

CITY OF BEND

Core Area Project Report

*As approved by the Bend City Council on
May 20, 2020*



CITY OF BEND
CORE AREA PROJECT

EXECUTIVE SUMMARY



Photo Credit: The Hidden Touch

EXECUTIVE SUMMARY

Figure ES-1. Recommended Core Area Urban Renewal/TIF Area

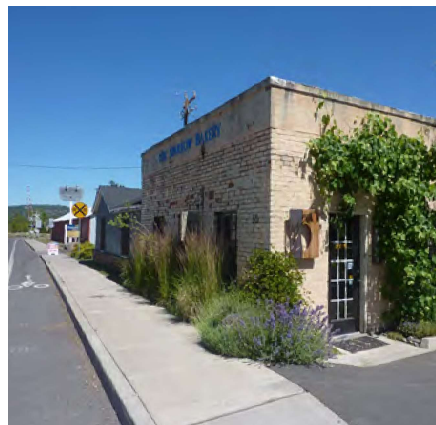


Executive Summary

CORE AREA PROJECT ACCOMPLISHMENTS

Beginning in early 2019, the City of Bend set out to create a common vision and implementation plan that included the use of urban renewal/tax increment financing (TIF) as a funding mechanism to support strategic investments in the area. The Core Area Project (CAP) process brought together City representatives, taxing districts, property owners, area residents, and other stakeholders to guide the planning process and its implementation. These groups worked together to successfully:

- Identify urban renewal/TIF investments, including transportation and infrastructure projects, affordable housing assistance, public and open space facilities, wayfinding, and development assistance;
 - Develop an implementation plan and action plan to complement the urban renewal/TIF recommendations;
 - Identify and remove regulatory barriers to development, particularly for housing; and
 - Recommend a new urban renewal/TIF area, and complete a draft Urban Renewal/TIF Plan and Report per state statute for intergovernmental review.
- Establish guiding principles for the CAP process and its implementation;
 - Create an urban design framework;
 - Determine the boundary and feasibility of a new urban renewal/TIF area;



WHY THIS PLAN?

The need for this project stems from several goals and policies adopted in Bend’s 2016 Comprehensive Plan update. The Comprehensive Plan recognizes Bend’s Central Core as has having a unique potential for quality, urban-scale development—the City’s best opportunity to “grow up.”

In 2018 the City Council evaluated implementation needs and opportunities for the Comprehensive Plan and concluded that more work was needed to unlock the potential of the Core Area.

To date, the Core Area has underperformed—development has been mostly single-story retail and remodels. No housing has been built, despite the City’s 2016 Urban Growth Boundary (UGB) goals for 400 new housing units by 2028 and 1,800 new housing units by 2040. The Council authorized the Core Area Project to:

1. Evaluate the feasibility of urban renewal/TIF and proactive city investments and initiatives in the Core Area; and
2. Bring together previous planning studies into a cohesive framework of urban design and place making strategies that would complement and guide public and private development.

In addition to its growth management and public investment role, the project provided, and will continue to provide, a forum for coordination and integration between various city plans and initiatives that apply in the Core Area, including: the Transportation System Plan (TSP) update, Bend’s housing initiatives, the Bend Community Climate Action Plan (CCAP) implementation, and ongoing capital improvement planning.

FROM STUDY AREA TO URBAN RENEWAL/TIF AREA

Urban renewal/TIF boundary decisions are foundational; they play a primary role defining in the financial viability and effectiveness of any urban renewal/TIF plan. Tax increment is the primary funding source for urban renewal/TIF and may only be collected from inside an adopted boundary, and tax increment dollars may only be spent inside the boundary.

The process for establishing and refining the urban renewal/TIF boundary as part of the Core Area Project included:

- Conducting an initial analysis of the CAP study area, including the six sub-areas;
- Projecting the tax increment, estimating Maximum Indebtedness

