

CITY OF BEND

# Core Area Project Report

DRAFT March 2020



CITY OF BEND  
CORE AREA PROJECT



# Acknowledgements

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**Justin Livingston**, Councilor  
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## TAXING DISTRICTS

**Deschutes County**  
**Deschutes Public Library**  
**Countywide Law Enforcement**  
**Countywide Extension/4H**  
**Deschutes County 911**  
**Bend Park & Recreation District**  
**Bend La-Pine School District #1**  
**High Desert ESD**  
**Central Oregon Community College**  
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CITY OF BEND  
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# Acronyms and Abbreviations

<b>AHAC</b>	Affordable Housing Advisory Committee	<b>LSN</b>	Low Stress Network
<b>AMI</b>	Area Median Income	<b>MI</b>	Maximum Indebtedness
<b>BCD</b>	Bend Central District	<b>MMA</b>	Multimodal Mixed-Use Area
<b>BEDAB</b>	Bend Economic Development Advisory Board	<b>MUPTE</b>	Multiple-Unit Property Tax Exemptions
<b>BLSD</b>	Bend La-Pine School District	<b>NLA</b>	Neighborhood Leadership Alliance
<b>BNSF</b>	Burlington Northern Santa Fe	<b>NPV</b>	Net Present Value
<b>BPRD</b>	Bend Park & Recreation District	<b>ODOT</b>	Oregon Department of Transportation
<b>BURA</b>	Bend Urban Renewal Agency	<b>PCI</b>	Pavement Condition Index
<b>CAP</b>	Core Area Project	<b>RCRA</b>	Resource Conservation Recovery Act
<b>CCAP</b>	Community Climate Action Plan	<b>RMV</b>	Real Market Values
<b>CDD</b>	Community Development Department	<b>ROW</b>	Right-of-way
<b>CET</b>	Cascades East Transit	<b>SDC</b>	System Development Charge
<b>CIP</b>	Capital Improvement Program	<b>TDM</b>	Transportation Demand Management
<b>CMO</b>	City Manager's Office	<b>TIF</b>	Tax Increment Financing
<b>CO</b>	Certificate of Occupancy	<b>TMD</b>	Transportation and Mobility Department
<b>CSPFP</b>	Collection System Public Facility Plan	<b>TSAP</b>	Transportation Safety Action Plan
<b>DEQ</b>	Department of Environmental Quality	<b>TSDC</b>	Transportation System Development Charge
<b>EDD</b>	Economic Development Department	<b>TSP</b>	Transportation System Plan
<b>EIPD</b>	Engineering and Infrastructure Planning Department	<b>TUF</b>	Transportation User Fee
<b>FTE</b>	Full-Time Equivalent	<b>UGB</b>	Urban Growth Boundary
<b>FWG</b>	Funding Work Group	<b>UIC</b>	Underground Injection Control
<b>FY</b>	Fiscal Year	<b>URAB</b>	Urban Renewal Advisory Board
<b>GMD</b>	Growth Management Department	<b>VHDZ</b>	Vertical Housing Development Zones
<b>HCT</b>	High-Capacity Transit	<b>VMT</b>	Vehicle Miles Traveled
<b>ILUTP</b>	Integrated Land Use and Transportation Plan		
<b>LID</b>	Local Improvement District		

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# EXECUTIVE SUMMARY



*Photo Credit: The Hidden Touch*

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

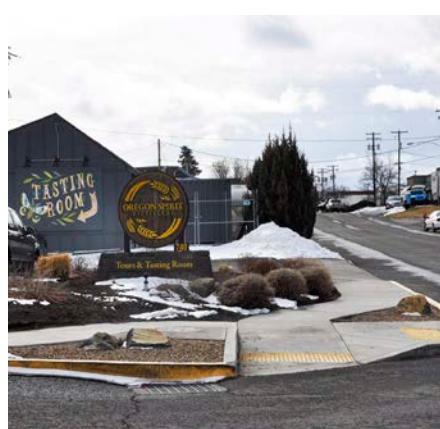


# Executive Summary

## 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:

- 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;
- 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.



## 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 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.

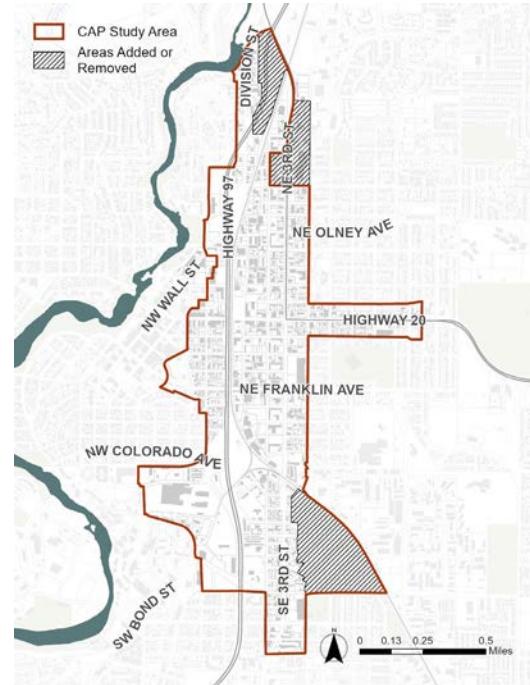
The process for establishing and refining the urban renewal/TIF boundary as part of the Core Area Project included:

- 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

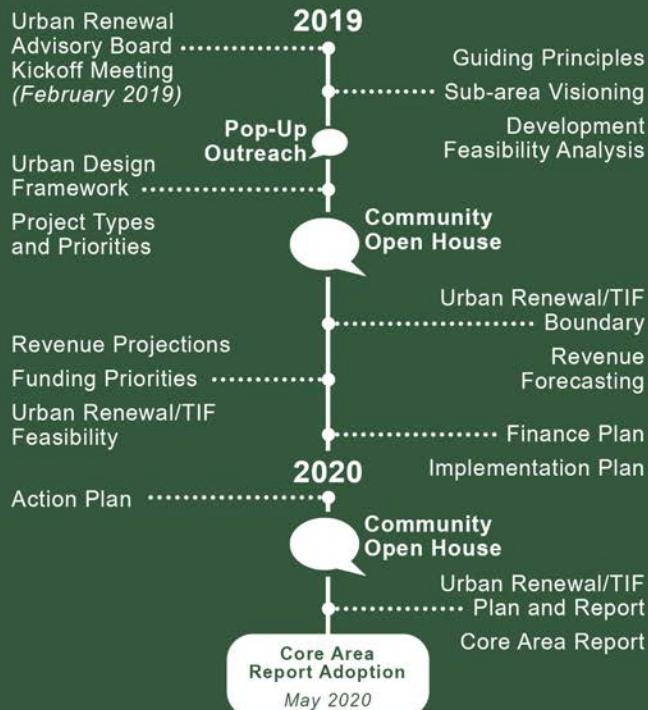
- Making several small boundary refinements to add or remove additional properties based on their zoning or development potential.

Figure ES-2. Core Area Boundary Process



## CORE AREA PROJECT TIMELINE

### PROJECT RECOMMENDATIONS AND URBAN RENEWAL/TIF FEASIBILITY



### URBAN RENEWAL/TIF PLAN AND REPORT



## 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.

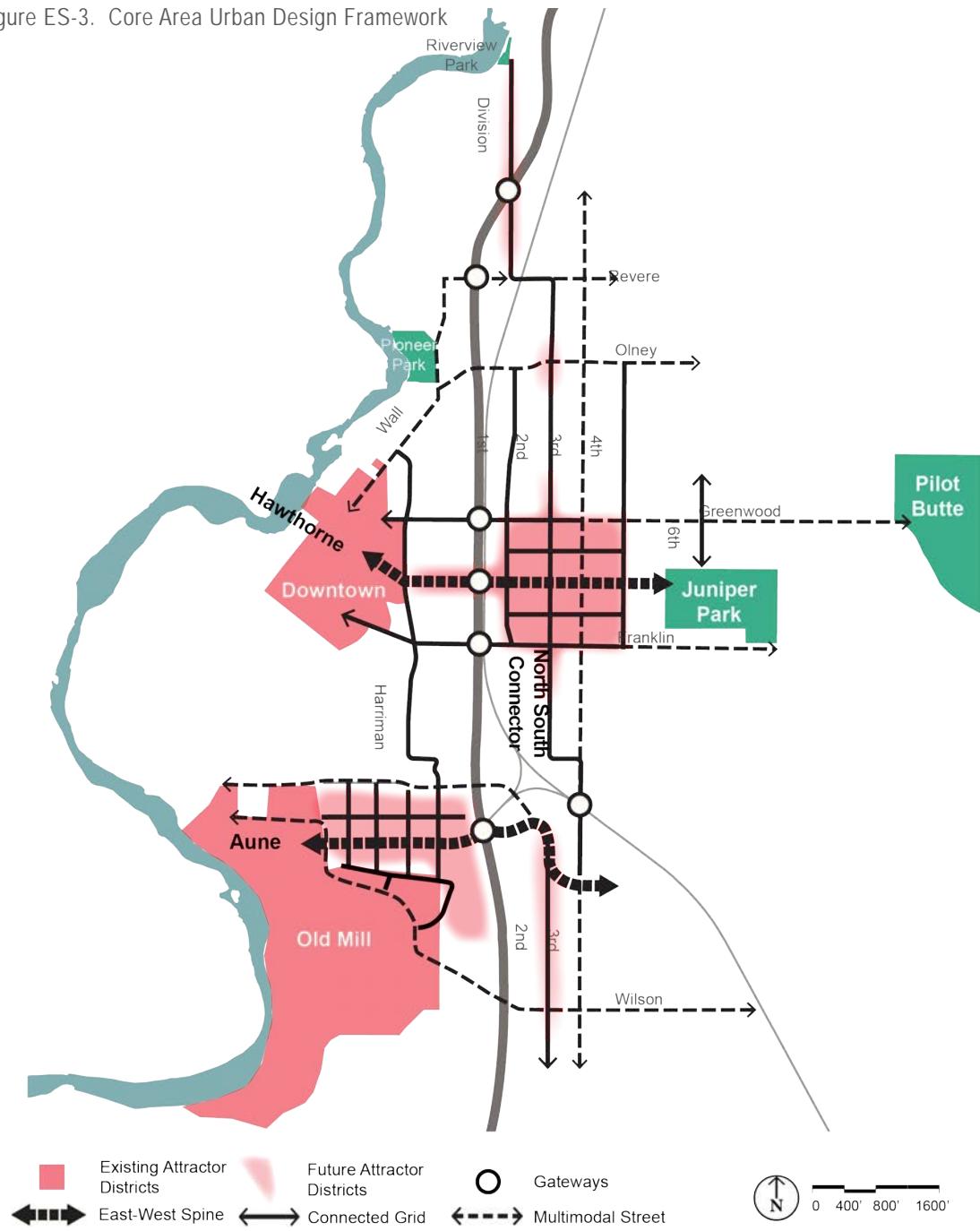
Existing attractor districts in Bend, such as Downtown and the Old Mill District, are high-quality, active, and vibrant places that will be well-connected to the Core Area through a hierarchy of three different corridor types, each with a varying level of public realm improvements.

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

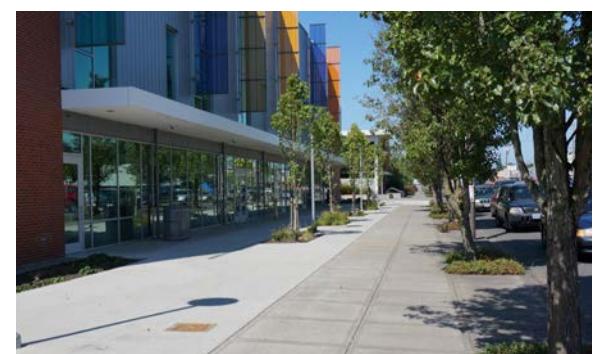
## Multimodal Street



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.

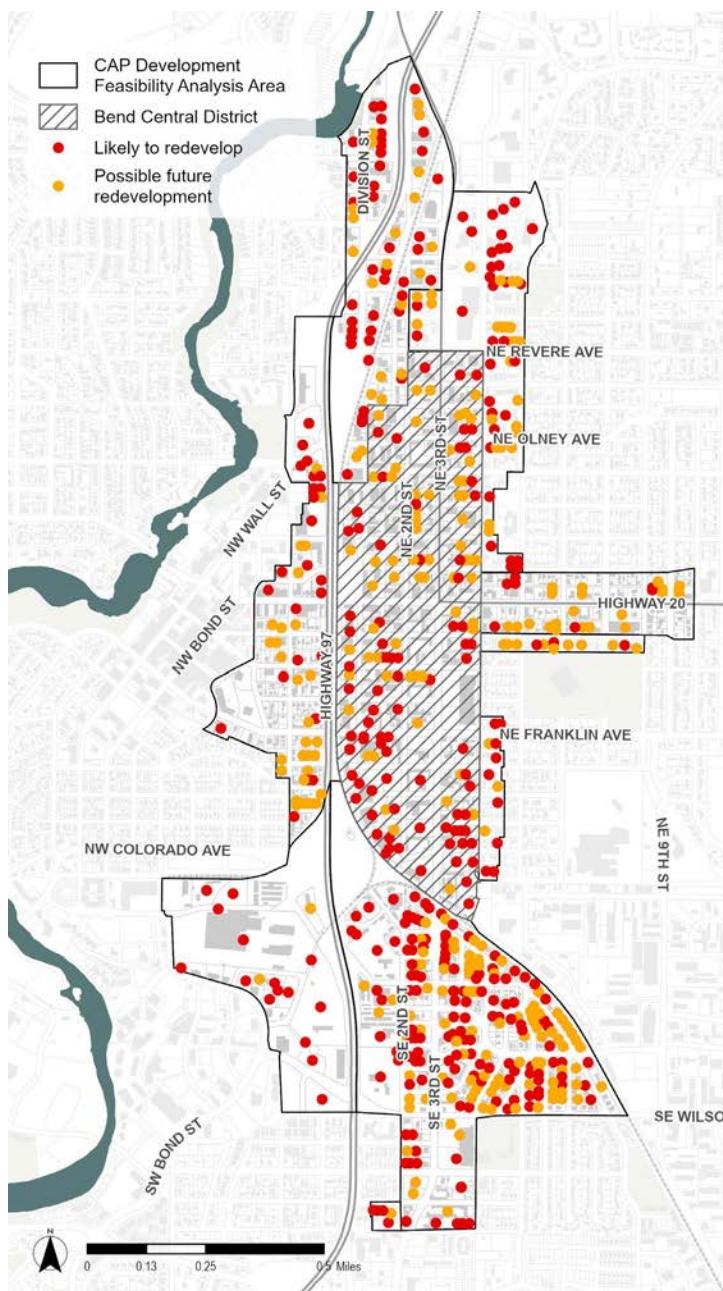
- East Downtown and BCD have the block length and intersection density needed for a walkable street grid that is centrally located near Downtown.
- Areas within the study area that have close access to public and private amenities include East Downtown, KorPine, and the Inner Highway 20/Greenwood Sub-areas.
- 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
<b>1. Adopt an Urban Renewal/TIF Area</b>	<ol style="list-style-type: none"><li>1.1. Adopt an Urban Renewal/TIF Plan and Report.</li> <li>2.1. Remove barriers to development/redevelopment, particularly for housing and mixed-use development in the BCD.<ul style="list-style-type: none"><li>• Allow for more housing and focus non-residential mixed-use requirements to designated Main Streets.</li><li>• Simplify and reduce parking requirements.</li><li>• Provide flexibility for private development in balance with public needs.</li></ul></li></ol>
<b>2. Update the Development Code and Zoning</b>	<ol style="list-style-type: none"><li>2.2. Evaluate code updates to Commercial Limited (CL) and Commercial General (CG) zones in the Core Area to remove barriers to development/redevelopment..</li><li>2.3. Evaluate code updates in other zones in the Core Area to remove barriers to development/redevelopment, particularly for housing.</li><li>2.4. Evaluate land use designation changes (Inner Greenwood &amp; SE 2nd Street) in the Core Area.</li></ol>

Recommendation	Recommended Actions
<b>3. Create Development Incentive Programs</b>	<ul style="list-style-type: none"><li>3.1. Include the Core Area in a citywide tax exemption program.</li><li>3.2. Modify the System Development Charge (SDC) Financing Program in the Core Area.</li><li>3.3. Explore land exchange opportunities.</li></ul>
<b>4. Design and Build Key Infrastructure and Public Realm Amenities</b>	<ul style="list-style-type: none"><li>4.1. Invest in key infrastructure and public realm amenities: Prioritize projects that achieve Core Area goals in future infrastructure plans.</li><li>4.2. Invest in key infrastructure and public realm amenities: Continue community conversations to locate and invest in public attractions within the Core Area.</li><li>4.3. Invest in key infrastructure and public realm amenities: Collaborate and identify opportunities for synergistic public realm projects.</li><li>4.4. Expand capacity to administer Local Improvement Districts (LIDs) and reimbursement districts.</li></ul>
<b>5. Update Street Standards and Mobility Guidelines</b>	<ul style="list-style-type: none"><li>5.1. Update street standards, specifications, and codes for streets within the Core Area.</li><li>5.2. Adopt mobility guidelines.</li><li>5.3. Proactively monitor and manage parking in the Core Area.</li></ul>
<b>6. Involve Stakeholders in Future Policy and Program Development</b>	<ul style="list-style-type: none"><li>6.1. Form advisory committee(s) for implementation of the Urban Renewal/TIF Plan.</li><li>6.2. Develop a business improvement program.</li><li>6.3. Support housing that is affordable.</li><li>6.4. Incorporate Community Climate Action Plan (CCAP) strategies.</li></ul>

# 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)



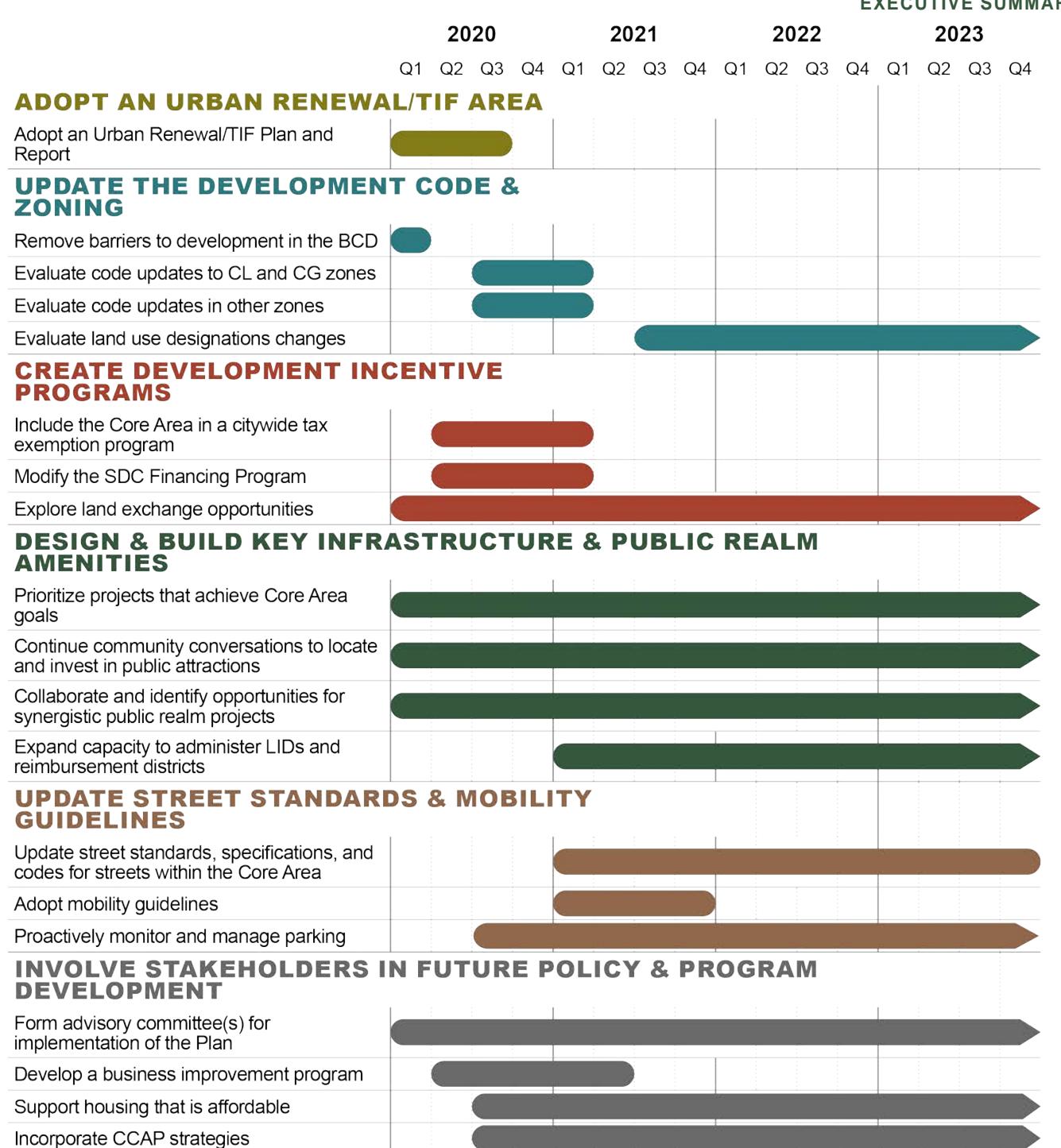
**Mid-Term:** Fiscal Years (FY) 2021 through 2023 (1.5 to 3.5 years)

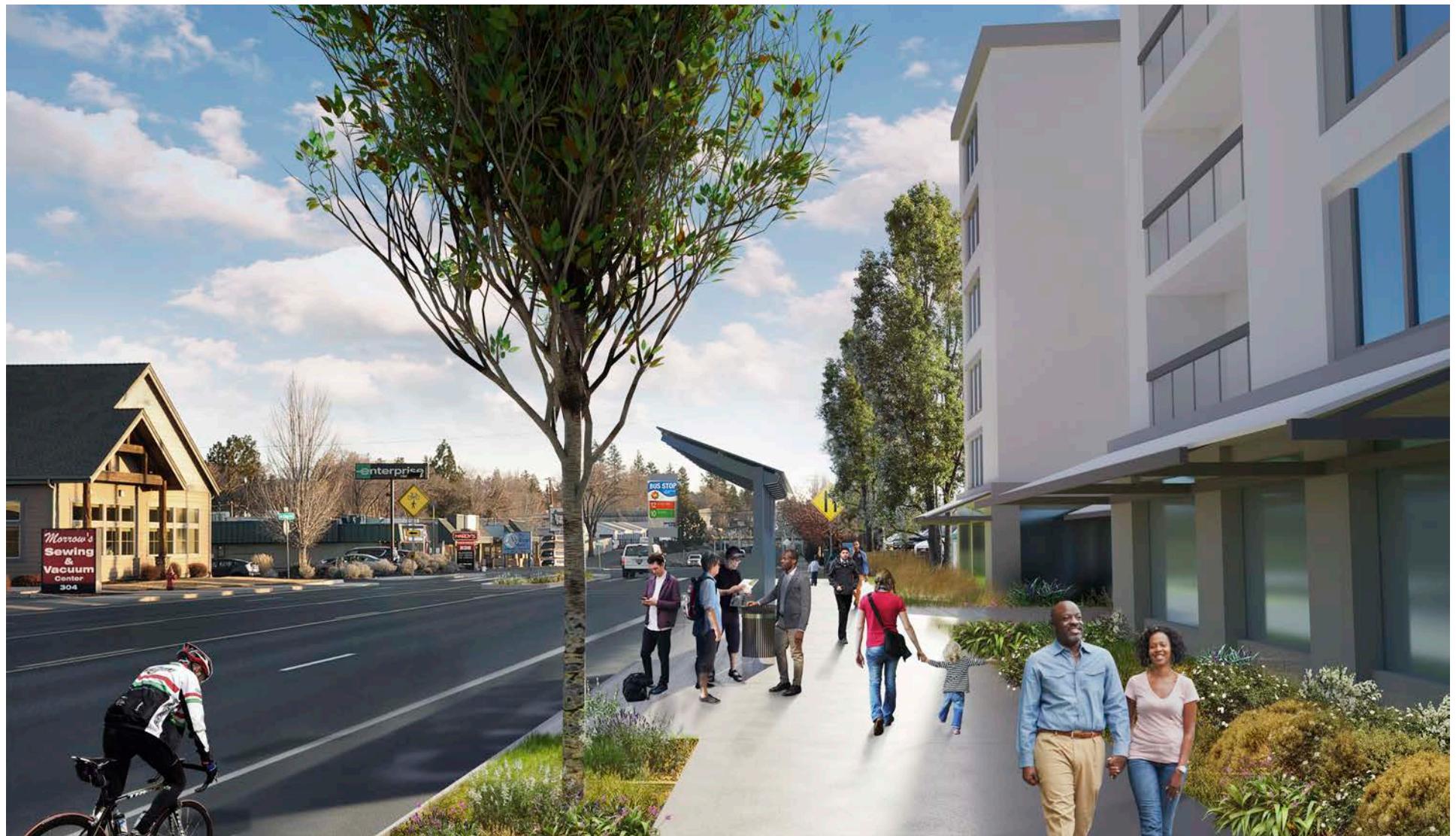


**Long-Term:** Through FY 2023 (3.5 years)



**Ongoing:** Continues beyond FY 2023





Conceptual rendering of 3rd Street

O'



*Photo Credit: Richard Scott Nelson, 2016*

## INTRODUCTION

Figure 1. Recommended Core Area Urban Renewal/TIF Area



# Chapter 1

## Introduction

### PURPOSE

The purpose of this report is to summarize the findings and recommendations from Bend's Core Area Project (CAP).

Beginning in early 2019, the City 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 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:

- 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;

- Identify urban renewal/TIF investments, including transportation and infrastructure projects, affordable housing assistance, public and open space facilities, wayfinding, and development assistance;
- Develop funding strategies, incentives, and implementation tools to complement urban renewal/TIF;
- Identify and remove regulatory barriers to development, particularly for housing; and
- Recommend an urban renewal/TIF area and complete a draft Urban Renewal/TIF Plan and Report per state statute for intergovernmental review.

## Why this plan?

The need for the Core Area Project stems from several goals and policies adopted in Bend's 2016 Comprehensive Plan Update, including:

- Implement an overall strategy to "wisely grow up and out."
- "Encourage the city's evolution from small town to livable city, with urban scale development, amenities, and services in appropriate locations, while preserving and enhancing the natural environment and history of the community."
- "Encourage vertical mixed-use development in commercial and mixed-use zones, especially where those occur within the Central Core, Opportunity Areas and along transit corridors."
- "Encourage infill and redevelopment of appropriate areas within Bend's Central Core, Opportunity Areas and transit corridors."<sup>1</sup>

The Comprehensive Plan recognizes Bend's Central Core (including the 667-acre study area evaluated in the CAP process) as having a unique potential for quality, urban-scale development—the City's best opportunity to "grow up."

In 2017, 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 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.

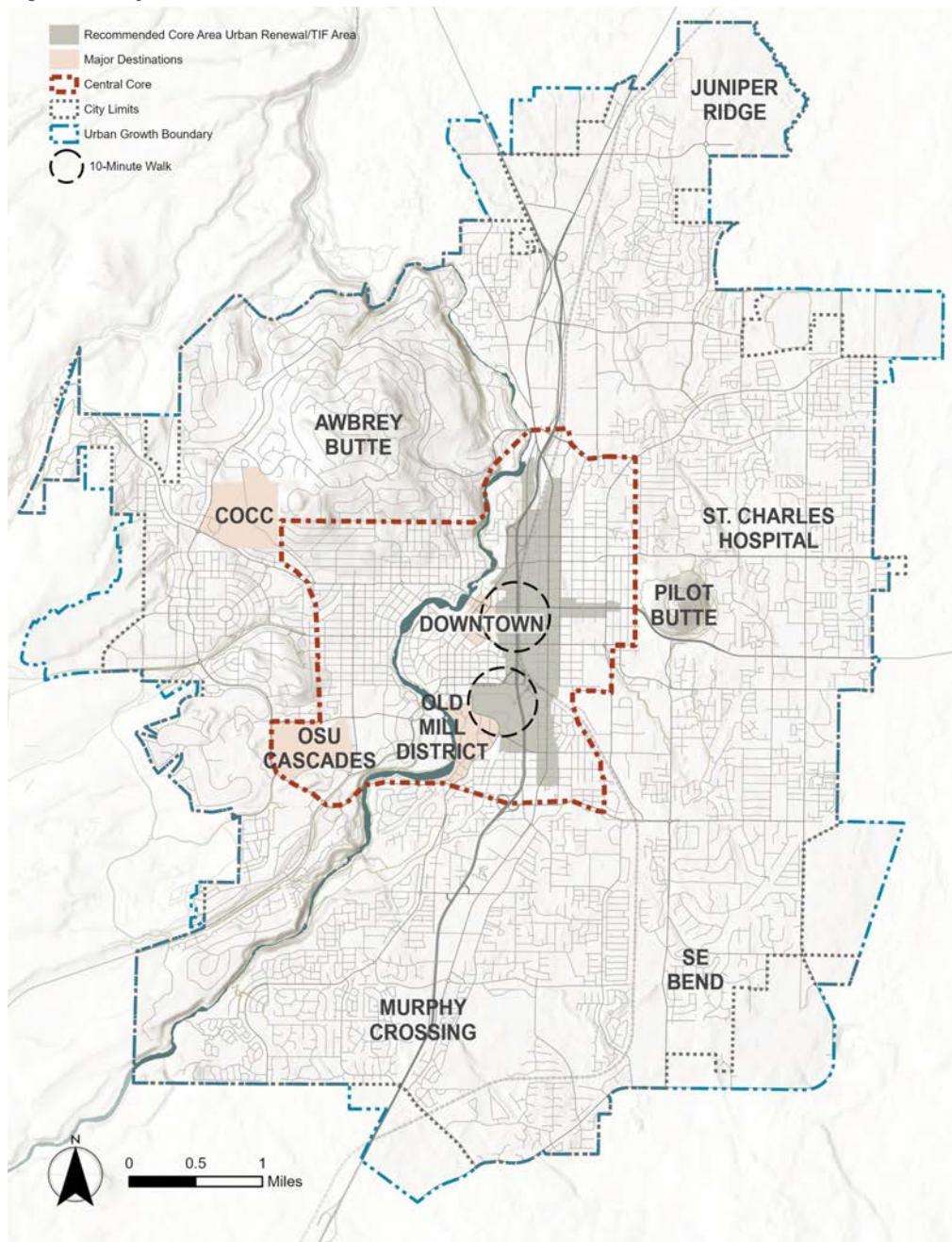
In addition to its growth management and public investment role, the Core Area Project provided, and will continue to provide, a forum for coordination and integration between various city plans and initiatives that apply in the Core Area, including:

- The Transportation System Plan (TSP) update;
- Bend's housing initiatives;
- The Bend Community Climate Action Plan (CCAP) implementation; and
- Ongoing capital improvement planning.

<sup>1</sup> Bend Comprehensive Plan, Chapter 11 Growth Management, page 19, selected goals and Policy 11-1

## INTRODUCTION

Figure 2. Citywide Context



## AREA CONTEXT

The Core Area is made up of 667 acres located in the heart of Bend. Bend's Comprehensive Plan describes the "central core" surrounding the study area as follows:

*"The central core offers proximity to downtown, the Deschutes River, Mirror Pond, Juniper Park, many other smaller parks, and a variety of regional destinations; a walkable street grid; neighborhoods with historic character; successful small neighborhood centers and corridors (2nd and 4th Streets, 8th and 9th Streets, Newport Avenue, Galveston Avenue, SW 14th Street); access to a high concentration of jobs by a variety of modes; and transit service."<sup>2</sup>*

The Core Area includes four of the nine citywide "opportunities areas" that were identified in the 2016 Comprehensive Plan update. These opportunity areas are locations within the City where growth is encouraged, and include the Bend Central District (BCD), KorPine, East Downtown, and Inner Highway 20/Greenwood. While the Comprehensive Plan describes a vision for each of these opportunity areas, the initial study area for the CAP project also includes two new sub-areas: Division and Wilson. These two areas have received little planning investment to-date.

<sup>2</sup> Bend Comprehensive Plan, Chapter 11 Growth Management, page 5

## From Study Area to Urban Renewal/TIF Area

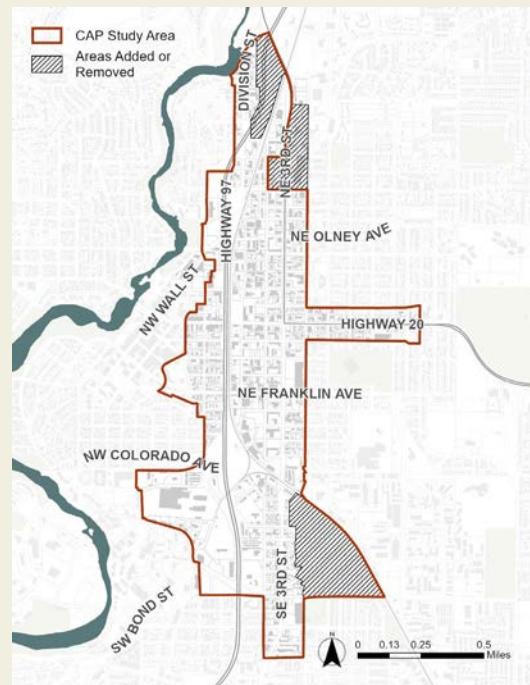
Urban renewal/TIF boundary decisions are foundational; they play a primary role defining in the financial viability and effectiveness of any urban renewal/TIF plan. Tax increment is the primary funding source for urban renewal/TIF and may only be collected from inside an adopted boundary, and tax increment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

Figure 3. Core Area Boundary Process



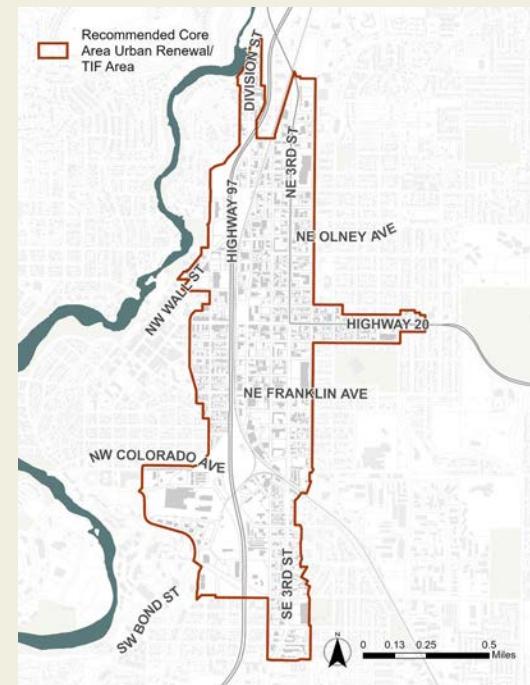
Initial Study Area

- **Initial Boundary Guidance:** The project team conducted an initial analysis of each of the sub-areas within the study area boundary and presented a preliminary recommendation for the urban renewal/TIF area boundary for advisory committee consideration.
- **Preliminary Boundary:** The advisory committee considered the preliminary recommendations, provided input on the sub-areas within the study area, and made an initial boundary decision.



Evaluation

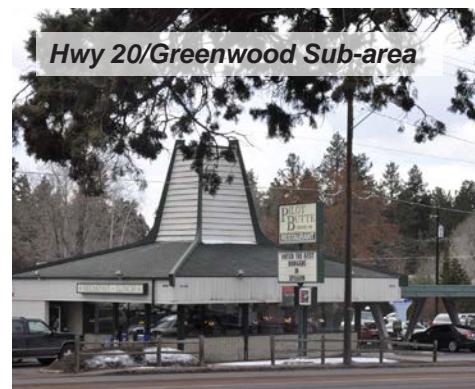
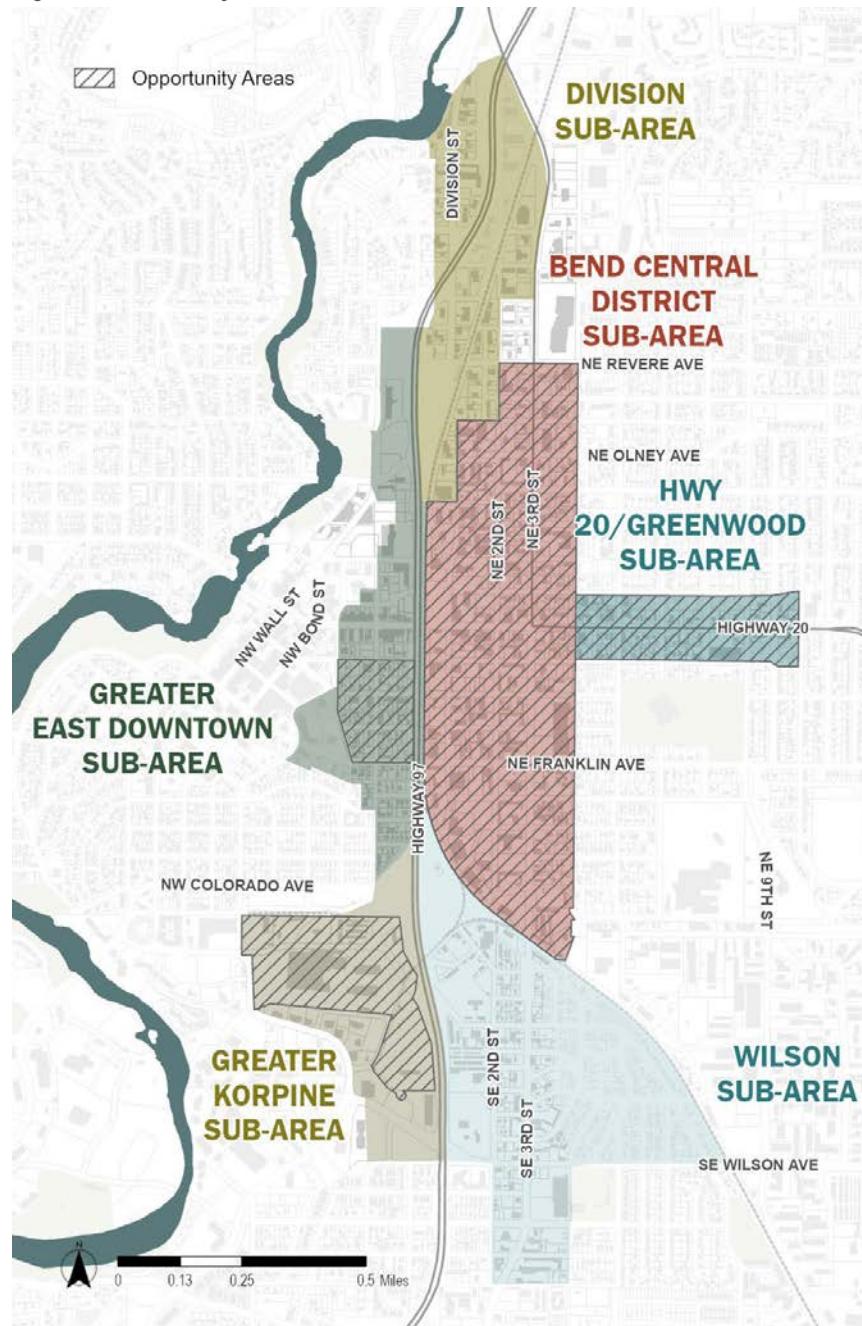
- **Financial Analysis:** The project team used the preliminary boundary as the basis for projecting tax increment, estimating Maximum Indebtedness (MI), and estimating available funding.
- **Boundary Refinements:** Based on the final project list, the committee made several small boundary refinements to add right-of-way or include additional properties based on their zoning. Several properties were removed due to their zoning or lack of redevelopment potential.



Recommended Core Area Urban Renewal/TIF Area

## INTRODUCTION

Figure 4. CAP Study Area Sub-Areas

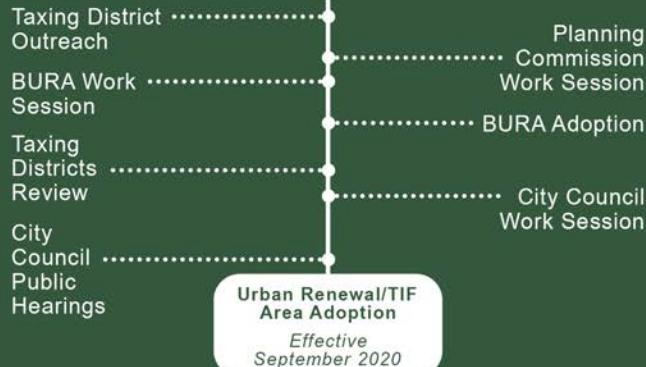


## CORE AREA PROJECT TIMELINE

### PROJECT RECOMMENDATIONS AND URBAN RENEWAL/TIF FEASIBILITY



### URBAN RENEWAL/TIF PLAN AND REPORT



## PLANNING PROCESS

### Some History

Planning for the Core Area implements Bend's Comprehensive Plan and is inspired by several previous planning efforts. The two prior planning efforts that have the most relevance to the CAP planning process include the 2004 Central Area Plan and the 2014 BCD Multimodal Mixed-Use Area (MMA) Plan.

The 2004 plan looked at a large portion of the project study area in conjunction with the Downtown Core whereas the MMA plan was an effort to encourage multimodal travel and redevelopment within the BCD.

Neither plan was formally adopted, but the MMA plan did result in the adoption of the BCD special planned district code and identification of the BCD opportunity area in the Urban Growth Boundary (UGB) expansion process. The planning work that went into both of these plans provided valuable insight and a foundation to build on for the Core Area Project.

### 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.<sup>3</sup>

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, an online survey, and discussions with each of the taxing districts. Project staff also provided briefings and work sessions with the Bend 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.

<sup>3</sup> See acknowledgements page for URAB members and their affiliations.

## ***Looking Ahead***

The completion of the CAP planning process marks a major milestone for the Core Area. But it is only the beginning. The CAP recommendations described in Chapter 6 (Implementation Plan) and Chapter 7 (Action Plan) of this report address both short- and long-term actions.

They describe the next two to three years of focused implementation efforts that will jump start redevelopment initiatives, the next 20 to 30 years of planned urban renewal/TIF investments, new development and redevelopment, and community involvement that will help fulfill the vision for Bend's Core Area.



## **COMMUNITY ENGAGEMENT BY THE NUMBERS**

**3,000+ community members engaged, including:**

**8** Urban Renewal Advisory Board Meetings

**4** Taxing District Board Meetings

**7** Neighborhood Association Meetings

**4** Community Group Meetings

**6** Pop Up Outreach Events

**2** In-Person & Online Open Houses

**5** Citizen Advisory Committee Meetings

**1** Guest Speaker Event

**1,500** Direct Mailers

02



*Photo Credit: Quinn*

## Chapter 2

# Guiding Principles

The following guiding principles were adopted by URAB in April 2019 and are based on a project success and visioning exercise. They were used as a guide for idea development and decision making during the CAP process and are intended for continued use as the project recommendations are implemented.

## GUIDING PRINCIPLES



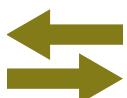
Create a place where you can live, work, and play.

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 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 comfortable transportation options for all users including those that drive in to the area and need to park, bicyclists, and transit users.



This area removes barriers and 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, US20, 3rd Street, and the railroad. It also removes north-south barriers such as Greenwood/US20, Franklin, and Revere. This area is full of attractive amenities that draw residents from all 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.

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 has a supply and mix of housing types that are affordable to those of all income levels. Strategies to stabilize and maintain affordability for businesses and key services is a priority.

The appropriate public investments and timing have been identified to attract private investment. This is an environment that developers can thrive in.

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.

Incentives are provided to encourage and promote sustainable solutions and low impact designs in order to enhance and protect the environment.

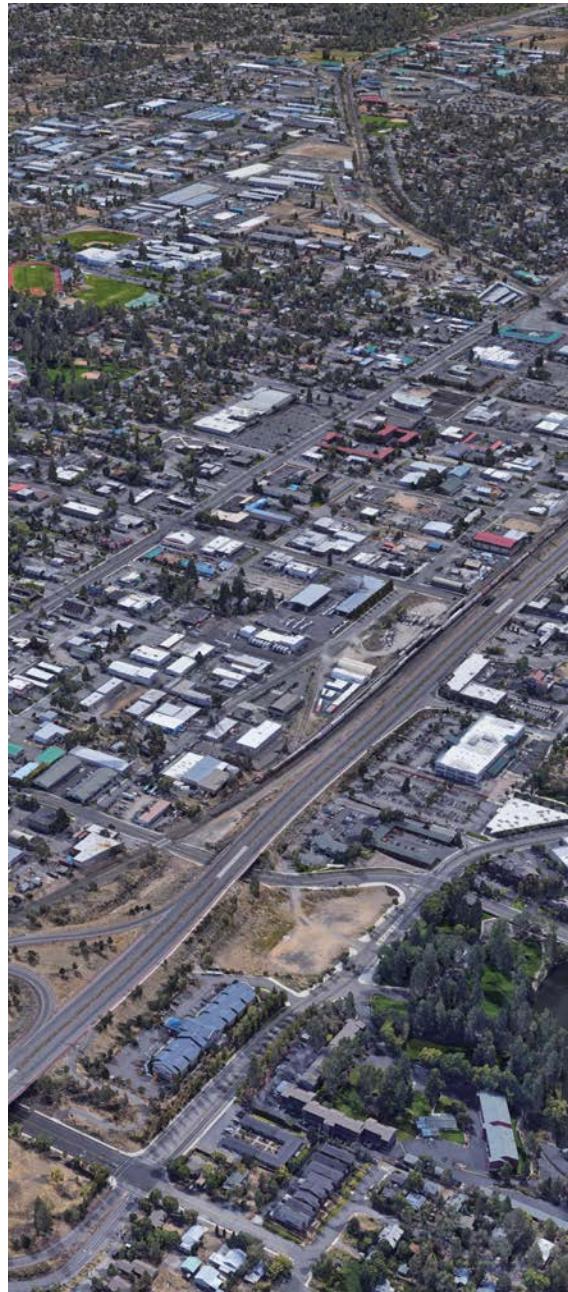


Conceptual rendering of Hawthorne Avenue at 1st Street

03



*Photo Credit: Richard Scott Nelson, 2019*



## Chapter 3

# Existing Conditions

This chapter summarizes conditions in the proposed Core Area Urban Renewal/TIF Area and large study area, including:

- Social and economic conditions;
- Character of land uses and development;
- Transportation and other infrastructure, including existing and planned future facilities;
- Previous relevant planning efforts; and
- Zoning and Comprehensive Plan designations and policies.

Throughout the Core Area Project, the URAB provided recommendations on the urban renewal/TIF area boundary based on an analysis of the study area and identification of project needs. The Core Area project evaluated a 667-acre study area, that was originally identified in the City's 2018 UGB Implementation: Return on Investment Analysis & Next Steps Report. The Study Area was broken into six sub-areas to support the analysis of the area to determine the boundary and projects of a potential new urban renewal/TIF area.

