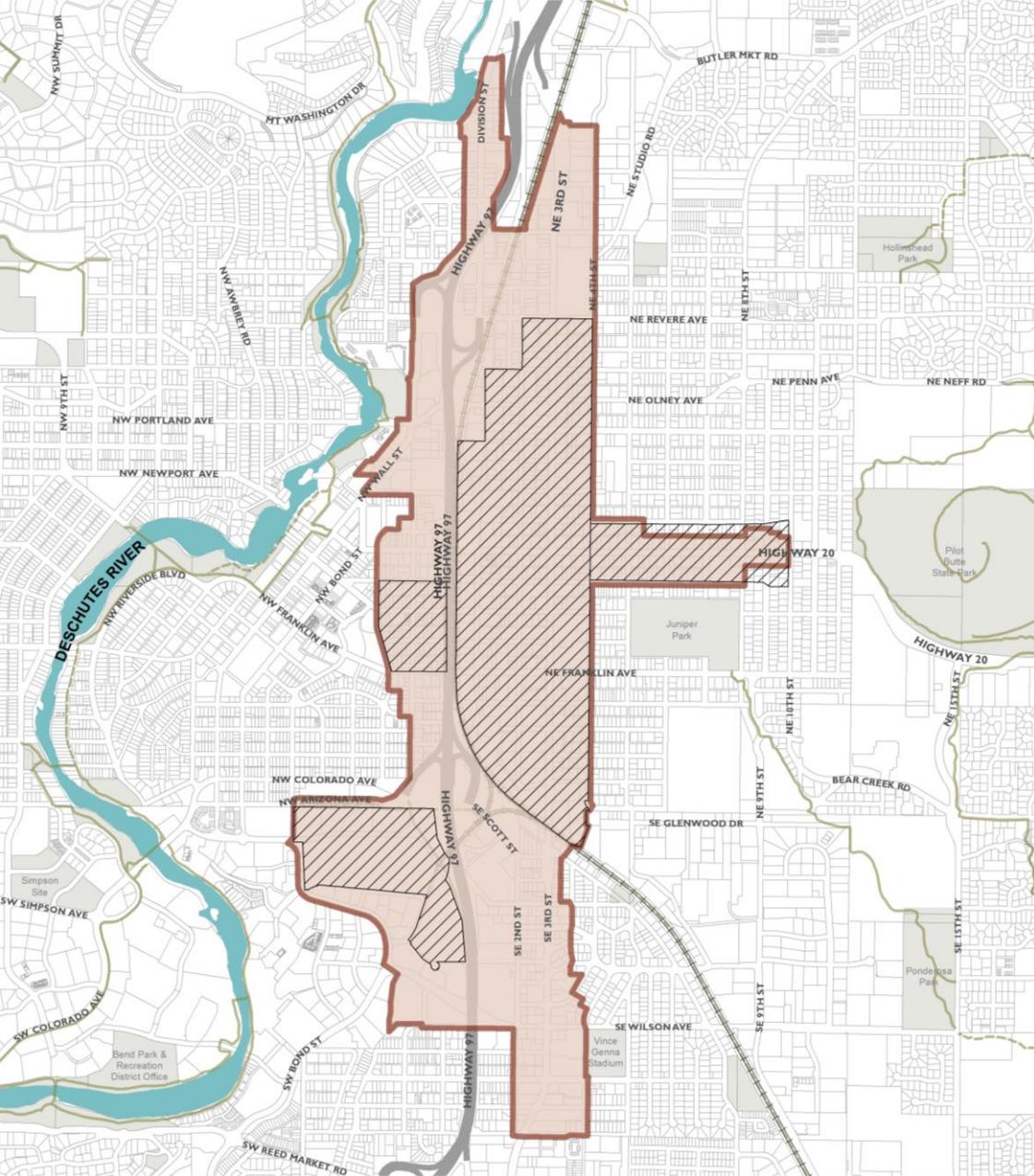


CORE AREA URBAN RENEWAL – SCHEDULE/PROCESS

SCHEDULE / PROCESS



PRELIMINARY BOUNDARY



PRELIMINARY BOUNDARY



- 637.18 Acres
- Opportunity Areas
 - East Downtown
 - KorPine
 - Inner Highway 20/Greenwood
 - Bend Central District