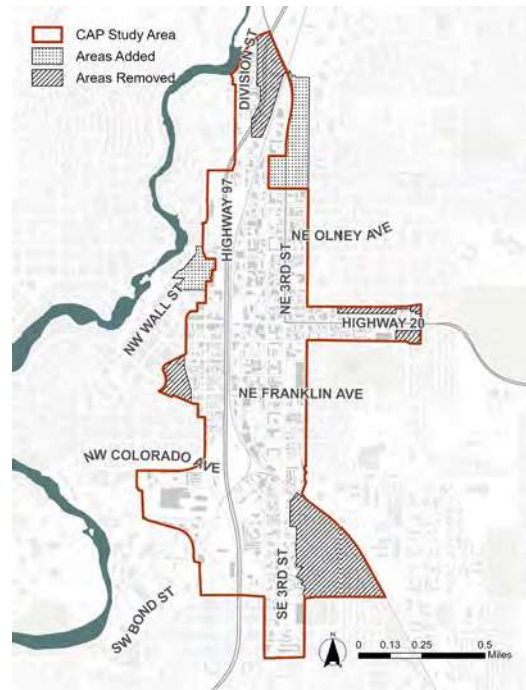
(MI), and estimating the amount of funding available based on an initial boundary recommendation; and

- Making several small boundary refinements to add or remove additional properties based on their zoning or development potential.

Figure ES-2. Core Area Boundary Process



Initial Study Area

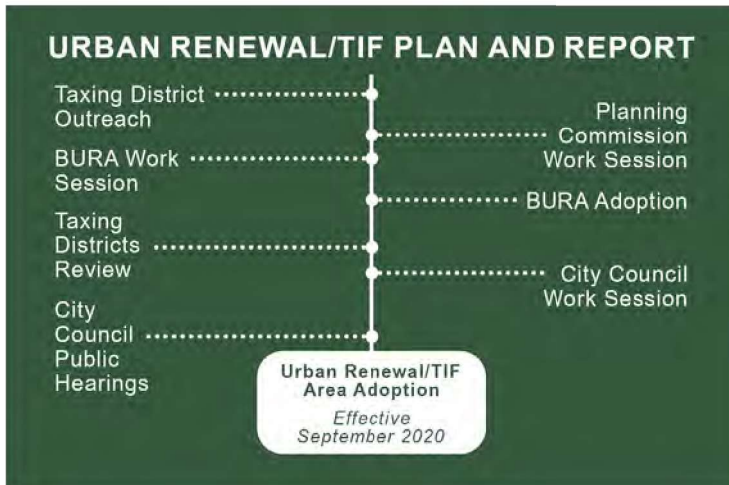
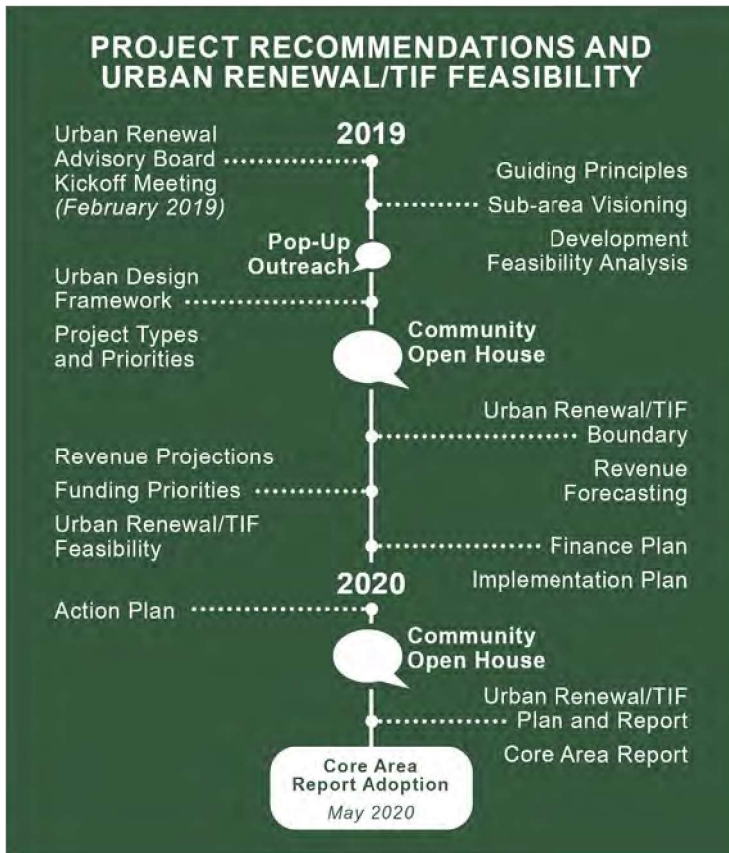


Evaluation



Recommended Core Area Urban Renewal/TIF Area

CORE AREA PROJECT TIMELINE



THE 2019-2020 CAP PROCESS

In 2019 the Bend Urban Renewal Agency (BURA) established the Urban Renewal Advisory Board (URAB) to serve as the advisory committee for the CAP process. The 18-member board, representing a broad cross-section of stakeholders and community members, met eight times between February 2019 and March 2020.