1. **Bend Central District.** This area is the same as that studied in the 2014 MMA Plan that resulted in the adoption of the BCD code.
2. **Greater East Downtown.** This sub-area includes the East Downtown opportunity area as well as the greater area to the east of Highway 97 between the KorPine opportunity area and the Revere interchange.<sup>1</sup> This area is bordered by downtown to the west.
3. **Greater KorPine.** This sub-area includes the KorPine opportunity area, the site of the former KorPine Particle Board Plant, and the properties between the Box Factory site, Arizona Avenue, and the Colorado Avenue Interchange. It also includes properties east of US 97, north of Wilson Avenue, and east of the Old Mill District.
4. **Highway 20/Greenwood.** This sub-area consists of the properties along Highway 20/Greenwood Avenue between 4th Street to 10th Street.
5. **Division.** This sub-area consists of the properties along Division Street and between and adjacent to US 97 and the railroad tracks

<sup>1</sup> See *Bend Comprehensive Plan, Growth Management Chapter* for more information on opportunity areas.

north of Portland Avenue. This sub-area is split diagonally by the railroad and is characterized by a mix of industrial users and auto-oriented uses, with limited connectivity and transportation access.

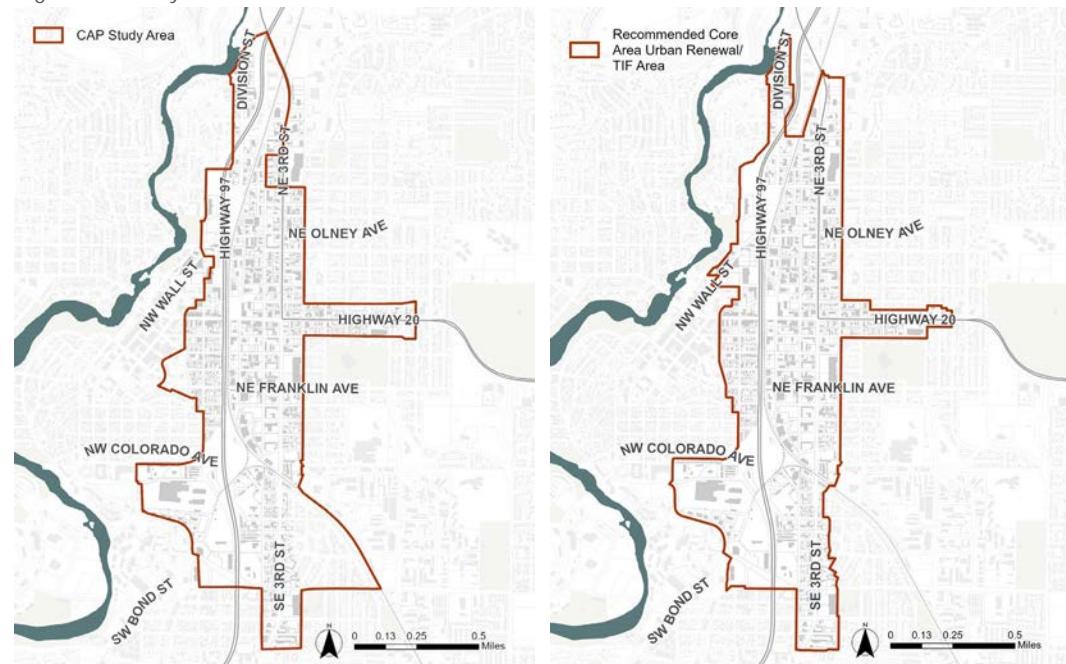
**6. Wilson.** The Wilson sub-area consists of the area between US 97 and the railroad southeast of the Colorado Avenue interchange and primarily north of Wilson Avenue. A portion of the sub-area extends south of Wilson Avenue between 2nd and 4th streets. The area is largely residential; however, it transitions to commercial and industrial on its western side that abuts the US 97 Parkway.

The proposed Core Area Urban Renewal/TIF Area is smaller in size than the CAP study area at 637 acres. Throughout the CAP planning process the URAB provided recommendations on the recommended urban renewal/TIF area boundary based on an analysis of the study area. As summarized in this report and detailed in the Technical Appendix, the majority of the Wilson sub-area and portions of the Division and East Downtown sub-areas were not included in the recommended urban renewal/TIF area boundary. However, because these areas were included in the analysis of the CAP study area they are discussed in this chapter for context. The following table helps to demonstrate the variation in area characteristics between the study area and the recommended urban renewal/TIF area boundary for the Core Area.

Table 1. Study Area and Urban Renewal/TIF Area Characteristics

STUDY AREA	URBAN RENEWAL/TIF AREA
<b>Acres</b>	667
<b>Properties</b>	1,798
<b>People</b>	1,340
<b>Housing Units<sup>2</sup></b>	700
<b>Job Sites</b>	720
<b>Employees<sup>3</sup></b>	6,700
	637
	916
	550
	340
	680
	6,300

Figure 5. Study Area and Urban Renewal/TIF Area Boundaries



<sup>2</sup> Data sourced from 2014 BLI Analysis and the Envision Tomorrow model.

<sup>3</sup> Data sourced from 2016 Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department. 2018 QCEW reveals total job sites and employees has increased in the area since 2016 (720 job sites and 8,000 employees).

## EXISTING CONDITIONS



## PHYSICAL CONDITIONS

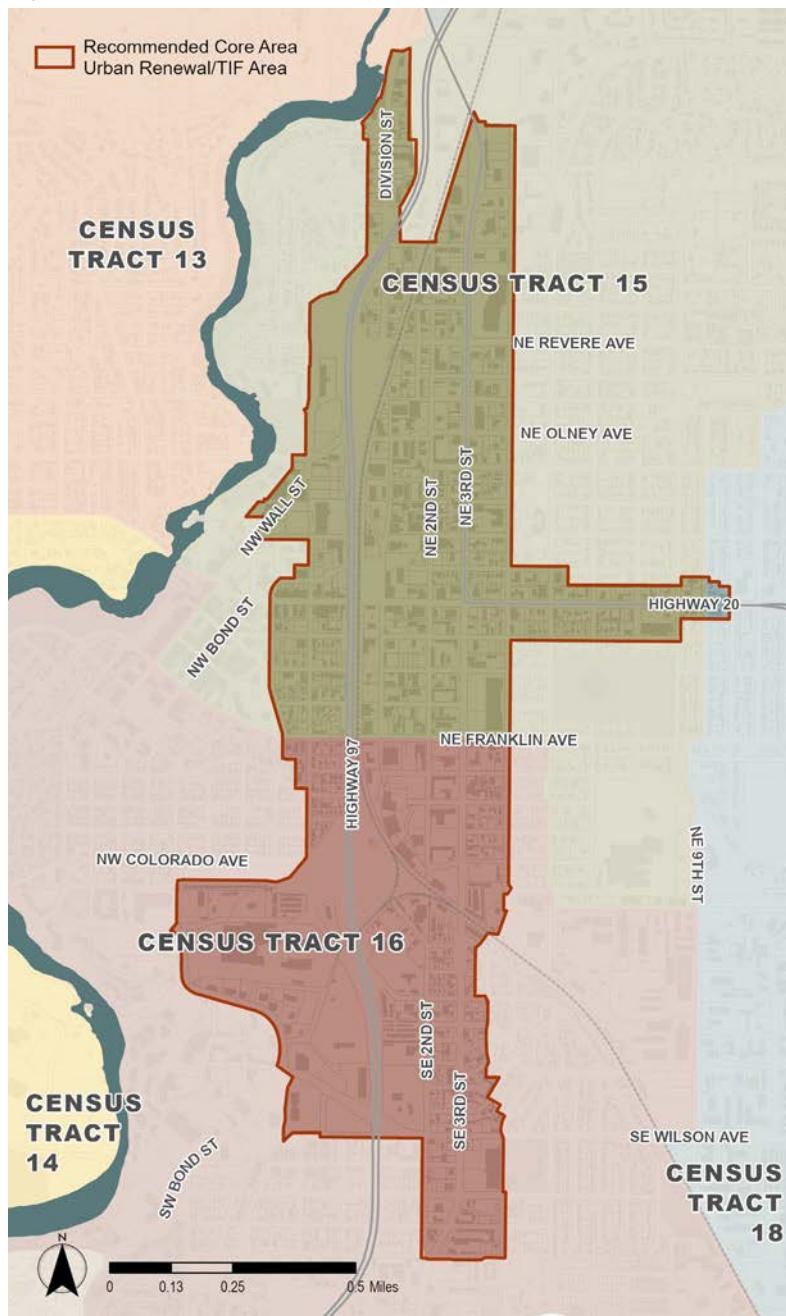
The recommended urban renewal/TIF area includes 916 properties. The Core Area extends generally from Wilson Avenue to the south and the US 97/US 20 intersection to the north, and between Downtown and the Old Mill District to the West and Pilot Butte State Park to East. It consists of areas along and adjacent to 3rd Street, US 97, Greenwood Avenue/US 20, and the BNSF Railroad and is divided East to West by US 97 and north to south by Greenwood Avenue/US 20.

Despite the area's proximity to Downtown and the Old Mill District, the Core Area is isolated from these areas by physical barriers, including US 97 and the BNSF railroad. The areas surrounding the railroad, particularly the area between 1st, 2nd, and 3rd Streets—an area that has been informally referred to as the "Railroad District"—have historically attracted users that located near the railroad for easy freight services. Physical conditions of the CAP study area and its sub-areas are further explored in the Urban Design Analysis section of this chapter.

Table 2. Core Area Size by Sub-Area

AREA BOUNDARY	SIZE
<b>Core Area Urban Renewal/TIF Area</b>	637 acres
<b>CAP Study Area</b>	667 acres
<i>Bend Central District Sub-Area</i>	196 acres
<i>Greater East Downtown Sub-Area</i>	89 acres
<i>Inner Highway 20/Greenwood Sub-Area</i>	38 acres
<i>Greater KorPine Sub-Area</i>	88 acres
<i>Wilson Sub-Area</i>	164 acres
<i>Division Sub-Area</i>	92 acres

Figure 6. Census Tracts



## SOCIAL & ECONOMIC CONDITIONS

### Social Conditions

It is estimated that there are approximately 340 households and 546 people that live within the recommended urban renewal/TIF area. Approximately 618 households, 706 housing units, and 1,340 people were estimated to live in the study area.<sup>4</sup> The lower estimate in the urban renewal/TIF area is due to the removal most of the residentially-zoned areas from the recommended boundary. The urban renewal/TIF area includes two Census Tracts: the area south of Franklin Avenue is in Census Tract 15, and the northern area is in Census Tract 16 (Figure 6).

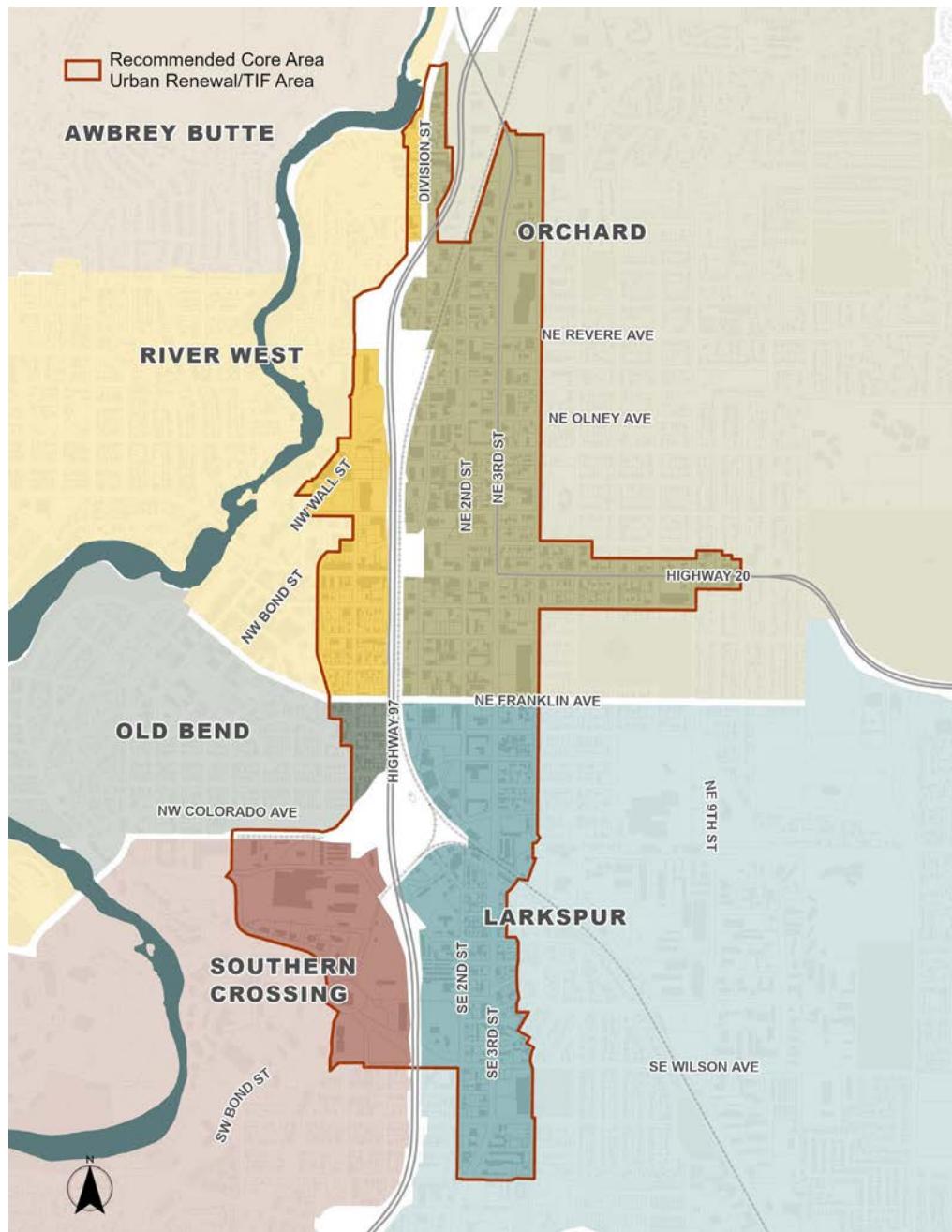
Table 3. Demographic Characteristics

	TRACT 15	TRACT 16	CITYWIDE
Median Household Income	\$46,284	\$46,284	\$63,468
% Persons in Poverty	10%	21.5%	10.3%
% White Alone (not Hispanic or Latino)	82%	73%	85.6%
% Hispanic or Latino	13%	21%	9.1%
Median age	33	33	38.6
% Population 65 years or older	11.5%	9.5%	16.5%
% Population with disability	13.3%	12.3%	10.4%
Households with no car	7.7%	7.3%	5.2%
Owner occupied housing units	35.0%	25.7%	58.8%
Median Home Value	\$286,900	\$283,700	\$363,200
Median gross rent	\$958	\$917	\$1,185

<sup>4</sup> City of Bend Building Lands Inventory (BLI) Analysis, 2014; Envision Tomorrow model analysis.

## EXISTING CONDITIONS

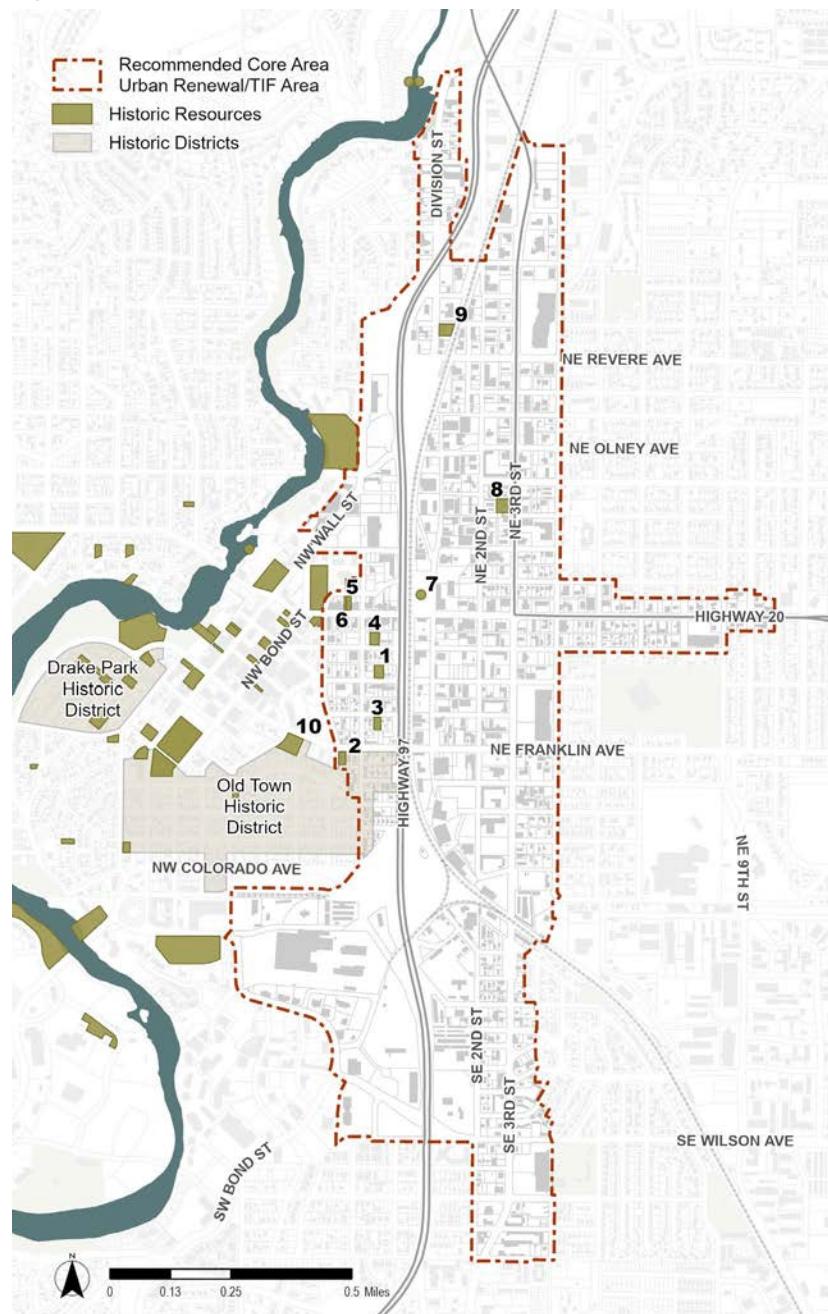
Figure 7. Neighborhood Associations



## NEIGHBORHOODS

The recommended urban renewal/TIF area boundary contains properties that fall within five of the City's thirteen neighborhood associations. The Orchard and Larkspur neighborhood associations comprise the largest portions of the urban renewal/TIF area east of the parkway. The western half of the district is split between the River West, Old Bend, and Southern Crossing neighborhood associations.

Figure 8. Historic Resources and Districts



## HISTORIC FEATURES

The recommended urban renewal/TIF area boundary consists of several designated historical landmarks as well as portions of the Old Town Historic District. Designated landmarks in the Core Area are listed below and shown in Figure 8. The majority of the historic resources in the Core Area are located in East Downtown. The Core Area also closely borders the following historic resources:

- A.J. Tucker Blacksmith Shop
- Pete Pierson Blacksmith Shop
- Pioneer Park
- Brooks-Scanlon Crane Shed

Table 4. Historic Resources in the Core Area

HISTORIC RESOURCE	LOCATION	SUB-AREA
1 A.C. Lucas House	42 NW Hawthorne Ave	East Downtown
2 First Presbyterian Church	157 NW Franklin Ave	East Downtown
3 James E Reed House	45 NW Greeley Ave	East Downtown
4 C.P. Niswonger House	44 NW Irving Ave	East Downtown
5 John I. West Building	130 NW Greenwood Ave	East Downtown
6 Hoovers Universal Garage	124 NW Greenwood Ave	East Downtown
7 Oregon Trunk Freight Warehouse Site	0-30 NE Greenwood Ave	Bend Central District
8 Weist Home Site Landmark	1315 NE 3rd St	Bend Central District
9 Bend Woolen Mill	1854 NE Division St	Division
10 St. Francis Catholic Church*	494 NW Lava Rd	East Downtown

\*The St. Francis Catholic Church is not included in the recommended urban renewal/TIF area boundary.

## EXISTING CONDITIONS

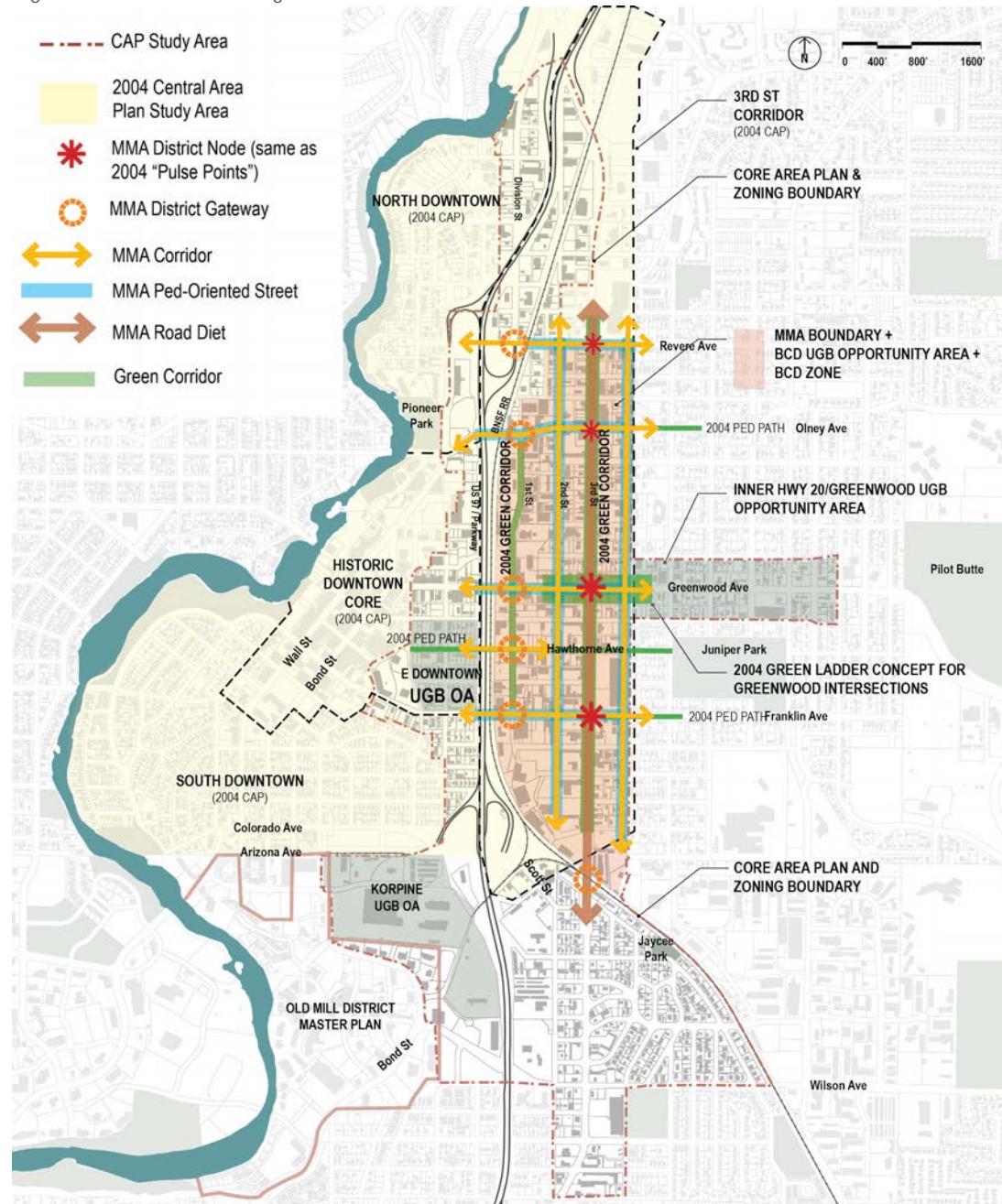


## ***Economic Conditions***

Using 2018 employment data, it is estimated that there are approximately 720 job sites and 8,000 employees within the recommended Core Area Urban Renewal/TIF Area. This represents a 6% increase in number of job sites and 27% increase in number of employees since 2016.<sup>5</sup> The BCD comprises the largest percentage of employees.

The Core Area presents itself as an area with relatively low rents compared to Downtown and the Old Mill for businesses. While a large portion of the study area was re-zoned in 2016, there has been little redevelopment to date. However, there have been 318 planning applications and 1,321 building permits filed with the City within the recommended urban renewal/TIF area since 2016.

Figure 9. Previous Planning Effort



## LAND USE AND TRANSPORTATION PLANNING

### Previous Land Use Planning Efforts

The Core Area Project was inspired by previous planning efforts, including the 2004 Central Area Plan and the 2014 BCD MMA plan. In addition to building on these two plans, the Core Area Project is an implementation of the 2016 Bend Comprehensive Plan update that was prepared during the UGB update process.

### 2004 CENTRAL AREA PLAN

This plan looked at a large portion of the project study area in conjunction with the Downtown area. The plan includes vision statements for several Central Area neighborhood districts: The Historic Downtown Core, the Third Street Corridor, the Greenwood Avenue corridor, and the "Bend Central" Neighborhood. It also identifies "major traffic streets" (Colorado, Arizona, Oregon, and Hawthorne Avenues) and "great streets" (3rd Street, Portland, Olney, Greenwood, and Franklin Avenues).

In addition, it includes recommendations related to city form and skyline, gateways, open spaces, large-scale development opportunities, and development types.

### 2016 MMA PLAN

The MMA plan was an effort to encourage multimodal travel and redevelopment within the BCD. The Plan proposed enhancements to multimodal conditions and facilities in the BCD including:

- Near term bicycle and pedestrian projects
- Proposed transportation network including conceptual street designs, intersection controls and pedestrian, bicycle and transit strategies
- Enhanced east-west pedestrian and bicycle connectivity
- Transportation demand management (TDM) strategies
- Policy and code amendments
- Additional implementation strategies

The 2016 MMA Plan resulted in amendments to the Bend Comprehensive

Plan, TSP, and the Bend Development Code to allow future land use changes and redevelopment in the MMA.

### **Comprehensive Plan Policies**

As noted above, Chapter 11 of the City's Comprehensive Plan describes a number of key "opportunity areas" within the City, five of which are located in the "Central Core" of Bend and four within the Core Area Project Study Area. The Comprehensive Plan identifies visions for those four opportunity areas as shown below.

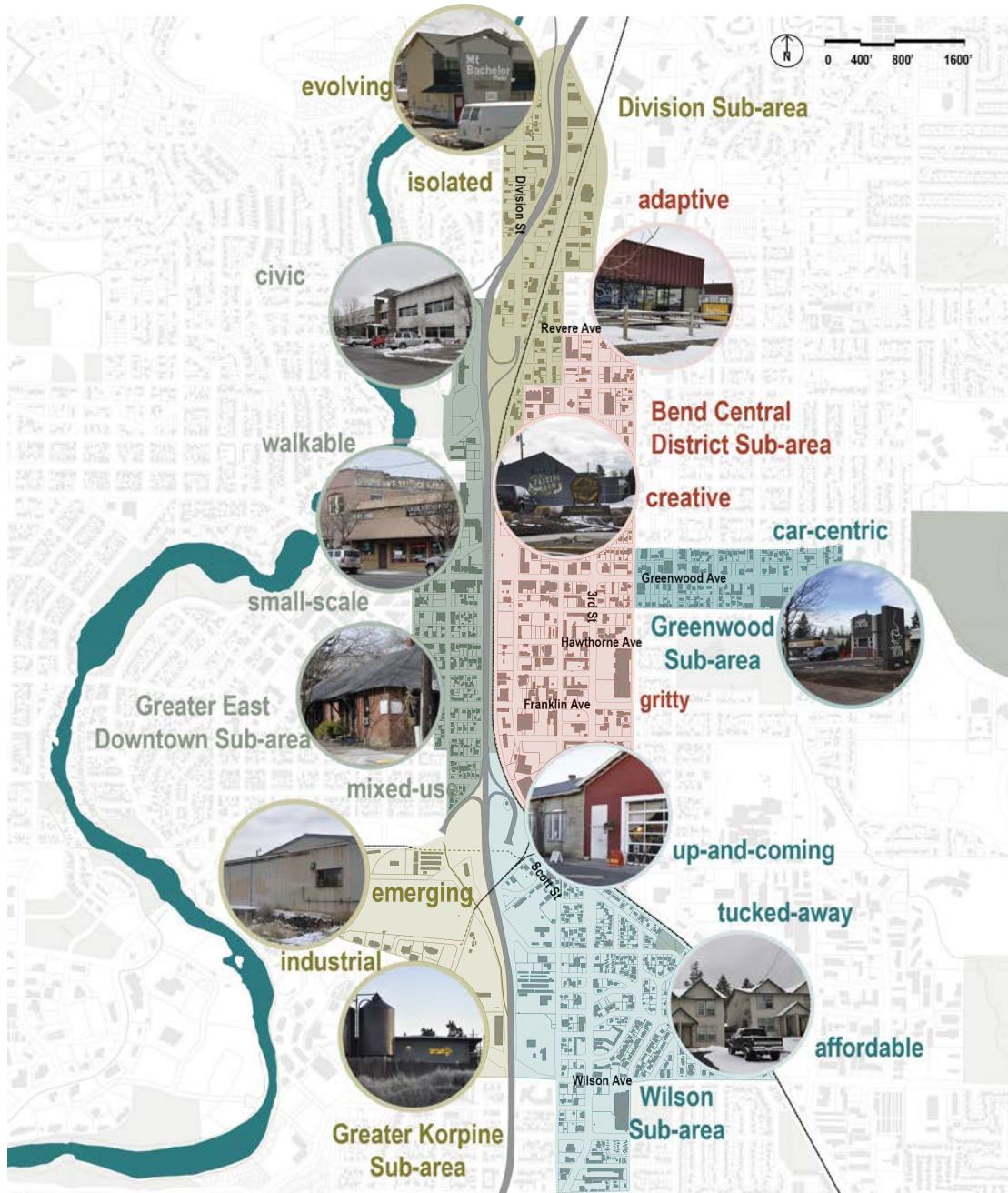
1. **Bend Central District:** opportunity for the 3rd Street commercial strip to transition to a mixed-use corridor
2. **East Downtown:** long-term opportunity for an extension of the downtown
3. **KorPine:** opportunity to transform an industrial area into a vibrant urban mixed-use district
4. **Inner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

In addition, the Comprehensive Plan includes policies particularly relevant to the Core Area Project including the City's commitment to compact development and integration of land uses to encourage infill and appropriate redevelopment, reduction of vehicle miles traveled (VMT), as well as vertical mixed-use development within the Central Core, Opportunity Areas and along transit corridors.

### **Bend Development Code**

The Bend Development Code governs all land uses within the city limits of Bend. The majority of the study area consists of mixed-use and commercial zones (Figure 11). The proposed Core Area Urban Renewal/TIF Area boundary does not include most of the study area that is zoned residential; most residential properties in the Inner Highway 20/ Greenwood and Wilson sub-areas were recommended to be removed from a future urban renewal/TIF area boundary.

Figure 10. CAP Study Area Existing Character Overview

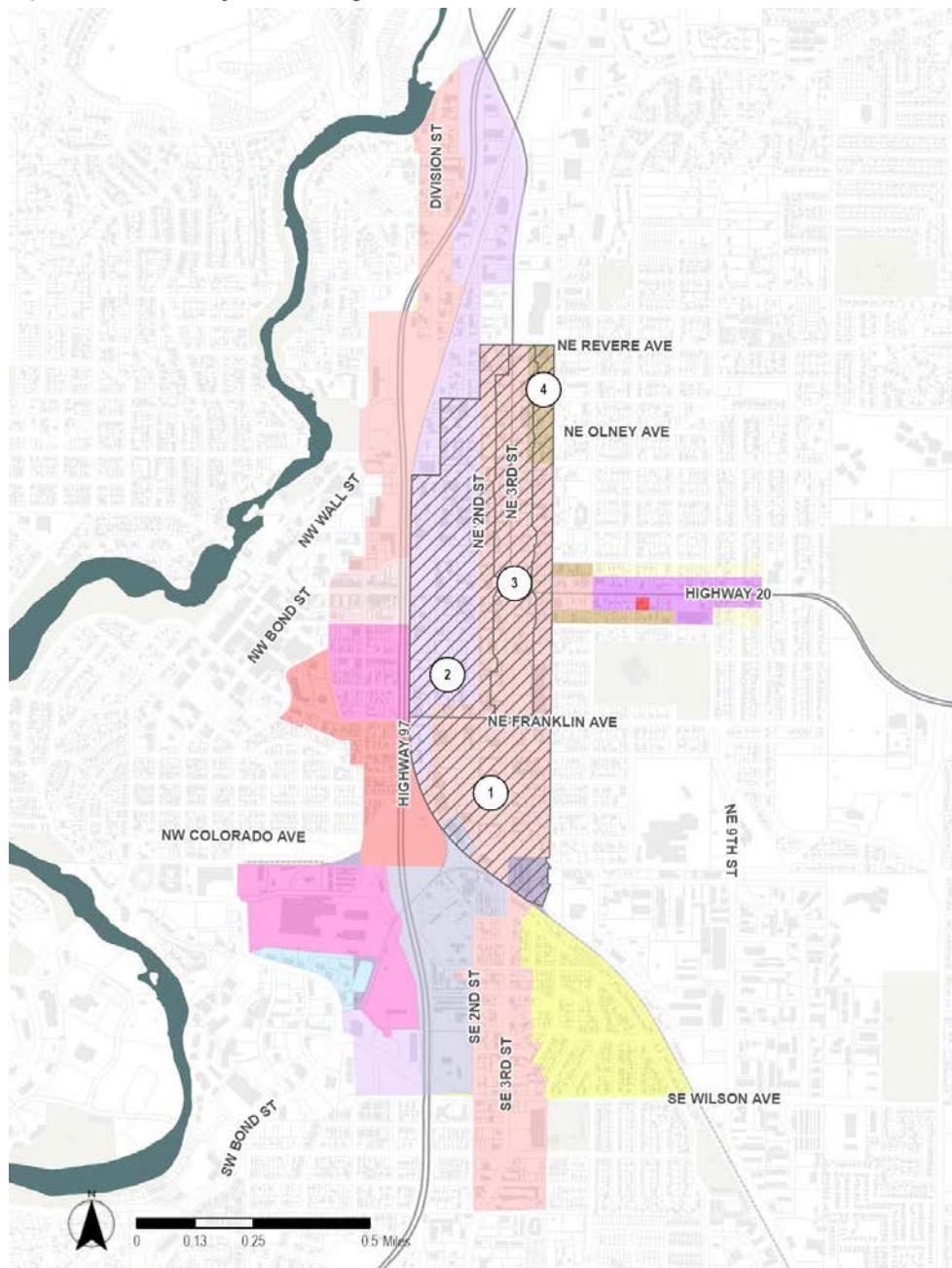


## URBAN DESIGN ANALYSIS

An Urban Design Analysis was prepared early in the CAP planning process of the study area to analyze existing conditions for the area. This analysis was used to determine the ultimate recommendation for the recommended Core Area Urban Renewal/TIF Area and to identify project needs for the area. The following pages summarize key findings from the analysis and illustrate the urban character of the CAP study area.

## EXISTING CONDITIONS

Figure 11. CAP Study Area Zoning

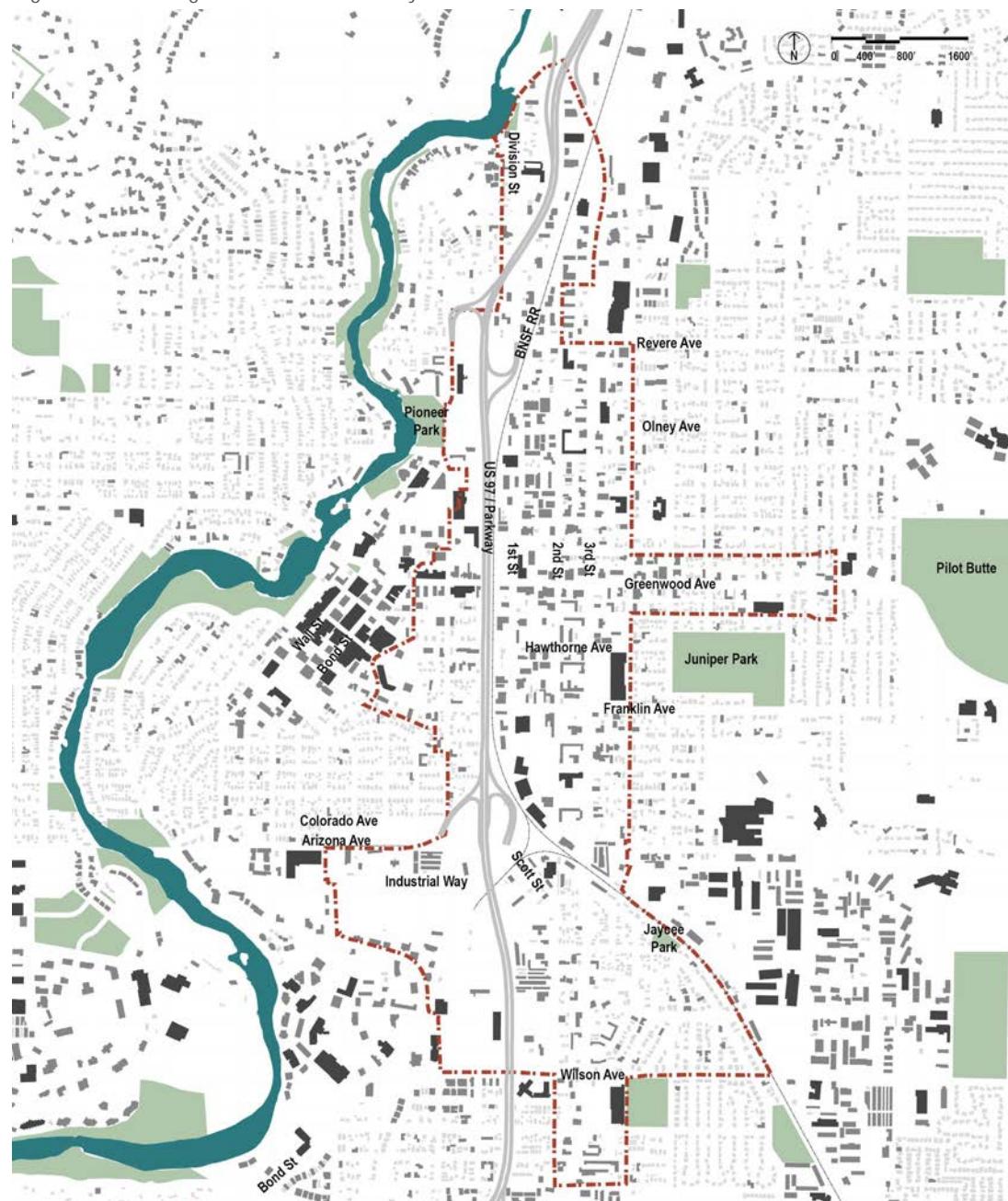


## ZONING

The CAP study area included mixed-use, commercial, and industrial zoning, as well as residential zoning concentrated in the Wilson sub-area.

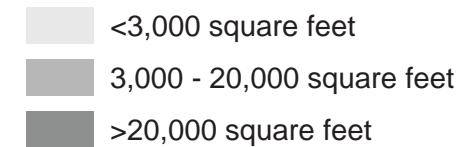
- CB - Central Business District
- CC - Commercial Convenience
- CG - Commercial General
- CL - Commercial Limited
- CN - Commercial Neighborhood
- IL - Industrial Light
- IG - Industrial General
- MR - Mixed Riverfront
- MU - Mixed Urban
- MN - Mixed Neighborhood
- ME - Mixed Employment
- PF - Public Facilities
- RS - Residential Urban Standard Density
- RM - Residential Urban Medium Density
- RH - Residential Urban High Density
- Bend Central District Zone
  - 1. South Subdistrict
  - 2. 1st & 2nd Street Subdistrict
  - 3. 3rd Street Subdistrict
  - 4. 4th Street Subdistrict

Figure 12. Building Size in the CAP Study Area



## URBAN FORM ANALYSIS: BUILDING SIZE

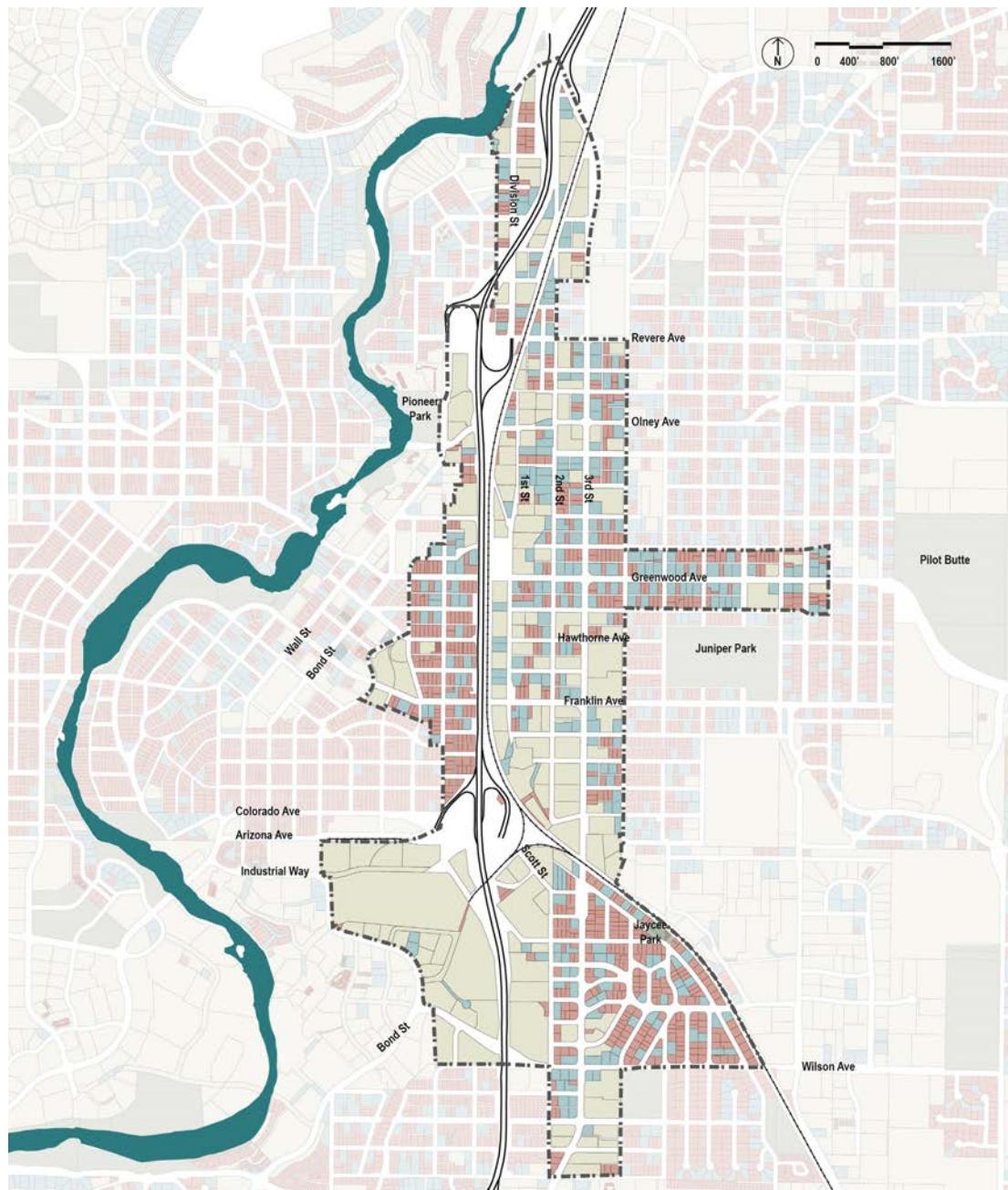
A majority of the study area is comprised of small/medium sized buildings. Larger buildings and vacant sites are clustered along US 97 and the BNSF railroad, or along 3rd Street as big box grocers.



*Building size source: Microsoft 2010*

## EXISTING CONDITIONS

Figure 13. Property Size in the CAP Study Area



## URBAN FORM ANALYSIS: TAXLOT SIZE

Larger lots are primarily clustered along the parkway and BNSF 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.

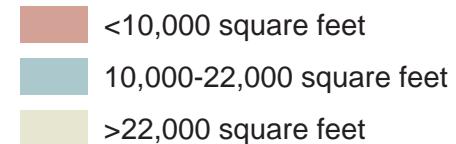
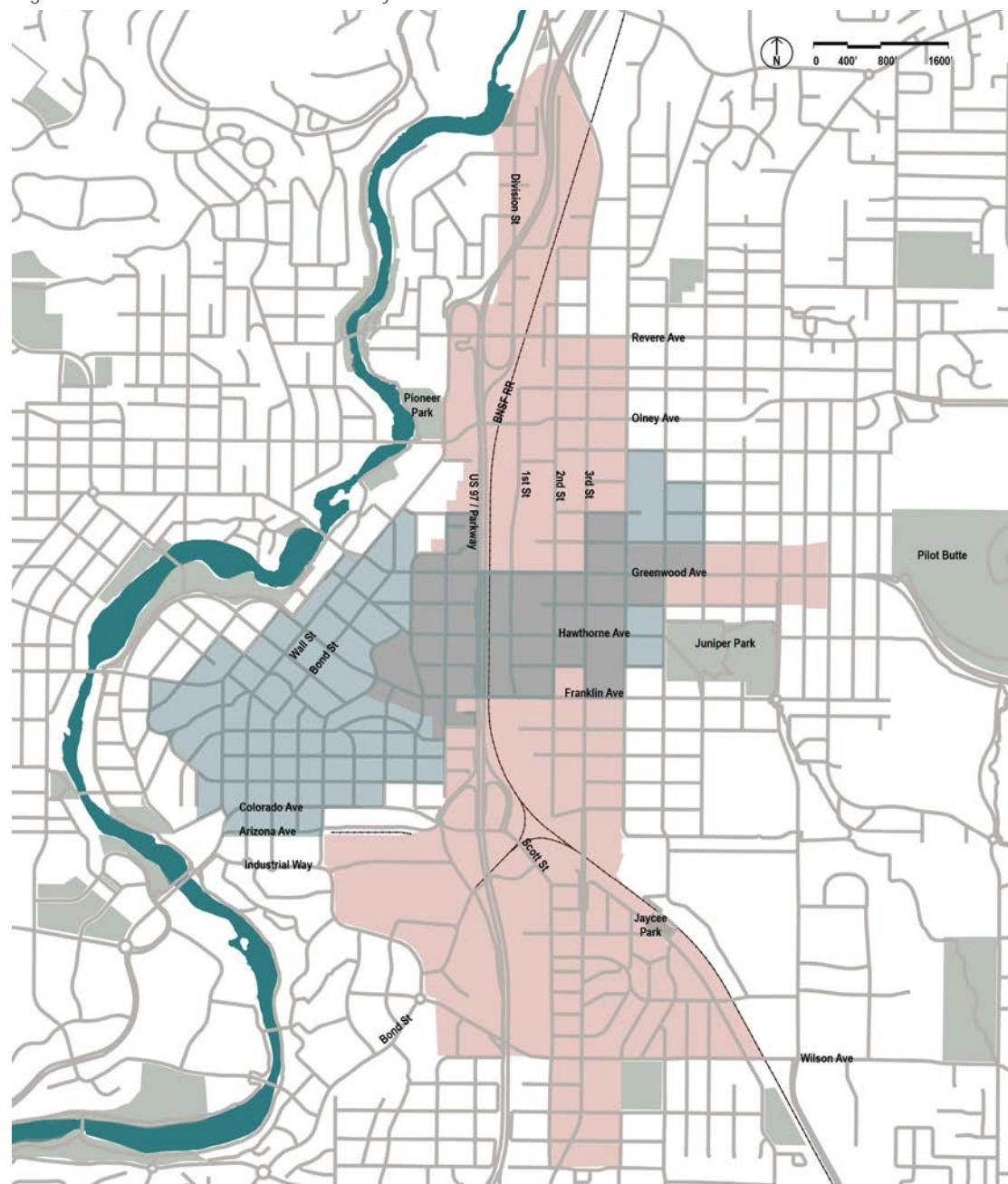


Figure 14. Street Grid in the CAP Study Area



## URBAN FORM ANALYSIS: STREET GRID

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 sub-area. 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.