TAX INCREMENT PROJECTIONS



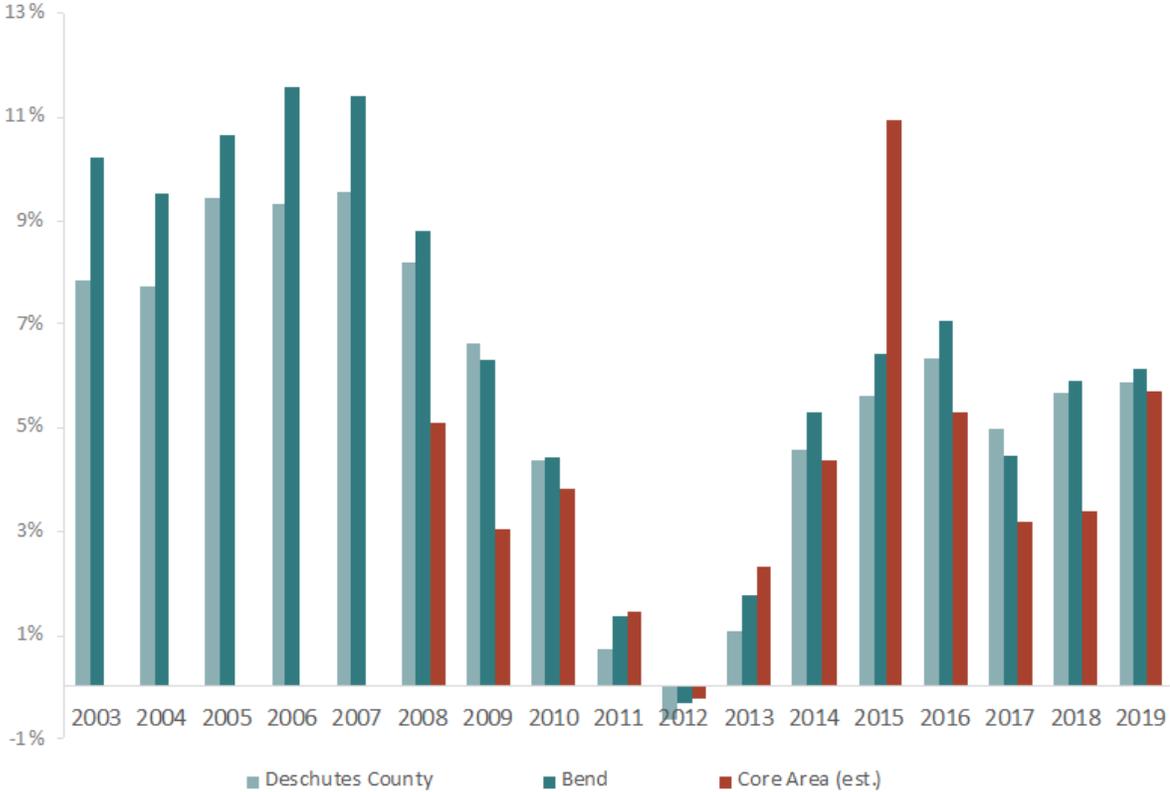
Goal:

- Set reasonable expectations for project funding (estimates, not guarantees)
- Understand roughly how much growth it would take to fund projects
- Balance UR funding capacity against foregone revenue
- **Inform first draft of funding plan**