The community-driven process had active participation from URAB members, taxing districts, property and business owners, state agency partners, and City officials and staff. In addition to URAB meetings, the process included five “pop-up” outreach events at Core Area businesses, two open houses, two online surveys, and discussions with each of the taxing districts.

Project staff also provided briefings and work sessions with advisory committees, Planning Commission, BURA, and City Council. The timeline on this page summarizes the process to-date and shows the planned steps that will be conducted for adoption of the Urban Renewal/TIF Plan and Report.

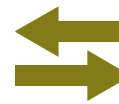
GUIDING PRINCIPLES



Create a place where you can live, work, and play.



This is a walkable area with a balanced transportation system.



This area removes barriers and connects the East and West sides of Bend.



This plan leads to direct outcomes, it is implemented.



Affordability is preserved.



Public investments incentivize and catalyze private development.



The planning process is transparent and open to ensure that those affected by the decisions are involved in the process.



This area incorporates sustainable and low impact development principles and practices.

CORE AREA URBAN DESIGN FRAMEWORK

The concepts proposed in the Urban Design Framework present a simple and clear vision for public improvements that will help improve the area and complement private development.

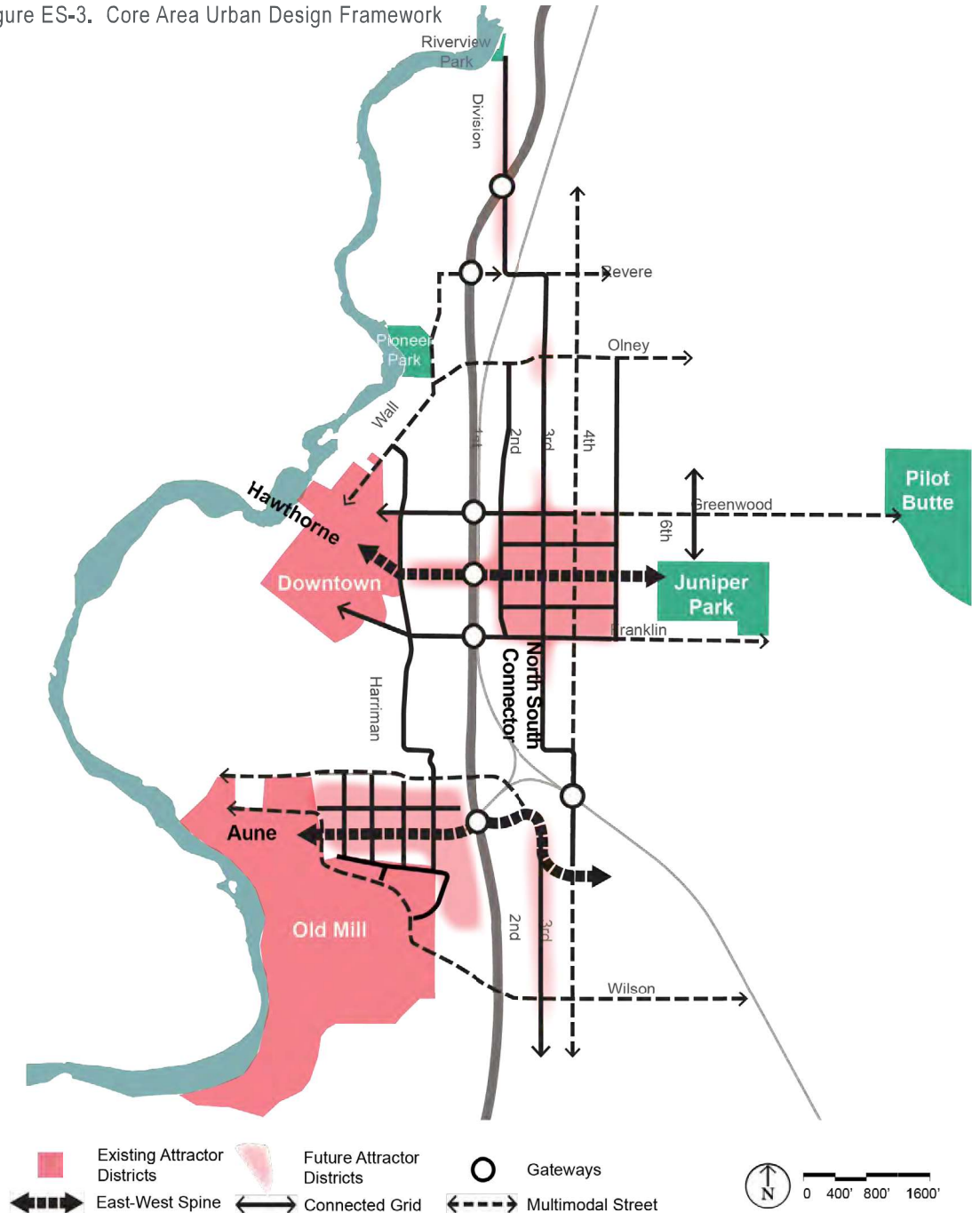
Existing attractor districts in Bend, such as Downtown and the Old Mill District, are high-quality, active, and vibrant places that will be well-connected to the Core Area through a hierarchy of three different corridor types, each with a varying level of public realm improvements.