- CAP Study Area
- Highest Intersection Density  
(>180 intersections/square mile)
- Streets/Highways

## GREATER EAST DOWNTOWN SUB-AREA CHARACTER

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



Creative reuse of buildings



Parkway is noisy pedestrian barrier



View of downtown



House converted to local business



Pilot Butte views through alleys



Older buildings, stoops, & human-scale signage



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

## BEND CENTRAL DISTRICT SUB-AREA CHARACTER

This sub-area is a large extent of larger light-industrial properties 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.



Tower as local landmark



Inviting signage



Bright paint on industrial buildings



Greenwood is a barrier to pedestrian crossing



Engaging front window and outdoor seating



Adapted industrial shed



Unique silhouette of Quonset hut

## GREENWOOD SUB-AREA CHARACTER

Greenwood Avenue is an important east-west corridor for the city and is characterized by auto-oriented development which splits the sub-area 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 trees and Pilot Butte



Landmark silhouette and vintage signage



Drive through uses and minimal streetscape improvements



Haphazard retail displays



Surface parking lot edges on strip malls create a frontage void



Auto oriented signage and minimal storefront windows

## GREATER KORPINE SUB-AREA CHARACTER

This sub-area is generally comprised of large properties 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 Sub-area with the rest of the City's fabric.



Corrugated metal sheds along railroad spur



Rustic wood and metal structures



Casual outdoor space and industrial materials



Large property with potential for connectivity



Engaging front window and outdoor seating



Mountain views



Nearby Box Factory houses a variety of local businesses

## WILSON SUB-AREA CHARACTER

This sub-area is primarily low-density residential, transitioning to small-scale retail and dining uses along 3rd Street and west and larger industrial properties adjacent to the Parkway. Connectivity is challenged by barriers such as the BNSF RR, 3rd Street Underpass and lack of sidewalks and enhanced crossings, particularly across Wilson Avenue.



Older businesses along 3rd Street



Pockets of creative businesses in adapted industrial space



Modest homes on small lots



Affordable, missing middle housing



Industrial and large unscreened surface lots



Inviting landscape and brick industrial-era buildings



Auto oriented businesses and signage

## DIVISION SUB-AREA CHARACTER

This sub-area 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.



Railroad divides area



River views



Improved streetscape



Small motels with vintage signage



Unscreened surface parking on edges



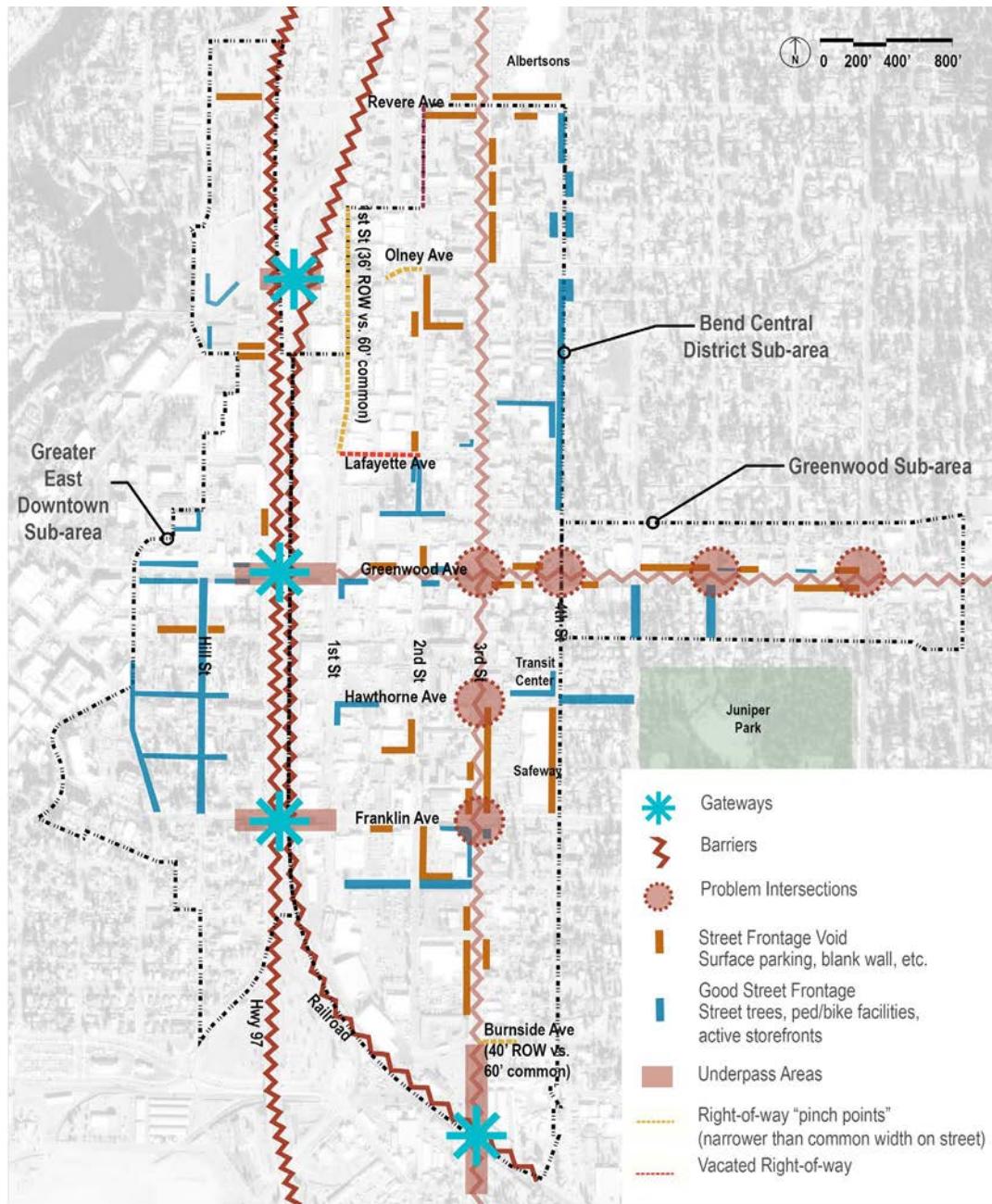
Pockets of planting and engaging retail frontage



Adapted metal sheds to retail with upgraded streetscape

## EXISTING CONDITIONS

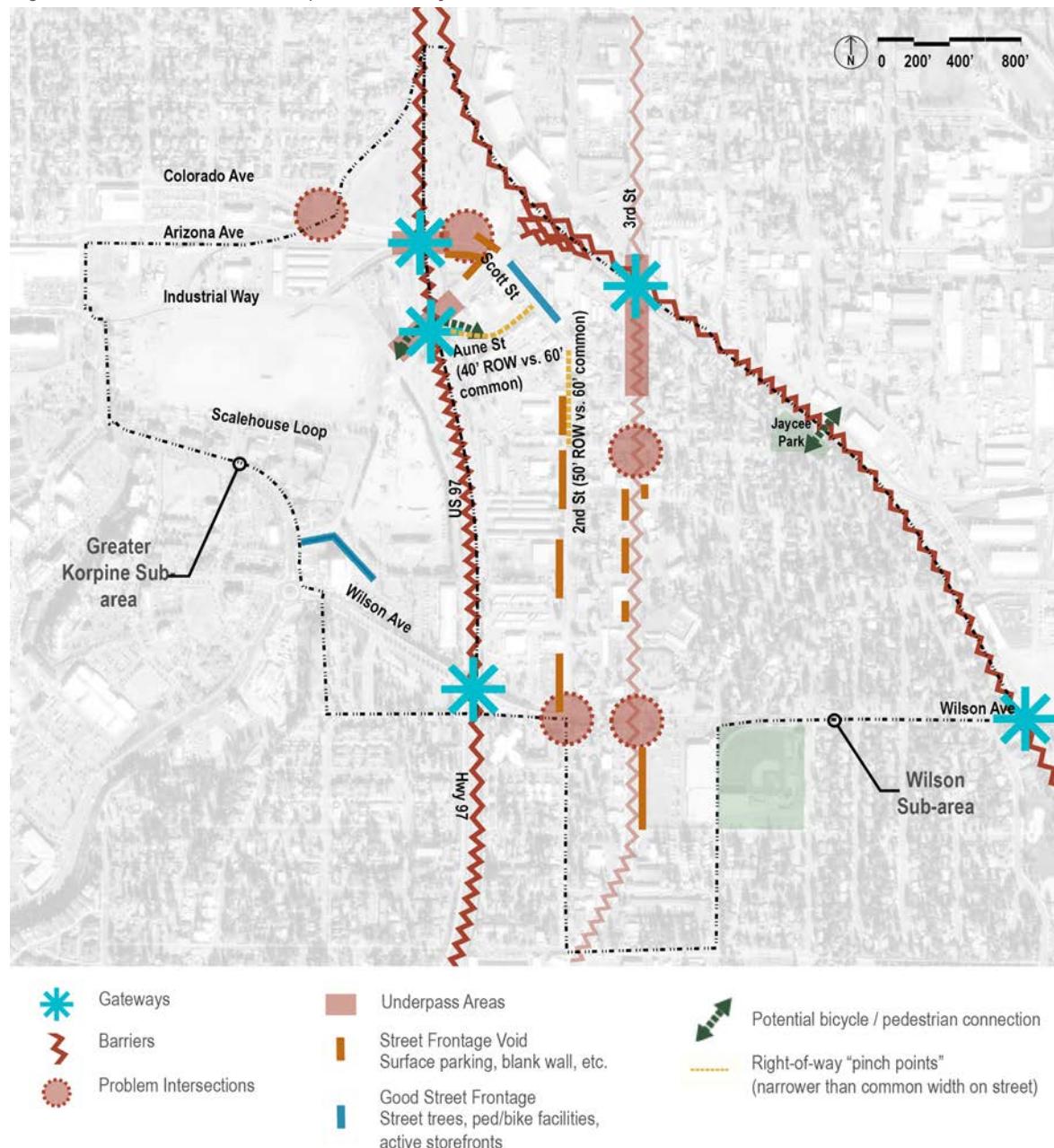
Figure 15. Central Section Transportation Analysis



## TRANSPORTATION ANALYSIS: CENTRAL SECTION

Significant challenges for the central section of the study area include the uncomfortable undercrossings at Greenwood Avenue and Franklin Avenue and the major barriers of the Parkway, railroad, Greenwood Avenue, and 3rd Street. There are pockets of pedestrian-oriented street frontage, mostly concentrated in the Greater East Downtown sub-area and along 4th Street.

Figure 16. South Section Transportation Analysis

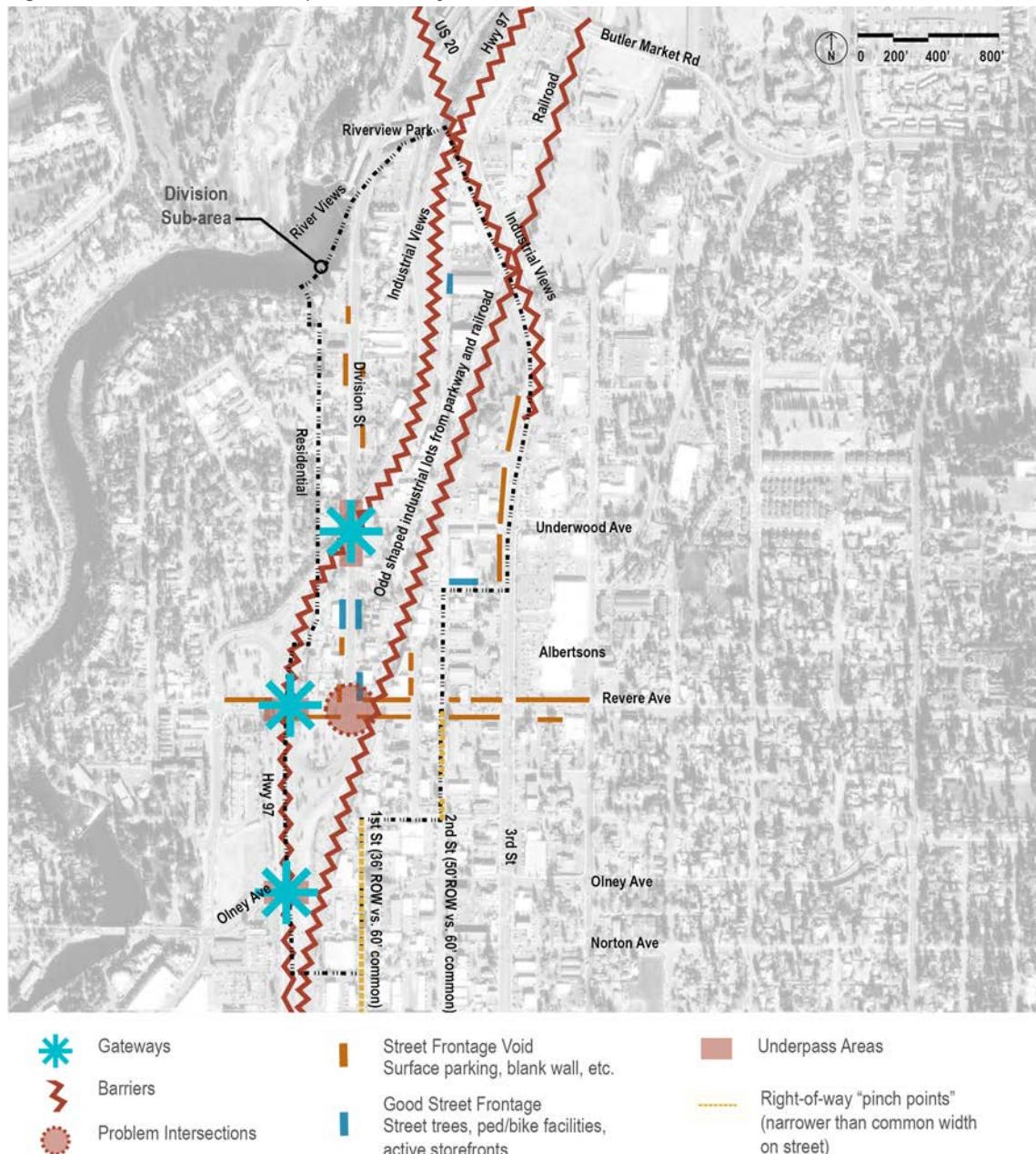


## TRANSPORTATION ANALYSIS: SOUTH SECTION

The south section of the study area will benefit from greater pedestrian and bicycle connections and improved gateways across the Parkway, 3rd Street, and the railroad. Currently, the 3rd Street underpass is a narrow and uncomfortable passage, particularly for pedestrians and cyclists. Street frontage voids in the area are most concentrated along 2nd and 3rd Streets; areas with good street frontage are limited and scattered.

## EXISTING CONDITIONS

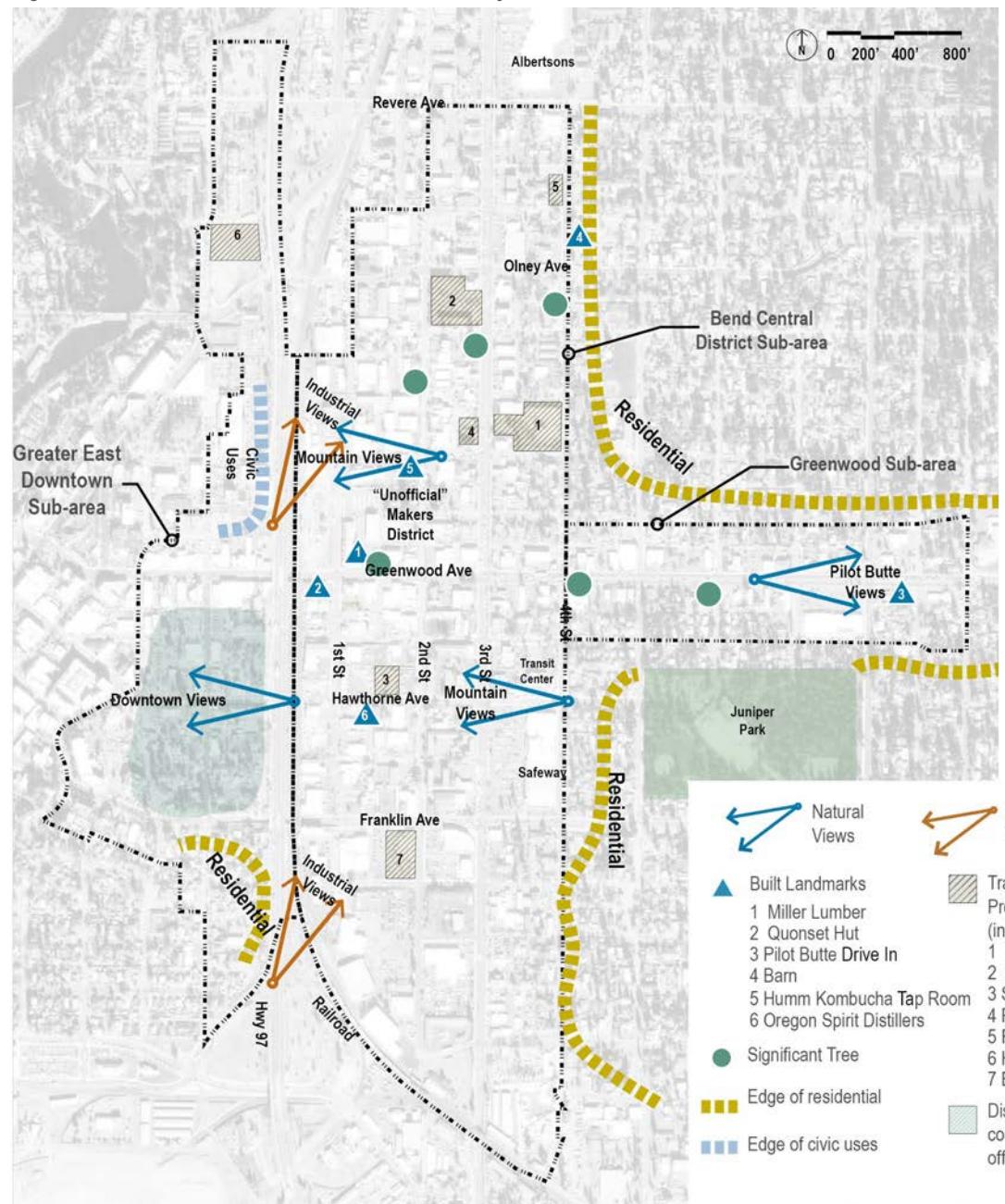
Figure 17. North Section Transportation Analysis



## TRANSPORTATION ANALYSIS: NORTH SECTION

The northern section of the study area 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.

Figure 18. Central Section Built Environment Analysis

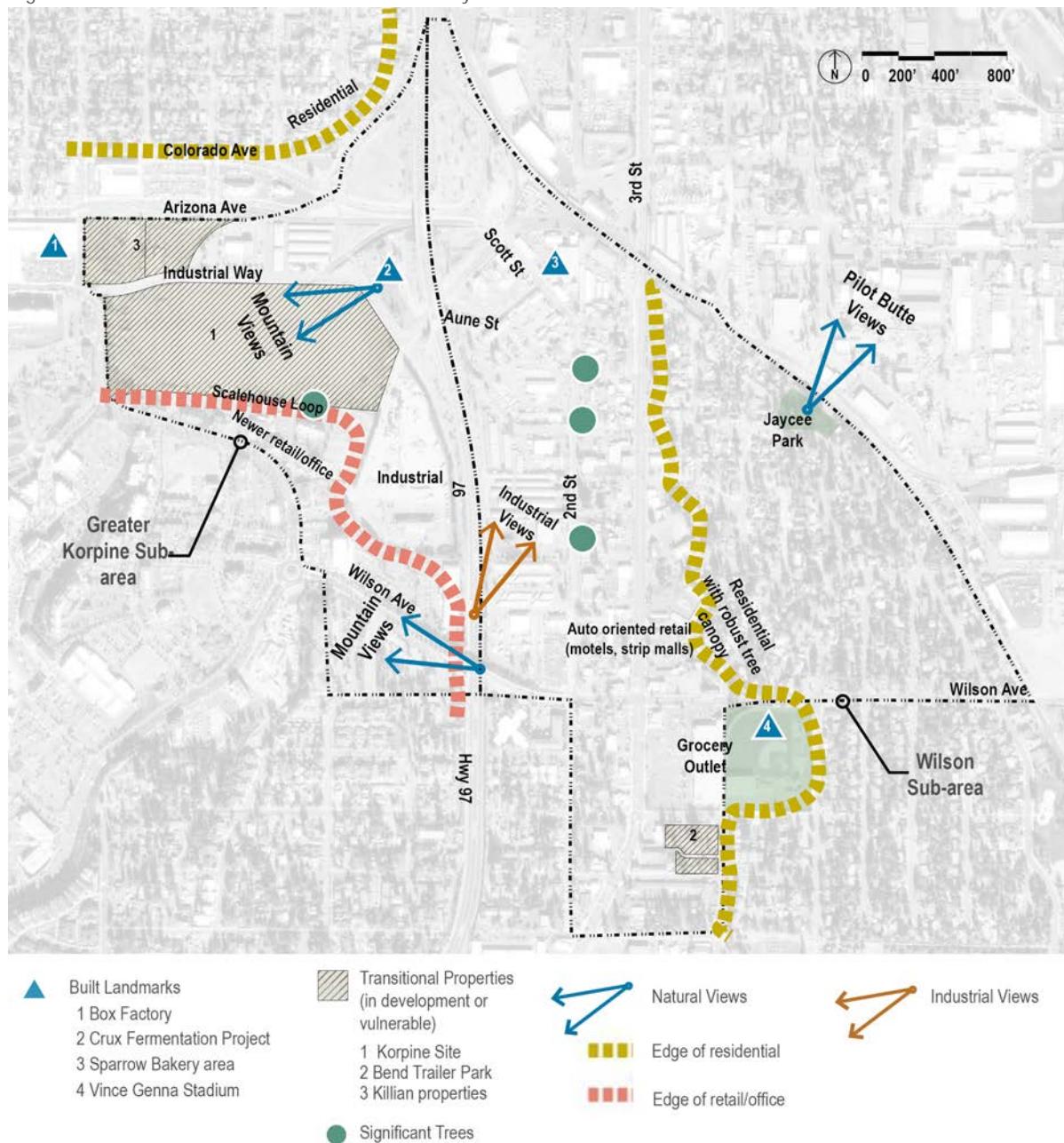


## BUILT ENVIRONMENT ANALYSIS: CENTRAL SECTION

Existing assets of the central section of the study area include its proximity to downtown, views of Pilot Butte, and pockets of activity (Juniper Park, makers district businesses, Hawthorne Station Transit Center). There is momentum in the central section with remodels and redevelopment in progress.

## EXISTING CONDITIONS

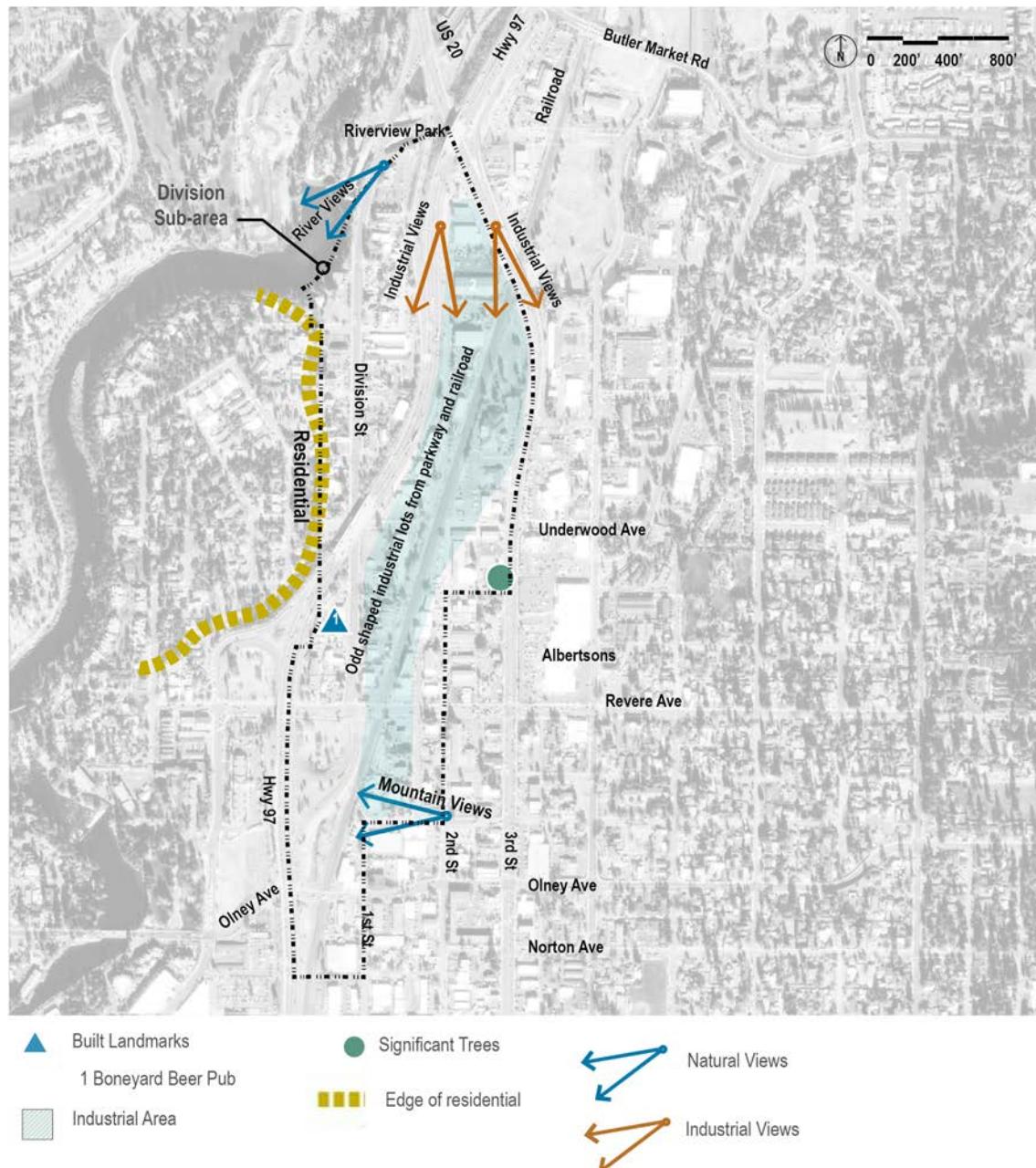
Figure 19. South Section Built Environment Analysis



## BUILT ENVIRONMENT ANALYSIS: SOUTH SECTION

More than other parts of Core Area, the south section has large properties 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.

Figure 20. North Section Built Environment Analysis



## BUILT ENVIRONMENT ANALYSIS: NORTH SECTION

The Division Sub-area in the north section of the study area has limited landmarks or significant trees compared to other sub-areas. Industrial uses fill the odd shaped lots created by US 97, Highway 20, and the railroad.



## TRANSPORTATION FACILITIES AND PROJECTS

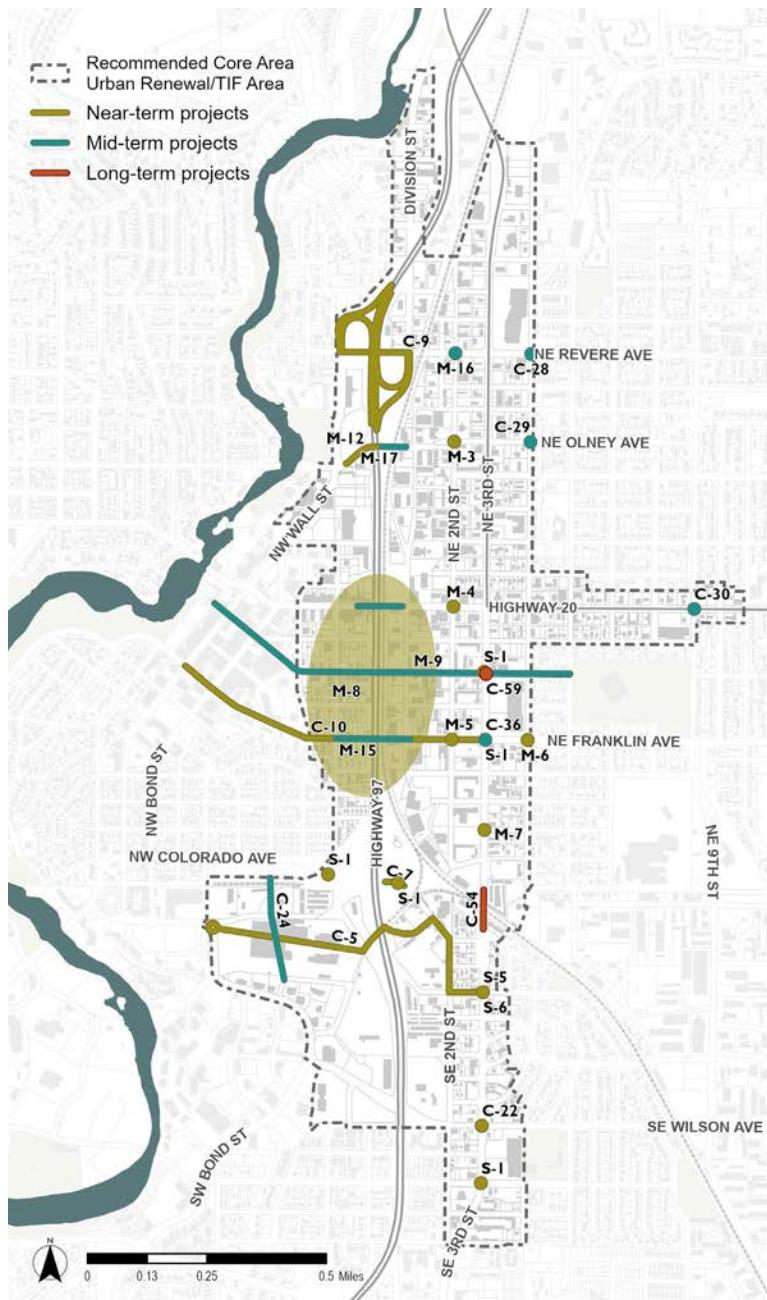
The Core Area Project was closely coordinated with existing and concurrent transportation planning efforts in order to ensure consistency between plans and to maximize future transportation investments. The plans include:

- City of Bend's TSP/ Metropolitan Transportation Plan (MTP) update (2020)
- Oregon Department of Transportation (ODOT) US 97 Parkway Plan
- Cascades East Transit (CET) 2040 Transit Master Plan
- 2016 TSP and Integrated Transportation and Land Use Plan (ILUTP)
- 2012-2014 Multimodal Traffic Safety Study

The following maps illustrate the condition of transportation facilities in the study area, as well as proposed transportation improvement projects. They include:

- Draft 2040 Transportation Project List
- Street Classifications
- Sidewalk Facilities
- Low Stress Bicycle Network
- Transit Facilities
- Safety

Figure 21. Draft Transportation Projects



## DRAFT 2040 TRANSPORTATION PROJECT LIST

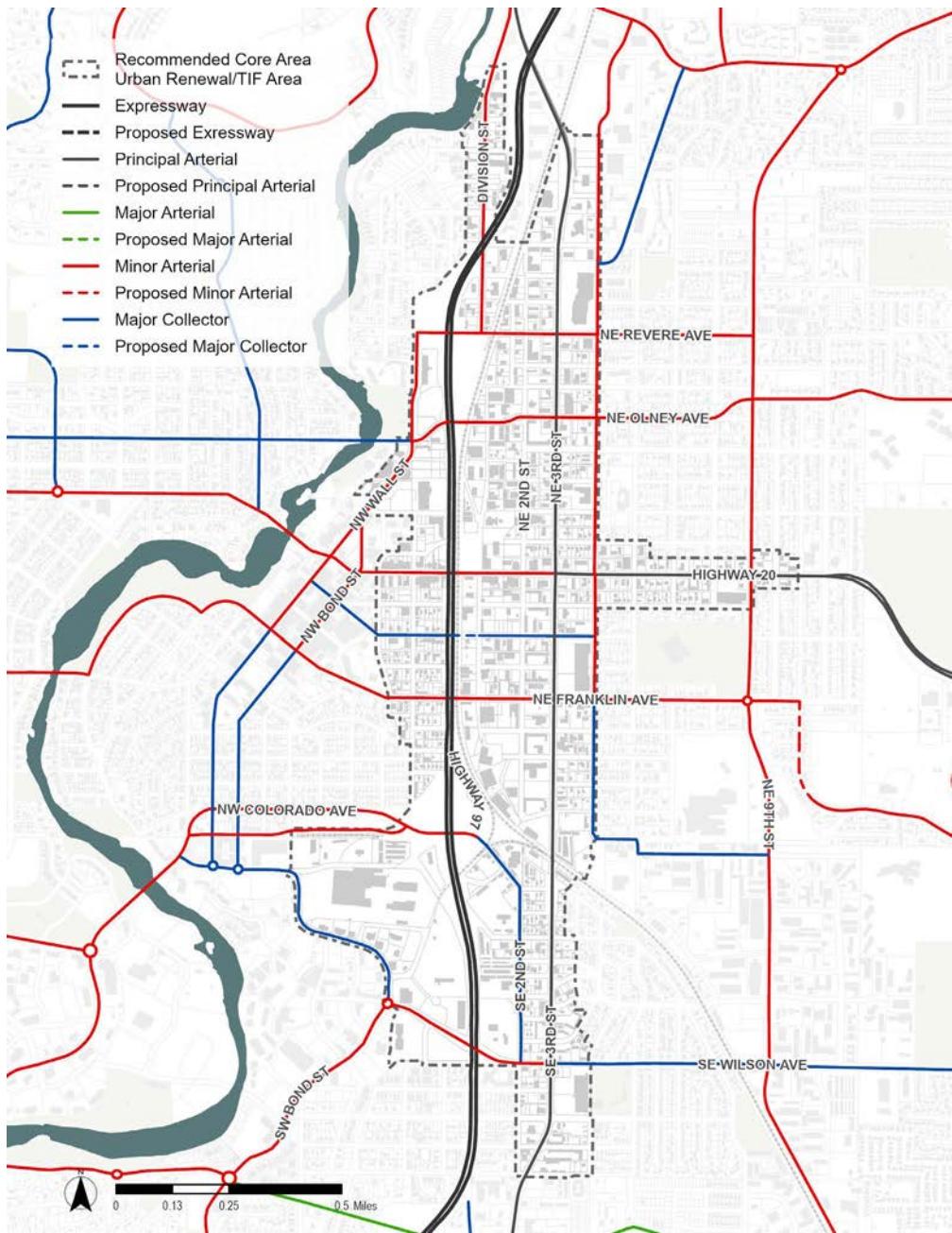
The Draft 2040 Project List is an element of the City's TSP update. In addition to citywide projects and programs, transportation projects on the 2040 Project List that are located in the Core Area include:

- **C-5:** Aune Road extension from Bond Street to 3rd Street
- **C-7:** Colorado Avenue/US 97 northbound ramp intersection safety and capacity improvements
- **C-9:** Revere Avenue interchange improvements
- **C-10:** Franklin Avenue corridor study
- **C-22:** 3rd Street/Wilson Avenue intersection improvement
- **C-24:** Sisemore Street extension
- **C-28:** Revere Avenue/4th Street intersection improvement
- **C-29:** Olney Avenue/4th Street intersection improvement
- **C-30:** Greenwood/8th Street intersection improvement
- **C-36:** 3rd Street/Franklin Avenue signal modification
- **C-54:** 3rd Street railroad undercrossing widening
- **M-3:** Olney Avenue/2nd Street intersection improvement
- **M-4:** Greenwood Avenue/2nd Street intersection improvement
- **M-5:** Franklin Avenue/2nd Street intersection improvement
- **M-6:** Franklin Avenue/4th Street intersection improvement
- **M-7:** Clay Avenue/3rd Street intersection improvement
- **M-8:** Midtown Bicycle & Pedestrian Crossing Study
- **M-9/M-15:** Midtown Bicycle & Pedestrian Crossings<sup>6</sup>
- **M-12:** Olney Avenue protected bicycle lanes and Parkway undercrossing
- **M-16:** Revere Avenue/2nd Street Intersection improvement
- **M-17:** Olney Avenue Railroad Crossing Improvements
- **S-1:** Citywide intersection safety improvements
- **S-5/S-6:** 3rd Street/Miller Avenue intersection improvements and 3rd Street modifications

<sup>6</sup> The Midtown Bicycle & Pedestrian Crossings project (M-9/M-15) is included in the Draft 2040 Project List as both a near-term and a mid-term project.

## EXISTING CONDITIONS

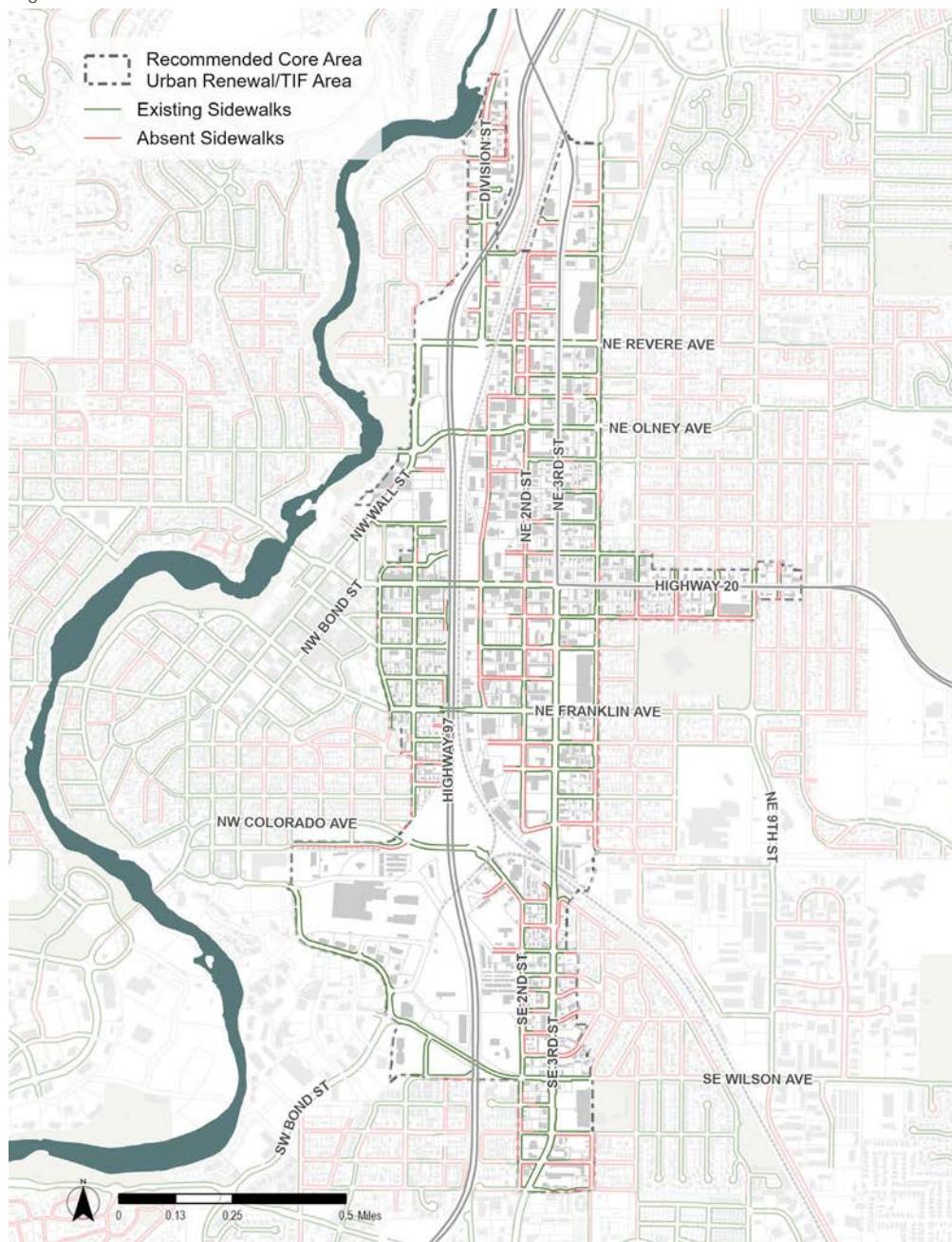
Figure 22. 2016 TSP Street Classification



## STREET CLASSIFICATIONS

Figure 22 shows street classifications for the Core Area as identified the City's currently adopted TSP, which was last updated in 2016. The City's 2020 TSP update will identify any needed street classification changes in the Core Area.

Figure 23. Sidewalk Facilities

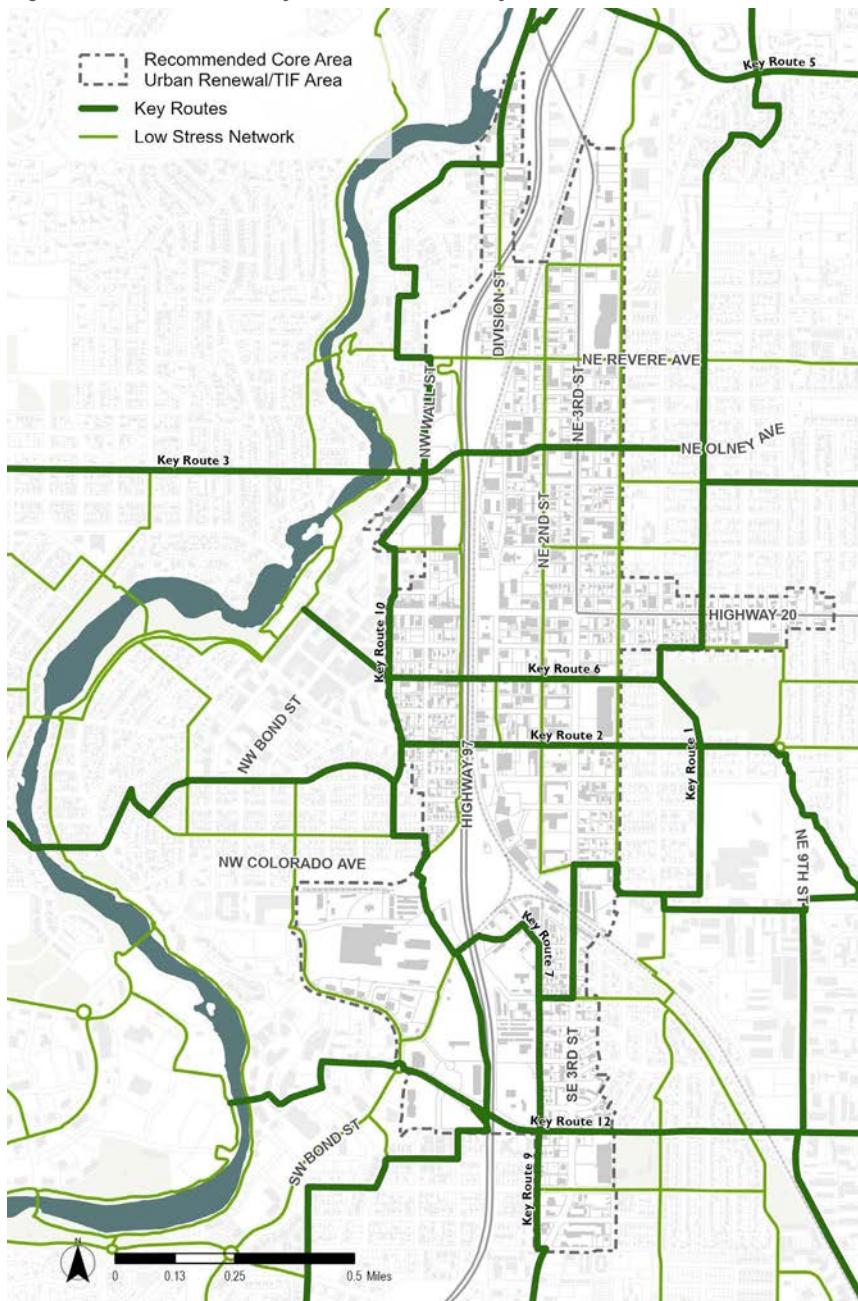


## SIDEWALK FACILITIES

Missing sidewalks in the Core Area are clustered in the industrial areas along 1st and 2nd Streets throughout the study area, and along residential streets in the Wilson and Greenwood sub-areas.

The Draft 2040 Transportation Project List has identified a citywide pedestrian program (P-5) which includes creating a Pedestrian Master Plan to identify and prioritize pedestrian system improvements (local, collector, arterial sidewalk infill), transit access, safe routes to schools and parks, and wayfinding.