AVERAGE ANNUAL GROWTH RATE



Annual Assessed Value
Percent change

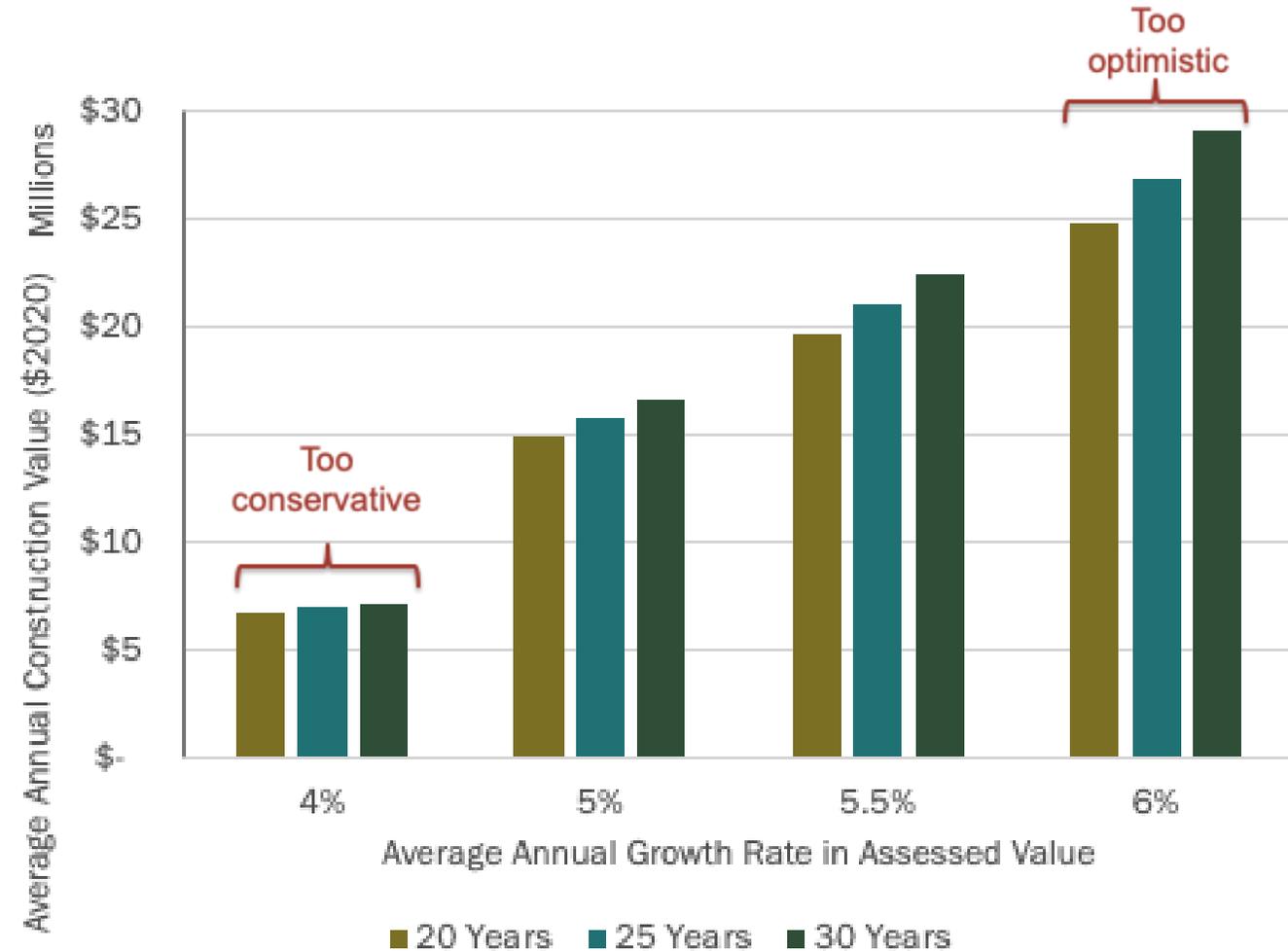


| | Average Annual Growth Rate |
|------------------------|----------------------------|
| Low (historical trend) | 4% |
| Medium 1 | 5% |
| Medium 2 | 5.5% |
| High | 6% |

Source: Tiberius Solutions, ECONorthwest



AVERAGE ANNUAL CONSTRUCTION VALUE (NEW)