One **East-West Spine** will directly link Downtown with Juniper Park, one of Bend's most popular parks, through the emerging Bend Central District (BCD). The Aune Road spine will connect the Old Mill District through the KorPine site to emerging districts east of the Parkway.

These two spines are complemented by a **Connected Grid** of complete walkable streets, which form the connective tissue within the Core Area's districts. 2nd Street will serve as a primary North-South connector from the Division Sub-area through the BCD to south 3rd Street and the Aune Road spine.

Multimodal Streets, which due to higher traffic volumes create boundaries around emerging districts, will be improved especially on their street edges (from the curb back) and at crossings.

Figure ES-3. Core Area Urban Design Framework



East-West Spine



Wide sidewalks



Outdoor dining, visual interest, special paving



Evening activity

Connected Grid



Safe bike travel



Curb extensions, pedestrian-scale lighting, on-street parking



Mid-block crossing, curb extensions, stormwater treatment

Multimodal Street



Active frontage set back from busy road



Comfortable bus stops



Sidewalks buffered by street trees

Gateways: Overpasses and Underpasses



Accessible



Iconic form



Green and well-lit



Safe, open, visible



Well-lit



Bright murals

DEVELOPMENT FEASIBILITY ANALYSIS

Economic Drivers

The development feasibility analysis included interviews with landowners and developers active in Bend as well as an analysis of redevelopment indicators, to understand opportunities and barriers to development in the Core Area. The analysis identified the following key findings:

OPPORTUNITIES:

- Residential development is driving the market currently and residential demand is high.
- Demographic changes include an increase in Boomers and Millennials with high demand for walkable, high amenity living.
- Opportunity Zones could yield more equity with a lower investment.
- Recent changes to zoning, particularly the formation of new mixed-use land use designations such as the Mixed Urban zone and amendments to the BCD, have substantially increased the intensity of what is allowed, as well as activity and interest.