Figure 24. Low Stress Bicycle Network and Key Routes



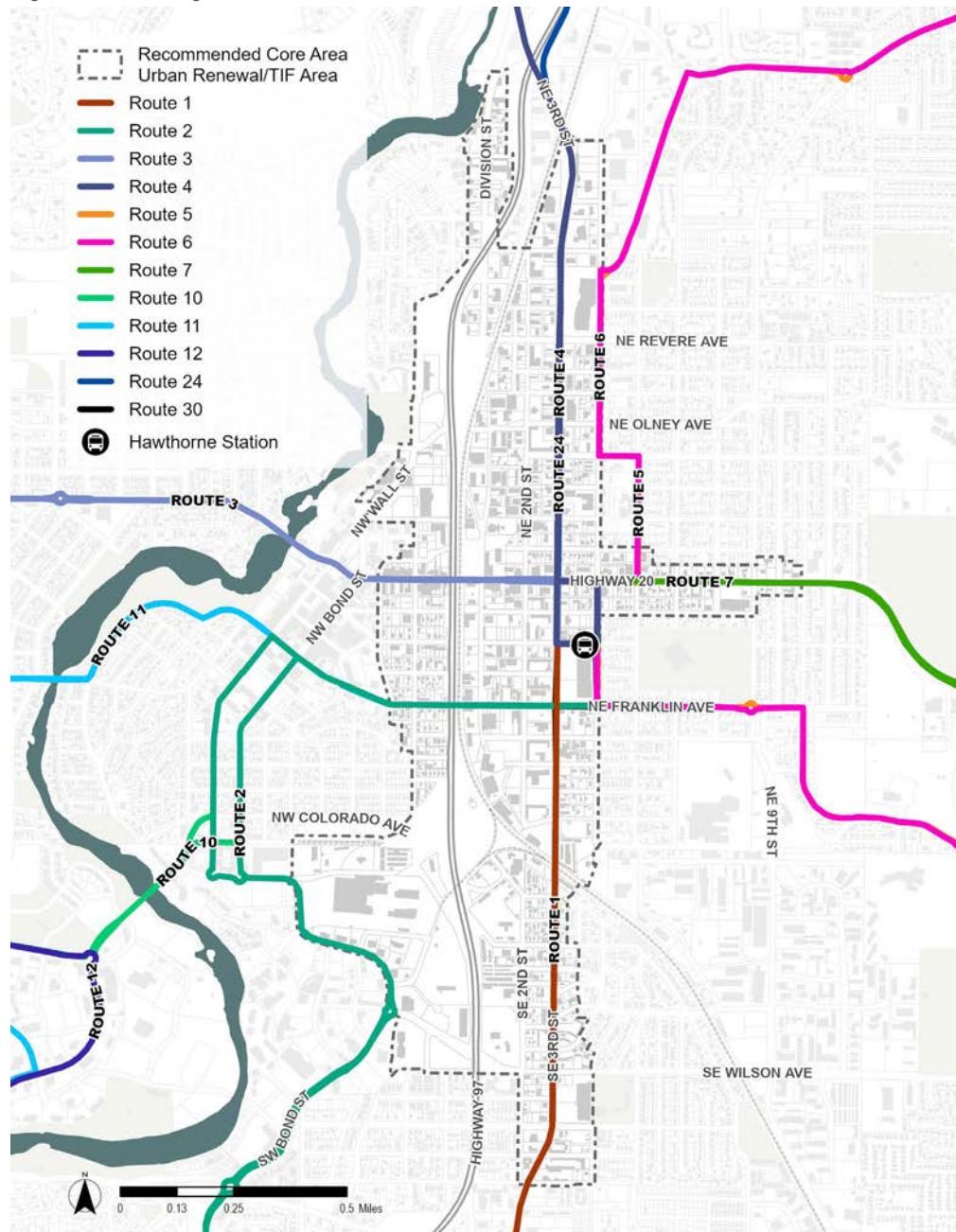
## LOW STRESS BICYCLE NETWORK

The City's TSP update process identified Key Walking and Biking Routes that are essential to implementing portions of the bicycle Low Stress Network, shown in Figure 24. Completing the Key Walking and Biking Routes, including any associated capital improvement projects, is a near-term priority included on the Draft 2040 Project List. The following Key Routes are located within Core Area:

- **Key Route 1: Juniper Ridge to Southeast Expansion Area.** Route runs north-south through the central portion of Bend connecting the SE 15th Street Shared Use Path, 6th Street Neighborhood Greenway, and Boyd Acres Road Shared Use Path.
- **Key Route 2: NW Crossing to new Affordable Housing.** Route runs east-west connecting neighborhoods to services and transit.
- **Key Route 3: Shevlin Park to Big Sky Park.** Route runs east-west connecting Shevlin Park Road, Portland Avenue, Olney Avenue, and Neff Road.
- **Key Route 6: Hawthorne Overcrossing.** Core Area connectivity.
- **Key Route 7: 3rd Street at railroad.** Connect KorPine to 3rd Street.
- **Key Route 9: Route runs north-south parallel to 3rd Street.**
- **Key Route 10: O.B. Riley Road.** Route runs north-south along O.B. Riley Road to Blakely Road.
- **Key Route 12: Wilson Avenue.** Route runs east-west connecting neighborhoods to services and transit.

Route runs east-west connecting Skyliners Road, Franklin Avenue, and Bear Creek Road.

Figure 25. Existing Transit Service



## TRANSIT

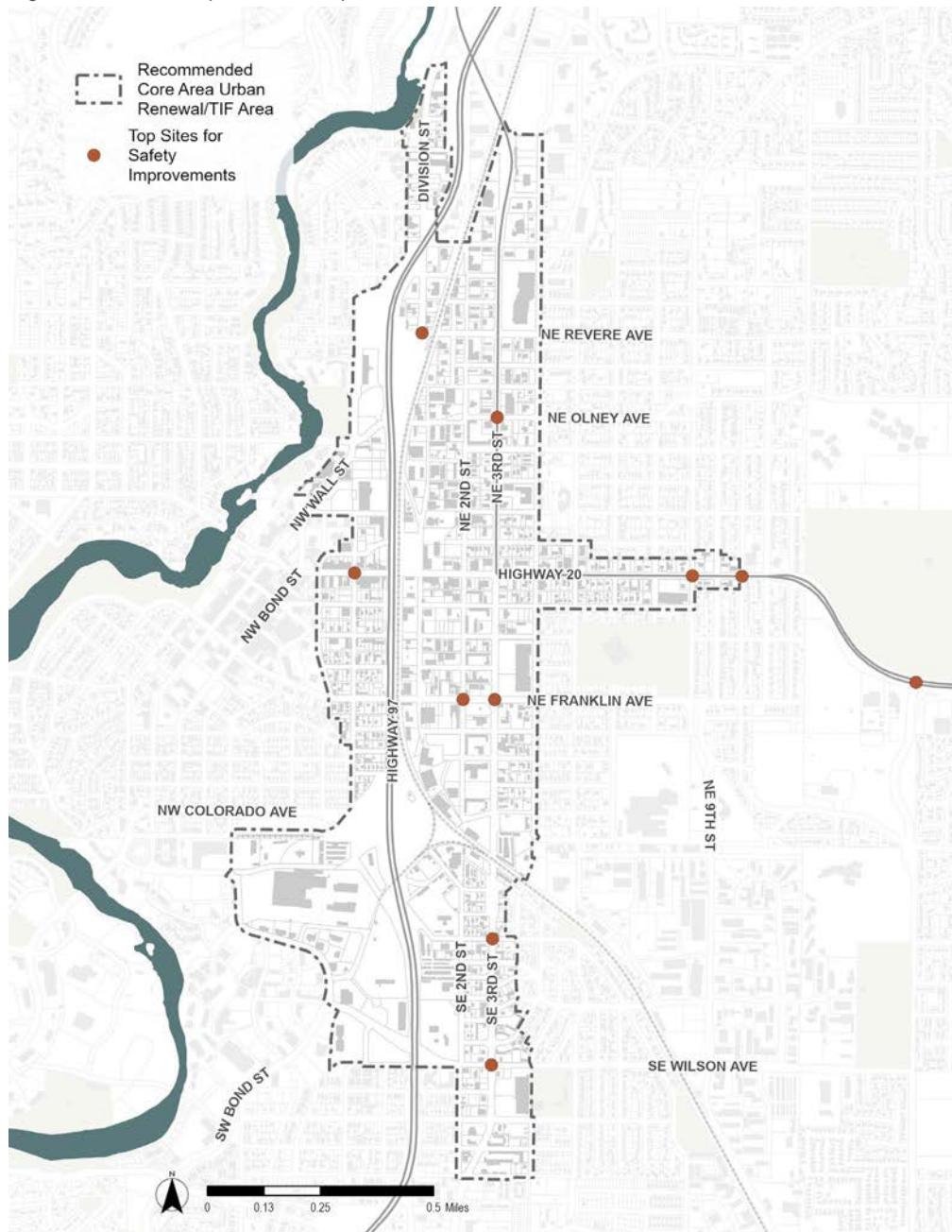
All Bend transit routes originate at the Hawthorne Transit Center, which is located in the Core Area. The most used transit routes in the city follow 3rd Street. CET is currently updating their Transit Master Plan and are considering the redesign of the Hawthorne Transit Center to address safety issues.

The Draft 2040 Project List includes three transit-related projects that will likely intersect with the Core Area. The implementation of these projects will be coordinated with CET.

- **T-1:** East-west high-capacity transit (HCT) service connecting key east-west destinations and includes improved transit connections from neighborhoods.
- **T-2:** North-south HCT service connecting key north-south destinations and includes improved transit connections from neighborhoods.
- **T-3:** Citywide implementation of mobility hubs in coordination CET and HTC routes. Assumes up to five hubs, including consideration of Hawthorne Station (owned by CET).

## EXISTING CONDITIONS

Figure 26. TSAP Top Sites for Improvements



## SAFETY

The 2019 Transportation Safety Action Plan (TSAP) is a Bend Specific Action Plan developed to help the City and partnering agencies protect people traveling within Bend from injuries. It analyzed crash data from 2012 to 2016 to identify the top 25 sites for safety improvements within the City as well as several other sites with location-specific safety recommendations. Several of these top identified safety sites are located within the Core Area, as shown in Figure 26, and were used to determine project needs for during the CAP planning process.



## PAVEMENT CONDITION

The area has a Pavement Condition Index (PCI) of 74 which is in alignment with the City average. There are, however, several unpaved and unimproved roadways within the recommended urban renewal/TIF area.



## OTHER INFRASTRUCTURE FACILITIES AND PROJECTS

### **Sewer**

In 2018, the City adopted the Collection System Public Facility Plan (CSPFP) which identifies the types and levels of urban sewer facilities and services appropriate for the needs and requirements to ensure future development within the City of Bend's UGB. The CSPFP looked at three project implementation timeframes based on the system's capacity constraint: Short-term (1-5 years), Mid-term (6-10 years), and Long-term (11-20 years). The CSPFP identified the following projects to serve the Core Area and increased infill and density within the Core of the City.

- Southeast Interceptor Extension and Diversion
- Drake Lift Station and Force
- Drake Downstream Trunk.
- Central Interceptor

The majority of the project area does not require any near-term sewer improvements to support development apart from the KorPine site. In

addition, as density increases in the mid to long term, the City will need to invest in the Central Interceptor and the Drake Downstream Trunk to further serve this citywide need including development of the Core Area.

### **Stormwater**

The City has a 2014 Stormwater Master Plan that identifies stormwater problem areas and potential solutions. The City intends to update this plan by 2025. The City does not have a traditional stormwater system and instead relies on a dispersed system primarily using Underground Injection Controls (UICs). The southeast portion of the project study area, the Wilson sub-area, falls within two of the City's Drinking Water Protection Well areas which limits the use of UIC treatments in these areas area.

There are approximately 35 DEQ designated environmental clean-up sites, such as former gas stations or dry cleaning locations, within the recommended urban renewal/TIF boundary.



The majority of these sites are located in former and current industrially zoned areas within the District. Many of the sites do not require any further action by DEQ and several are recommended for site screenings. There are two Resource Conservation Recovery Act (RCRA) designated clean-up sites in the area.

The City is considering using regional treatment facilities for infill/opportunity areas in combination with other treatment methods including low impact development techniques, as well as onsite and street-side improvements to address future stormwater management needs. Through the Core Area project, the number of acres needed for a regional stormwater management facility to handle a 25-year stormwater event will be calculated and potential funding strategies will be considered. Regional facility locations and stormwater solutions are likely be identified and refined through a future update of the City's Stormwater Master Plan.

There are locations within the Core Area where flooding is common. The

Franklin undercrossing is the number one priority flooding location to address, followed by the Greenwood undercrossing. Some combination of drainage swales to improve filtration, replacing drill holes in the spill risk area, and constructing a vault pump station and pipe to a regional retention basin could be employed to address these issues. A similar approach was used in the Bend Parkway/Colorado Interchange area. These and other local and regional strategies in the study area will need to be further evaluated and specified through a future Stormwater Master Plan update.

## Water

The Core Area is located within the City of Bend's service territory. The City is in the process of updating the City's Water Master Plan. This effort is expected to be complete by Spring of 2021 and anticipates projects related to the replacement of galvanized and cast-iron pipe for the District (potential projects have not yet been identified). The City strives to incorporate water line improvements as streets and other utilities are improved.



Conceptual rendering of 2nd Street between Hawthorne Avenue and Greenwood Avenue

04



*Photo Credit: Richard Scott Nelson, 2009*



## Chapter 4

# Urban Design Framework

The Urban Design Framework described in this chapter provides recommendations for how the Core Area can redevelop into the more urban, connected, and livable area envisioned in Bend's Comprehensive Plan. Throughout the Core Area Project planning process, the framework helped guide and inform the selection and prioritization of projects.

This Urban Design Framework: describes guiding themes for the Core Area; provides an overall urban design diagram illustrating districts, a streets hierarchy, and gateways; and, provides imagery and descriptions of how the

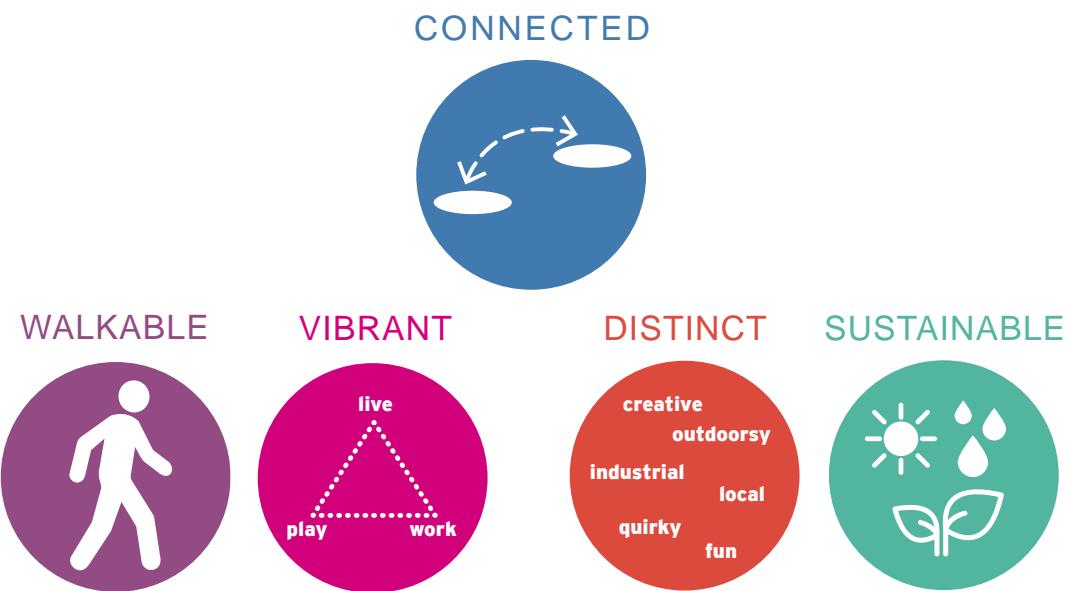
framework can be applied to key enhancement projects in the Core Area.

Strengthening Bend's Core Area is a crucial component in achieving the City's overall goals for sustainable growth and livability. As envisioned in the Comprehensive Plan, appropriate areas of the Central Core should "grow up" due to their base infrastructure, population density, and proximity to urban amenities and regional destinations. Redevelopment of these areas will also help reduce per capita vehicle miles traveled (VMT)<sup>1</sup> through increased walking, biking, and transit use.

<sup>1</sup> Reducing the growth of VMT/capita is an important outcome intended by Bend's Integrated Land Use and Transportation Plan.

## GUIDING THEMES

The Urban Design Framework vision for the Core Area is centered on five simple guiding themes. The overarching goal is to create a connected community, integrating emerging mixed-use districts with more established attractors.



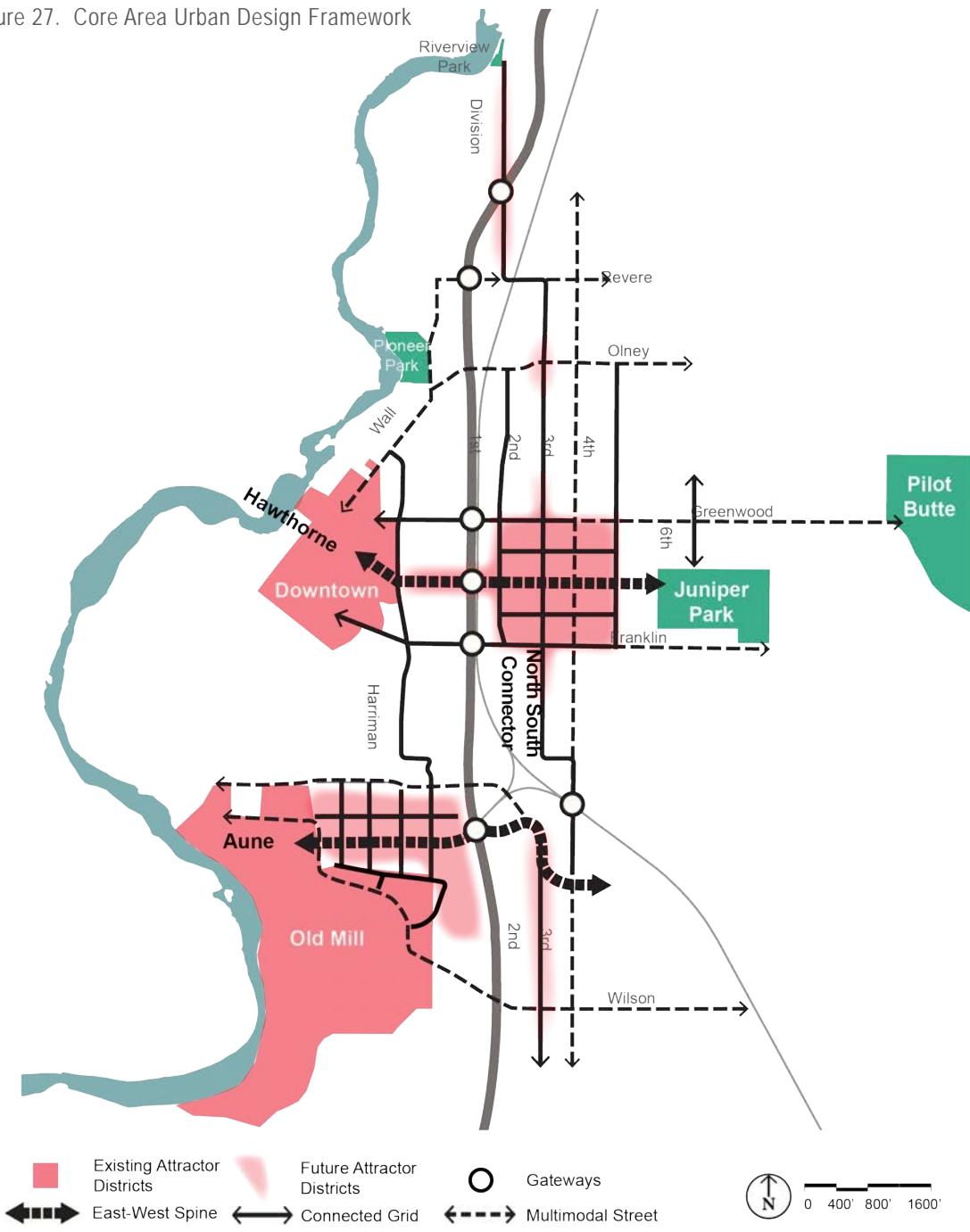
GUIDING THEME	URBAN DESIGN FRAMEWORK CONCEPTS
<b>CONNECTED</b>	A hierarchy of corridors is created, linking destinations and emerging districts by transcending barriers.
<b>WALKABLE</b>	All streets should be more walkable; the proposed framework envisions pedestrian-focused improvements to a series of key corridors.
<b>VIBRANT</b>	The corridors create walkable, human-scaled connections between places to live affordably, work and play.
<b>DISTINCT</b>	The diverse character of districts in the Core Area is celebrated and preserved wherever possible.
<b>SUSTAINABLE</b>	An urban framework that supports efficient urban mixed-use density in the Core of the city to protect nature at the city's edges, encourages walking to reduce emissions, and incorporates sustainable design principles.

# 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. Through implementation of this vision, the City of Bend will devote significant effort to enhancing the public realm—the shared space that will be a canvas for future dynamic urban activity.

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. These improved corridors have a consistent goal of encouraging the spread of urban vitality from existing successful urban districts to emerging ones such as the BCD, creating a walkable streets framework for future redevelopment.

Figure 27. Core Area Urban Design Framework



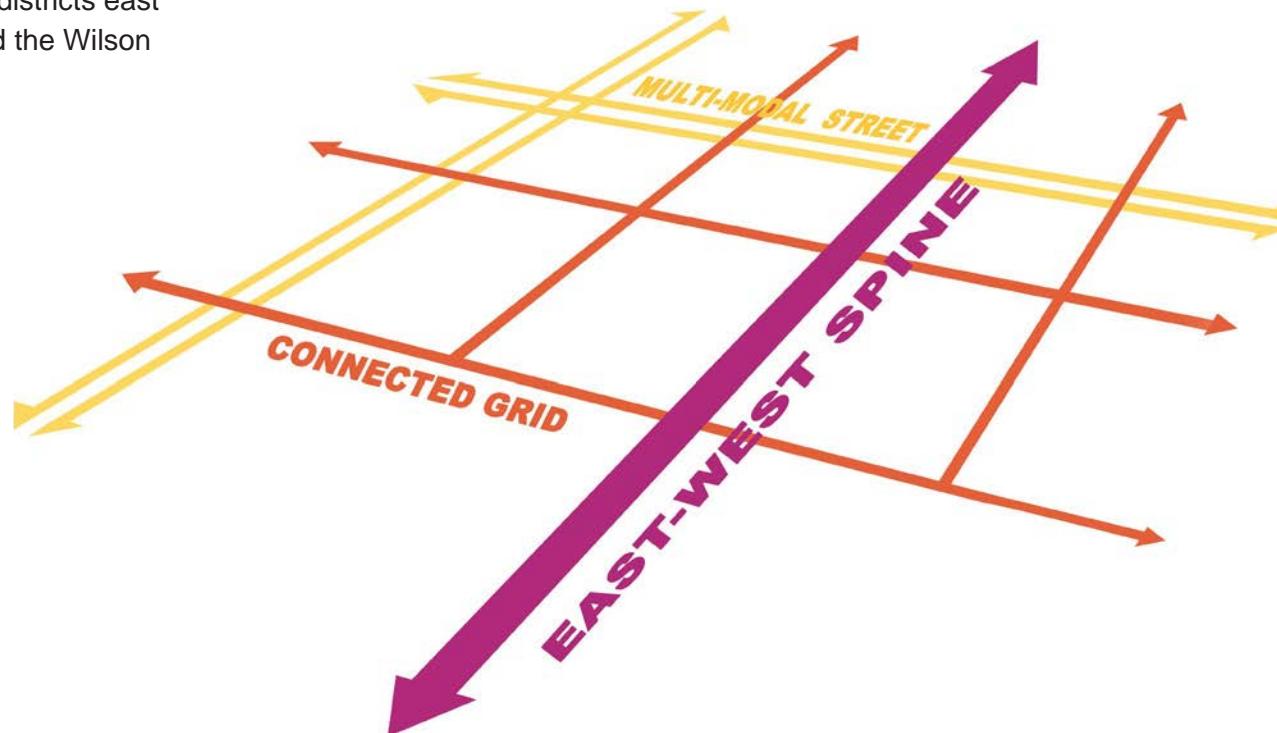
## CORRIDOR HIERARCHY

The first corridor type, proposed in two locations, is a prominent East-West Spine. Each spine will be a distinctive, high-quality pedestrian-oriented corridor, which will receive the highest amount of investment in terms of the quality and extent of public space, providing an attractive amenity to adjacent redevelopment, particularly new housing. One east-west spine will directly link Downtown with Juniper Park, one of Bend's most popular parks, through the emerging BCD. The Aune Street spine will connect the Old Mill District through the KorPine site to emerging districts east of the Parkway along 2nd and the Wilson neighborhood.

These two spines are complemented by a Connected Grid of complete walkable streets, which form the connective tissue within districts holding a lot of promise for future redevelopment. One key grid connector, 2nd Street, will also serve as a primary North-South connector from the Division Sub-area, through the BCD, to the east-west spine along Aune Street. Where this grid intersects with busy streets, safe pedestrian crossings will be a priority improvement. Olney and Revere Avenue will serve as important east-west grid streets.

Multimodal Streets, which due to higher traffic volumes create boundaries around emerging districts, will be improved especially on their edges and at the under- and over-crossings of major barriers such as the Parkway and BNSF railroad.

Spines and Grid Streets may also be candidates for roadway redesign. Multimodal streets are currently less likely to receive such transformation, but could be considered in future.



All three Corridor types will receive certain consistent public realm improvements to support adjacent urban redevelopment. Corridors are distinguished from each other by variations in the breadth, intensity and quality of their improvements, as described in the table below.

These three types of improvements (streetscape, roadway, and building) are implemented through various mechanisms including the City's Development Code, street standards and specifications, or capital improvement projects identified in the City's TSP.

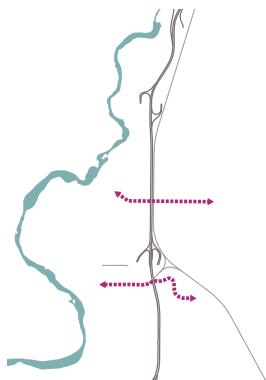
Figure 28. Streetscape Elements



Table 5. Public Realm Improvements

	East-West Spine	Connected Grid	Multimodal Street
Street Trees	●	●	●
Build / Repair Sidewalks	●	●	●
Widest Sidewalks	●		
Special Paving	●		
Unique Furnishings	●		
Public Art	●		
Wayfinding Signage	●		
Undergrounding Utilities	●		
Curb Extensions	●	●	
Pedestrian Scale Lighting	●	●	
Enhanced Bus Stops		●	●
Landscape Buffers from Roadways			●
Stormwater Planters	●	●	●
On-Street Parking	●	●	
Temporary Uses/Parklets		●	
Low-Stress Bike Routes	●	●	● *
Mid-Block Crossings			● *
Improved Under/Over Crossings	●		●
Opportunities for Roadway Redesign	●	●	●
Active Building Frontage	●	●	●
Outdoor Dining/Drinking	●	●	

\* Where identified as LSN route



## East-West Spine

The East-West Spines will be distinctive, high-quality pedestrian-oriented corridors providing an attractive public amenity to encourage adjacent redevelopment, particularly new housing. New places for eating and dining will be drawn to these vibrant streetscapes, further adding vitality throughout the day.



Wide sidewalks



Special paving, wayfinding



Outdoor dining, visual interest, special paving



Evening activity



Unique street furnishings



Distinctive landscape, special lighting



## Connected Grid

These streets will form the connective tissue for promising redevelopment districts, with a full network of sidewalks and safe crosswalks, as well as low-street bike networks and stormwater treatment. These streets complement and intersect with the east-west spine and provide opportunities to explore roadway reconfiguration.



Opportunities for temporary uses



Safe bike travel



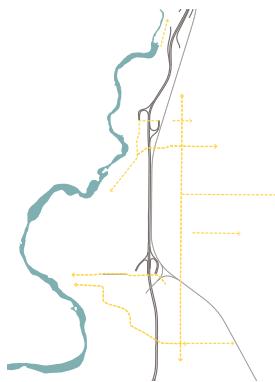
Opportunities for special street conversions



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



Mid-block crossing, curb extensions, stormwater treatment



## Multimodal Street

These streets are currently auto-oriented, often lined with parking lots and drive-through businesses. The vision for their transformation focuses on transforming the edges of the rights-of-way, providing more pedestrian comfort and safety, while framing the street with more urban uses set back from busy travel lanes.



Active frontage set back from busy road



Stormwater treatment



Landscape buffers and street trees



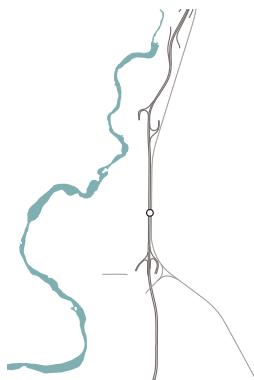
Comfortable bus stops



Mid-block crossings



Sidewalks buffered by street trees



## Gateways: Overpasses

The proposed Hawthorne Avenue East-West Spine will serve to connect key destinations and provide a clearly identifiable public realm through the core district. Where it crosses the Parkway at Hawthorne, an iconic pedestrian and bicycle bridge will be a critical link in the integration of this emerging district with Downtown Bend. Potential design elements of this bridge are explored on this page.



**Bold colors help wayfinding**



**Accessible**



**Markers at each end**



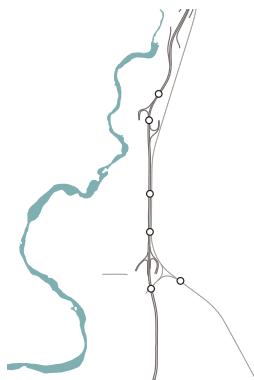
**Iconic form**



**Green and well-lit**



**Iconic for Parkway drivers**



## Gateways: Underpasses

Key multimodal streets traverse the city and cross under the Parkway and BNSF railroad at several locations, particularly Franklin Ave, Greenwood Ave and 3rd Street. Each underpass presents a variety of pedestrian safety and comfort challenges that can be overcome with design interventions, from the introduction of art, light and activity to more dramatic reconfigurations of the underpasses to provide wider pedestrian and bicycle corridors.



Safe, open, visible



Active



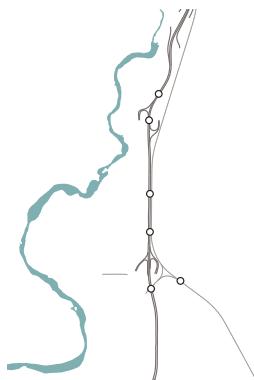
Fun



Well-lit



Bright murals



## Gateways: Underpass Example

The Aune Road underpass of the Parkway is a crucial future gateway due to its location and built form. The generous width and height of the underpass already creates a more welcoming space with views to the Cascade Mountains, and can be enhanced with lighting, public art, and signage to develop a distinct identity. Safe and comfortable pedestrian and bicycle facilities through the underpass are critical for Aune to function as an East-West Spine.



Gateway signage + graphics



Welcoming public art + lighting



Landscape, wayfinding, seating

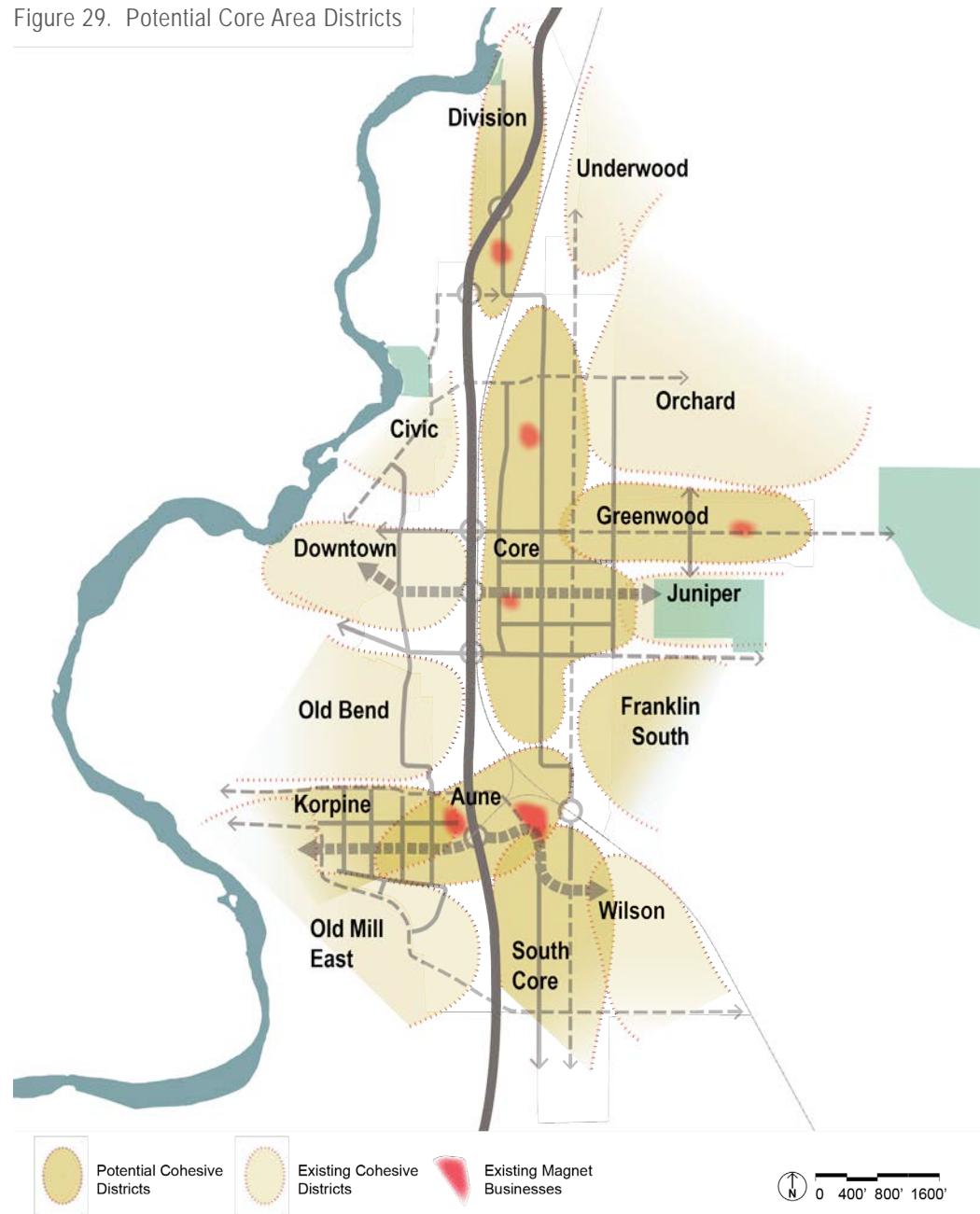


Wide passage with views across and ample space for biking + walking

## POTENTIAL DISTRICTS

The corridor hierarchy will allow for cohesive, well-connected districts to evolve out of previously isolated pockets. These districts may grow from existing magnet businesses that contribute to the current character, identity, and sense of place in the core area, as well as around key areas of investment in the corridor hierarchy. Connectivity across the central city will be enhanced between major attractors, parks, and existing districts.

Figure 29. Potential Core Area Districts





Conceptual rendering of 2nd Street at Greenwood Avenue

05



*Photo Credit: JennarationX*



## Chapter 5

# Development Feasibility

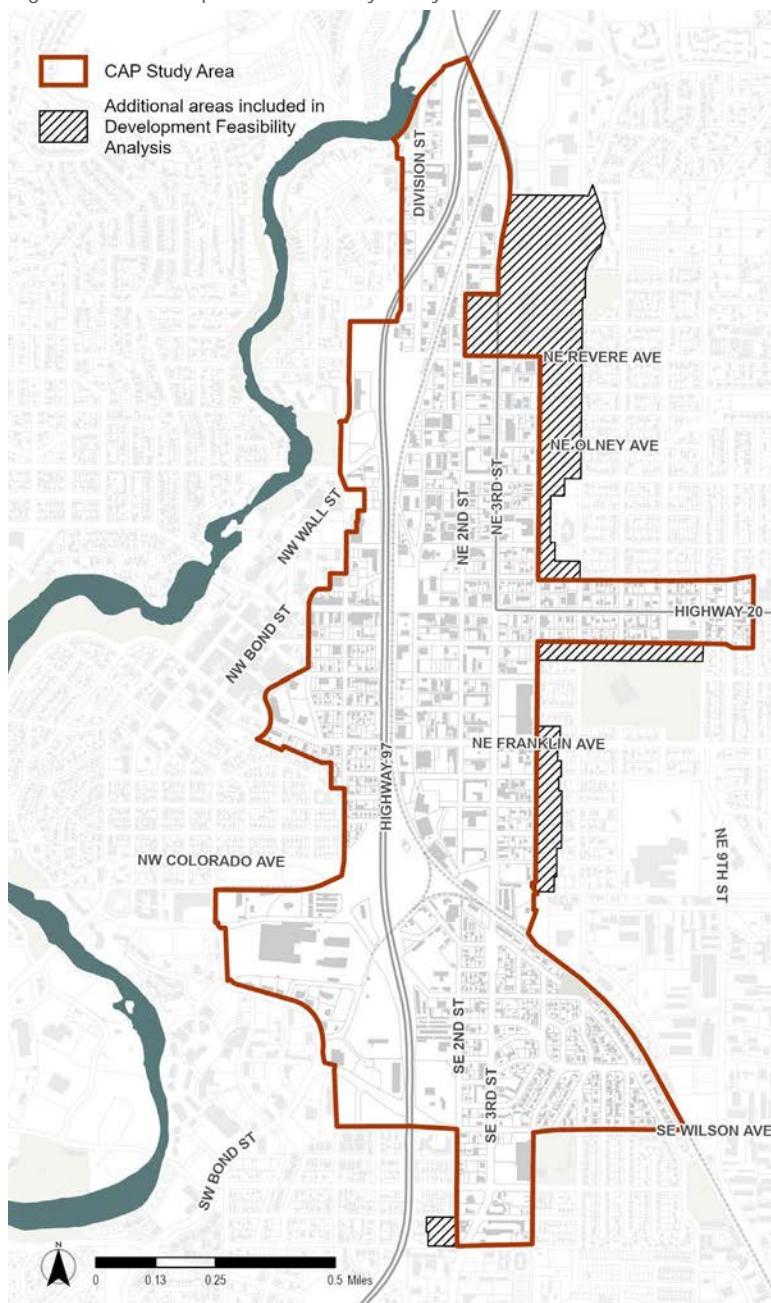
This chapter summarizes a market-based assessment of current development and redevelopment feasibility within the study area, including:

- Opportunities and barriers to development and redevelopment in the area
- The “tipping point” for feasibility of development and redevelopment
- Recent construction trends
- Land values and their impact on the tipping point
- Relative market strength of sub-areas within the boundary
- Analysis conclusions

The purpose of the redevelopment feasibility analysis was to determine which properties 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.

This assessment evaluated an area slightly larger than the CAP study area, for study purposes only. The study area for this analysis (shown on the following map) included 15 blocks located east and north around the BCD sub-area in order to evaluate redevelopment indicators in that area.

Figure 30. Development Feasibility Analysis Area



## ECONOMIC DRIVERS OF DEVELOPMENT & REDEVELOPMENT

The development feasibility analysis, which was conducted in Winter of 2019, included interviews with landowners and developers active in the Bend market as well as an analysis of redevelopment indicators to understand both 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 for the Mixed Urban

zones (East Downtown & KorPine) and the BCD, have substantially increased the intensity of what is allowed, as well as interest in the area.

- East Downtown and BCD have 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 area.
- 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 tweaks 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.
- Very limited number of properties are over a half-acre, limiting redevelopment feasibility for larger scale mixed-use projects.
- Large number of small properties in area limits redevelopment potential.
- 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.

## RECENT CONSTRUCTION TRENDS

An analysis of permit data in the study area from 2007-2019 reveals a number of key findings:

- **Recent 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. The only substantial new vertical construction project is the Elemental Hotel site at the corner of NW Wall Street and Olney Avenue, currently under construction.
- **More investment has occurred in remodels.** Since 2007, 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. New residential and mixed-use development is only beginning to happen and only in areas with zoning that supports more dense building forms (e.g. Urban Mixed-Use).

- **Wilson sub-area is seeing mostly single family (re)development.** Of the 14 new construction permits issued in the Wilson area since 2007, nine (9) were for single family homes. Only five (5) were for duplexes. The zoning in the Wilson area 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 considered to be 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.

- **The area does not yet appear to be at the tipping point for mixed-use development.** Recent trends suggest that the study 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 landowners and developers of increased interest in vertical mixed-use development within the study area. A focus on infrastructure upgrades (placemaking and streetscape enhancements) and zone standard changes could make the feasibility of mixed-use development a reality.

## DEVELOPMENT FEASIBILITY

Figure 31. New Construction (2007-Present) Over \$100,000

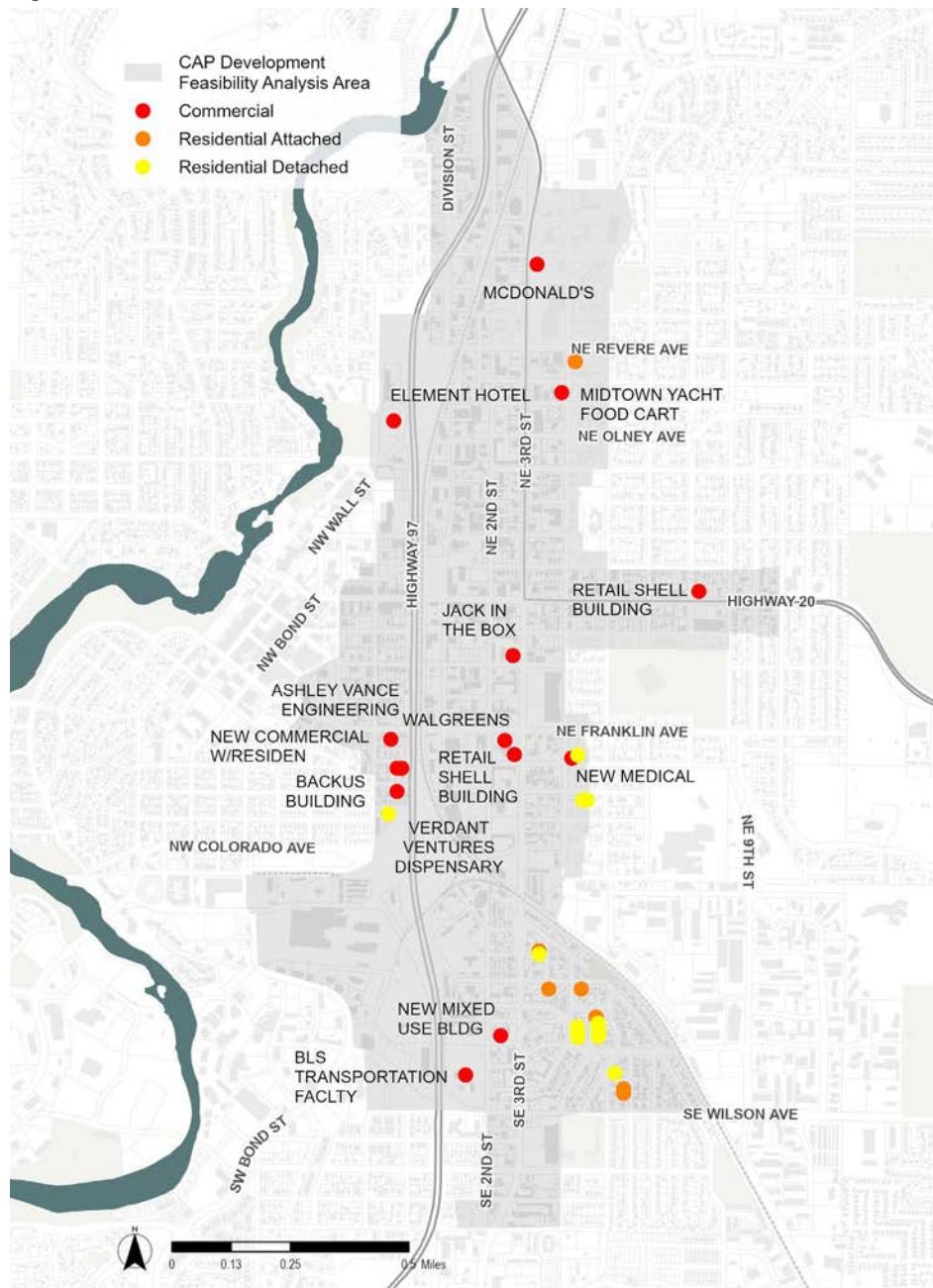
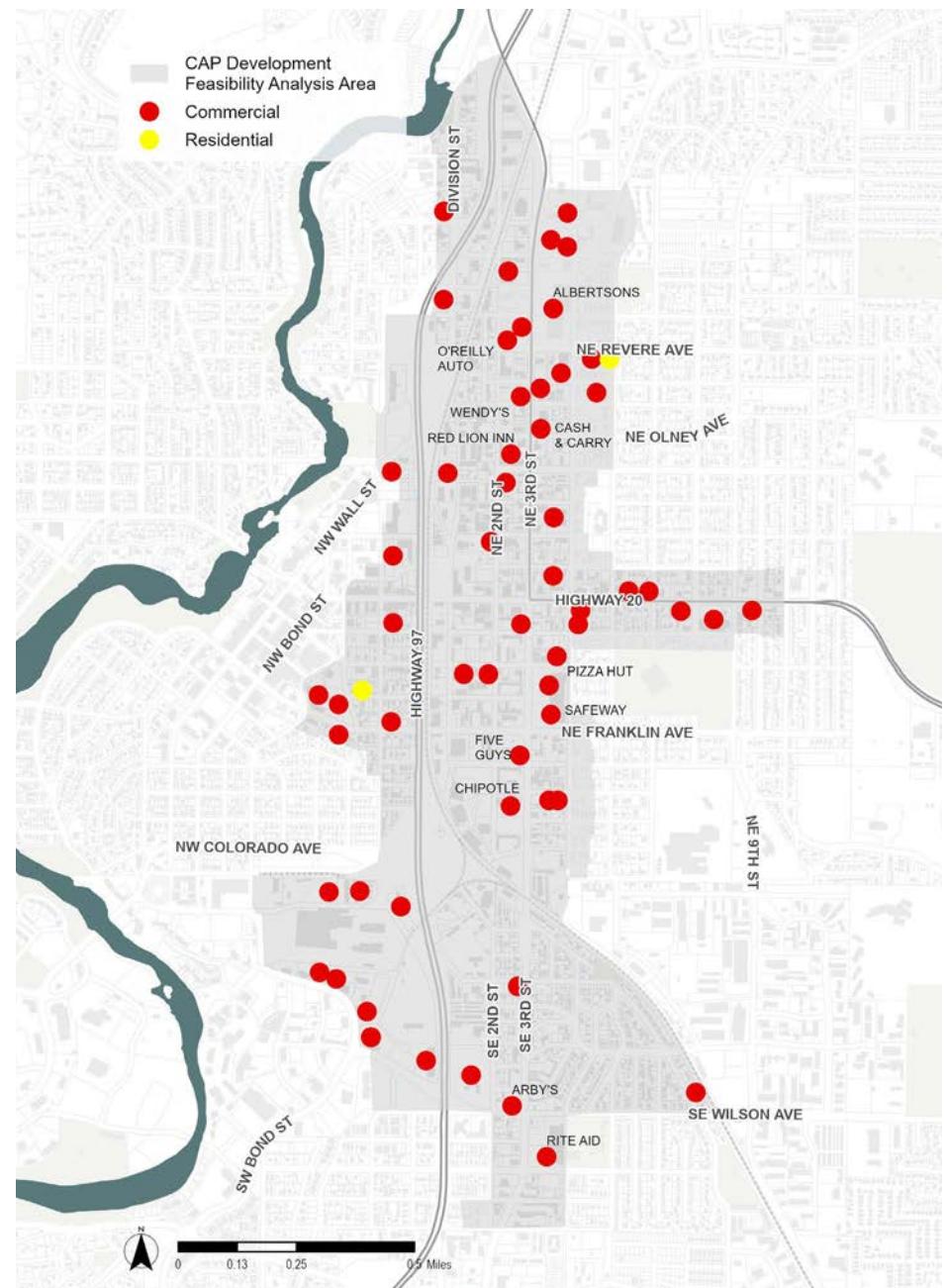
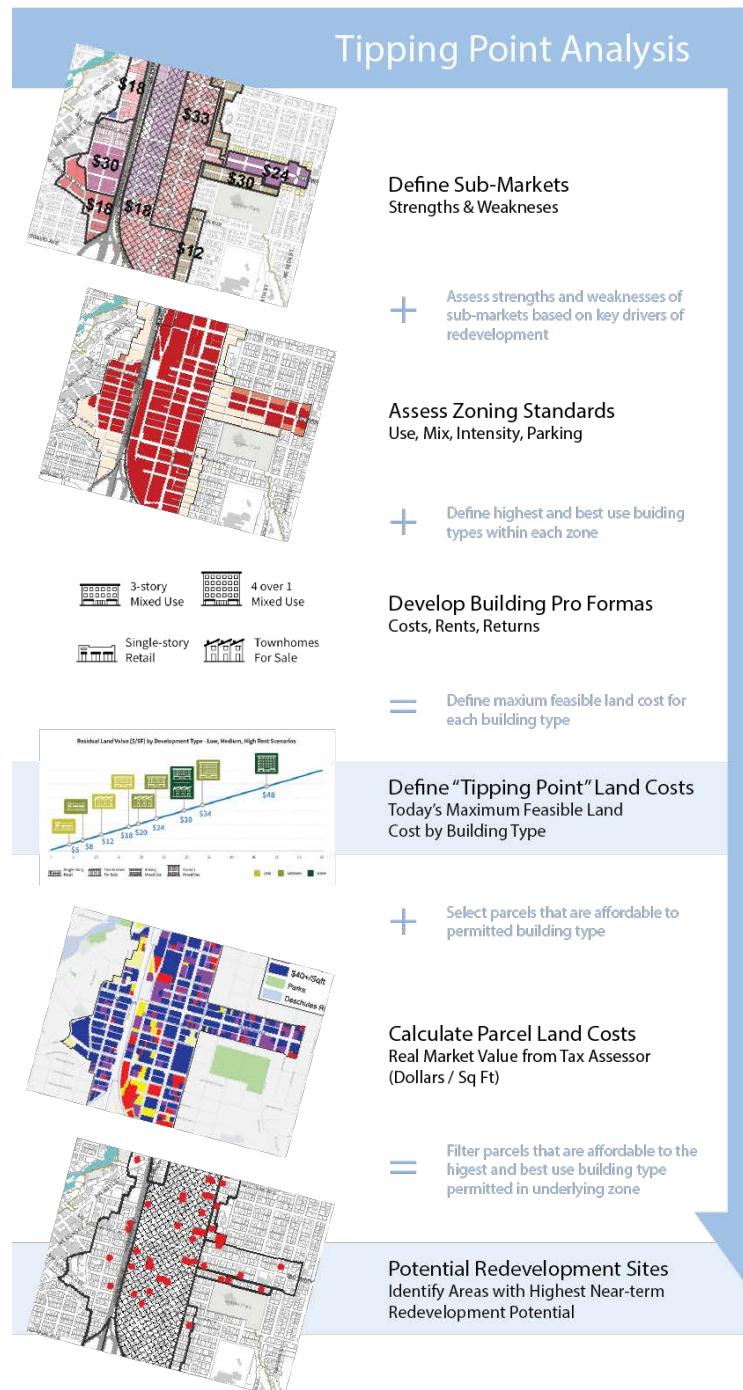


Figure 32. Remodels (2007-Present) Over \$100,000





## THE REDEVELOPMENT “TIPPING POINT”

Whether a property is likely to redevelop can be understood as a balance between the cost of land and the price a developer of a particular building able to support the cost for the 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 can happen.