Source: Tiberius Solutions, ECONorthwest



- **Growth Rate:**
 - 5% average annual growth reasonable
 - 5.5% optimistic but still plausible and aligns fairly well with growth projections
 - **Focus rather on “Duration” and “Funding Capacity”**
- **Duration:**
 - Comfortable with 30 year projections
- **Funding Capacity (2020 \$'s):**
 - Ideal range of \$100 Million to \$125 Million

PRELIMINARY PROJECT CATEGORIES & FUNDING ALLOCATION

PRELIMINARY URAB RECOMMENDATIONS



| Project Category | UR Funding Allocation |
|---|-----------------------|
| Transportation, Streetscape, & Utility Infrastructure | 52% |
| Affordable Housing Re/Development Assistance, Partnership, & Support | 18% |
| Business & Re/Development Assistance, Partnership, & Support | 15% |
| Public/Open Space, Plazas, Facilities, Amenities, & Installations | 10% |
| Plan Administration, Implementation, Reporting, & Support | 5% |
| | 100% |



- Re/Development Support:
 - Land Acquisition/Assembly
 - Pre-development Activities:
 - Design professional/consultant support
 - Environmental Review, Mitigation, & Remediation
 - Capital Improvements
 - Infrastructure Improvements
 - Other Support and/or Development Partnership



- Existing Building/Business Support & Enhancement:
 - Building Façade Improvement
 - Pre-development Activities:
 - Design professional/consultant support
 - Building Safety Improvements
 - Energy Efficiency Improvements
 - Streetscape/Landscape & Pedestrian Improvements

EXAMPLE – LINCOLN CITY



| Program | Description |
|-------------------------|---|
| Façade Improvement Loan | <ul style="list-style-type: none">• Up to \$150,000 for Property Owners with 10 year payback and 20 hours free design consultation• Up to \$5,000 for individual Business Owners with 5 year pay back and 10 hours free design consultation. |
| Energy Efficiency Loan | <ul style="list-style-type: none">• Property owners can borrow up to \$75,000 per property, 10 year payback, 0% interest, no pre-payment penalty.• Business Owners can borrow up to \$5,000 with 5 year payback |
| Business Expansion Loan | <ul style="list-style-type: none">• \$1,000 to \$75,000, 0-2% interest, not to exceed 10 years and no pre-payment penalty.• Loan amounts over \$50,000 must show evidence of a high probability of job creation or staff retainment. |

EXAMPLE – BEAVERTON



| Program | Description |
|---|---|
| Pre-Development Grant | <ul style="list-style-type: none">• Design Services Grant: up to \$5,000 in professional consultation services.• Improvement Grant: Level 1 (small/medium): 50% matching grant of up to \$25,000. Level 2 (large) 50% matching grant of up to \$75,000 |
| Storefront Improvement | <ul style="list-style-type: none">• Design Grant: 100% cost of a City-contracted architect to help with concept designs.• Improvement Grant: Matching grant funds of 50% and 70%, for up to \$35,000 in commercial building exterior improvements. |
| Tenant Improvement (Food & Beverage Businesses) | <ul style="list-style-type: none">• Design Grant: 100% cost of a City-contracted architect to help with concept designs.• Improvement Grant: Matching grant funds of 50% and 70%, for up to \$25,000 in commercial building exterior improvements. |

URAB RECOMMENDATION



“The formation of an Urban Renewal District in the Core Area would have significant benefit in helping to achieve the vision and goals for the area.”

BURA DIRECTION



Phase I:

- Finalize Preliminary Finance Plan
 - URAB: December 11, 2019
 - Captures “Feasibility” Assessment for an Urban Renewal District
- Finalize Core Area Implementation Report

Phase II:

- Draft of Urban Renewal Plan & Report
 - URAB: January/February, 2020
- Taxing District Outreach
 - Begin November, 2019
 - Presentations/consultations with Taxing District Staff & Boards
 - Review potential impacts and collect comments/feedback



- Questions:

- Contact:
 - Matt Stuart – Urban Renewal Manager
 - (541) 323-5992
 - mstuart@bendoregon.gov

- More Information:
 - <https://www.bendoregon.gov/government/departments/urban-renewal-advisory-board>