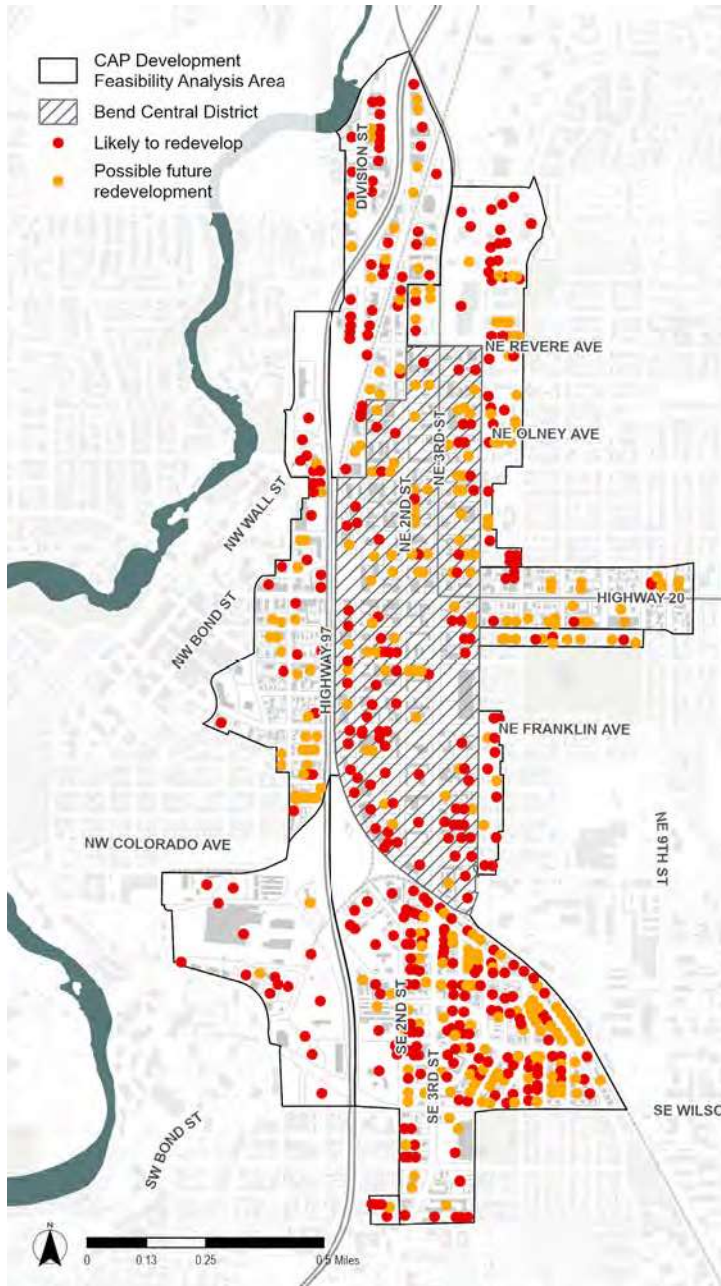
- East Downtown and BCD have the block length and intersection density needed for a walkable street grid that is centrally located near Downtown.
- Areas within the study area that have close access to public and private amenities include East Downtown, KorPine, and the Inner Highway 20/ Greenwood Sub-areas.
- Sites with longstanding owners (low-cost basis property owners) can leverage “land equity” into their development projects. Those longstanding owners who are motivated to develop will have a distinct advantage to those buying land at market rates today.

BARRIERS:

- Construction costs are at a historical high.
- Infrastructure off-site costs are challenging.
- Absence of urban amenities and connectivity hurt development feasibility.

- Zoning changes are needed in most of the Core Area, some more extensive than others.
- Areas zoned with more general commercial or residential zones that have not been updated recently, have less market interest for development and redevelopment.
- The Core Area has a large number of small properties (under 12,000 square feet) and very few properties over a one-half acre limits redevelopment feasibility for larger scale mixed-use projects.
- Accommodating off-street parking is the single most significant design hurdle for small sites.
- There are areas within the study area that have significant walkability barriers including major crossings, missing sidewalks, and disconnected street grids.

Figure ES-4. Future Core Area Development Potential



Recent Construction Trends

An analysis of permit data in the CAP study area from 2007-2019 found:

- Recent new “ground-up” construction is limited and mostly single-story retail.
- More investment has occurred in remodels.
- Wilson sub-area is seeing mostly single family (re)development.
- The area does not yet appear to be at the tipping point for mixed-use development to be financially feasible. A focus on infrastructure upgrades (placemaking and streetscape enhancements) and zone standard changes could make the feasibility of mixed-use development a reality.

Conclusions

With the introduction of infrastructure investments and policy changes, the study area could achieve a high level of “desirability” and market feasibility. The development feasibility analysis found that the modeled building types (single story retail, mixed-use 3-story, mixed-use 5-story, and townhomes) have a “tipping point” land cost of below \$30 per square foot. Only two building types (medium-rent and high-rent mixed-use 5-story) were found to support over \$30 per square foot in land cost.

A hypothetical future redevelopment feasibility map (Figure ES-4) shows properties less than \$30 per foot (red dots) and \$30-\$40 per square foot (orange dots). The two categories reflect the fact that properties with a current value of \$30-40 per square foot could be possible to redevelop but are on the far upper end of the “tipping point” spectrum. The map shows all properties at or below \$30 per square foot as dark red to indicate likely redevelopment, and those \$30-40 per square foot are colored orange to indicate possible redevelopment in the future.

Two important lessons emerge from this analysis. 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 placemaking 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 stimulate development in these opportunity areas.

IMPLEMENTATION PLAN

The Implementation Plan describes six key recommendations and a set of implementing actions, summarized in the following table.