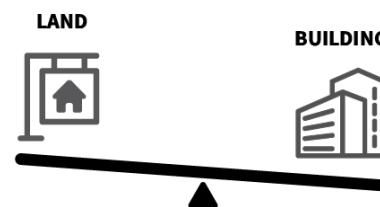
The tipping point analysis combines several layers of data to arrive at a map of areas with likely redevelopment potential. The graphic to the right summarizes how the pieces of the analysis fit together.

A first step is to understand the relative strengths and weaknesses of certain sub-markets within the study area. An analysis of recent permit and

construction activity confirms many of these strengths and weaknesses.

An assessment of development standards associated with different zoning districts in the area, such as allowed intensity and required parking, was used to build pro forma models for buildings than can be permitted within the study area. The pro forma analysis was then used to estimate the maximum land price that different types of building types can afford to pay—which is called the “tipping point.”

This analysis was used to filter the properties within the study area based on which are “affordable” to a given, permitted building type. These properties are assumed to be feasible for redevelopment—and were used to create the redevelopment feasibility map.



### 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.**

## ***Land Cost and the Tipping Point***

For the purposes of summarizing and evaluated land costs, the project team used Real Market Values (RMV) used by the Deschutes County Tax Assessor to estimate the “purchase price” for land in the study area. The team calculated an average dollar per square foot of “cost” by dividing the Total Real Market Value (of buildings and land) by the lot square footage. Publicly owned properties not subject to property taxation were excluded from the analysis.

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. However, it is the best comprehensive source of readily available data for calculations for a study of this scale.

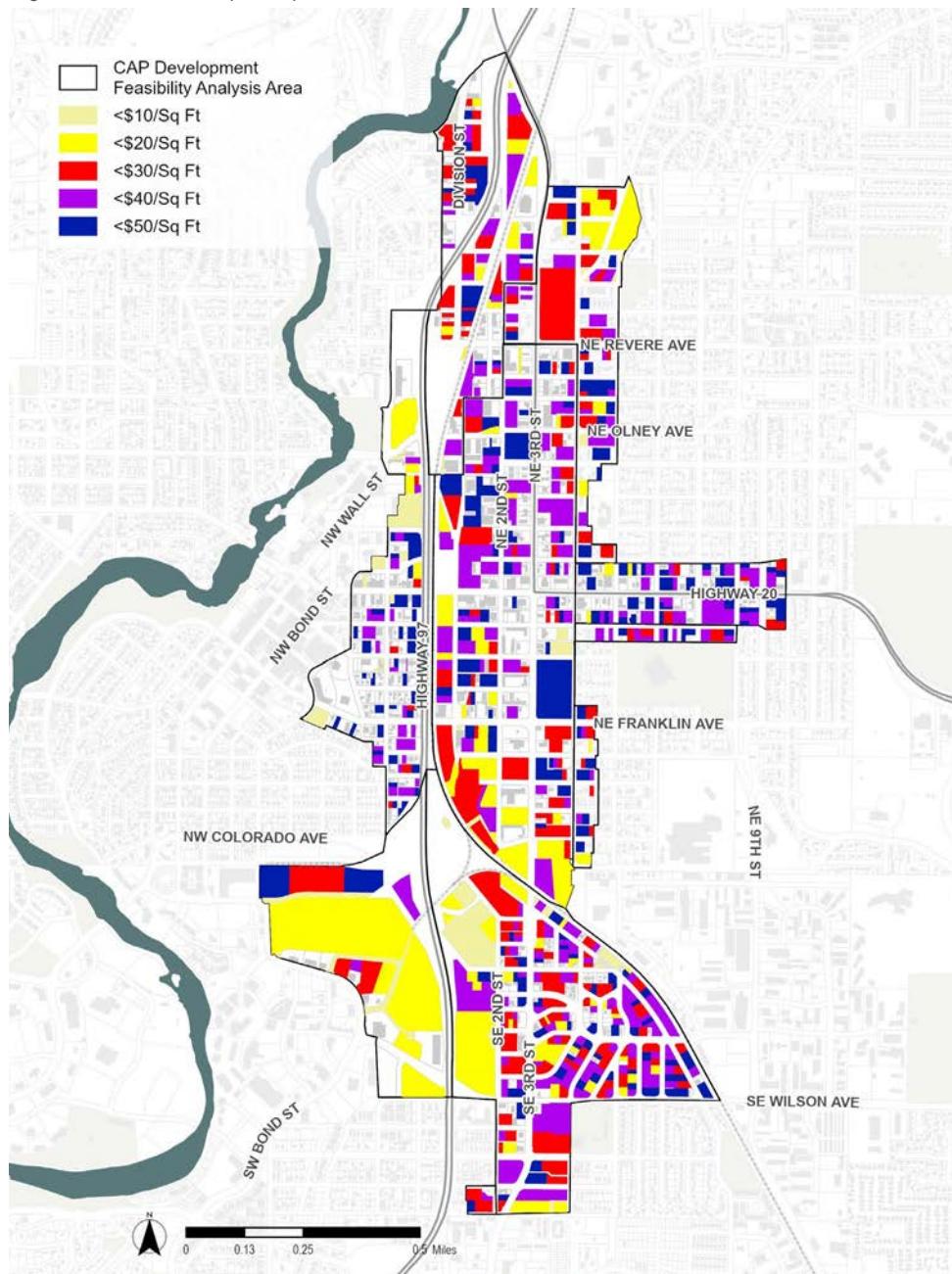
The following map displays the study area property costs colored by land value per square foot. The light yellow represents parcels that are less than \$10 and darker yellow for those between \$10-20. The red properties represent \$20-30 per square foot, purple are \$30-40, and the blue are above \$40. There are many small properties with values at or above \$40 per square foot—a relatively high cost for most buildings to pay for land.

The key assumption in a tipping point analysis is that redevelopment is only likely on properties that are affordable for a developer to purchase and still achieve their financial return objectives. In other words, if it is too expensive to purchase and redevelop a property and still make an acceptable return, then that property is unlikely to be redeveloped. The “tipping point” value is not static but varies based on the desirability of a given location and the type of buildings allowed by zoning.

For example, a property with high visibility, a pleasant pedestrian environment, and easy access to nearby amenities is likely desirable and can likely achieve relatively high retail and residential rents. If the zoning of that property 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 property is assumed to redevelopable. Above that cost, a property is assumed not to be redevelopable.

Figure 33. Lot Value per Square Foot



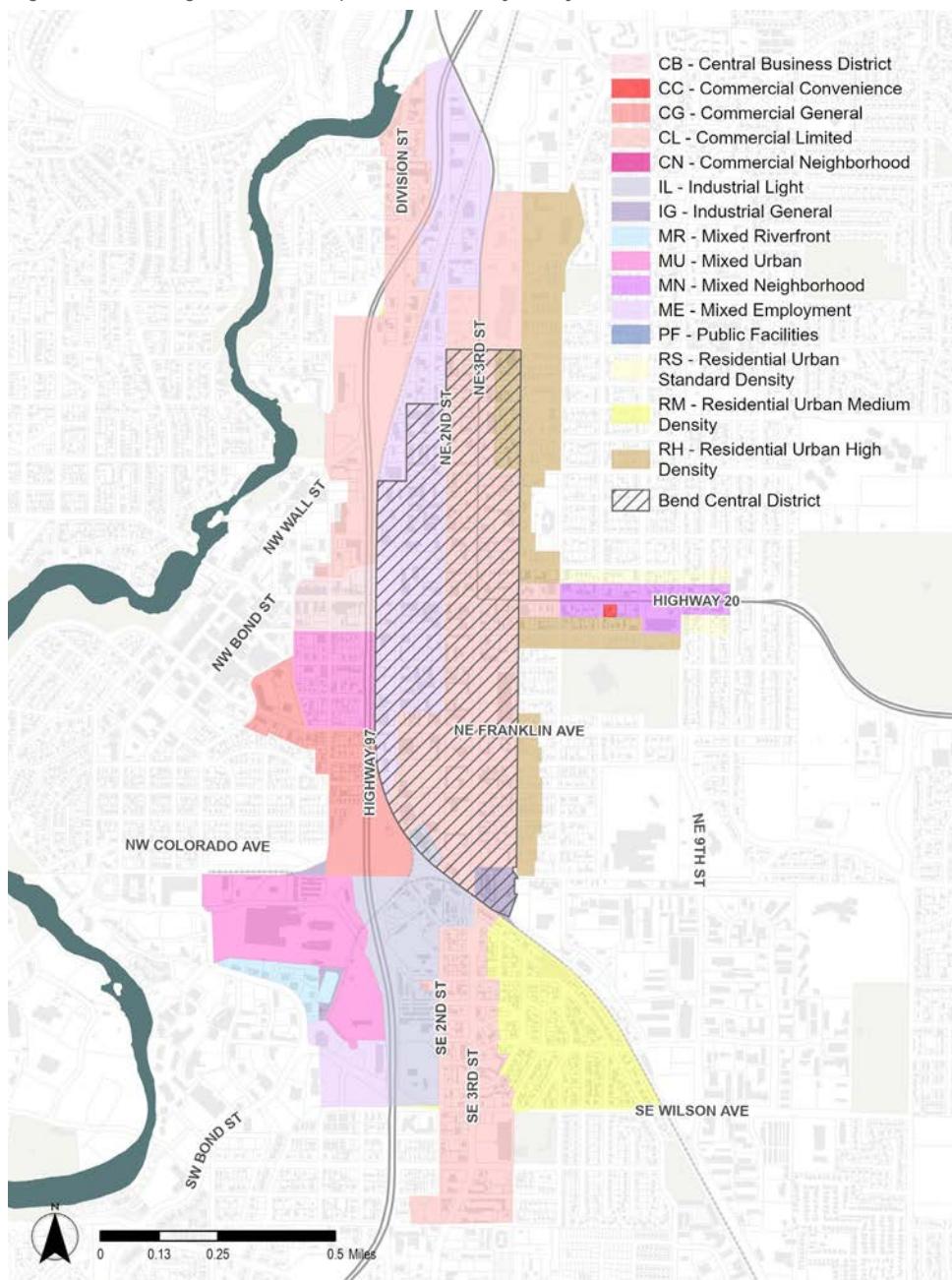
## ***Limits of Estimating Redevelopment***

Whether a property redevelops or not is dependent on many factors, several of which are impossible to quantify in this type of analysis. Ultimately landowners control the destiny of properties, 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, it is necessary to assume all property owners act "rationally" and decide to redevelop when it would appear to make financial sense.

### ***Pro Forma Approach***

Four pro forma models were used to define 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. The team 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 properties on which they could be permitted under today's zoning.

Figure 34. Zoning in the Development Feasibility Analysis Area



## Zoning and Development Code Issues

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. Other chapters of this report detail potential changes to the development code that can enhance development feasibility. Initial code-related findings include:

- The MU zoning district and the BCD 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.
- RH works for small lot single family and townhomes but not well for multiunit buildings, even though they are permitted, due primarily to high parking requirements.
- RM works for small lot single family but not for 2- to 3-unit buildings, even though they are permitted, due to low density limits and high parking requirements.
- CG, CL, and IL are furthest from market-feasible due in part to high parking requirements, front setbacks, and limited residential allowances through mixed-use requirements and relatively low leasable rates per square foot.

## Building Types

Below is a description of each building type used in the analysis 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. Some zoning standards, such as those related to setbacks and parking make this type of building challenging to develop in the CL and CG 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 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.



Mixed-Use 5-story



Mixed-Use 3 Story

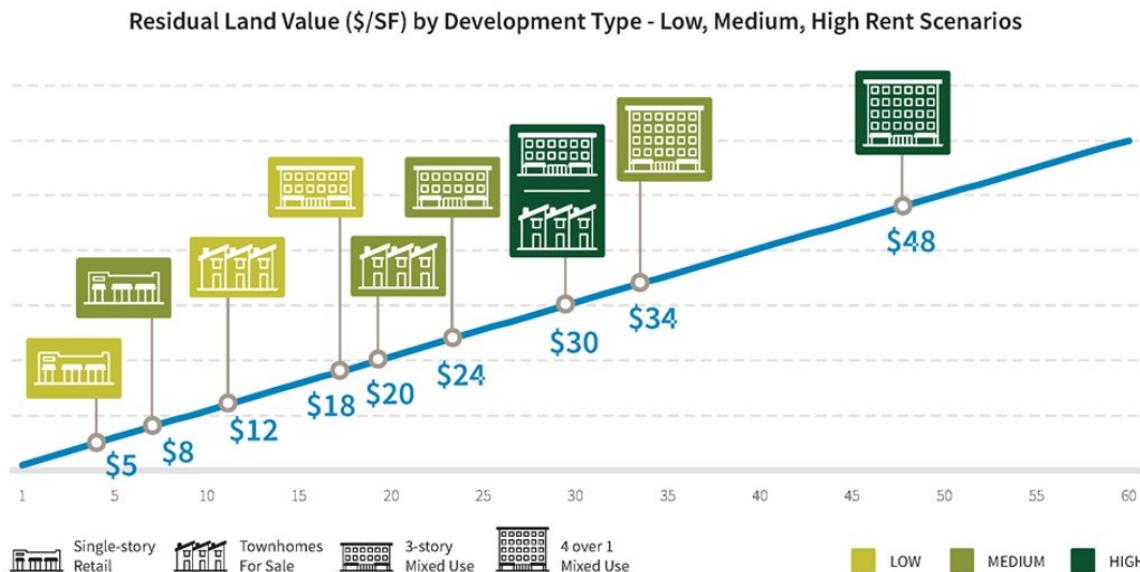


Townhomes



Stand-alone retail

Figure 35. Residual Land Value for Pro Forma Building Types



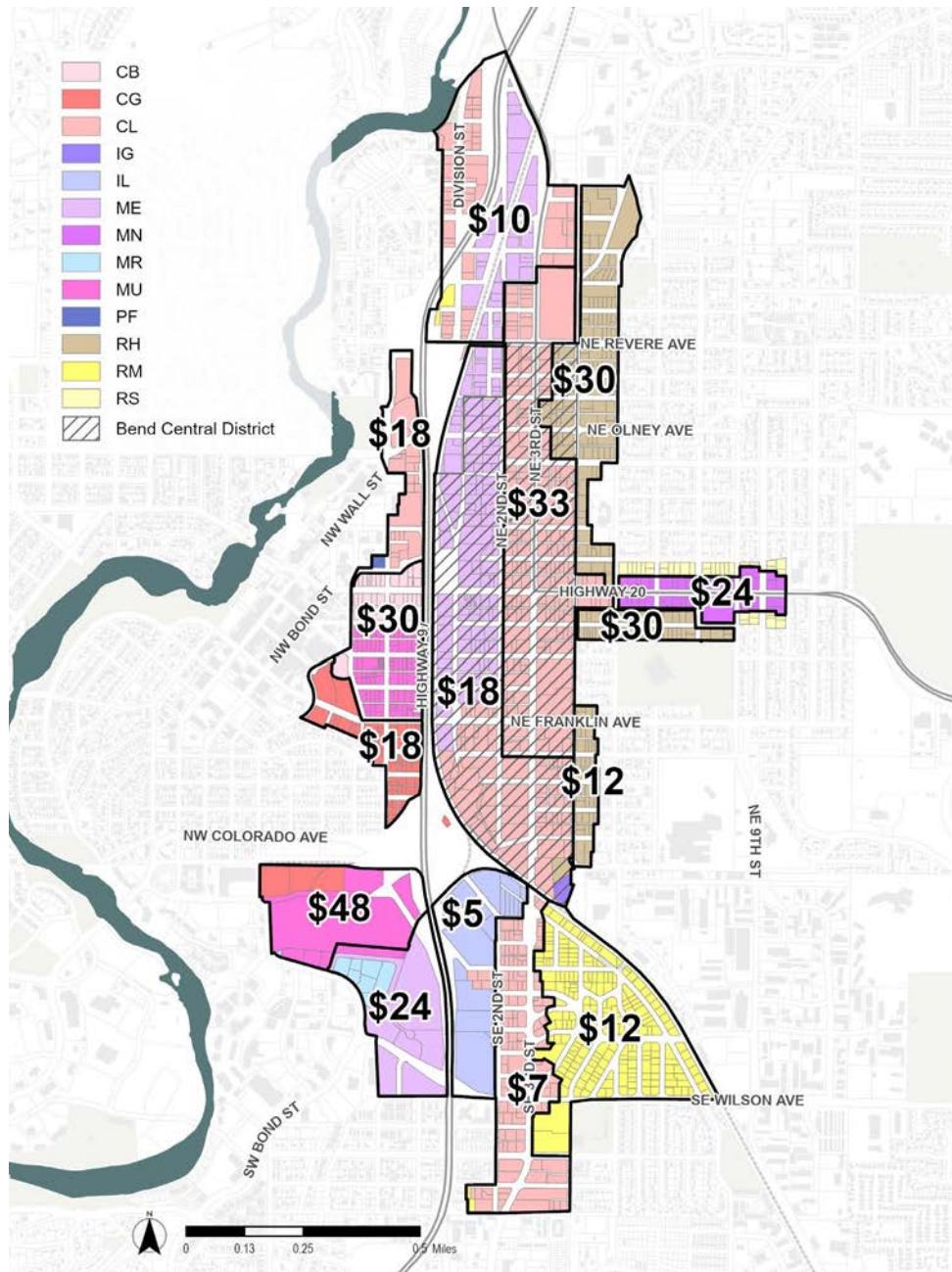
### Residual Land Value

The term “residual land value” refers to the value of a given piece of land based on its 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 6. Building Types Tested in Each Zoning District

Zoning Districts	For-Sale Townhome	Highway Retail	Mixed-Use 3 Story	Mixed-Use 5 Story
<b>BCD</b>				
<b>MU</b>				
<b>CB</b>				
<b>ME</b>				
<b>MR</b>				
<b>CG</b>				
<b>CL</b>				
<b>RH</b>				
<b>RM</b>				

Figure 36. Price Areas with Zoning



## SUB-AREA MARKET STRENGTH

Market strength for development overall and for different types of development varies 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. The development feasibility analysis evaluated several submarkets that were relatively strong or weak candidates for retail and residential. According to several developers interviewed during the project, speculative office development is not feasible in any large areas outside of Bend's downtown although that type of development is allowed and envisioned in the future in some of the sub-area planning documents (e.g. the BCD).

This map 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.

Based on the zoning in place in 2019, when this analysis was conducted, the analysis indicates a current low-to-moderate level of redevelopment potential across most of the study area. This analysis makes no assumption about the timing of this redevelopment and is based on the viability decisions based on current conditions.

The low-to-moderate result is influenced by the fact that 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 properties around Greenwood. KorPine shows the greatest redevelopment potential because it is a strong submarket for both residential and retail and there are several large properties with low “cost.” The BCD redevelopment potential is more scattered currently.

Refinements 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 Street and areas north and south of the BCD, are more challenging market areas. The streetscapes are not friendly 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 in other areas. Connectivity to downtown and other community amenities also is lacking.

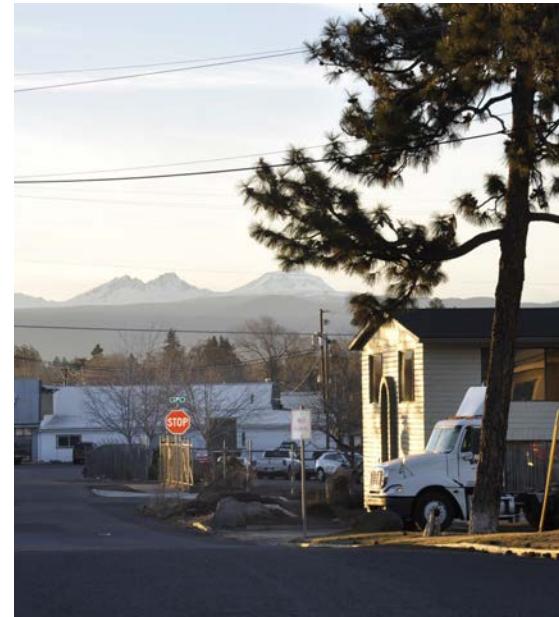


Figure 37. Core Area Development Potential

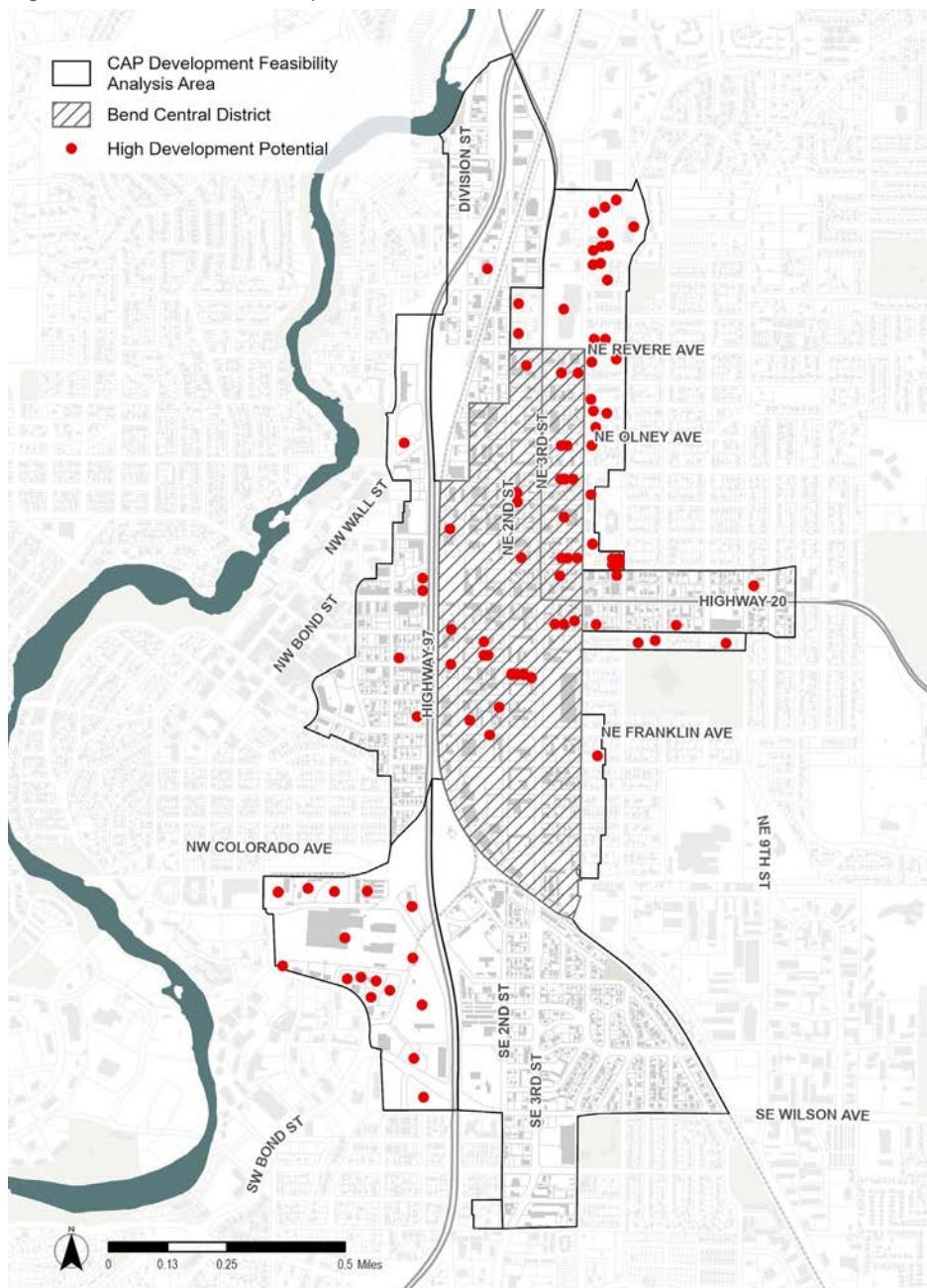
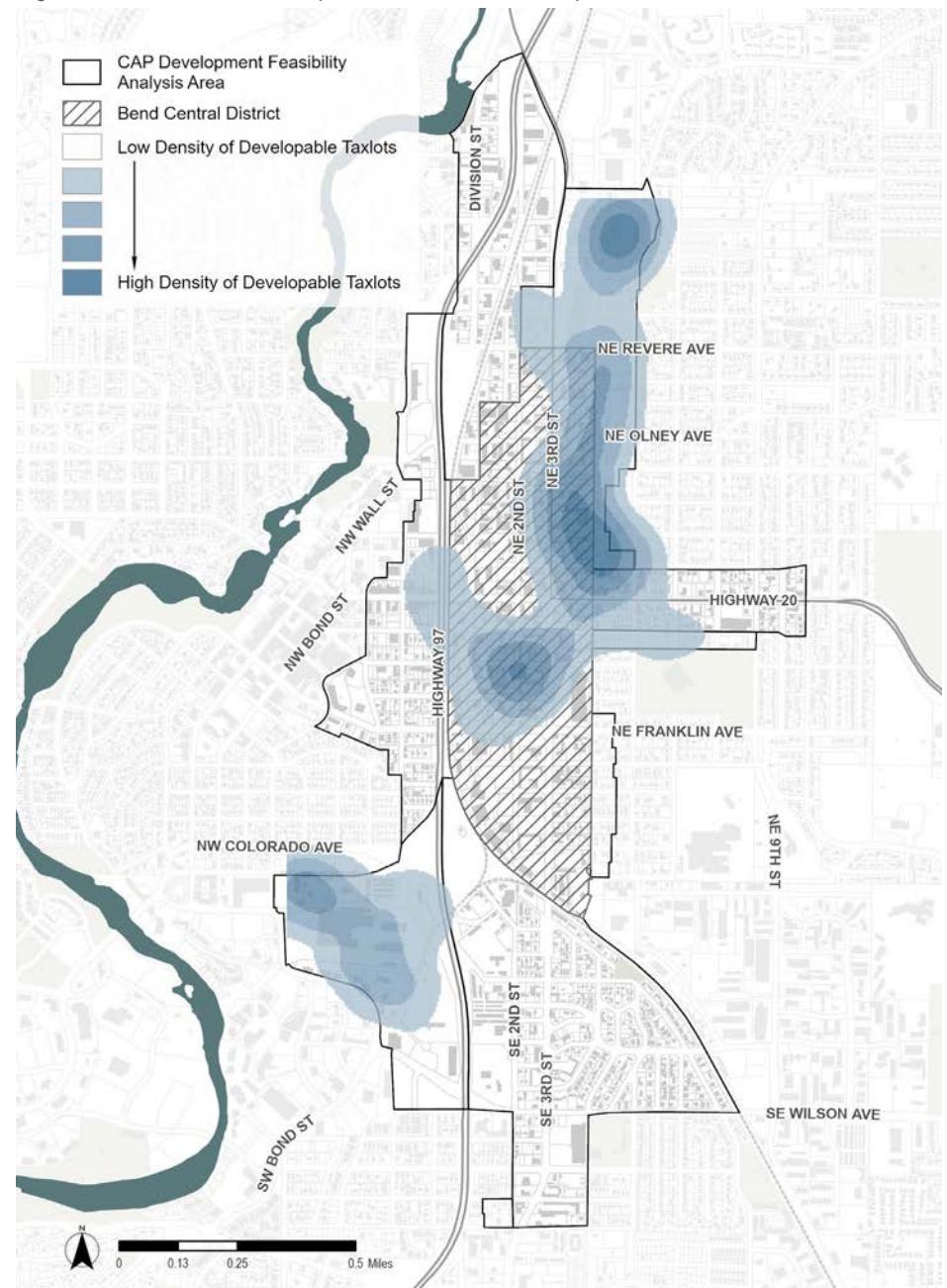


Figure 38. Core Area Development Potential Heat Map



The following table summarizes and compares the estimated rates of redevelopment across the different submarket areas. With current high construction costs, only the most

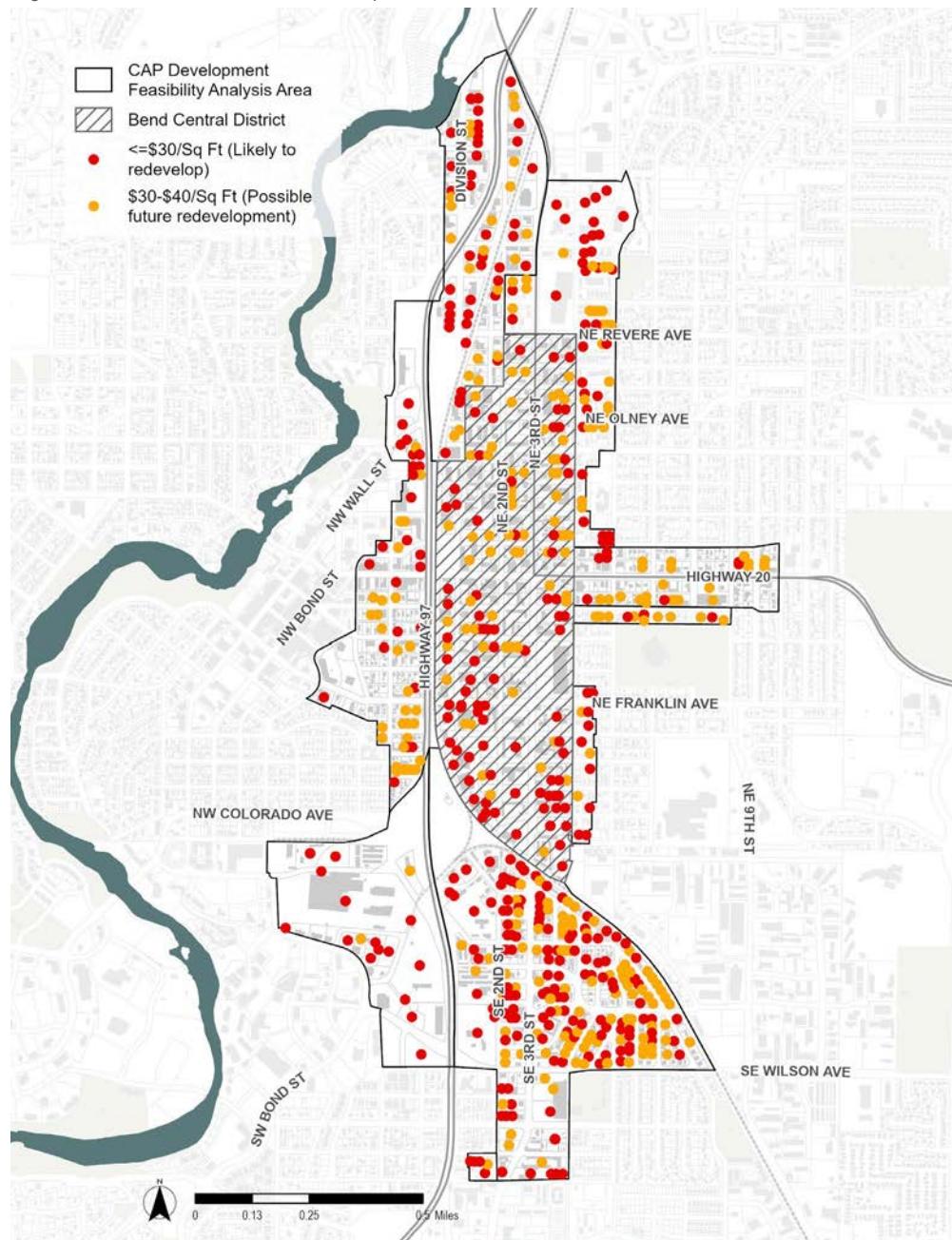
desirable places (i.e. strongest submarkets) are seeing any substantial redevelopment in this analysis. And even in those areas, not everything is feasible.

Properties that are listed as redevelopable in the table below are those that met the redevelopment "tipping point."

Table 7. Estimated Rate of Redevelopment in Core Area Submarkets

RESIDENTIAL MARKET STRENGTH	RETAIL MARKET STRENGTH	BUILDING TYPE	TIPPING POINT	TOTAL PROPERTIES	(RE)DEVELOPABLE PROPERTIES	PERCENT
Low	Low	Hwy Retail	\$5/sq ft	29	-	0.0%
Low	Low	Hwy Retail	\$7/sq ft	81	-	0.0%
Low	Medium	Hwy Retail	\$10/sq ft	124	1	0.8%
Low		For-Sale Townhome	\$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		For-Sale Townhome	\$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%
<b>Entire Study Area</b>				<b>1,566</b>	<b>116</b>	<b>7.0%</b>

Figure 39. Future Core Area Development Potential



## CONCLUSIONS

With the introduction of infrastructure investments and policy changes, the study area could achieve a high level of “desirability” and market feasibility. As detailed in earlier sections of this chapter, most of the modeled building types have a “tipping point” land cost of below \$30 per square foot. Only two building types are able to support over \$30 per square foot in land cost.

This map of hypothetical future redevelopment feasibility shows properties less than \$30 per foot and \$30-40 per square foot. 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 our “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.

Two important lessons emerge from this analysis:

1. 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.
2. 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.

## ***Progress to date***

In August of 2019, the URAB, through the Core Area Project, recommended that Council take early action to amend the BCD development code in order to remove barriers to development, particularly for housing, in the area.

Between October 2019 and February 2020 several citizen committee members, in conjunction with the Planning Commission, reviewed the proposed BCD amendments. Committees represented included the Affordable Housing Advisory Committee (AHAC), the Bend Economic Development Advisory Board (BEDAB), the Neighborhood Leadership Alliance (NLA), and URAB.

After a public hearing with the Planning Commission and the City Council, amendments to the BCD code were adopted by City Council on March 4, 2020 which are expected to go into effect in April of 2020.

- **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.

06



*Photo Credit: Riley*



## Chapter 6

# Implementation Plan

This chapter describes the implementing recommendations for the Core Area Project. Starting with the foundational action to create the Core Area Urban Renewal/TIF Area, the Implementation Plan describes a comprehensive approach to combining and leveraging tax increment financing, regulatory improvements, urban design strategies, infrastructure coordination, and stakeholder involvement. This plan integrates multiple City initiatives and programs to achieve the City's vision for the Core Area of Bend.

The chapter is organized into six key recommendations, each with one or more recommended actions, as well as an explanation of the recommendation's rationale and the intended outcomes and benefits. The following tables summarize the key recommendations and actions, and provide a crosswalk between the key recommendations and the project's guiding principles.

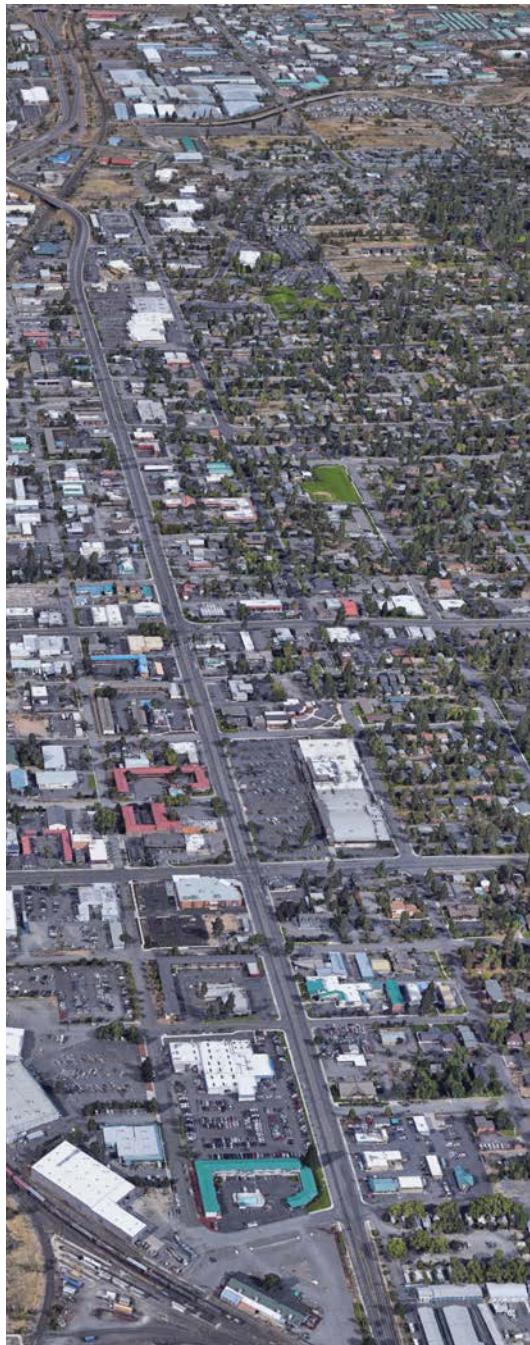
Table 8. Summary of Implementation Plan Recommendations

Recommendation	Recommended Actions
<b>1. Adopt an Urban Renewal/TIF Area</b>	<p>1.1. Adopt an Urban Renewal/TIF Plan and Report.</p>
<b>2. Update the Development Code &amp; Zoning</b>	<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"> <li>Allow for more housing and focus non-residential mixed-use requirements to designated Main Streets.</li> <li>Simplify and reduce parking requirements.</li> <li>Provide flexibility for private development in balance with public needs.</li> </ul> <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 &amp; SE 2nd Street) in the Core Area.</p>
<b>3. Create Development Incentive Programs</b>	<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>

Recommendation	Recommended Actions
<p><b>4. <i>Design &amp; Build Key Infrastructure &amp; Public Realm Amenities</i></b></p>	<ul style="list-style-type: none"> <li>4.1. Invest in key infrastructure and public realm amenities: Prioritize projects that achieve Core Area goals in future infrastructure plans.</li> <li>4.2. Invest in key infrastructure and public realm amenities: Continue community conversations to locate and invest in public attractions within the Core Area.</li> <li>4.3. Invest in key infrastructure and public realm amenities: Collaborate and identify opportunities for synergistic public realm projects.</li> <li>4.4. Expand capacity to administer Local Improvement Districts (LIDs) and reimbursement districts.</li> </ul>
<p><b>5. <i>Update Street Standards &amp; Mobility Guidelines</i></b></p>	<ul style="list-style-type: none"> <li>5.1. Update street standards, specifications, and codes for streets within the Core Area.</li> <li>5.2. Adopt mobility guidelines.</li> <li>5.3. Proactively monitor and manage parking in the Core Area.</li> </ul>
<p><b>6. <i>Involve Stakeholders in Future Policy &amp; Program Development</i></b></p>	<ul style="list-style-type: none"> <li>6.1. Form advisory committee(s) for implementation of the Urban Renewal/TIF Plan.</li> <li>6.2. Develop a business improvement programs.</li> <li>6.3. Support housing that is affordable.</li> <li>6.4. Incorporate CCAP strategies.</li> </ul>

Table 9. Crosswalk of Recommendations and Guiding Principles

RECOMMENDATIONS	<i>Create a place where you can live, work and play</i>	<i>This plan leads to direct outcomes; it is implemented</i>	<i>This area removes barriers and connects the east and west sides of Bend</i>	<i>Affordability is preserved</i>	<i>This is a walkable area with a balanced transportation system</i>	<i>Public investments incentivize and catalyze private development</i>	<i>The planning process is transparent and open to ensure that those affected by the decisions are involved in the process</i>	<i>This area incorporates sustainable and low impact development principles and practices</i>
Adopt an Urban Renewal/TIF Area	●	●	●	●	●	●	●	●
Update the Development Code & Zoning	●	●				●		
Create Development Incentive Programs				●		●		●
Design & Build Key Infrastructure & Public Realm Amenities	●		●			●		●
Update Street Standards & Mobility Guidelines	●				●			
Involve Stakeholders in Future Policy & Program Development	●			●			●	●



## CORE AREA PROJECT RECOMMENDATIONS

### **RECOMMENDATION #1** ADOPT AN URBAN RENEWAL/TIF AREA

This section describes how tax increment financing, implemented through the creation of the Core Area Tax Increment Financing (TIF) District, can fund needed infrastructure and placemaking investments in the Core Area. The proposed Core Area Urban Renewal/TIF Plan is a central element of the implementation plan.

#### **RECOMMENDED ACTIONS**

##### *1.1. Adopt an Urban Renewal/TIF Plan and Report.*

#### **INTENDED OUTCOMES AND BENEFITS TO BEND**

The Urban Renewal/TIF Plan is intended to:

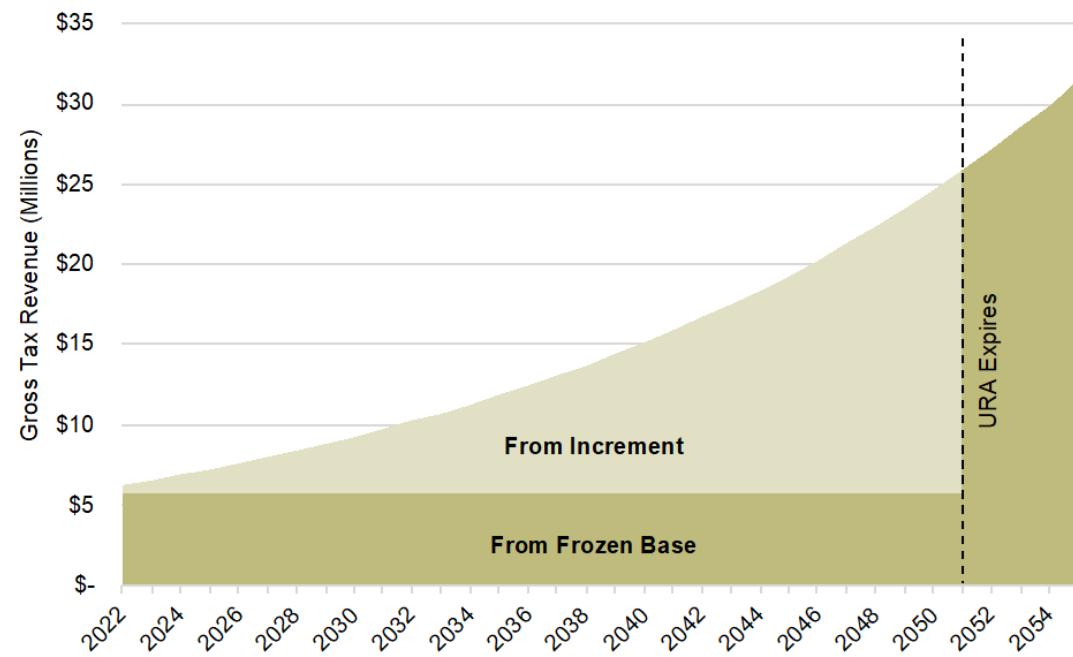
- Provide a cornerstone funding source for infrastructure and placemaking improvements that will encourage development and reinvestment in the area;
- Support development and rehabilitation of affordable housing units;
- Support existing and new business growth; and
- Initiate a targeted implementation effort for critical Core Area projects that will help attract new development, businesses, residents and visitors.

## WHAT IS URBAN RENEWAL/TIF?

Urban renewal/TIF is a program used throughout Oregon to provide a financing mechanism to implement City plans in specific areas. The goal of urban renewal/TIF is to make investments that spur development that would not have otherwise occurred. Project funding is generated by the growth in assessed property value that occurs through: (1) new development, and (2) annual growth in assessed property values within the Urban Renewal/TIF Area.

Urban renewal/TIF does not increase taxes. Instead, it directs the revenue generated from assessed value growth to an urban renewal/TIF agency for investment in identified capital projects such as streetscape improvements, new construction or rehabilitation of existing properties, or other physical investments in the public or private realm. Projects must be described in an adopted urban renewal/TIF plan that meets state requirements defined in Oregon Revised Statutes (ORS) Chapter 457.

Figure 40. Tax Increment Generated Over Time



## WHY USE URBAN RENEWAL/TIF IN THE CORE AREA?

Encouraging infill and redevelopment in the Core Area is a priority for the City of Bend, building on past planning work and the City's growth management plans and policies. The Core Area faces many barriers to development that must be overcome to achieve the vision, implement the Urban Design Framework, and make good on the City's commitment to encouraging growth and redevelopment within the Core Area.

Barriers in the Core Area include deficiencies in transportation infrastructure, inadequate and unwelcoming pedestrian environments in many places, lack of connectivity among neighborhoods and destinations/attractors, and inadequate utilities, among others. Some of these challenges (e.g. inadequate streets and other rights-of-way, open spaces, and utilities) meet the definition of "blight" under the statutes that govern urban renewal/TIF in Oregon and provide a legal justification for adoption of an urban renewal/TIF area.<sup>1</sup>

<sup>1</sup> ORS 457.010 defines blight and states that: "A blighted area is characterized by the existence of one or more of the following conditions". In ORS 457.010, a full list of blighting conditions follows the general statement, including: "(e) The existence of inadequate streets and other rights of way, open spaces and utilities." If an urban renewal/TIF area is created, the official blight findings will be made in the Ordinance adopting the urban renewal/TIF plan.

Figure 41. Recommended Core Area Urban Renewal/TIF Area



Capital investments to address the barriers described above are expensive, and the City has few existing dedicated funding sources that could pay for them. Without a dedicated funding source for key catalytic projects, those projects—and the overall vision—will be implemented slowly, if at all.

**Urban renewal/TIF is a funding mechanism designed specifically to address development challenges like those that Bend's Core Area faces. It is a proven and effective tool used throughout Oregon to support communities in transforming areas that are challenging to develop.**

On its own, urban renewal/TIF is insufficient to overcome all Core Area development barriers. However, when coupled with other recommended actions described in this report—including Development Code changes to remove regulatory barriers, incentives for desired development, targeted use of other available funding sources for public infrastructure improvements, and support for housing stability for existing residents—urban renewal/TIF can help create the conditions that spur new investment and make the area a desirable place to live, work, and play.

Urban renewal/TIF also has support from stakeholders and the community at large. The URAB has supported and guided consideration of urban renewal/TIF for the Core Area throughout the process. Community outreach has informed the definition of the vision and urban design framework, the priorities for investment, and other key aspects of implementation.

## URBAN RENEWAL/TIF AREA BOUNDARY

The urban renewal/TIF area boundary is a foundational part of the urban renewal/TIF plan. Tax increment (the primary funding source for urban renewal/TIF investment) is generated from properties inside an adopted boundary, and tax increment dollars may only be spent inside the adopted boundary. The determination of which areas to include was based on statutory guidance, urban renewal/TIF best practices, past planning work, and input from URAB and the public. The recommended boundary encompasses areas with redevelopment potential that have a need for public investment to overcome development barriers and eliminate blight (e.g. inadequate streets and utilities, among other things).

The areas included in the recommended boundary include Greater East Downtown, BCD, Greenwood, Greater KorPine, and parts of Wilson and Division. With investment and support, each contributes to a cohesive and vibrant Core Area for Bend. Please see the Technical Appendix to this report for documentation of the evaluation process for establishing the recommended urban renewal/TIF boundary.

## PROPOSED PROJECTS FOR URBAN RENEWAL/TIF FUNDING

By state statute, urban renewal/TIF dollars may only be spent on capital projects, programs, and improvements that are identified in an adopted urban renewal/TIF plan and located inside the urban renewal/TIF boundary. The projects recommended for inclusion in the Core Area Urban Renewal/TIF Plan are based on statutory guidance; urban renewal/

TIF best practices; past infrastructure planning work; ongoing work on the Bend TSP; the CAP Guiding Principles and Urban Design Framework; and input from the URAB, stakeholders, and staff. For some projects, urban renewal/TIF funding will leverage other public and private sources to help stretch limited dollars. Urban renewal/TIF funding is recommended for the following categories of projects.



*Bend's former Downtown urban renewal/TIF area contributed funds towards a variety of projects including business façade improvements, the downtown parking garage, affordable housing, and streetscape improvements such as street trees, planters and special sidewalk pavers.*

**Transportation, Streetscape, Bicycle, and Pedestrian Improvements** to remove barriers to accessing the Core Area through different transportation modes, improve east-west and north-south connections, and improve the overall streetscapes and livability of the Core Area. This category includes:

- Core Area-serving projects in the City's TSP, which is currently being updated; bicycle and pedestrian route improvements; transit enhancements; intersection improvements; safety projects; and new road extensions.
- Streetscape improvements to implement the Urban Design Framework (and go beyond the basic improvements described in the TSP) to provide a more attractive pedestrian environment and help encourage new development.

**Infrastructure Improvements** identified in the City's adopted water, sewer, and stormwater master plans that are located in and serve the

Core Area and help alleviate infrastructure limitations in the area.

**Affordable Housing Re/Development Assistance, Partnership, and Support** to contribute to affordable housing through partnership opportunities such as land acquisition, grants, pre-development support, and more. Partnering with and offering funds to affordable housing organizations and developers to develop or rehabilitate affordable housing units will further ensure that residents can afford to live in the area.

**Business and Re/Development Assistance, Partnerships and Support** to help land and building owners, first-time business owners, start-ups, and existing local businesses in developing, redeveloping, or rehabilitating a property. Support and programs identified in this report include land acquisition and assembly, pre-development support, assistance with the cost of required infrastructure improvements, and many more.

**Open Space, Facilities, Amenities, and Installations** to contribute to a distinct district, attract visitors, create a sense of place, and provide amenities for everyone to enjoy and visit. This includes:

- Creating a clear identity for those that live, work, and/or visit the area through the development of a wayfinding system and distinct district signage;
- Allocation of funds to property owners to commission a mural or other artwork; and
- Providing funding to support the acquisition of land for the purposes of a park, recreation, trail, and/or open space for public use.

**Plan Administration, Implementation, Reporting, and Support** to cover administration activities and funding for additional planning and design work needed to further implement the projects on the list.



## URBAN RENEWAL/TIF REVENUE AND FINANCIAL FEASIBILITY

State statute requires urban renewal/TIF plans to meet a test of financial feasibility. All plans must include estimated costs for all projects and projections of urban renewal/TIF revenue. Growth in the assessed (taxable) value of property within the urban renewal/TIF boundary generates an “increment” of property tax revenue that is used to pay for urban renewal/TIF projects; this is referred to as tax increment financing. The cumulative tax increment collected over the life of the plan determines how much money can be spent on projects (called the “Maximum Indebtedness” or MI).

The MI is one of the key pieces of the urban renewal/TIF plan. By statute, tax increment revenues must be sufficient over time, accounting for inflation and borrowing costs, to fund all of the projects that are included in the plan. If projections are overly conservative and revenues exceed expectations, the planned projects can potentially be funded sooner. However, no additional projects that are

not identified in the adopted plan can be funded without amending the plan. If projections are overly optimistic and revenues fall short of expectations, it will take longer to deliver the projects than expected, leading to potential criticism or concern from stakeholders and less progress in achieving the plan’s objectives.

New development is key to an urban renewal/TIF area’s financial success because it drives growth in assessed value. Based on historical trends in assessed value growth<sup>2</sup> and likely rates of new development, the Core Area Urban Renewal/TIF Area could see \$15-20 million in new construction value per year over the life of the plan.

This rate of growth is equivalent to roughly one large development (such as a full-block or multi-block mixed-use development with housing and some retail space) every three years or a few smaller developments (e.g. small apartment buildings or groups of

townhouses) each year. Staff, URAB, and local development industry stakeholders felt that this is a realistic level of development for the area on average over time. Over 30 years of projected growth<sup>3</sup>, this rate of redevelopment would provide sufficient funding capacity for the type and scale of investment the area needs to flourish, and that is recommended for inclusion in the plan.

Based on preliminary estimates, this rate of tax increment growth (roughly 5% increase in taxable value on average each year) would yield a maximum indebtedness (the amount that can be spent on projects in year-of-expenditure dollars) between \$175 million and \$215 million. **In today’s dollars, this would fund roughly \$100 million to \$130 million of urban renewal/TIF projects. This amount of spending capacity is sufficient to invest in the projects that are considered for inclusion in the plan, supporting a preliminary finding of financial feasibility.**

<sup>2</sup> The average annual growth rate for the Core Area from 2010 to 2019 was 4.0%.

<sup>3</sup> The duration of the plan is used in the financial calculations to establish the MI, but it typically serves as an estimate, not a hard limit.

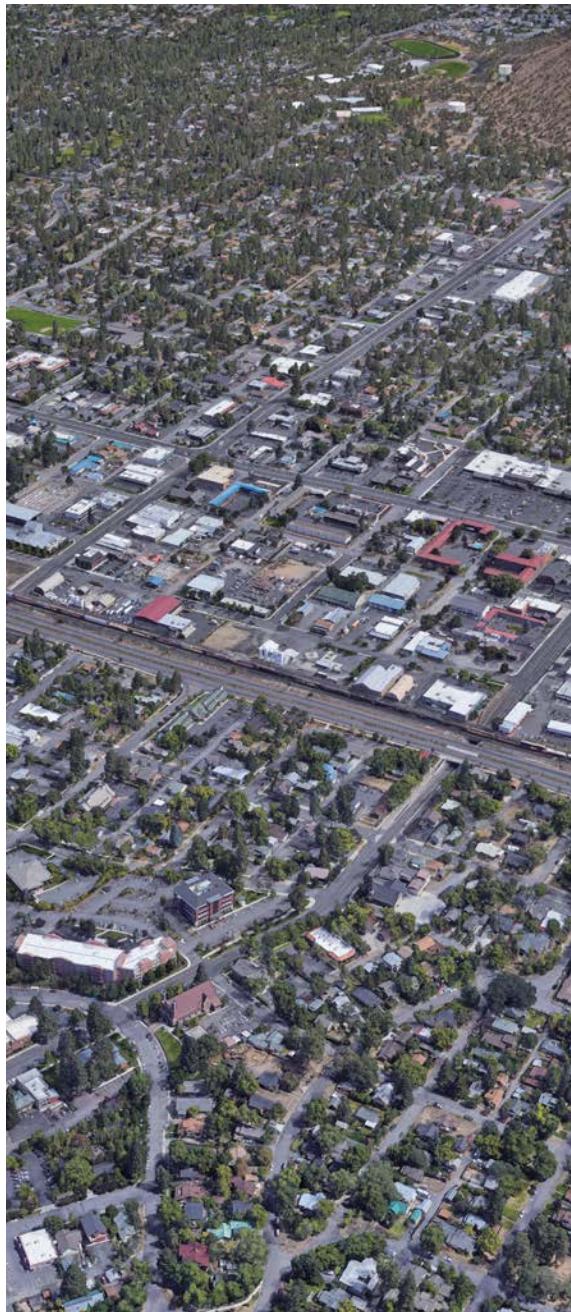


## CONCLUSIONS

Urban renewal/TIF is an important financial tool to fund major capital projects that can stimulate economic development and increase public tax base revenues. Although urban renewal/TIF cannot be the single funding source for all of the proposed projects, an urban renewal/TIF plan coupled with other implementation actions described in this report can help implement the Guiding Principles and Urban Design Framework for the Core Area.

**The recommendations summarized here for the boundary, the type of projects to fund, and the estimated revenue potential of the area show that urban renewal/TIF is feasible as a way to deliver key capital improvements for the area that will help to transform it and spur new development.**

*The City of Bend/BURA is making an effort to transition from using the term *Urban Renewal* to instead using *Tax Increment Financing*, or *TIF*. The term *TIF* is used consistently in other parts of the nation and does not evoke past practices of other urban renewal agencies throughout the country wherein minorities and underrepresented populations were displaced to clear the way for redevelopment. The Core Area TIF Plan and Report will aim to avoid those connotations, with an intention to avoid those outcomes.*



## RECOMMENDATION #2 UPDATE THE DEVELOPMENT CODE AND ZONING

This section describes updates to the Development Code standards and zoning of several properties that will remove regulatory barriers to development and help implement Bend's vision for the Core Area.

### RECOMMENDED ACTIONS

- 2.1. *Remove barriers to development/redevelopment, particularly for housing and mixed-use development in the BCD.*
  - *Allow for more housing and focus nonresidential mixed-use requirements to designated Main Streets.*
  - *Simplify and reduce parking requirements.*
  - *Provide flexibility for private development in balance with public needs.*
- 2.2. *Evaluate code updates to Commercial Limited (CL) and Commercial General (CG) zones in the Core Area to remove barriers to development/redevelopment.*
- 2.3. *Evaluate code updates in other zones in the Core Area to remove barriers to development/redevelopment, particularly for housing.*
- 2.4. *Evaluate land use designation changes (Inner Greenwood & SE 2nd Street) in the Core Area.*

## INTENDED OUTCOMES AND BENEFITS TO BEND

The City's vision for the Core Area is strong: mixed uses, higher-density housing, transit-supportive development, improved east-west and north-south connections, tailored zoning standards, and more. The Bend Development Code provides good regulatory guidance to implement the vision, but it needs strategic improvements to remove inadvertent barriers in the current code.

The recommended updates are intended to unlock the scale and character of development that is envisioned for the area and help complement urban renewal/TIF investments. The specific outcomes of the code updates are to:

- **Create housing** by making it more feasible to develop medium- and

high-density residential uses and mixed-use development in the Core Area. Examples of regulatory changes that will support housing include allowing housing as a permitted use on more properties in the Core Area and updating parking standards so parking occupies less space on each site. An analysis of recent construction showed that while the area saw significant investment from 2007 to 2019, it was almost entirely in the form of single-story retail and commercial remodels with no development of housing.

- **Remove barriers to small lot development** by revising parking and site development standards that are particularly challenging to implement on small lots. Lots under 12,000 square feet

comprise 60% of all lots in the Core Area. An analysis of parking standards demonstrated that parking standards are a significant barrier to development in the area. The analysis tested draft code amendments and found that they would significantly improve the feasibility of development in the area, particularly for housing.

- **Activate the area with people** by removing barriers to development that will bring new residents, more transit users, and a larger customer base for the area's businesses.
- **Generate tax increment** that will be re-invested in the area and spur private development that may not otherwise occur.

Figure 42. Main Streets in the BCD



## CODE UPDATE PROGRESS TO-DATE

The recommendations in this section build on, and extend, similar updates to the BCD approved by the Planning Commission and City Council. Updates to the BCD zone include:

- **Removal of prescriptive mixed-use requirements and designation of Main Streets.** The updates would allow housing throughout the BCD, and designate Main Streets to be the focus of ground floor commercial and mixed uses. Main Streets were inspired by the Urban Design Framework that identified key east-west and north-south connections in the area. Hawthorne Avenue and Aune Street were identified as key east-west “spines” to focus investment.
- **Simplified and reduced parking requirements.** The updates provide solutions to a key challenge: that the amount of off-street parking required by the existing code makes allowed urban scale housing and mixed-use projects infeasible on many lots.
- **Simplification of design requirements.** Updates to the design requirements emphasize simple and clear standards (e.g. the percentage of window space along the street-facing façade) that will support walkable streets.
- **Revised standards to increase the amount and siting of buildable space.** Changes to use size limitations, setback standards, and other provisions that affect buildable area are proposed to increase the feasibility of development, in balance with public needs such as providing walkable and attractive streets.

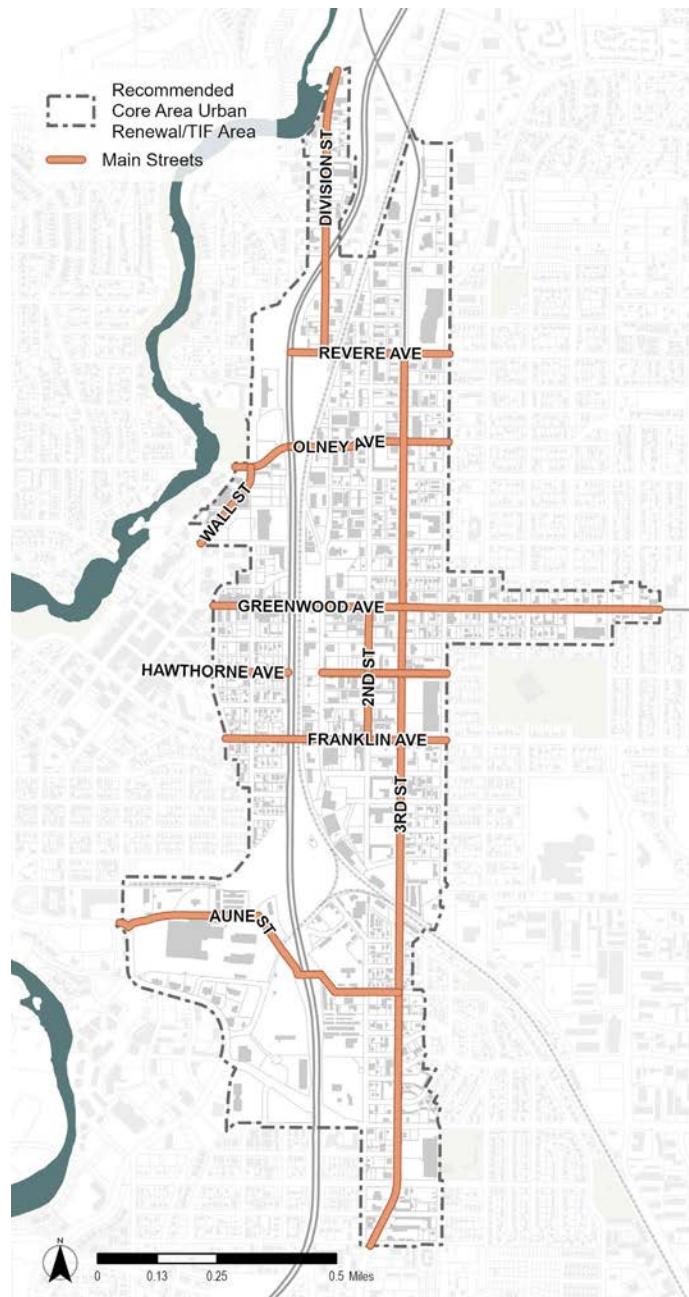


## WHY UPDATE THE CODE: THREE KEY THEMES

As described throughout this report, the CAP is a study of Core Area Urban Renewal/TIF Area feasibility, in combination with regulatory improvements and development incentives that will support the vision for the Core Area. Toward this end, the team prepared a development feasibility analysis, zoning audit, and review of potential development incentives. These studies identified three key overarching themes for updates to the Development Code, summarized on the following pages. For more background and detailed information, please see the Technical Appendix.<sup>4</sup>

<sup>4</sup> Code amendments are described in *Zoning Audit*, Cascadia Partners, July 10, 2019

Figure 43. Core Area Main Streets



## Theme 1: Allow for more housing and focus non-residential mixed-use requirements to Main Streets

CG and CL zones only allow residential uses as part of a mixed-use development. Residential uses can't occupy any portion of the ground floor, and the commercial portion of a mixed-use project must be constructed prior to or concurrent with residential uses.<sup>5</sup> There are several challenges that have resulted from the Code's limitations on housing. First, **developers are choosing to not build housing, even though demand is strong.** Rather, land is being underutilized for primarily single-story commercial development and remodels.

Consequently, the opportunity to support transit-supportive and pedestrian-friendly development is not being realized. Most of the Core Area has better proximity to transit than anywhere in Bend. It also has a strong diversity of local businesses, particularly where connections to downtown and key shopping streets are present. Housing is a needed land use to make this mix of urban conditions work well but is limited by the Code's requirement for mixed-use development.



## Theme 2: Simplify and reduce parking requirements

Bend's Development Code contains detailed, use-based off-street parking requirements that are problematic to development and the evolution of a mix of uses today and over time. The uses in buildings change far more often than the buildings themselves change. The amount of required parking effectively limits development to very low levels of land use and hinders more intensive mixed-use developments. Many communities are moving away from detailed use-based parking requirements and toward simplifying parking requirements.

Bend sits atop lava rock which proves to be a challenge for development to provide off-street parking on small infill lots due to very high excavation costs to provide underground parking. In the current Code, on-street parking may be counted only when abutting the development, which may be a space or two for many small lots.<sup>6</sup> Some parts (not all) of the Core Area have substantial block frontages where on-street parking is available to serve development within a very short walk of a customer's destinations.

These off-street parking standards are particularly challenging for small sites because there is not enough land for the collective needs of buildings, parking, circulation, and landscaping. The City should evaluate its off-street parking requirements in the Core Area to identify barriers to mixed-use development, particularly for housing. This evaluation should be done with a context-sensitive approach to ensure compatibility with adjacent uses. As Code changes are considered modified the City should take a proactive approach to monitor and manage parking and parking policies.

Figure 44. Existing Code Conceptual Site Plan

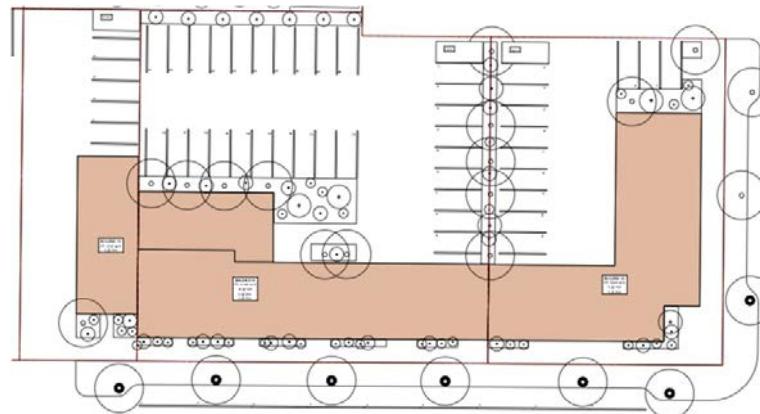
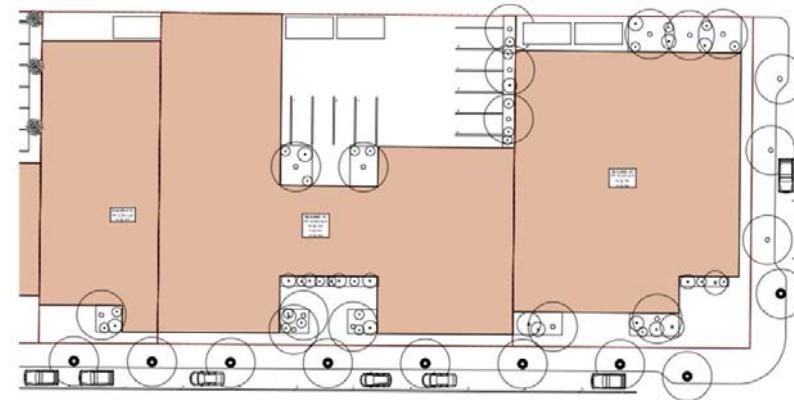
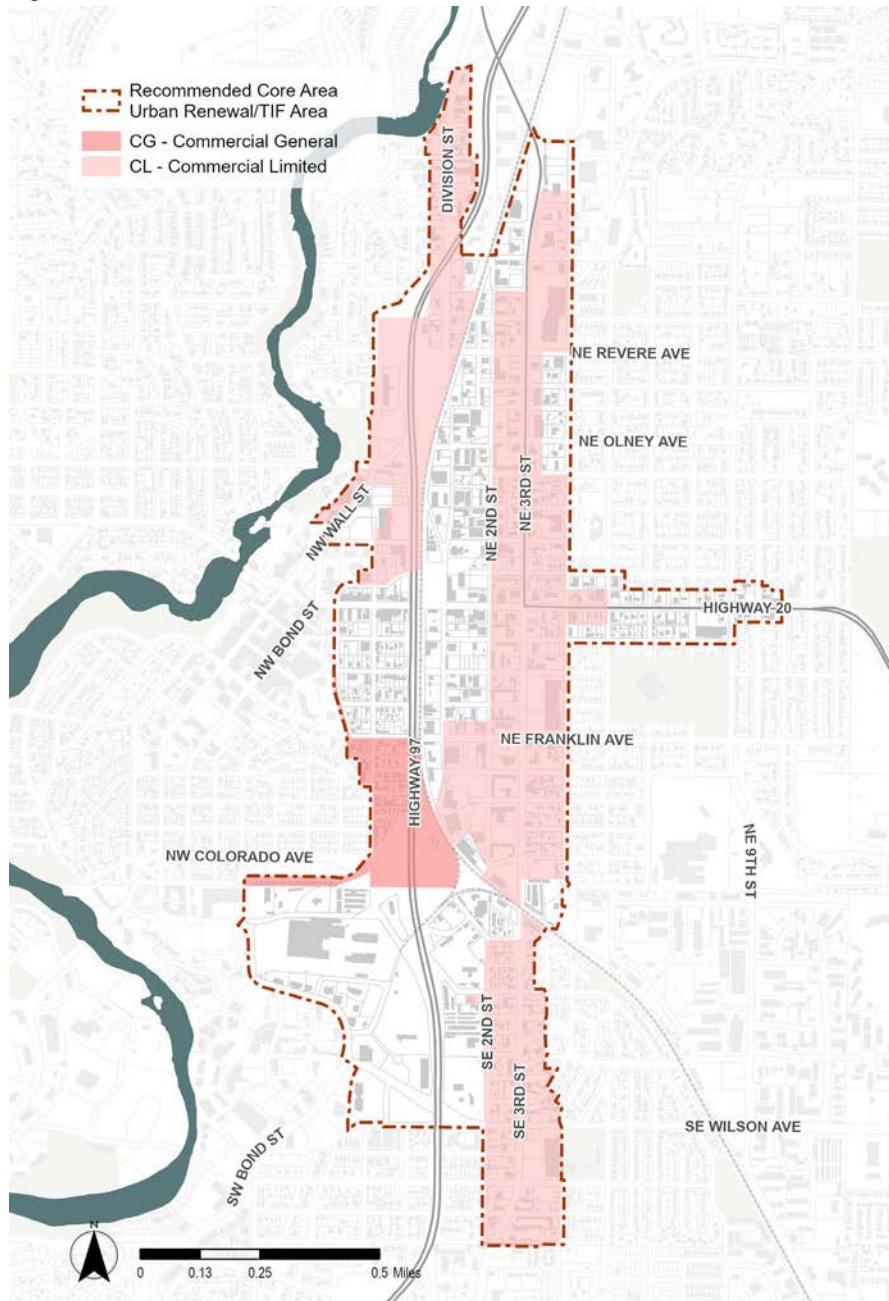


Figure 45. Proposed Code Conceptual Site Plan



<sup>6</sup> In the CL and CG zones the amount of off-street parking required may be reduced by one off-street parking space for every on-street parking space abutting the development, up to 50 percent of the requirement, with some exceptions. See BCD 3.3.300B.

Figure 46. CG and CL Zones in the Core Area



### Theme 3: Provide flexibility for private development in balance with public needs

In the Core Area's Commercial Limited (CL) and Commercial General (CG) zones, the current maximum front setback of 80 feet (for streets without on-street parking, such as 3rd Street) is not conducive to supporting pedestrian activity and transit usage. Given the vision for the Core Area, the urban renewal/TIF investments being considered, and the updates to the BCD, it is timely for the City to reassess development standards.

Updated development standards should consider building setbacks, lot widths, transparency/glazing, building orientation, primary entrance locations, and similar design standards that will improve the pedestrian environment. In addition to the BCD, these should be considered in the CG, CL, Mixed Neighborhood (MN) and Mixed Urban (MU) zones in the Core Area.



## POTENTIAL UPDATES TO THE CL AND CG ZONES

There are portions of the recommended urban renewal/TIF area that are outside of the BCD, that are zoned CL and CG. To address the themes and needs described above, and move this area closer to adopted policy goals, the City should build on the work to date for the BCD and consider similar updates in the CL and CG zones. The specific updates to be considered are listed below.

### 1. Designate Main Streets.

Outside of the BCD, designate 3rd Street, Franklin Avenue, Wilson Avenue, and Division Street as Main Streets consistent with the BCD Code changes and Urban Design Framework, where standards would be revised to support mixed-use and pedestrian-friendly development (e.g. ground floor uses with “commercial-ready” first floor heights). The purpose of this update is to focus potential commercial and mixed-use development to these key streets and reinforce their role as important connections within and throughout the Core Area.

### 2. Allow residential uses.

Allow multifamily uses in the CG and CL zones in the Core Area similar to the updated allowances within the BCD. The purpose of this update is to encourage the development of housing in the Core Area.

### 3. Orient buildings to the street.

Update the Code to require a minimum percentage of a frontage (e.g. 50 percent) be located at the minimum front setback line with flexibility to increase the setbacks for active space/pedestrian areas, and require buildings, including main entrances, be oriented to the main street. The purpose of these updates is to improve the walkability of the area by creating streetscapes that are more comfortable, active, and inviting for pedestrians. More active frontages along street are a good complement to the City’s transportation investments.

### 4. Allow buildings at zero setback, except on 3rd Street.

Reduce the minimum front setback to zero, except on 3rd Street, where

a minimum 5-foot setback would be required to ensure adequate space for landscaped buffers along sidewalks. The purpose of this update is to increase the amount of buildable area (which is very beneficial to small lots) and improve the walkability of the area.

### 5. Update parking requirements.

Revise the parking standards similar to the changes proposed for the BCD zone using a context-sensitive approach to ensure compatibility with adjacent land uses and neighborhoods.

### 6. Tailor the updated Code using a Special Planned District.

The above-described updates are intended for use in the Core Area. To codify this approach, the City should evaluate the creation of a new Special Planned District, or the addition of a new sub-district to the BCD.

### 7. Evaluate allowances for “Early Activation Uses.”

See the description on the following page.

## OTHER POTENTIAL CODE UPDATES

The following additional Code issues should be evaluated along with those previously listed for the CG and CL zones in the Core Area. These potential updates are intended to remove barriers, complement urban renewal/TIF investments, and achieve the outcomes described above. These recommendations are based on the development feasibility analysis, feedback from land owners and developers in the area, staff familiar with administering the existing codes in “real world” discussions with land owners/developers in the area, concern for lack of housing affordability within and adjacent to a proposed urban renewal/TIF area, and team discussions with members of URAB.

**1. Update parking standards in the Mixed-Use Urban (MU), Mixed-Use Neighborhood (MN) and High Density Residential (RH) and Medium Density Residential (RM) Zones.** The MU, MN, and adjacent RH and RM zones within the Core Area should be evaluated for the revisions to the parking standards, similar to those in the BCD. This

evaluation should be context sensitive and consider the potential supply of on-street parking and proximity of nearby neighborhoods.

- 2. Remove prescriptive mixed-use requirements in the Mixed Employment (ME) Zone.** The ME zone in the Core Area should be evaluated for whether the prescriptive mixed-use requirement (i.e. residential only allowed as part of mixed-use) should be revised similar to the updates for the BCD.
- 3. Update density limits and parking to facilitate townhome development in the Medium Density Residential (RM) Zone.** The adjacent RM zone should be evaluated for higher density limits and parking requirements to accommodate modern townhome configurations in the Core Area vicinity.<sup>7</sup>
- 4. Consideration of “Early Activation Uses.”** “Early Activation Uses” are uses that do not fit neatly into traditional zoning definitions but can contribute to the vitality of an urban district. Early activation uses typically entail various

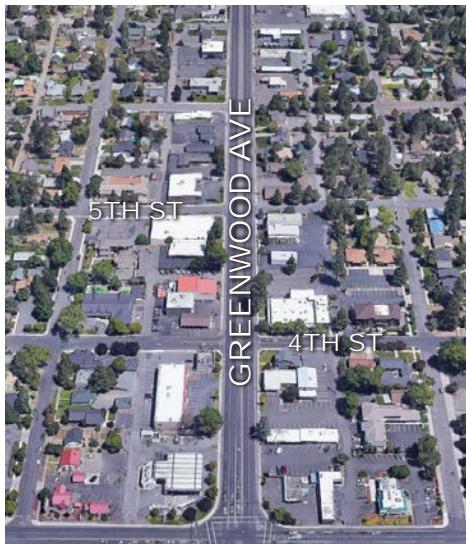
types of uses including special events, temporary use/temporary structure, and semi-permanent uses. Examples include food trucks (individual and pods), pop-up retail/services/offices<sup>8</sup>, community gardens, art installations, and event space. Ideas for the evaluation include:

- Evaluate how temporary and semi-permanent uses may already be permitted;
- Consider expanding or modifying Temporary Use allowances within the Core Area;<sup>9</sup>
- Consider expanding uses that are “semi-permanent” and may require less initial capital investment such as tiny/small home hotels;
- Evaluate options for phasing on and off-site improvements such as on-site paving, sidewalks, landscaping, and street trees; and
- Evaluate permitting on public property for opportunities to encourage activity within the Core Area (e.g. street fairs, parklets, paint the pavement, etc.).

<sup>7</sup> The current RM limit of 21 dwellings per acre supports an average area of about 1,600 square feet per townhome lot. Smaller townhomes lots are appropriate for the Core Area’s smaller properties and central location and will help project feasibility and the construction of new housing.

<sup>8</sup> May be in existing vacant building space, or in semi-permanent structures such as trailers or containers.

<sup>9</sup> BCD 3.6.400



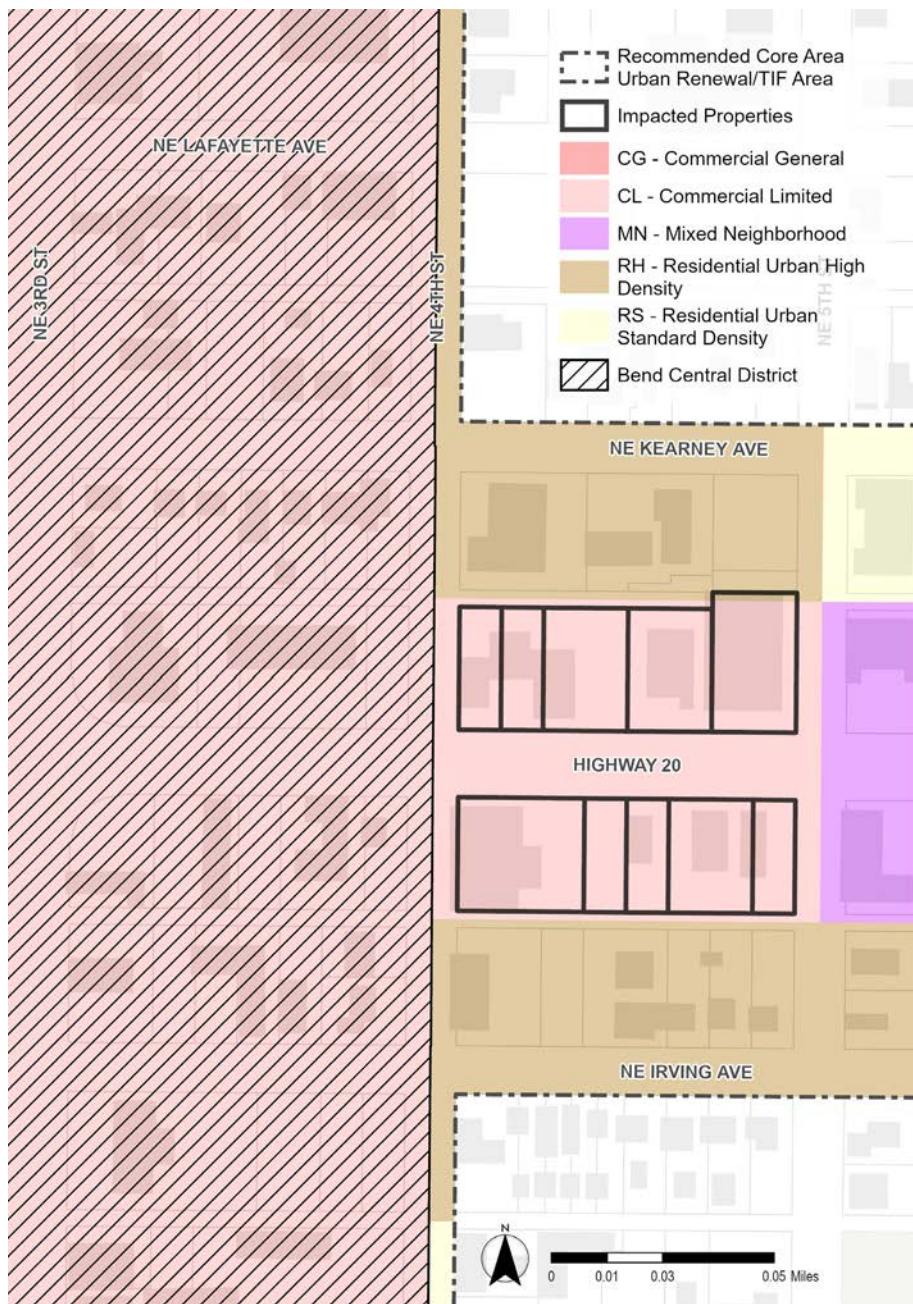
## POTENTIAL ZONING MAP UPDATES

There are two areas in which the current zoning within the Core Area does not match the Comprehensive Plan and Core Area Urban Renewal/TIF Area vision for mixed-use, higher-density, transit-supportive development, and improved east-west and north-south connections.

Table 10. Potential Zoning Map Updates

Location	Current Comprehensive Plan/Zoning Designation	Proposed Comprehensive Plan/Zoning Designation	Reason
<i>Block between 4th and 5th Streets on Greenwood Avenue</i>	Commercial Limited (CL)	Mixed Neighborhood (MN) or include in the BCD	Map error during 2016 UGB Expansion process. The block was meant to be designated as MN to achieve Inner Highway 20/Greenwood opportunity area goals.
<i>Industrial properties along SE 2nd Street</i>	Industrial General (IG)	Mixed-use designation	In future long-range planning efforts, consider mixed-use land designations, as appropriate, to meet housing and employment goals.

Figure 47. Inner Highway 20/Greenwood Opportunity Area Zoning Map Update



## Inner Highway 20/Greenwood Opportunity Area

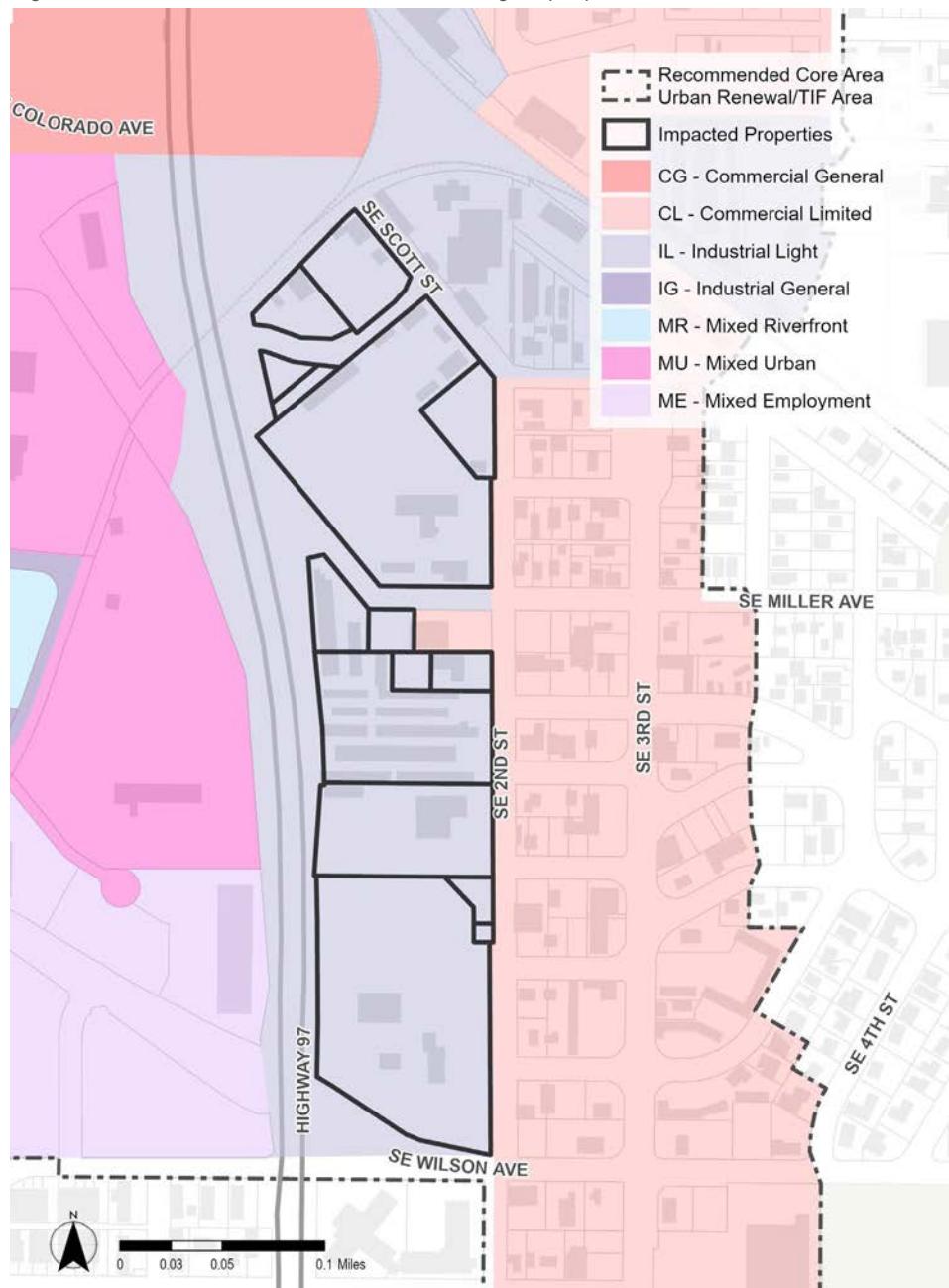
The Inner Highway 20/Greenwood Opportunity Area was identified in the 2016 UGB expansion process as an opportunity to shift to a more walkable mixed-use corridor. For this reason, the area was “up-zoned” and designated with a new Mixed Neighborhood (MN) land use designation.

The MN land use designation is intended to provide neighborhood-scaled, pedestrian-oriented mixed-use centers and corridors with a range of residential, retail, service, and office uses that are compatible with adjacent development. However, during the re-designation of the Inner Highway 20/Greenwood area, one block along

Greenwood Avenue between 4th Street and 5th Street was not re-designated. After reviewing UGB records, it appears that this block was intended to be included and was excluded due to a mapping error during the UGB process. It is therefore recommended to re-designate the one block from CL to MN.

Another implementation option is to include the block into the BCD. Either way, this Post Acknowledge Plan Amendment will require a separate process including public outreach with affected property owners and businesses, as well as a public hearing with both the Planning Commission and City Council.

Figure 48. SE 2nd Street Industrial Area Zoning Map Update



## SE 2nd Street Industrial Properties

When conducting a development feasibility analysis, primary drivers of redevelopment identified were zoning intensity and property size. The higher intensity of zoning and the larger the property, the higher the redevelopment potential is.

Within the proposed Core Area Urban Renewal/TIF Area, it was found that there are several large properties adjacent to the KorPine opportunity area that are currently zoned IG, which is a lower intensity use. These properties were included in the District due to transportation investment and connection needs adjacent to those properties. As the KorPine area redevelops

and a new east-west connection on Aune Street is established, the industrial zoned properties along SE 2nd Street will likely have demand and market potential/viability for more intensive zoning including mixed-use. It is recommended to consider these properties, in future long-range planning efforts, for higher intensity zoning to meet future land use and employment goals.

These changes should be evaluated in separate processes that consider employment needs including industrial land needs as well as significant public outreach with affected and adjacent property owners and community members.



## *RECOMMENDATION #3* CREATE DEVELOPMENT INCENTIVE PROGRAMS

This section describes the development incentives that can help jumpstart private investment within the Core Area. Many of the desired development types within the Core Area are not market-feasible today and require the implementation of several of these tools in order to be feasible in the near-term. The recommended tools reflect a process of analysis by the CAP team, review and feedback from URAB and extensive input from City departments who would need to be involved in implementation.

### RECOMMENDED ACTIONS

- 3.1. Include the Core Area in a citywide tax exemption program.*
- 3.2. Modify the SDC Financing Program in the Core Area.*
- 3.3. Explore land exchange opportunities.*

### INTENDED OUTCOMES AND BENEFITS TO BEND

The development incentives detailed in this section will be used by the City to jumpstart investment in housing and mixed-use development within the Core Area. Strategic and careful application of these tools can help attract the near-term investments that will ensure the long-term revenue growth needed for a successful urban renewal/TIF area.

## THE NEED FOR DEVELOPMENT INCENTIVES

The City's plans call for new housing and mixed-use buildings in large portions of the Core Area boundary. However, the development market in Bend is not strong enough to make these building types financially feasible today. Investment in new types of buildings in an unproven area is risky, and often requires some type of incentive to get the first several projects underway.

Once these initial projects demonstrate market feasibility, lenders and investors become more comfortable funding future projects and fewer incentives are needed. No recent major residential or mixed-use development projects have been completed in the Core Area, so incentives are warranted—particularly in the near-term. Without incentives investment will likely be slower and take place in the form

of smaller projects like retail or adaptive reuse rather than new, larger apartments or mixed-use buildings. The vitality of the Core Area and the health of the urban renewal/TIF area revenue depend on a steady and increasing stream of investments in the study area. These incentives were determined by URAB to be the most promising opportunities to jumpstart investment.

Table 11. Development Incentive Tools

Tool	Primary Purpose	Level of Effort to Implement
<b><i>Expand Property Tax Exemption Programs for Housing</i></b>	Development incentive for mixed-use and other housing developments	New program requires adoption by Council ordinance and outreach to affected taxing districts. Some programs also depend on program adoption by taxing districts by resolution.
<b><i>Modify SDC Financing Program</i></b>	Make SDC financing more accessible and broadly usable, including changing interest rates and/or deferral of System Development Charge (SDC) payments	Modifications to existing program requires City Council action and amendments to the Bend Municipal Code (BMC Chapter 12.10).
<b><i>Land Exchanges</i></b>	Facilitate land use transitions within Core Area and business (industrial) expansion in other areas of city	Requires staffing and coordination with City Council, BURA, and relevant advisory boards.

## EXPAND PROPERTY TAX ABATEMENT PROGRAMS FOR HOUSING

Property tax abatement programs are a proven incentive tool that can enable development types that would not otherwise be feasible. Over the life of their implementation, property tax abatements can generate more tax revenue than the market would otherwise deliver. The City Council has identified the desire to look into developing a citywide tax exemption program, with participation extended to all taxing districts, as part of their 2019-21 Council Goals.

### Tax Abatement: The Basics

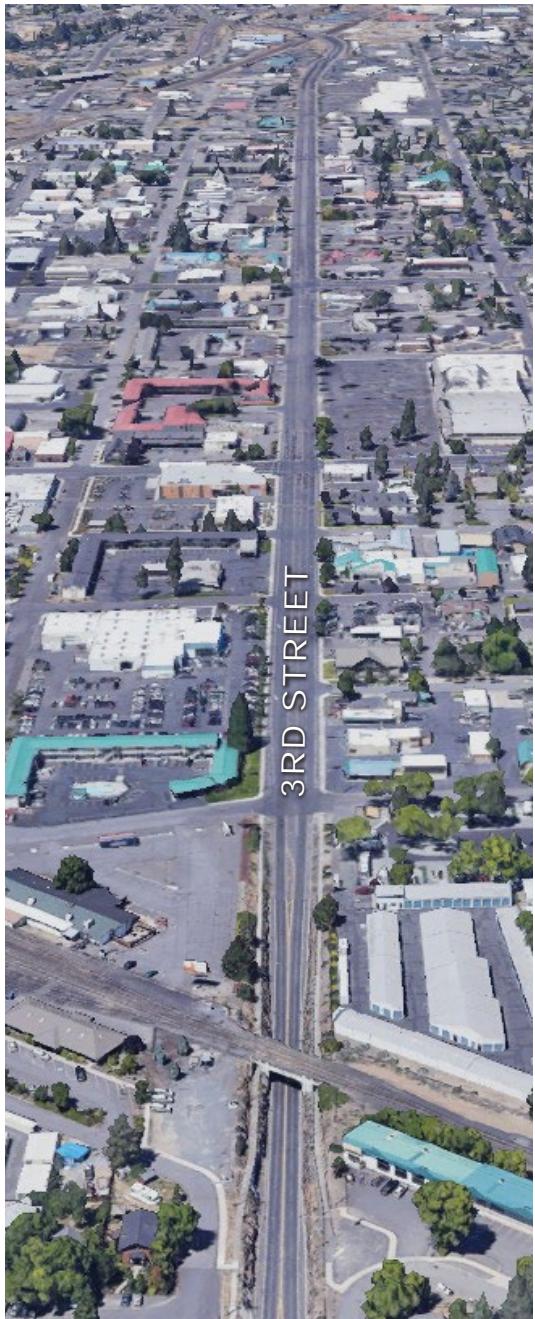
Oregon law enables a variety of property tax abatement programs that could have a major impact on the financial feasibility of development and redevelopment within the Core Area. Each program has somewhat different parameters and intended outcomes. Tax abatements can be tied to specific performance criteria, such as delivering vertical mixed-use buildings, or workforce and affordable housing. However, the basic premise for all programs is to offer property

tax abatements for a limited period of time in order to enable higher intensity developments where they would not otherwise “pencil.” For instance, the property taxes on a new mixed-use building can be hundreds of thousands of dollars a year. If those tax payments are abated for a 10-year term, it has a significant impact on a project’s cash flow and allows the project to survive on lower rents than it would otherwise be able to; and in some cases may enable the development of a project that would otherwise not be financially feasible.