Table ES-1. Summary of Implementation Plan Recommendations

Recommendation	Recommended Actions
<p>1. <i>Adopt an Urban Renewal/TIF Area</i></p>	<p>1.1. Adopt an Urban Renewal/TIF Plan and Report.</p>
<p>2. <i>Update the Development Code and Zoning</i></p>	<p>2.1. Remove barriers to development/redevelopment, particularly for housing and mixed-use development in the BCD.</p> <ul style="list-style-type: none"> • Allow for more housing and focus non-residential mixed-use requirements to designated Main Streets. • Simplify and reduce parking requirements. • Provide flexibility for private development in balance with public needs. <p>2.2. Evaluate code updates to Commercial Limited (CL) and Commercial General (CG) zones in the Core Area to remove barriers to development/redevelopment..</p> <p>2.3. Evaluate code updates in other zones in the Core Area to remove barriers to development/redevelopment, particularly for housing.</p> <p>2.4. Evaluate land use designation changes (Inner Greenwood & SE 2nd Street) in the Core Area.</p>

Recommendation	Recommended Actions
<p>3. <i>Create Development Incentive Programs</i></p>	<p>3.1. Include the Core Area in a citywide tax exemption program.</p> <p>3.2. Modify the System Development Charge (SDC) Financing Program in the Core Area.</p> <p>3.3. Explore land exchange opportunities.</p>
<p>4. <i>Design and Build Key Infrastructure and Public Realm Amenities</i></p>	<p>4.1. Invest in key infrastructure and public realm amenities: Prioritize projects that achieve Core Area goals in future infrastructure plans.</p> <p>4.2. Invest in key infrastructure and public realm amenities: Continue community conversations to locate and invest in public attractions within the Core Area.</p> <p>4.3. Invest in key infrastructure and public realm amenities: Collaborate and identify opportunities for synergistic public realm projects.</p> <p>4.4. Expand capacity to administer Local Improvement Districts (LIDs) and reimbursement districts.</p>
<p>5. <i>Update Street Standards and Mobility Guidelines</i></p>	<p>5.1. Update street standards, specifications, and codes for streets within the Core Area.</p> <p>5.2. Adopt mobility guidelines.</p> <p>5.3. Proactively monitor and manage parking in the Core Area.</p>
<p>6. <i>Involve Stakeholders in Future Policy and Program Development</i></p>	<p>6.1. Form advisory committee(s) for implementation of the Urban Renewal/TIF Plan.</p> <p>6.2. Develop a business improvement program.</p> <p>6.3. Support housing that is affordable.</p> <p>6.4. Incorporate Community Climate Action Plan (CCAP) strategies.</p>

2020 2021 2022 2023
 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4

ACTION PLAN

The Action Plan describes the “what, when, and who” of the implementing work proposed for the Core Area Project. The implementation of these recommendations will occur over many years. This Action Plan focuses on the 2020-2023 period, when the recommended projects and programs will be launched and the “early successes” of the Core Area Project will be delivered.

Each recommended action includes “Implementation Timing.” The time durations are:

Near Term: Through the 2019-2021 budget cycle (1.5 years)



Mid-Term: Fiscal Years (FY) 2021 through 2023 (1.5 to 3.5 years)



Long-Term: Through FY 2023 (3.5 years)



Ongoing: Continues beyond FY 2023



ADOPT AN URBAN RENEWAL/TIF AREA

Adopt an Urban Renewal/TIF Plan and Report



UPDATE THE DEVELOPMENT CODE & ZONING

Remove barriers to development in the BCD



Evaluate code updates to CL and CG zones



Evaluate code updates in other zones



Evaluate land use designations changes



CREATE DEVELOPMENT INCENTIVE PROGRAMS

Include the Core Area in a citywide tax exemption program



Modify the SDC Financing Program



Explore land exchange opportunities



DESIGN & BUILD KEY INFRASTRUCTURE & PUBLIC REALM AMENITIES

Prioritize projects that achieve Core Area goals



Continue community conversations to locate and invest in public attractions



Collaborate and identify opportunities for synergistic public realm projects



Expand capacity to administer LIDs and reimbursement districts



UPDATE STREET STANDARDS & MOBILITY GUIDELINES

Update street standards, specifications, and codes for streets within the Core Area



Adopt mobility guidelines



Proactively monitor and manage parking



INVOLVE STAKEHOLDERS IN FUTURE POLICY & PROGRAM DEVELOPMENT

Form advisory committee(s) for implementation of the Plan



Develop a business improvement program



Support housing that is affordable



Incorporate CCAP strategies





Conceptual rendering of 3rd Street