Discovery Park Lodge affordable housing complex in NorthWest Crossing

Photo Credit: Alan Brandt, 2010



The City has an existing citywide property tax abatement program for projects that are entirely affordable at or below 60% Area Median Income (AMI) for rental and at or below 80% AMI for ownership units. Participation in the program by other taxing districts is approved by taxing districts on an individual project-by-project basis and is subject to City approval of the development. The City's program is available anywhere in the City but has primarily been used by non-profit developers of low- and moderate-income housing than by private market-rate developers.

### **Two State-Defined Tools to Consider**

There are two primary tax abatement programs defined in the state's statutes that could benefit the Core Area. Each would require adoption by City Council and, to be most impactful, negotiation and participation from other taxing districts. The City can adopt tax abatements without the participation of the other taxing districts; however, the City's share of property taxes is relatively small so the programs will be most beneficial if the City can secure broader participation from all applicable taxing districts.

The two tax abatement programs are **Vertical Housing Development Zones (VHDZ)** and **Multiple-Unit Property Tax Exemptions (MUPTE)**. Each are structured somewhat differently and thus could be applied to varying extents within the Core Area. For example, MUPTE could be applied to properties located within the Mixed Urban (MU), Mixed Neighborhood (MN), Mixed Riverfront (MR), and BCD zones, whereas VHDZ could be applied to all or some of Main Streets identified in the BCD Code recommendations, including 3rd Street.

The VHDZ tool is focused on mixed-use buildings and requires ground floor commercial space and residential floors above. VHDZ also has a scaling property tax abatement level that is most beneficial on projects at least 4-5 stories tall. As such, VHDZ is best suited for lots that front the key commercial streets identified in the Urban Design Framework where ground floor retail is desired, such as portions of 3rd Street. Taxing districts are automatically enrolled to participate in the program, however, can elect not to participate on an individual basis. In addition, VHDZ also requires a project to be under construction prior to formally applying.

The MUPTE tool is less restrictive in terms of the building types it can benefit—it could apply to both stand-alone residential buildings and mixed-use buildings including transit-oriented areas or city “Core Areas” such as the CAP boundary. Importantly for MUPTE, if taxing districts that make up at least 51% of the combined tax rate vote to approve, then the full tax rate can be abated. The top four taxing districts based on levy amount (in order) are:

Bend La-Pine School District (BLSD), City of Bend, Deschutes County, and Bend Park & Recreation District (BPRD); with the top two representing effectively over 60% of the combined tax rate. These incentives are typically adopted by ordinance into the City’s Development Code. Code language should outline the criteria for approval and the process for approving individual tax exemptions. Like Urban Renewal, these incentives require a high degree of cooperation

from other taxing districts in order for housing development projects to take full advantage of the allowed tax exemption. Therefore, coordination and agreement among the taxing districts is important to configure prior to City Council adoption. A summary table of these tax abatement tools was produced as part of the UGB implementation process completed in 2018. Portions of the following table are adapted from that effort.<sup>10</sup>



*Azimuth 315 affordable housing complex in NorthWest Crossing*

10 Bend UGB Implementation: Return on Investment Analysis and Next Steps (pages 93-95), March 16, 2018.

Table 12. VHDZ and MUPTE

Program & Authorizing Statute	VHDZ ORS 307.841 TO 307.867	MUPTE ORS 307.600 TO 307.637
<b>Designation process</b>	City designates via ordinance or resolution. Notice to overlapping taxing districts required. Must consider potential for displacement of households in the zone. City must establish standards and guidelines with requirements for eligibility.	City designates via ordinance or resolution. Public hearing required to determine whether qualifying housing would or would not be built without the benefit of the program.
<b>Eligible areas</b>	Anywhere in the city.	Core areas, light rail station areas, or transit-oriented areas (within one-quarter mile of fixed-route transit service per a local transportation plan). Alternatively, the City can designate the entire city and limit the program to affordable housing. Urban renewal/TIF areas are also eligible.
<b>Eligible projects</b>	Must include at least one “equalized floor” of residential; at least 50% of the street-facing ground floor area must be committed to nonresidential use. Can be new construction or rehabilitation. City can add other criteria.	Housing subject to a housing assistance contract with a public agency (must show that the exemption is necessary to preserve or establish the low-income units, but no max income); or housing that meets city criteria for number of units and design elements benefitting the public. If transit-oriented, must support the transit system. May be new construction, addition of units, or conversion of an existing building to residential use.
<b>Best suited for areas within CAP boundary</b>	Lots fronting key corridors with greater height allowances where active ground floor uses are desired/required.	Interior lots without high quality retail frontage where stand-alone residential projects are most feasible and desired.

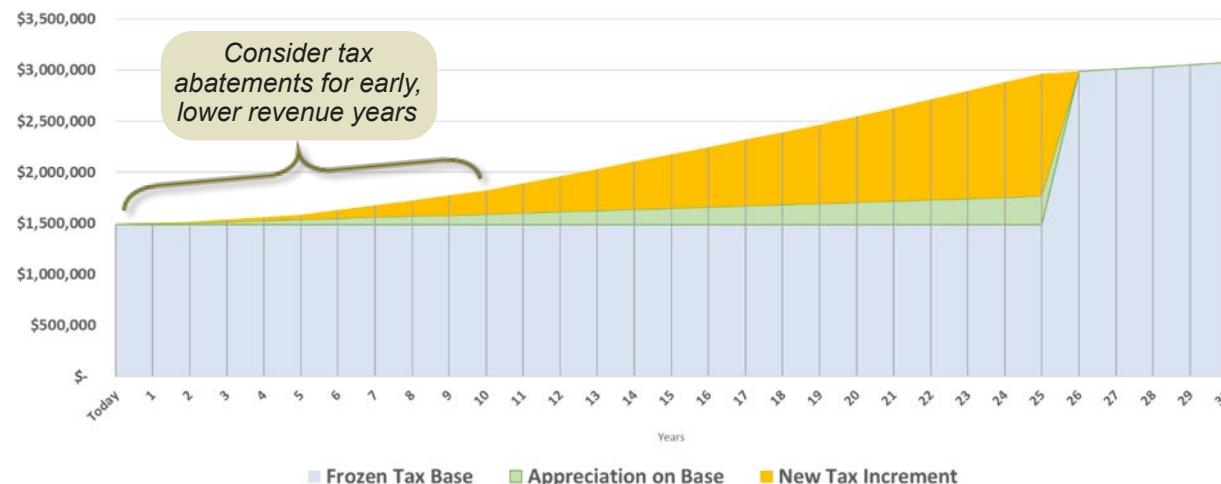
## TERM-LIMITED TAX ABATEMENTS WITHIN THE CORE AREA

A limited application of tax abatement is recommended within the Core Area. The recommendation is specifically to implement tax abatement in the early years of the urban renewal/TIF area in order to incentivize early “pioneer” investors in the district while minimizing the potential impact to long-term tax revenue that the urban renewal/TIF area relies on. The two most powerful tools evaluated for application in the Core Area are property tax abatement programs and TIF. The mechanics of these two tools, and the reliance of each on property taxes, can make wholesale implementation of both programs in the

same area at the same time potentially challenging. Because TIF relies on new investment, appreciating values, and increasing tax revenues in order to fund new projects, a tax abatement tool can limit the funds that could be available for TIF use. TIF revenue increases relatively slowly over time, and in theory, a majority of the overall revenue will occur after year 10 than before. Therefore, it is important to implement targeted tax abatements in the early years of the urban renewal/TIF area and to regularly evaluate the program. Possible implementation mechanics could include regularly scheduled program evaluations or a

sunset provision within a fixed period of time (5 to 10 years) following program adoption. In addition, maximum limits could be instituted either through a maximum dollar amount available for abatement or a limit on the number of units that benefit. These types of “first come, first served” provisions would provide a powerful financial incentive for near-term investment within the district that, in theory, would benefit TIF revenues after year ten. A graph below shows a hypothetical TIF revenue and how a tax abatement program in early years is unlikely to have a major impact on TIF revenue.

Figure 49. Hypothetical Tax Revenue Forecast

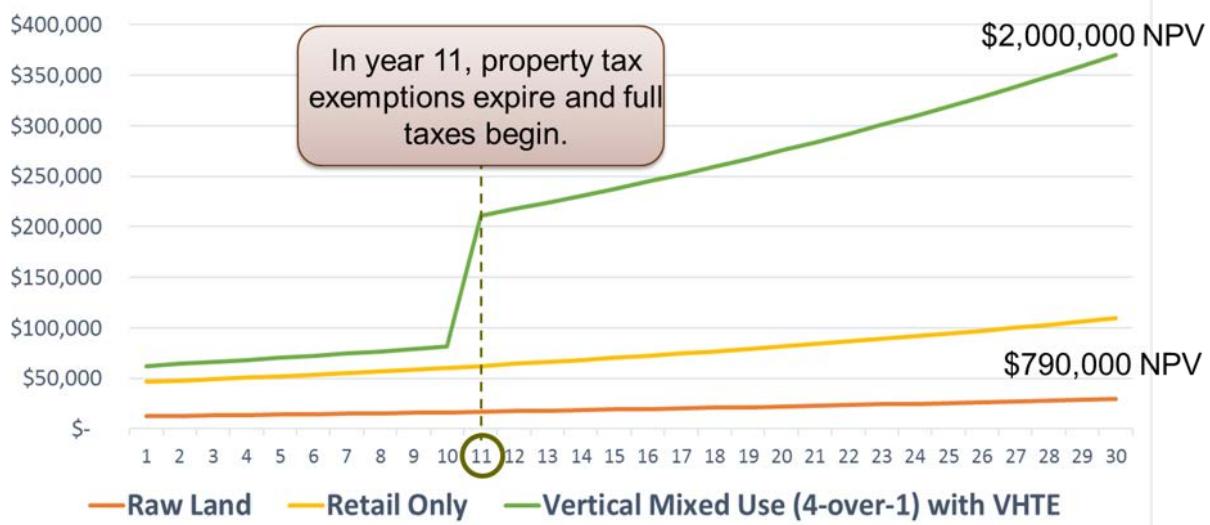


## Tax Abatements Can Generate More Tax Revenue Long Term

It is important for taxing districts, such as cities, school districts, and other special districts to keep in mind that buildings last far longer than the 10-year abatement period. Tax revenue generated over a 30- or 40-year period on more intense projects enabled by the abatements will far exceed the revenue from less intense building types that would otherwise have been built. For example, if a single-story retail building was the highest and best use of a site without tax abatements, that retail

building would generate far less in property taxes over a 30 or 40-year period than a multistory mixed-use building—even with 10 years of tax abatement. The diagram below illustrates this point. In this example, the Net Present Value (NPV) of 30 years of tax revenue from a single-story retail building is less than half of that of a mixed-use building—even considering 10 years of tax abatement on that mixed-use building.

Figure 50. 30 Year Annual Tax Revenue



Today



Today



Future, with tax abatement

## MODIFY THE SDC FINANCING PROGRAM

SDCs are an important source of revenue for the City to pay for the cost of public infrastructure. However, they also represent potentially significant upfront costs of development. Large costs at the beginning of a real estate development project, before revenue generation, can be a major barrier—particularly for small- and medium-sized builders. State law and City code currently allow for the financing of SDCs. Through modifications to the existing SDC program, the City could potentially lower the cost of development and incentivize desired development within the Core Area.

### Reduce Interest Rates for SDC Loans

The City's current SDC financing program allows for a 10-year payment plan at a 7% interest rate or a 5-year payment plan at a 6% interest rate. These loan rates are higher than commercial loan rates, which are at a historically low and likely to escalate. Public borrowing rates are much lower than 6-7%, enabling the City to lend money at substantially lower rates than commercial lenders—even in this low interest rate environment. It is recommended that the City explore reducing rates to better reflect local

borrowing rates for development projects that have a defined public benefit within this area. One option would be to consider establishing a rate that is linked to the City's borrowing rates, such as using the prime interest rate plus an additional percentage point or points to capture associated financial risks and administrative processing that the City would be taking on. Research of other existing programs throughout the state of Oregon can provide guidance on best practices to modify the City's program to mitigate risk and account for administrative impacts to the City, such as the consideration of program maximums and application fees. Examples of SDC loan programs from other Oregon communities are found in the following tables.

### SDC Deferrals

The City currently has a program that allows for multifamily projects to apply for a deferral of SDC payments from the time of permit issuance to the issuance of a Certificate of Occupancy (CO). This deferral can delay this payment for 12-18 months or more on a typical project which can be very helpful for the financial feasibility of the project. During this 12-18-month period new development projects are usually

utilizing short term construction loans that have a higher interest rate than permanent financing. If the funds used to pay the SDC fees are financed, this deferral in payment can reduce interest charges—and this is especially true with a higher interest construction loan. One drawback of the current program is that it requires that developers pay based on the fees that are in place at the time of occupancy, rather than at the time of application. In recent years, City SDC rates have risen roughly 3% each year which places uncertainty and risk on developers. In some cases, this has caused developers to choose to pay SDCs upfront at a known rate versus delaying payment to a potentially higher SDC rate at the time of occupancy.

The City could explore modifying or expanding the SDC deferral program to a broader range of project types beyond the current allowance for just multifamily projects with three or more units. In addition, the City could explore allowing a developer to “lock in” the current SDC rates at the time of permit issuance, but delay payment until a CO is issued. Examples of SDC deferral programs from other cities in Oregon shown in Table 4 can be used when considering modifications to the City's existing program.

Table 13. SDC Loan Programs in Oregon Cities

Program Details	Bend, OR	Hillsboro, OR	Grants Pass, OR	Gresham, OR
<b>Rates</b>	5-year term = 6%, 10-year term = 7%	10-year average United States Treasury (UST) + 2%	Bank rate + 2%	10-year average UST + 2%
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• 0% down</li> <li>• Single family, multifamily, commercial and industrial are eligible</li> <li>• Require 1st position lien</li> </ul>	<ul style="list-style-type: none"> <li>• Requires a 15% down payment</li> <li>• Eligible for single family, multifamily, commercial and industrial</li> <li>• Require 1st position lien</li> </ul>	<ul style="list-style-type: none"> <li>• 10% minimum down payment-due at signing</li> <li>• \$370 application fee</li> <li>• \$100,000 financing maximum; larger amounts at discretion of Finance Director</li> <li>• Total SDC financing not to exceed \$1 Million</li> <li>• Require 1st position lien</li> <li>• Commercial and industrial: required deferral agreement with City to defer to occupancy date</li> </ul>	<ul style="list-style-type: none"> <li>• \$434 process fee</li> <li>• Repayment up to 10 years (developer's choice)</li> <li>• \$100K max per customer</li> <li>• \$1 million total program limit for the City</li> </ul>

Table 14. SDC Deferral Programs in Oregon Cities

Program Details	Bend, OR	Medford, OR	Grants Pass, OR	Gresham, OR
<b>Residential</b>	<p>Multifamily deferral program (3+ units):</p> <ul style="list-style-type: none"> <li>Administrative fee rate set at time of occupancy (2019 rate is \$524).</li> <li>SDCs paid prior to issuance of occupancy permit or actual occupancy.</li> </ul>	<p>Single-family deferral until sale of property or time of actual occupancy, whichever is first.</p>	<p>Single Family:</p> <ul style="list-style-type: none"> <li>First priority lien filed by City.</li> <li>One-time administrative fee for application processing.</li> <li>Deferral until certificate of occupancy issued.</li> </ul>	<p>Single Family:</p> <ul style="list-style-type: none"> <li>First priority lien filed by city with county.</li> <li>\$434 admin fee for application processing.</li> <li>SDCs deferred until certificate of occupancy is issued.</li> </ul>
<b>Commercial</b>	No existing commercial program.	<ul style="list-style-type: none"> <li>SDCs under \$250K: First priority liens filed against property after 60 days of approval.</li> <li>SDCs between \$250K-500K: 30% paid at time of building issuance; remainder deferred until sale/occupancy.</li> </ul>	No commercial program.	No commercial program.
<b>Additional Considerations</b>	Only two projects have used the program since adoption in September 2016.	<p>Construction Excise Tax: 1/3 of 1% of improvement value for all development.</p> <p>Program created at same time of SDC Deferral program to mitigate financial impacts; required Council approval.</p>	<p>Economic Development incentive: Subsidy for SDCs on commercial developments expanding or relocating to Grants Pass. Program not totally defined yet.</p>	Not applicable.



## LAND EXCHANGES

It is recommended that the City, particularly Economic Development staff, consider facilitating the relocation of space-constrained industrial users within the Core Area to other publicly owned sites within City limits. Juniper Ridge is the largest such potential relocation site.

Juniper Ridge is intended to be used for industrial and employment uses. Within the Core Area there are many operating industrial users that may be space constrained and eager to move outside of the area. As the area transitions to a more urban development pattern, including new residential units, that desire is likely to increase.

The City has the opportunity to leverage publicly owned land, such as Juniper Ridge, to accelerate that transition of the district from heavy industrial to other, more urban uses while also facilitating the continued operation and growth of key industrial employers.



## ***RECOMMENDATION #4*** **DESIGN AND BUILD KEY INFRASTRUCTURE AND PUBLIC REALM AMENITIES**

This section describes public realm amenity and infrastructure including parks, sewer, water, and transportation investment needs and strategies for the Core Area. Public realm and infrastructure improvements are intended to address deficiencies, create enhancements that benefit existing and surrounding businesses and residents, and, stimulate new private development in the area. The recommendations in this section builds on and is coordinated with the recommendation to form an urban renewal/TIF plan.

### **RECOMMENDED ACTIONS**

- 4.1. Invest in key infrastructure and public realm amenities: Prioritize projects that achieve Core Area goals in future infrastructure plans.*
- 4.2. Invest in key infrastructure and public realm amenities: Continue community conversations to locate and invest in public attractions within the Core Area.*
- 4.3. Invest in key infrastructure and public realm amenities: Collaborate and identify opportunities for synergistic public realm projects..*
- 4.4. Expand capacity to administer LIDs and reimbursement districts.*

## INTENDED OUTCOMES AND BENEFITS TO BEND

Key investments in infrastructure and public realm amenities will help drive investment into the Core Area. Investments and planning efforts for transportation, sewer, water, and stormwater will continue to attract private development and equitably distribute costs for infrastructure. Public realm amenities can serve as community gathering places, make the area more attractive to live in, and attract businesses and events. Signature projects, such as a gateway under/overcrossing or a public plaza could serve as a marketing and wayfinding tool for the City.

There are opportunities for synergy projects within the Core Area that will address multiple concerns through a single investment. For example, stormwater drainage and treatment can be addressed through both transportation/streetscape projects as well as park and open space improvements.

## INFRASTRUCTURE AND PUBLIC REALM INVESTMENT NEEDS

During the Core Area Project process, the community identified project ideas and priorities for the area. Of the 239 project priorities identified, approximately 80% were transportation based. Another 32% of the comments were supportive of placemaking investments such as public/civic spaces, parks/green space, and art. Both the existing and needed public realm amenities and infrastructure (transportation, sewer, water, and stormwater) considerations for the area that led to the above recommendations are discussed below.

Prioritizing infrastructure and public realm investments (such as parks, sewer and sidewalks) in the Core Area also meets fair housing policy goals as recommended in the City's Analysis of Impediments to Fair Housing. While urban renewal/TIF provides opportunity for infrastructure financing in the Core Area, it will certainly not be enough to cover expenses for all infrastructure needs identified for the area. Information about additional

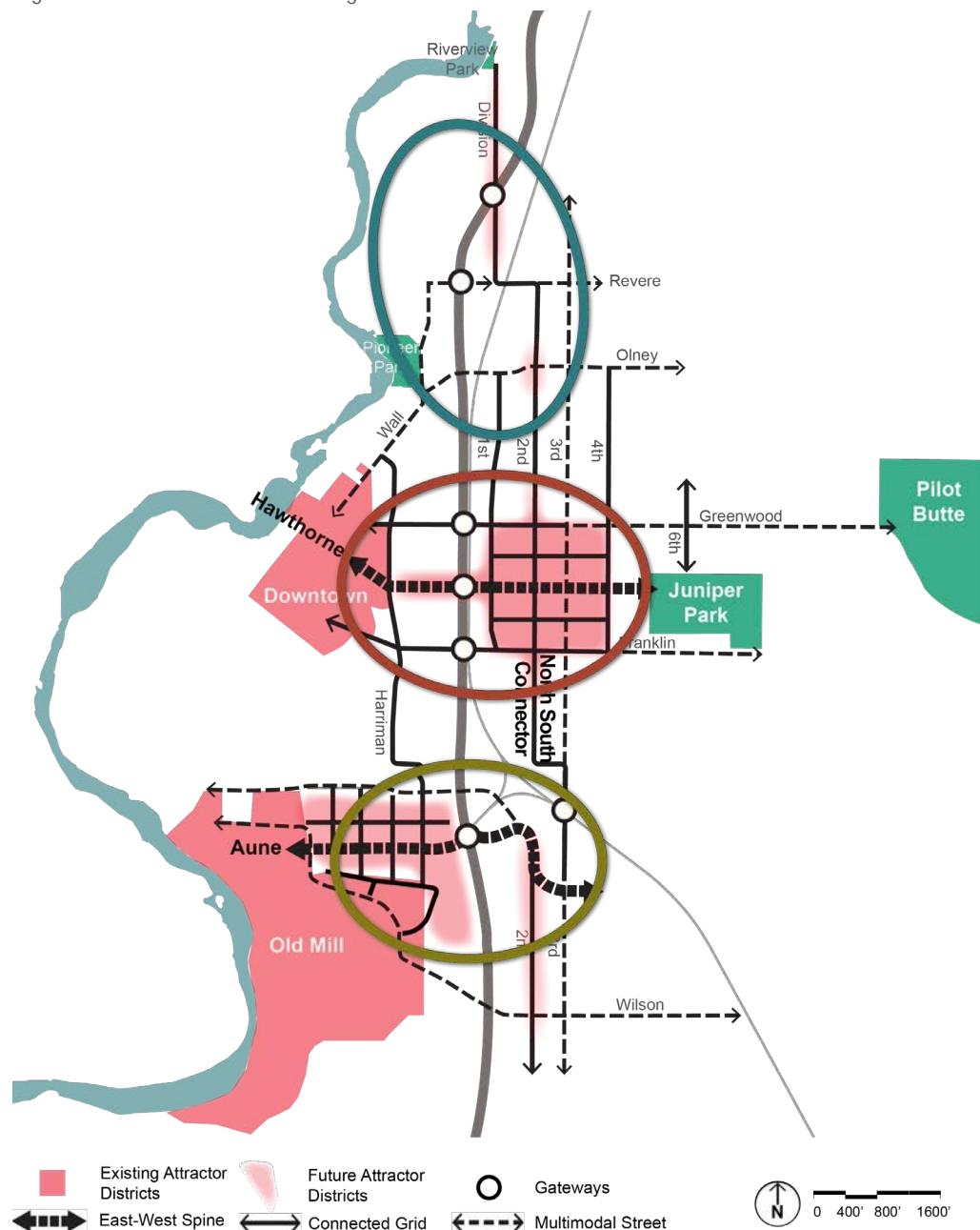
infrastructure financing mechanisms including LIDs and reimbursement districts is also provided in this section.

### Prioritizing Infrastructure and Public Realm Investments

The following graphic provides guidance to support the prioritization of infrastructure and public realm investments. These priority areas can be used in particular to prioritize both the timing and level of support for public realm and transportation improvements in the area.

Through the CAP process, emerged the notion of the first priority area, the “core of the core,” which consists of the area that mirror the boundaries of Downtown on the east side of the Parkway within the BCD between Greenwood Avenue and Franklin Avenue. Subsequent priority areas consist of the South Section, including the KorPine opportunity area and new Aune Street extension, followed by the North Section near Revere Avenue and Olney Avenue.

Figure 51. Core Area Urban Design Framework



### Priority Area #3: North Section

- Connects emerging districts (Division and BCD) to Downtown
- Supports both east-west connectivity as well as north-south

### Priority Area #1: Central Section

- Connects BCD to Downtown
- Enhances East-West connectivity
- "Core" of the Core

### Priority Area #2: South Section

- Connects Old Mill & KorPine to the BCD and adjacent neighborhoods
- Supports both East-West and North-South connectivity
- Connects existing districts (Old Mill) and emerging districts (KorPine and BCD)

## Public Realm Amenities

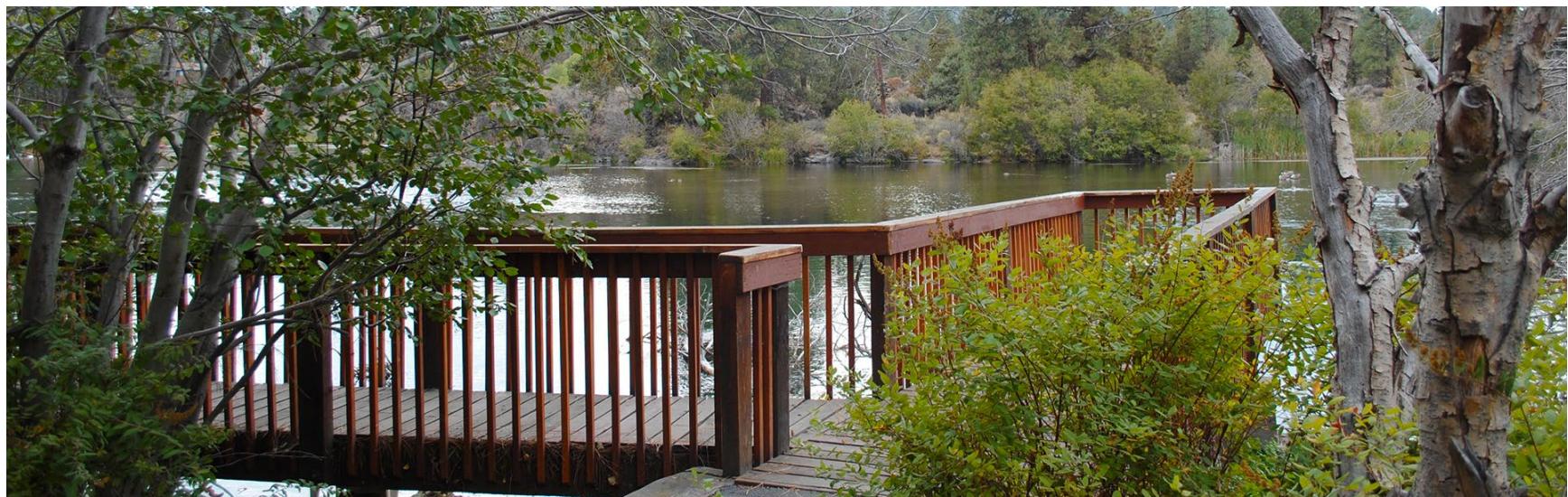
Throughout the CAP planning process, the desire for public realm and placemaking improvements was voiced in a variety of ways. During the open house and public engagement process, 37% of project ideas included placemaking improvements. 12% of those ideas supported public attractions in the area and 10% supported parks and green space in the area. In addition, support and desire to locate a visual and performing arts center in the area was voiced at several URAB meetings. Public realm investments including public attractions, parks, art and even streetscape improvements such as

pedestrian scaled lighting and benches are critical to the success of urban areas.

### Parks

A key ingredient in developing a successful urban district is access to parks and green spaces. Parks and open spaces have been proven for their social, economic, environmental and health benefits that make urban environments more attractive places to live and work. Homebuyers prefer and increasingly are seeking homes close to parks, open space, and greenery. Parks and open space will be crucial to attracting more urban-scale housing development and residents to the Core Area. The Core Area is currently park deficient. The

recommended urban renewal/TIF area currently consists of one park, Riverview Park, on the north end of the district between Division Street and the river. The park is rarely accessed and utilized. The Bend Park and Recreation District has plans for one park within the BCD identified in their 2018 Comprehensive Plan. In addition, one of their neighborhood park search areas extends into the KorPine sub-area. However, the District is well aware of the potential for a significant level of new housing in the future, which would increase their need to provide additional park facilities based on their adopted park Level of Service.



Riverbend Park



Jaycee Park



Juniper Park



Kiwanis Park

Parks and open spaces were identified by the community as a key desire for the area including significant support for a central park as well as open space, pocket parks, and a public plaza/square for a farmer's market and outdoor entertainment. Some specific park elements that were identified during public outreach included water fountains, dog friendly facilities, trees, benches, art, splash pads, greenways/trails, a community garden, and wildlife and pollinator friendly landscaping. In addition, community members identified a desire to incorporate green spaces into the right-of-way (ROW) through streetscape improvements.

Parks also provide an opportunity for dual recreational stormwater infrastructure that could be used to reduce barriers to private development. The City and BURA should continue to coordinate with BPRD to seek opportunities for park development within the Core Area.

#### ***Public Attractions***

The community voiced a desire for public and creative spaces such as government

buildings, music/art venues, and creative/maker space within the Core Area to serve as community gathering spaces, attract more people to the district, and to drive private investment. Community members have had long standing conversations and ideas that were voiced and presented through the Core Area Project planning process.

Public attractors that are consistent with community identified needs could include any of the following elements and be funded through a variety of civic and private funding partnerships:

- Flexible meeting space/event space
- Creative/maker space
- Center for the arts (music/art venue)
- Civic space (City Hall, Library, School)
- Museum
- Non-profit office space
- Public plaza/park
- Public restrooms

The City and BURA should continue to engage and foster community conversations about locating public attractions to the Core Area to support and attract private investment.<sup>11</sup>

<sup>11</sup> *Public buildings, including public art as defined in legislative updates to ORS 457, must receive concurrence from three out of the top four taxing districts estimated to forgo the most property tax revenue in order to be included in an urban renewal/TIF plan and report.*



## Infrastructure

Below is a summary of primary transportation and utility (sewer, water, stormwater) infrastructure needs within the Core Area.

### Transportation

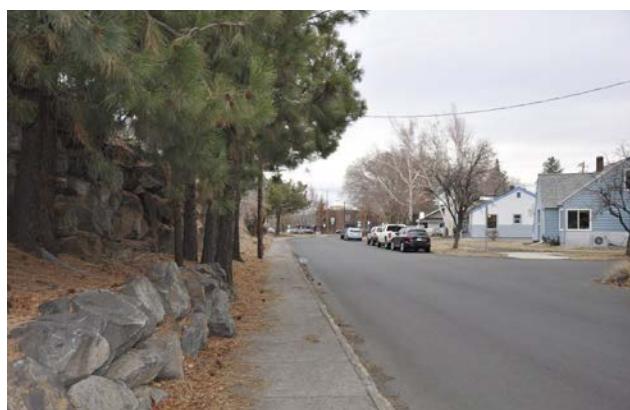
Throughout the Core Area planning process, transportation was identified as one of the most important investment needs for the Core Area by the community. Overcoming obstacles to development and reinvestment in the area will require both a more functional transportation system as well as a more appealing public realm - including walkable and beautiful streets that contribute to the area's placemaking goals.

There are approximately \$100 million of transportation projects identified in the draft TSP within the Core Area. In addition, there is up to \$45 million of estimated streetscape improvement need to fully implement the Core Area Urban Design Framework. While the TSP identified projects are eligible for a range of funding sources<sup>12</sup>, the TSP's priorities are

safety, capacity, complete streets, and other foundational needs and not necessarily streetscape improvements. Therefore, the transportation funding strategy proposed for the Core Area is to allocate urban renewal/TIF revenue for a mix of key streetscape improvements and some TSP-identified transportation projects in the proposed urban renewal/TIF area, with an emphasis on streetscape improvements that will be catalytic for the area and have few other options for funding. Streetscape improvements and street design intended to create a more appealing public realm are further discussed in later sections of this chapter.

The key investment needs for developing a functional transportation system in the Core Area are summarized below. Through the planning process, there was an emphasis by the URAB of the need to provide a safe and comfortable connection between Downtown and the BCD as a priority project to catalyze development of the Core Area.

<sup>12</sup> TSP project funding sources include GO Bond revenue, Transportation User Fee (TUF), Transportation System Development Charges (TSDCs), private development assistance, and Urban Renewal



- **Bicycle/pedestrian major connectivity upgrades:** Crossing improvements at major roads and rail lines to provide better and safer connections for bikes and pedestrians. (Examples: Midtown Crossings, which is an identified TSP project that will create or enhance crossings over or under the Parkway and railroad corridors, and 3rd Street underpass)
- **Bicycle and pedestrian key route improvements:** Providing a more continuous, safer, and more comfortable street design for bicyclists and pedestrians on key walking and bicycling routes identified in the TSP work to date. (Examples: Franklin Avenue and Olney Avenue Key Routes)
- **Intersection improvements:** Enhanced crossings, traffic signal changes, roundabouts, additional turn lanes, or other treatments to enhance safety or reduce delay for vehicles at intersections. (Examples: Olney, Revere, and Franklin intersections at 2nd and 4th Streets)
- **New road extensions (connectivity and capacity):** Building new street extensions to provide better connections for vehicles, bikes, and pedestrians. (Examples: Aune Road and Sisemore Street extensions)
- **Parkway related improvements:** Comprehensive corridor-wide improvements to benefit vehicles, bikes, and pedestrians. (Example: Revere Avenue interchange improvements, US97/Colorado Avenue interchange)
- **Safety improvements:** Projects identified in the Bend Transportation Safety Action Plan (TSAP) that address sites for safety improvements, such as the 3rd Street & Miller Avenue intersection.
- **Transit enhancements:** signal upgrades to improve transit speeds and "mobility hubs" to provide multimodal connections on key transit routes. (Examples: Mobility and Transit Hubs and HCT corridor improvements.)



Transportation investment priorities for the area include projects that remove barriers between east and west Bend, provide north-south connectivity, create a walkable area with a balanced transportation system, and support and catalyze private development. Priority areas were identified to help guide the prioritization of transportation investments in the Core Area. The Draft TSP identifies a variety of transportation funding tools including SDCs, TUF, urban renewal, and LIDs.

Urban renewal/TIF revenue will not be sufficient to support all of the transportation needs identified for the area; therefore, it will be important to couple urban renewal/TIF revenue with other funding sources identified in the TSP to achieve the transportation improvement goals for the area. Specific transportation projects planned for the Core Area are being identified through the TSP update. Projects included in the Draft 2040 Project list can be found in the Technical Appendix.<sup>13</sup>

### **Utilities**

**Stormwater:** The City of Bend does not have a traditional stormwater system and instead relies on a dispersed system primarily using Underground Injection Controls (UICs). Some of the northeastern areas of the Core Area do fall within sub-drainage basins that drain into the Deschutes River. The City seeks to reduce the amount and improve the quality of the stormwater draining to the river through low impact development, green infrastructure and UICs.

There are also known flooding locations within the Core Area, primarily in the BCD with a cluster of flooding locations along 2nd Street and Revere Avenue as well as along 8th Street within the Inner Highway 20/Greenwood sub-area. The Franklin Undercrossing is the number one priority location to address for stormwater in the area; followed by the Greenwood undercrossing.

<sup>13</sup> Transportation projects identified in the Draft TSP are included in Appendix X

This provides synergy project opportunities with the Midtown Crossings project identified in the TSP. Providing all stormwater infrastructure on-site can be a barrier to development, particularly for small lots. As the City of Bend densifies, there is a need to evaluate regional treatment facilities in combination with other treatment methods such as low impact development, onsite and street side improvements.

As part of the next Stormwater Master Plan update, the City should explore opportunities to mitigate barriers to private development in providing stormwater treatment on-site within the Core Area, and potential funding sources for these improvements. Solutions could include a centralized treatment facility or dispersed treatment facilities such as pocket parks, water retention features within central park/plazas, and low impact development features, particularly within the ROW, that also meet streetscape and green space goals for the area. Low impact development stormwater solutions include volume reduction and water quality methods such

as dispersion, bioretention (swales, rain gardens), permeable surfaces, infiltration ponds, as well as media and membrane filters and drains. Projects should aim to keep stormwater within the private and ROW areas of the project plan to ensure infiltrating, injecting, or evaporating occurs as close to the source as practicable. Investments in transportation projects that promote alternative modes and reduce automobile travel also have an indirect effect on stormwater management by reducing pollution sources of stormwater quality.

Stormwater improvements are primarily funded with revenue collected from a stormwater utility fee program. Urban renewal/TIF revenue, as well as LIDs and reimbursement districts, can provide a potential gap funding source to support stormwater improvements for private development or for key stormwater infrastructure needs such as the Franklin underpass. Whenever possible, stormwater investments should take into consideration greater project context needs along a corridor such as identified transportation and streetscape

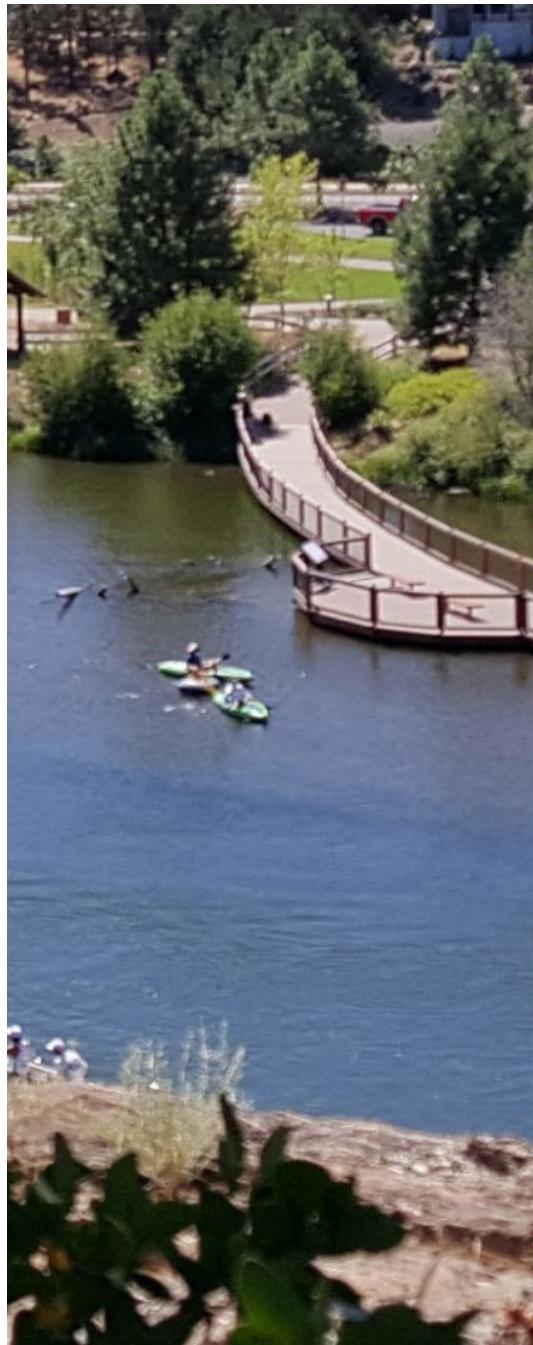
improvement projects within the Core Area.

**Sewer:** The City adopted the 2018 Collection System Public Facility Plan (PFP). The majority of the project area does not require any major near-term sewer improvements to support development and redevelopment apart from the KorPine opportunity area. The following projects were identified to support increased infill and density within the Core Area and will likely be funded primarily with sewer SDCs and rate fees. While not all of the projects listed are actually located within the proposed Core Area Urban Renewal/TIF Area, they will support capacity for further buildup of the area. The Drake Downstream Trunk and the Central Interceptor projects are partially located within the recommended Core Area Urban Renewal/TIF Area but also serve sewer capacity needs citywide. As the Core Area develops and redevelops, key sewer infrastructure investments will ensure sewer capacity for the area.

Table 15. 2018 Sewer PFP Projects that will Serve the Core Area

Project	Description	Time Frame	Cost
<b>Drake Lift Station*</b>	Replacement of existing facility with a new lift station.	In 2019-24 Capital Improvement Program (CIP)	\$399,000
<b>Drake Lift Station Force Main*</b>	Upsize existing force main near the intersection of Riverside Blvd and Congress Street.	2018-2023	\$2,730,000
<b>Drake Downstream Trunk*</b>	Upsizing gravity sewer to serve buildout densities for KorPine development site. To minimize traffic disruptions, an alternative improvement route from the Drake Lift Station to an improved 2nd Street Trunk may be considered.	2023-2028	\$3,200,000
<b>Central Interceptor*</b>	Upsizing to accommodate buildout densities of expansion and opportunity areas including KorPine, Central Business District, OSU Cascades, Century Drive, West and Shevlin UGB expansions.	2023-2033	\$11,680,000
<b>Southeast Interceptor Extension &amp; Diversion</b>	The project extends the Southeast Interceptor west from Parrell Road and across Highway 97. The improvement will divert wastewater from the Mahogany/Amethyst trunk sewer and the Central Interceptor system for continued development in the City central core.	2018-2023	\$4,000,000

\* Project is within the Core Area Urban Renewal/TIF Area boundary and will be included as a project in the Core Area Urban Renewal/TIF Plan and Report



**Water:** The Core Area falls entirely within the City of Bend water service territory. Project needs will be identified as the City updates the Water System Master Plan. The main water system concerns within the Core Area include the need to replace outdated, galvanized and cast-iron piping. In addition, there may be several areas in need of pipe upsizing such as pipes that will need to be resized from 6" to 8" as density increases. City staff are coordinating to identify capital improvement needs within the Core Area as a higher priority through the ongoing Integrated Water System Master Plan.

### **Additional Infrastructure Financing Tools**

The following is a discussion about additional infrastructure financing tools meant to complement existing infrastructure financing mechanisms such as SDCs, rate fees, Urban Renewal, and franchise fees. To expand existing capacity of these infrastructure tools could require additional staff resources.

#### ***Reimbursement Districts***

Bend Code allows for reimbursement districts to fund the construction of infrastructure. Typically, a private

developer pays the cost of building public infrastructure related to the impacts of their development and applies to create a reimbursement district. The district must be approved by City Council following a public hearing. Benefited properties in the reimbursement district are flagged in the City's permitting system so that when/if they pull a permit, they are required to reimburse the original developer for their proportionate share of the cost. Repayment obligations expire after 10 years and are only triggered when or if a site seeks a building permit or development approval, so repayment is not guaranteed.

In addition, the formation of the district does not result in an assessment or a lien against the property. Reimbursement districts are best suited to fund relatively small localized projects in areas where there is a reasonable likelihood that the majority of the projected development or redevelopment will occur within the expiration period. There are limits to how large an infrastructure project a private developer can front-load onto their development without assurance or predictability of repayment. These tend to be projects like a single intersection or roundabout improvement, for instance.

### ***Local Improvement Districts***

LIDs use special assessments paid by property owners to pay for public infrastructure constructed by the City that specially benefits the property within the district. LIDs are particularly well-suited for projects that have a more localized special benefit and where property owners have sufficient resources, anticipated benefits and motivation to agree to participate in the LID.

For example, a limited extension of a water or sewer line that benefits several properties directly are good examples of a project that can be handled by a LID. LIDs can complement urban renewal/TIF areas because they do not divert or draw from the property tax revenue being shared with the urban renewal/TIF area. A LID has two similarities to a reimbursement district: (1) a project

and benefitted properties are identified; and, (2) the district requires City Council approval to be created. After the district is created, the City constructs the infrastructure and a lien is placed against each benefitted property. Each property is then required to make payments until the lien is paid off, either up-front or in installments. The City could provide useful information to assist property owners in the groundwork required to form a district.

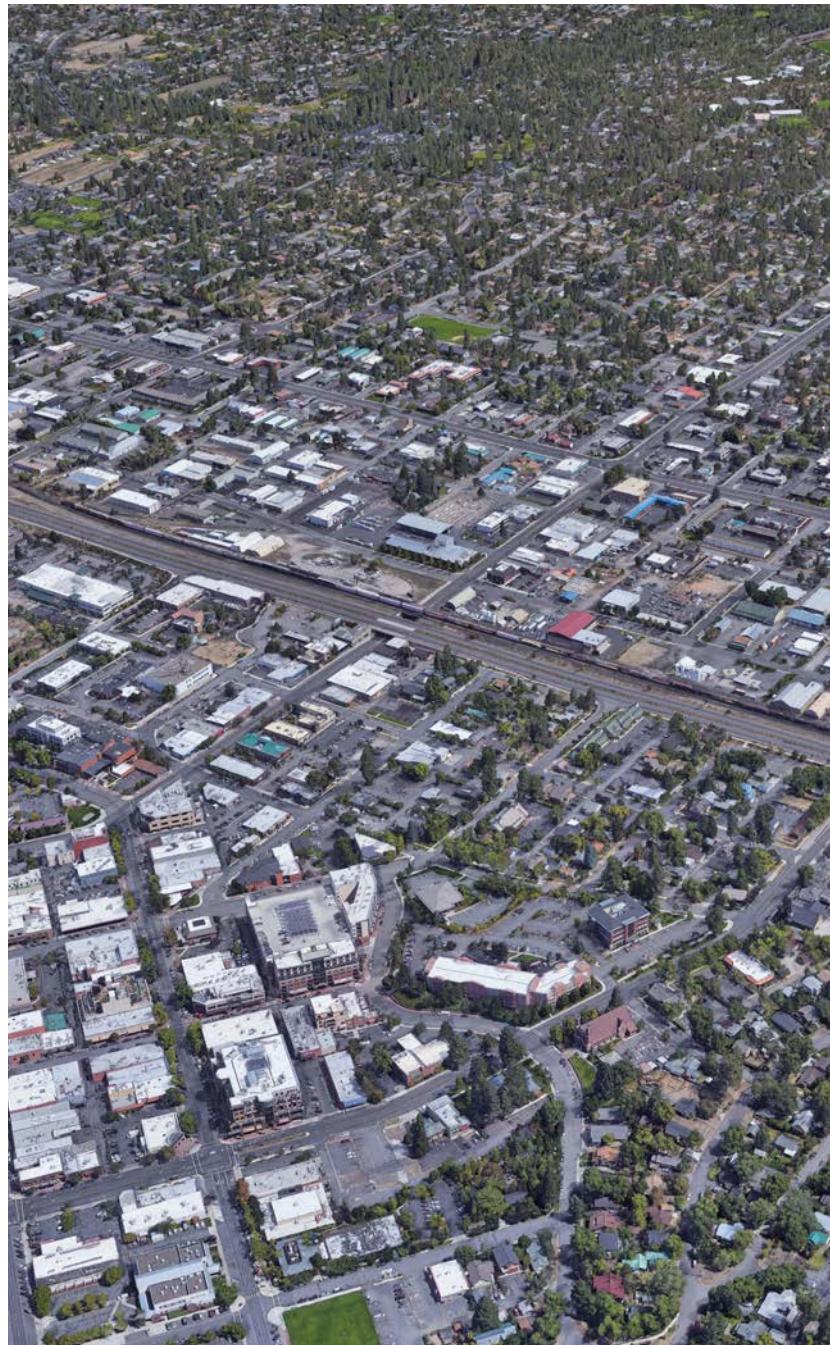
For instance, assembling information about properties that could potentially participate, such as maps of lot location, lot size, and ownership contact information. Some cities also provide the preliminary engineering for the public improvement that forms the basis for the LID. Expanding the use of these programs will require additional staff

resources for administration. To date, LIDs have not been frequently used in the City of Bend; however the TSP Funding Work Group (FWG) has identified that LIDs should be part of the Transportation Funding Plan, recognizing they are best suited to fund infrastructure needs in opportunity areas (including those in the Core Area), for neighborhood-focused walkability improvements as well as expansion areas.

LIDs and reimbursement districts, where the City helps performs the work, are currently constrained by the City's capacity to allocate staff time to develop districts and manage projects. With additional resources, the City could be of great help facilitating the private financing of public infrastructure—a win-win for the City and the private sector.

Table 16. Reimbursement Districts and LIDs

Tool	Primary Purpose	Level of Effort to Implement
<b><i>Reimbursement District</i></b>	Formalized process to facilitate smaller infrastructure improvements	Existing program, each new district requires public hearing and City Council approval by resolution (see BMC Chapter 2.20).
<b><i>Local Improvement District</i></b>	Raise additional revenue for localized infrastructure improvements	Expansion of program would require staff resources. LID formation requires public hearings and adoption by Council resolution (BMC Chapter 2.10)



## ***RECOMMENDATION #5*** **UPDATE STREET STANDARDS AND MOBILITY GUIDELINES**

This section describes draft concepts for updated street standards in the Core Area. These recommendations are intended as a starting point for further design work and continued coordination with the many stakeholders who have an interest in safe, walkable, and attractive streets in the Core Area.

### **RECOMMENDED ACTIONS**

- 5.1. Update street standards, specifications, and codes for streets within the Core Area.*
- 5.2. Adopt mobility guidelines.*
- 5.3. Proactively monitor and manage parking in the Core Area.*

## INTENDED OUTCOMES AND BENEFITS TO BEND

Updating the street standards and specifications and adopting mobility guidelines within the Core Area will:

- Create walkable and attractive streets that are an essential public realm complement to the urban zoning and vision adopted for the Core Area.
- Support and attract private investment that will generate tax increment revenue for reinvestment in the area.
- Help draw customers for local businesses and enable customers to comfortably visit several destinations in a single visit and encourage walking between destinations.
- Implement the Urban Design Framework and URAB's Guiding Principles to remove east-west barriers; create a walkable area with a balanced transportation system; and create a place to live, work, and play using sustainable/low impact practices.

## THE NEED FOR UPDATED STREET AND MOBILITY STANDARDS

Streets present the largest public realm opportunity. Walkable and attractive streets are needed within the Core Area because streets comprise the largest portion of the area's public realm. In the area between Greenwood and Franklin Avenues, 3rd Street, and the Parkway, the existing street grid comprises 24% of the total area, and essentially 100% of accessible public space. This large area is an important public resource that merits careful planning and design.

Great streets serve many needs. Functionally, the Core Area's streets serve (and will serve better in the future) many important needs for the Bend community such as east-west and north-south connections, access to approximately 800 businesses, walking routes to transit, and access to downtown. Walkable and attractive streets are essential to serving fundamental community needs and will be increasingly important as the area redevelops. Updated standards will coordinate investment. An updated and coordinated set of street standards

are needed to provide clear direction to the City and BURA as they make investments in the area, to the private sector during development review, and to partnering agencies such as CET who own property or have transportation interests in the area.

Mobility of people and goods is transforming. There is unprecedented change in how people and goods move around cities, guided by new technology, services, and new types of vehicles (ridehailing, micromobility, microtransit, e-commerce, etc.). Updating mobility design guidelines is a great opportunity for cities like Bend to provide more transportation options, increase equitable access to transportation, and meet sustainability goals. The overarching principles of urban design and transportation still apply to these emerging ways of getting around: encourage higher density and mixed uses, create engaging, beautiful streets at the human scale and ensure design for the safety of the most vulnerable.



There is a need to consider parking needs in a new urban scale environment with a safe and effective multimodal system within limited rights of way. During the Core Area Project, parking was brought up as a concern by some community members. Providing parking on small lots was identified as a critical barrier to development/redevelopment, particularly for housing in the area. As the City evaluates code changes to reduce parking requirements in order to encourage a more walkable urban form, economic development, and sustainability this should be balanced with proactive and effective parking management.

Parking management strategies include the formation of new residential and commercial parking districts, encouraging shared-use parking agreements and transportation demand management. The City will need to take an active role in managing parking in the Core Area and monitoring parking policies, codes, and ordinances as they area develops/redevelops.

## Cross-Section Elements

The City's Street Standards and Specifications identify requirements for street and ROW cross-section elements. ROW width is typically determined by street classification (local, collector, arterial). Generally, cross-section elements within the ROW include travel lanes, turn lanes, on-street parking, landscaping, pavement design, bicycling facilities, sidewalks, crosswalks, and transit facilities.

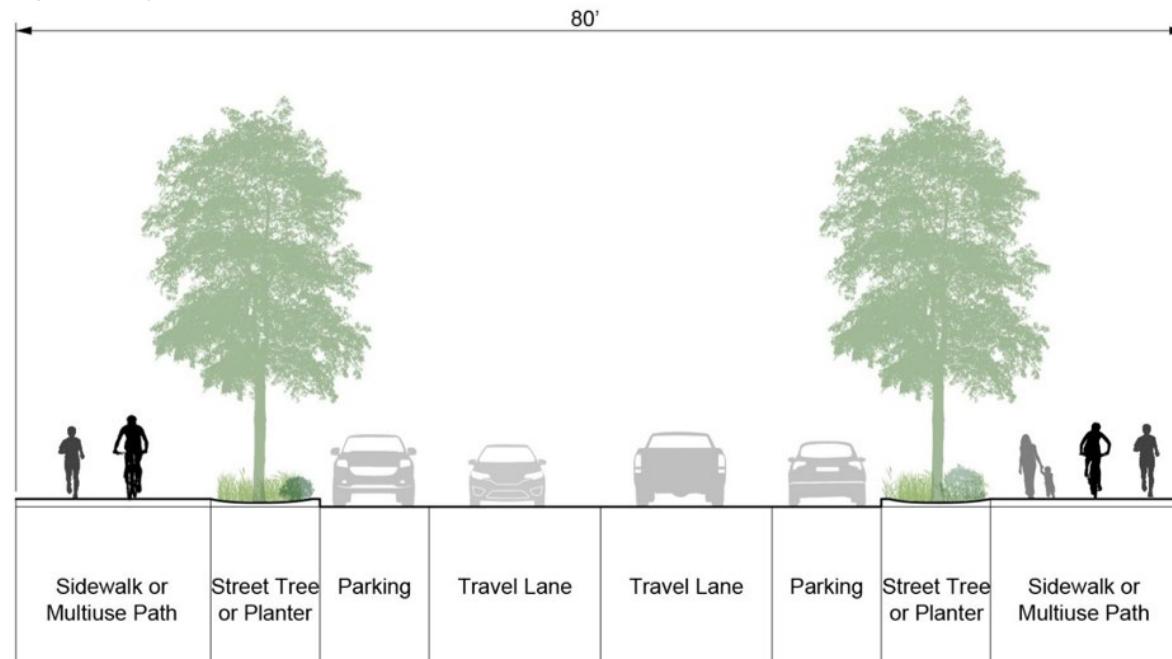
Allocation of ROW space to cross-section elements often requires a discussion about the purpose and context of the street, particularly in urban environments where there can be competing demands for the street ROW. In urban environments where a walkable environment is necessary, the inclusion of on-street parking, wider sidewalks, pedestrian amenities such as landscaping, pedestrian scale street lighting, and street furniture are critical to the success of the area.

Where key walking and biking routes are identified in the Draft TSP, additional ROW may be needed for bicycle infrastructure such as buffered or protected bike lanes. All of these elements require balancing and judicious use of the ROW. This may result in refinements such as fewer and/or

narrower motor vehicle travel lanes. In addition, if the existing ROW width is insufficient or less than the required width for the street classification, a dedication of land from the developer to the City may be required. This may result in less buildable land for the development, which can challenge the development viability

particularly for smaller lots. The adjacent private development will, however, benefit from the public streetscape improvements that result from the extra ROW dedication. The following diagram shows typical cross-section elements and considerations, which are further defined and explained in the Technical Appendix.

Figure 52. Typical Cross-Section Elements



- Travel lanes and turn lanes
- On-street parking
- Landscape
- Pavement design
- Sidewalks
- Crosswalks
- Bicycling facilities
- Vehicular access
- Fire/emergency service access
- Mobility and curb management
- Maintenance

## EXISTING STREET STANDARDS

The Core Area consists of a variety of classifications of streets including alleys, local streets, collectors, arterials, and principal arterials which are subject to citywide street standards. Existing street standards and examples of the streets subject to these standards with the Core Area are discussed in the following table. Several of the streets within the Core Area are under ODOT jurisdiction: the US 97 Parkway and the US 20 Route including 3rd Street (north of Greenwood Avenue) and

Greenwood Avenue (east of 3rd Street). ODOT typically regulates cross-section elements for their facilities. However, the City has an Intergovernmental Agreement with ODOT that provides the City with the authority to regulate cross-section elements between the curb and building frontage on US20/3rd Street between Underwood Avenue to Greenwood Avenue and on US 20/Greenwood Avenue between 3rd Street and 12th Street. ODOT continues to regulate the cross-section curb-to-curb

on these facilities. ODOT has authority on all ODOT facilities to establish marked pedestrian crossings and determine and place the character or type of traffic control devices. The existing street standard cross-section elements for most streets within the Core Area currently lack common urban streetscape elements, including pedestrian lighting, wider sidewalks, specialty paving, street trees, street furniture, and seating.

Table 17. Existing Street Standards

Street	Sidewalk Width	Landscape	Travel Lanes	On-Street Parking	Bicycle Facilities
<i>Local</i> (Greeley Avenue, Irving Avenue, 1st Street)	5 feet	Minimal	36 feet (including parking on both sides for commercial streets). Standards vary based on parking needs and abutting zoning.	Allowed	No
<i>Collector</i> (Wilson Avenue, 2nd Street)	6 feet	Minimal	11 feet	Allowed	Yes
<i>Arterial</i> (Franklin Avenue, Revere Avenue, Olney Avenue, Arizona Avenue)	6 feet	Minimal	11 feet	Needs City engineer approval	Yes
<i>Principal Arterial</i> (3rd Street, Greenwood Avenue)	6 feet	Minimal	11 feet	No	Yes
<i>Highway</i> (3rd Street, Greenwood Avenue /US 20)					



## Core Area Streets

The Core Area Urban Design Framework identifies the need to update street standards and specifications as a crucial component to unlocking the development potential of the area. These updates will require additional public outreach and process including public hearings and approval of changes of the Development Code by Planning Commission and City Council and could be part of a citywide process to update street standards overall for the City. During the CAP process, an interdepartmental team consisting of representatives from the Streets, Fire, and Growth Management departments, started to identify potential cross-sections for primary streets within the Core Area.

The team studied these streets, evaluated issues and opportunities, and developed cross-section concepts to use as a starting point for further work to update and standardize cross-section elements to create flexible, context-based street cross-sections. Each street within the Core Area has a role to play within the district. The following is a discussion about some of the primary east-west and north-south streets within the area which includes a draft vision statement, a summary of street conditions today, and opportunities for improvement including potential updated cross-section elements.



Figure 53. Primary East-West Streets in the Core Area



### East-West Streets

East-west connectivity has been identified as a top priority by both the community and URAB. East-west streets in the Core Area include Franklin Avenue, Hawthorne Avenue, Greenwood Avenue, and the Aune Street extension through the KorPine sub-area. Other east-west connections include Olney Avenue and Revere Avenue to the north. Franklin Avenue, Hawthorne Avenue, and Olney Avenue are all identified as key walking and biking routes in the draft TSP.

In addition, the Midtown Crossings project, which includes US 97 crossing improvements on Greenwood Avenue, Franklin Avenue, and Hawthorne Avenue, has been identified as a critical project to improve east-west connectivity in the area and create gateways between downtown and the BCD. Below is a discussion of several of the primary east-west streets in the Core Area (Hawthorne Avenue, Franklin Avenue, and Greenwood Avenue). Similar standards could be considered for Olney Avenue, Revere Avenue and the Aune Street extension.



### Hawthorne Avenue

**Vision:** Hawthorne Avenue will serve as a key walking and bicycling connection and spine between Juniper Park, the Hawthorne Transit Center within the BCD, and Downtown. Hawthorne Avenue will connect the Central District and Downtown with a new pedestrian and bicycle connection that will also serve as an architectural icon for the City.

**Existing Characteristics:** Hawthorne Avenue provides circulation and on-street parking for area businesses. Hawthorne currently has a 60-foot ROW but is designated as a collector street, which requires an 80-foot ROW. With each abutting land use approval, 10 feet of ROW dedication is required on each side of the street to meet the ultimate 80-foot collector standard.

To date, only one property has dedicated an additional 10 feet of ROW (Sunlight Solar). Additionally, the City recently invested in an enhanced crossing of 3rd Street at the southern side of Hawthorne Avenue.

- **ROW:** Built to 60 feet, 80-foot collector standard requirement
- **Travel lanes:** Two-lane street, on-street parking
- **Landscape:** None
- **Sidewalks:** 6 feet curb-tight
- **Bicycle facilities:** None
- **Newly constructed enhanced crossing** at 3rd Street
- **Central transit hub** (Hawthorne Station) located at 4th Street

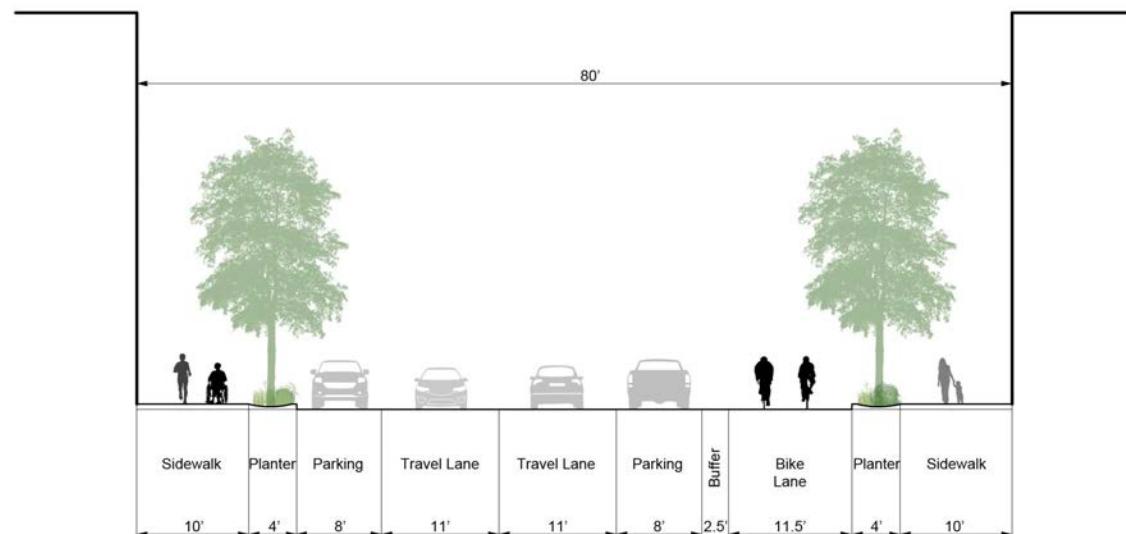
### **Opportunities & Recommendations:**

Hawthorne Avenue is a proposed key walking and biking route in the draft TSP between the Deschutes River Trail and the Larkspur Trail, connecting Juniper Park to downtown through the BCD. This route would be connected through the construction of a new pedestrian and bicycle crossing of the Parkway and the railroad.

Due to this new connection opportunity, Hawthorne Avenue has been identified as a potential location for festivals or farmer's markets. This street could ultimately incorporate human-scaled design elements and, during special events, be closed to cars.

- **ROW:** 80-foot collector with opportunity to develop an urban context-sensitive cross-section
- **Travel lanes:** Two-lane street, on-street parking
- **Landscape:** Urban and pedestrian amenities
- **Sidewalks:** 12 feet minimum width recommended, opportunity for special/unique paving and pedestrian amenities including lighting and street furniture
- **Bicycle facilities:** Key biking route including a Low Stress facility (LTS 1 facility)
- **New iconic pedestrian crossing** to connect the BCD to downtown
- **Opportunities for “festival street” design elements** for special events
- **Design elements to improve traffic flows and safety** around Hawthorne Transit Station

Table 18. Draft Hawthorne Avenue Cross-Section Concept





### Franklin Avenue

**Vision:** Franklin Avenue will serve as a key walking and bicycling connection between Bend High School and the BCD into Downtown. The corridor will include a low stress bicycle facility, pedestrian-scale lighting, and street trees. The Franklin undercrossing will serve as a gateway into Downtown and the BCD.

**Existing Characteristics:** Franklin Avenue is a key multimodal east-west corridor and a designated arterial. Multimodal traffic counts show Franklin Avenue as the corridor with the highest number of people walking and bicycling citywide. The width of the street is constricted by a two-lane underpass, with restricted/narrow sidewalks, of the railroad and Highway 97. The existing street is not currently centered in the 80-foot ROW, so while the north side sidewalk is 6 feet curb-tight and property-tight, the south side sidewalk has additional space available at the edge of the ROW. In addition, the 3rd Street and Franklin Avenue intersection experiences delays due to outdated traffic signal technology.

- **ROW:** 80-foot minor arterial, un-centered
- **Travel lanes:** Two- to three-lane street, constrained by two-lane underpass, no on-street parking
- **Landscape:** None



- **Sidewalks:** 6-foot curb-tight (constrained to as low as 5 feet in the underpass)
- **Bicycle facilities:** 6-foot buffered bike lanes
- **Outdated traffic signal:** at 3rd Street and Franklin Avenue
- **Transit corridor:** for Transit Routes 5 and 6, no bus stops are currently located on Franklin Avenue within the Core Area

### **Opportunities & Recommendations:**

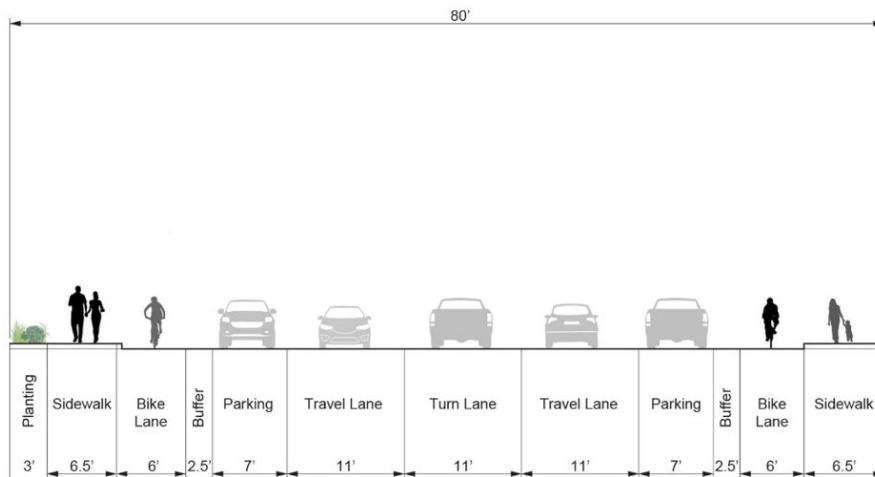
Delays at the 3rd Street and Franklin Avenue intersection could be reduced by upgrading the traffic signal, which needs new conduit, detection, and a modern traffic controller. Transit stops and right turn lanes could also be enhanced to further support traffic flow. Franklin also presents opportunities for a transportation and stormwater synergy project due to a programmed stormwater project in the 2019-2023 Capital Improvement Program (CIP) mitigate flooding and underground erosion of the Franklin undercrossing. Opportunities for street improvements and design elements such as gateway features and pedestrian-scale amenities could increase user comfort.

- **ROW:** Based on minor arterial standards, potential opportunity to increase width to 100 feet or require a 5-foot public access easement or ROW dedication in addition

to existing 80-foot ROW

- **Travel lanes:** Two- to three-lane street, opportunities to consider on-street parking
- **Landscape:** Opportunity to incorporate street trees, stormwater treatments, and snow storage space
- **Sidewalks:** Recommended 12 feet minimum or 8 feet in the underpass where constrained; pedestrian scaled amenities (lighting, street furniture), would likely need to require at least 5-foot public access easement or ROW dedication from new development
- **Bicycle facilities:** LTS 1 facility
- **Enhance underpass** to improve user comfort with gateway features

Figure 54. Draft Franklin Corridor Opportunities for Enhancement (using existing off-center build-out)

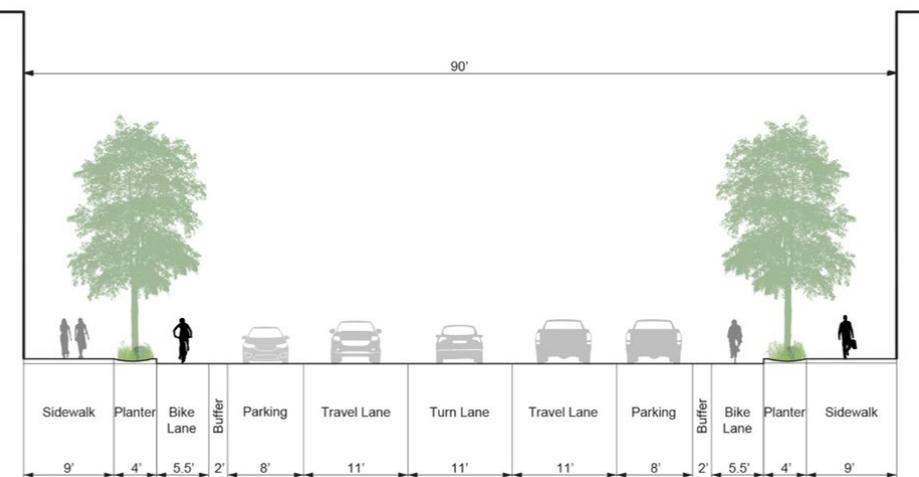


- **Update traffic signal** at 3rd Street with new conduit and a modern traffic control
- **Enhanced transit facilities** such as a transit stop

Alternatives for the Franklin Avenue corridor cross-section elements should be considered such as a buffer between vehicular traffic and people walking and bicycling. One option could be to add on-street parking for portions of Franklin Avenue. Replacing a travel lane with on-street parking could have multiple benefits, including convenient parking for the businesses, a buffer for pedestrians on the sidewalk, slower vehicular speeds, space for safety islands for pedestrians

crossing the street and waiting for buses, parking-protected bike lanes, and space for landscape and stormwater treatments. Because Franklin Avenue is an arterial street, the Development Code requires 10 feet of ROW dedication with land use approvals (to ultimately achieve a total ROW of 100 feet). At minimum, it is recommended to acquire a 5-foot public access easement from new development along Franklin to allow additional space for enhanced pedestrian amenities such as wide and buffered sidewalks, street trees, lighting, as well as stormwater management/landscaping which could provide space for snow storage.

Figure 55. Draft Franklin Corridor Cross-Section Concept





### Greenwood Avenue

**Vision:** Greenwood will serve as the vehicular and pedestrian gateway into Downtown from Highway 20. The street will include pedestrian scaled street amenities, landscaped buffers and opportunities to reconfigure lanes through a corridor analysis.

#### **Existing Characteristics:**

The Greenwood Avenue corridor between Wall Street and 3rd Street has an urbanized land-use form with attached buildings, few driveways, alley loading, some pockets of on-street parking and wider sidewalks. Many of the existing land uses are built directly up to the ROW/property line which limits opportunity to widen the ROW. Greenwood Avenue is a primary east-west connection and arterial with access to businesses with a high number of employees. The four-lane street is currently built within an 80-foot ROW. High speeds and narrow 10-foot travel lane widths adjacent to on-street parking make the existing on-street parking uncomfortable and do not provide



buffers to accommodate people entering or exiting their parked vehicles. Other operational issues are caused by the lack of a center-turn lane to accommodate left-turns. Additionally, the sidewalk in the railroad and Parkway undercrossing is only four feet wide in some places. Combined, these factors have created an unattractive entrance to downtown.

- **ROW:** 80 feet, constrained at underpass
- **Travel lanes:** Four lanes, some on-street parking, no center turn-lanes
- **Landscape:** None
- **Sidewalks:** Range between 4 to 12 feet, most constrained in the underpass
- **Bicycle facilities:** None
- **Transit corridor** for Transit Routes 3 and 7, currently there are no transit stops on this corridor within the Core Area
- **Limited opportunities for safe crossings;** ODOT has programmed enhanced crossing improvements at 4th and 6th Streets which will likely be constructed in Summer of 2020



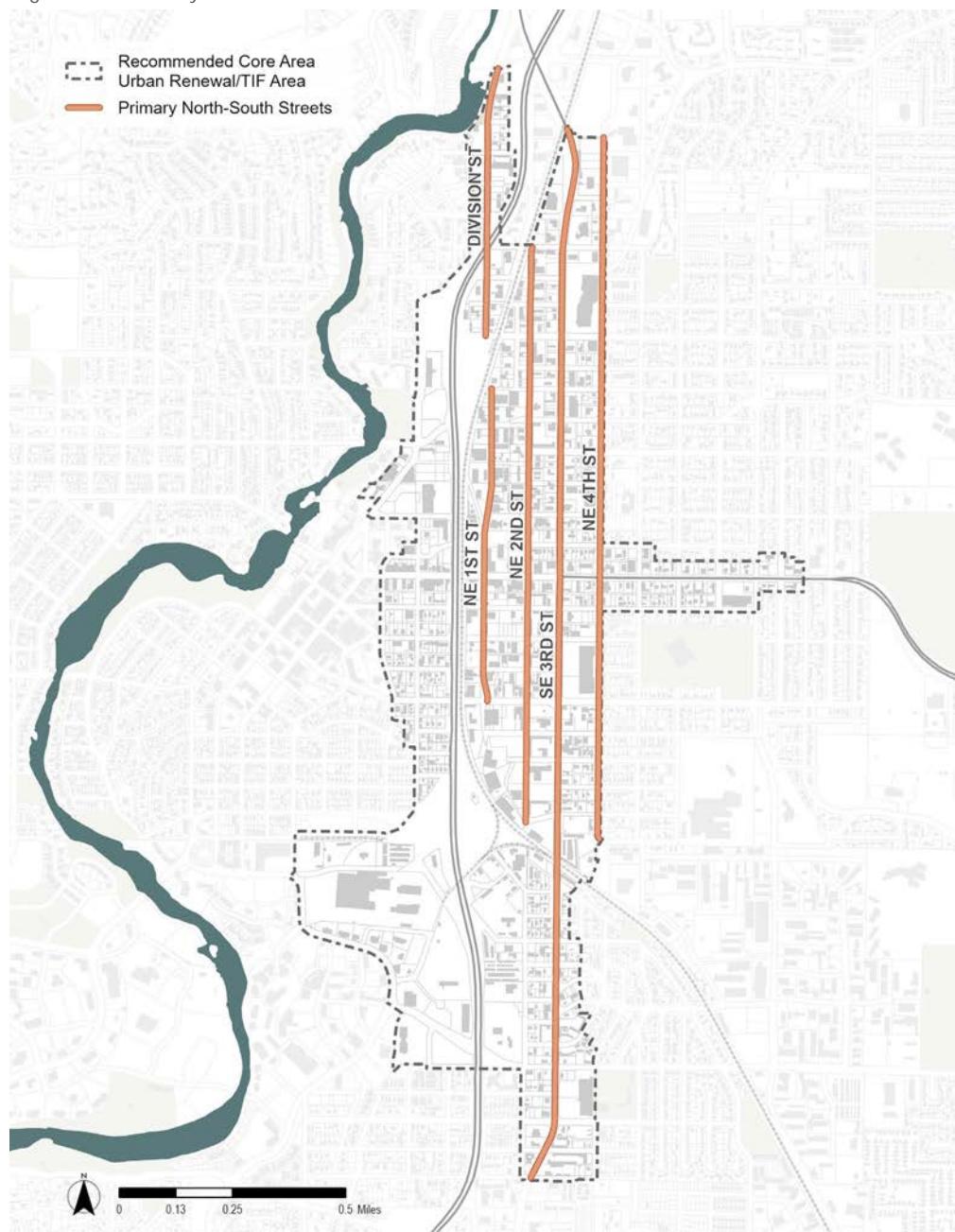
### Opportunities & Recommendations:

Greenwood Avenue requires a more in-depth study (between Wall Street and 3rd Street) to determine intersection capacity, travel and turn lane needs, undercrossing improvements, and opportunities for on-street parking or bicycle facilities to serve businesses. Opportunities to improve safety and encourage walking include adding curb extensions around parking bays, buffers to accommodate door openings of parked vehicles, and reconfiguring the lanes to provide turning lanes. Improving pedestrian-scaled amenities, street lighting, and street crossings would also support an active Main Street character.

- **ROW:** 80 feet, constrained at underpass, potential opportunities to widen to 100 feet with land use approvals

- **Travel lanes:** Opportunity to reconfigure street to provide center turn lane and provide comfortable/buffered on-street parking or bicycle facilities
- **Landscape:** Street trees, pedestrian scaled lighting
- **Sidewalks:** Increased sidewalk width (12 feet minimum recommended), pedestrian amenities (lighting, seating, trash receptacles, etc.) and curb extensions
- **Bicycle facilities:** Should be determined based on community process
- **Enhance undercrossing** to improve user comfort with gateway features
- **Add safe crossings** at 1st Street, 2nd Street, and Hill Street
- **Modify cross-section requirements** between the curb and property line (between 2nd and 10th Streets)

Figure 56. Primary North-South Streets in the Core Area



### North-South Streets

Throughout the CAP process, the URAB expressed a desire for better north-south connectivity, along with a desire for safe crossings where key north-south corridors intersect major east-west streets. North-south routes in the Core Area primarily consist of NE 1st Street, NE 2nd Street, NE 4th Street, and 3rd Street. Other primary north-south routes in the Core Area include Division Street, SE 2nd Street and Harriman Avenue.

Both NE 2nd Street and NE 4th Street are identified as routes on the Draft Citywide LSN (Figure 24). Following is a discussion of several of the primary north-south streets in the Core Area (NE 1st Street, 2nd Street, 3rd Street, 4th Street, and Division Street). Similar standards could be considered for SE 2nd Street, Harriman Street, and the Sisemore Street extension.



### 1st Street

**Vision:** 1st Street provides an opportunity for pedestrian and bicycle focused street configurations such as an urban trail or wider pedestrian and bicycling facilities, on-street parking, and special paving or unique features associated with a future Hawthorne crossing.

**Existing Characteristics:** 1st Street's role in the Central Area's street network is to provide access to businesses, on-street parking, and internal district circulation. 1st Street is not prioritized for moving motor-vehicle traffic. The west side of the street has no street crossings and few driveways. North of Greenwood Avenue, 1st Street abuts undeveloped land along the railroad. There are portions of 1st Street that are partially vacated and/or undeveloped; it does not currently connect south of Franklin Avenue, where the Les Schwab Tire Center is located, to Emerson Avenue or Dekalb Avenue.

- **ROW:** Currently built between 35 to 65 feet with portions partially vacated (i.e. Les Schwab property), most of the ROW is 60 feet and is built 36-foot curb-to-curb distance
- **Travel lanes:** Two lanes, some on-street parking
- **Landscape:** None



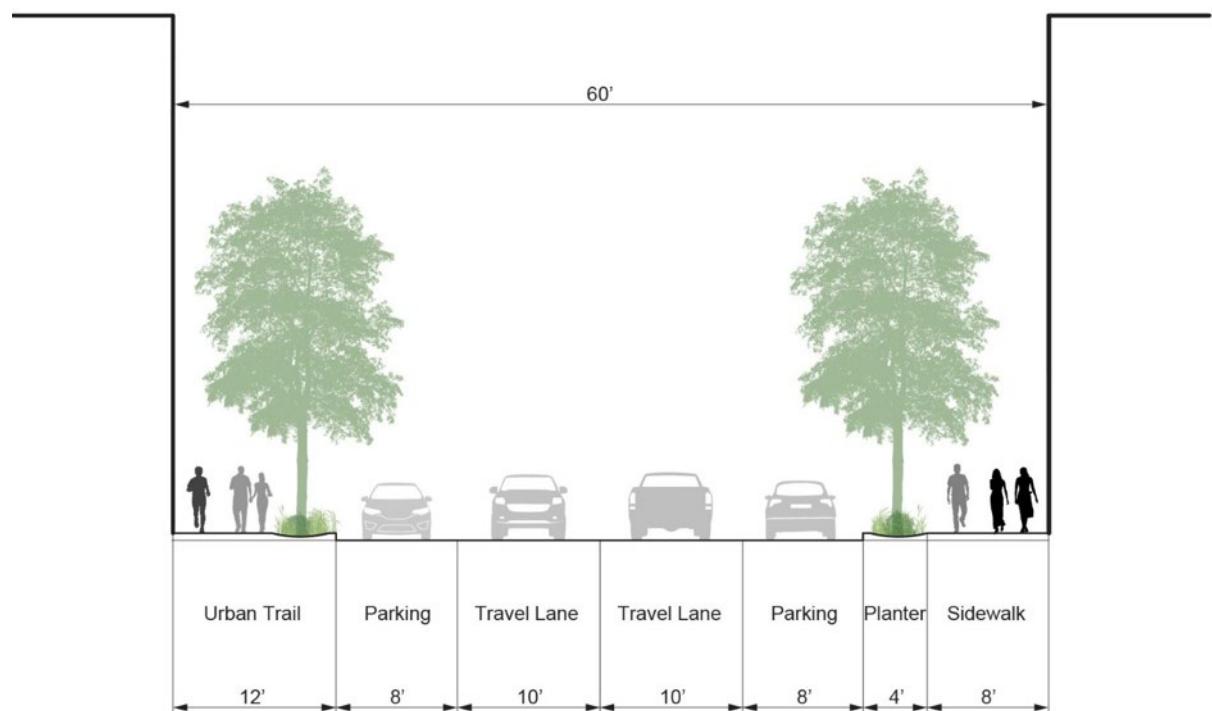
- **Sidewalks:** Partially built 6-foot curb-tight sidewalks
- **Bicycle facilities:** None
- **No transit facilities or routes**
- **No enhanced crossings** at major streets such as Greenwood Avenue, Franklin Avenue, Olney Avenue, or Revere Avenue

### **Opportunities & Recommendations:**

As a street that emphasizes non-vehicular traffic, 1st Street could provide an opportunity to maximize on street parking while providing quality facilities for bicycling and walking. 1st Street is an important component of the low-stress bicycle network in the area and is planned as an LTS 1 facility. 2nd Street and 4th Street are planned provide LTS 2 bicycle facilities due to existing constraints and balancing of ROW allocations along those corridors. Within the “core of the core” along 1st Street (between Greenwood Avenue and Franklin Avenue) raised intersections (e.g. Greeley Avenue, Irving Avenue, and Hawthorne Avenue) could create a plaza-like feel for 1st Street, and add additional traffic calming to keep speeds at 20 mph within the business district for 1st Street. In addition, 1st Street at Hawthorne Avenue would likely be the landing a future pedestrian and bicycle crossing.

- **ROW:** 60-foot local street standard, opportunity to use a 32-foot local curb-to-curb street standard
- **Travel lanes:** Two-lanes, on-street parking, opportunities to consider angled parking
- **Landscape:** Opportunities to incorporate street trees and stormwater features
- **Sidewalks:** Opportunity for an urban trail on the west side of the street and wider sidewalks on the east
- **Bicycle facilities:** LTS 1 facility
- **Opportunity for raised intersections** to create plaza-like public realm
- **Opportunity for enhanced crossings** at major streets such as Greenwood Avenue, Franklin Avenue, Olney Avenue, and Revere Avenue

Figure 57. Draft 1st Street Cross-Section Concept





### 2nd Street, 4th Street, & BCD Local Streets

**Vision:** 2nd and 4th Streets will continue to accommodate two-way motor vehicular traffic to provide north-south connectivity within the BCD. The streets will include on-street parking, low speeds, bicycle sharrows, and enhanced pedestrian facilities including pedestrian scaled lighting, street trees, and curb extensions that will provide small public gathering spaces at intersection corners.

**Existing Characteristics:** 2nd and 4th Streets are currently built primarily within a 60-foot ROW, 4th Street is identified as a Collector whereas 2nd Street is a local street. Both serve as parallel and alternative routes to 3rd Street within the BCD and are essential streets for local circulation. Unlike 3rd Street, they do not continue south of the railroad which therefore limits their connectivity south of Burnside Avenue. 2nd Street is not currently developed between Revere Avenue and Quimby Street. Currently, these streets, along with any local street within the BCD are subject to the street standards identified in the BCD Special Planned District code. The current BCD

code amendments being considered for the area could remove the 5-foot public access easement in order to provide more buildable space for development. This still provides these streets with 12-foot-wide sidewalks at minimum, which is a viable urban sidewalk width. 2nd and 4th Streets will accommodate bicyclists with shared markings and curb bulb-outs to reduce crossing distances.

- **ROW:** 60 feet
- **Travel lanes:** Two lanes, on-street parking
- **Landscape:** Required street trees with new development
- **Sidewalks:** Primarily built 6-foot curb-tight sidewalks, significant gaps along 2nd Street and some along 4th Street
- **Bicycle facilities:** Sharrows (LTS 2)
- **Central transit hub** located on 4th Street and Route 6 has a bus stop located at 4th Street and Seward Avenue
- **Some existing crossings** at intersections along 4th Street, limited crossings of major streets on 2nd Street

### Opportunities & Recommendations:

LTS 2 bicycle facilities are planned for these streets due to existing constraints (36-foot curb-to-curb width) and balancing of ROW allocations shown in the street cross-sections. Providing LTS 1 facilities along with all the recommended features of the draft street cross-section would require widening the existing ROW. This 60-foot standard cross-section is also broadly applied to all local streets within the BCD and could be expanded to other local Core Area streets.

- **ROW:** 60-foot
- **Travel lanes:** Two lanes, on-street parking
- **Landscape:** Required street trees with new development
- **Sidewalks:** 12-foot width requirement with new development
- **Bicycle facilities:** Sharrows (LTS 2)
- **Design elements** to improve traffic flows and safety around the Hawthorne Station
- **Enhance pedestrian crossings** at major streets

Figure 58. Draft Cross-Section Concept for 2nd, 4th, and BCD Local Streets

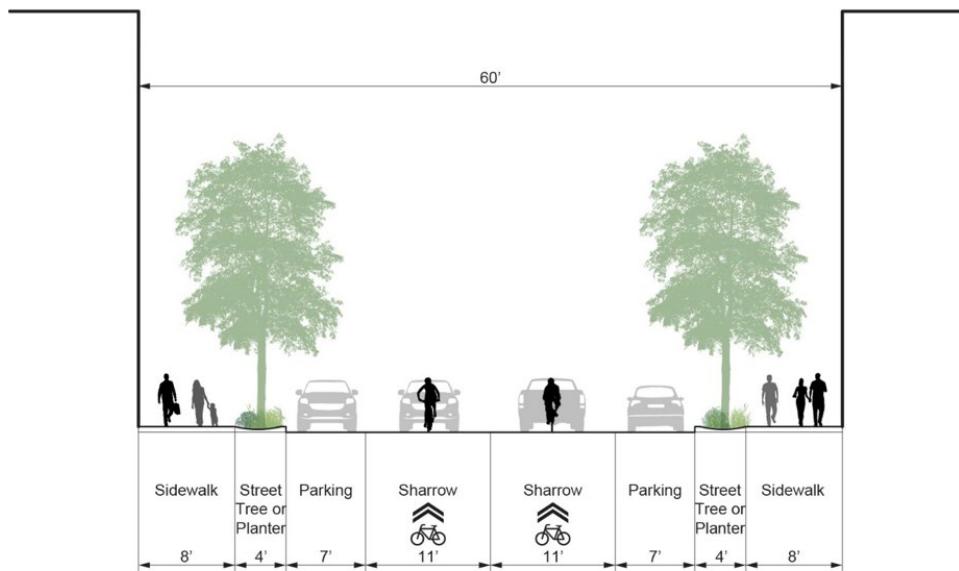
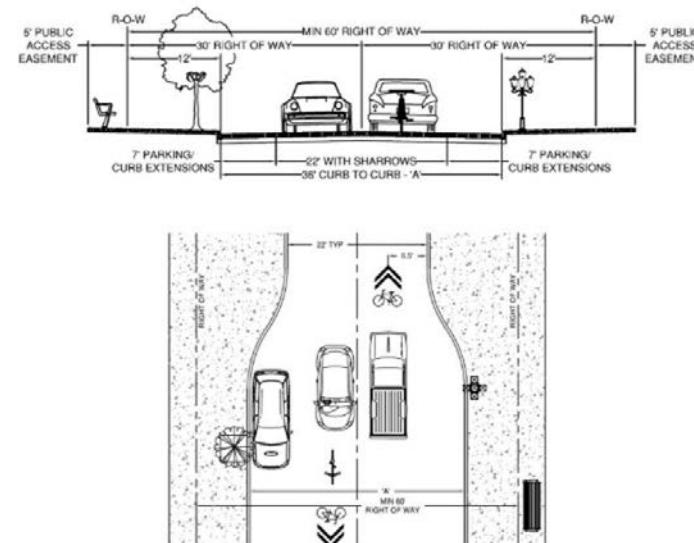


Figure 59. Existing Special Street Standard for 2nd, 4th, and BCD Local Streets



There are some existing, developed streets within the Core Area that were built to either a 40-foot curb-to-curb width or the City's historical 30-foot curb-to-curb standard. For those streets that are already built out, the below cross-sections could serve as standards. It is recommended to only allow on-street parking on one side of the street under 30-foot curb-to-curb conditions.

Figure 60. Draft Local Street Cross-Section Concept

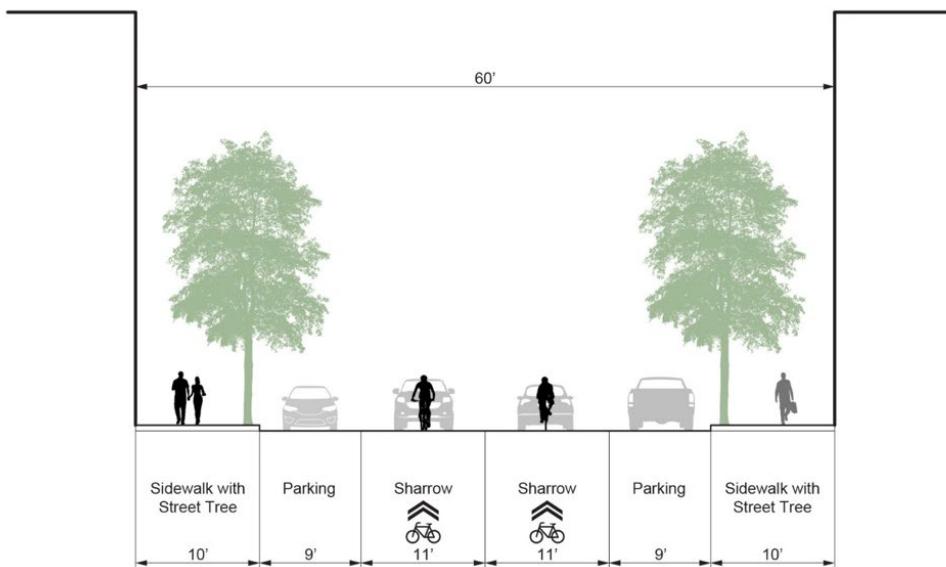
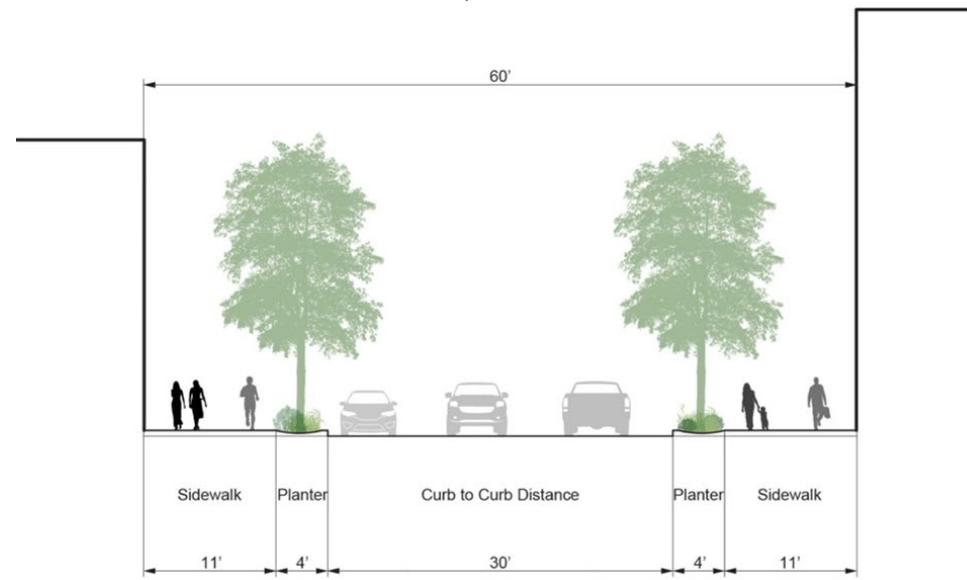
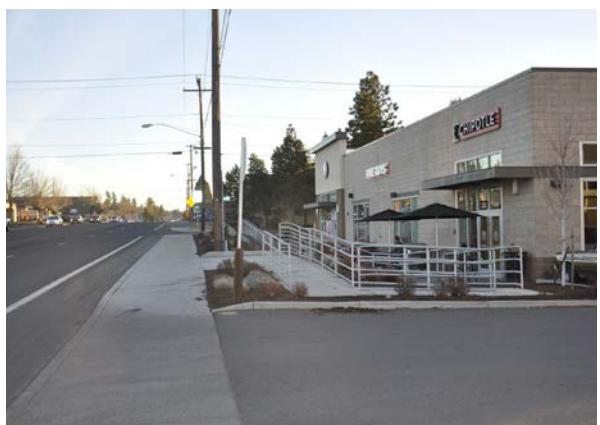


Figure 61. Draft Local Street Cross-Section Concept





### 3rd Street

**Vision:** 3rd Street will be a vehicular, freight, and high capacity transit corridor. Landscaped buffers, street trees, and setbacks will help to buffer the pedestrian experience from the busy street.

**Existing Characteristics:** 3rd Street is a primary arterial that is used for freight, higher levels of automobile traffic, and transit. It is currently built at an 80-foot ROW. The City currently requires a 5-foot public access easement or on 3rd Street within the BCD, in which the first 5 feet of front setback for developments along 3rd Street will be used to provide wider sidewalks. It has been challenging for the City to acquire additional ROW on 3rd Street as applications come in because the roadway is completely built out.

- ROW: 80-foot arterial, travel lanes constrained to 24 feet at 3rd Street underpass
- Travel lanes: Five-lanes (including center-turn lane), no on-street parking
- Landscape: Minimal landscape depending on abutting property frontage
- Sidewalks: Primarily 6-foot curb-tight sidewalks and some sidewalk gaps;

required public access easement for all new development in the BCD

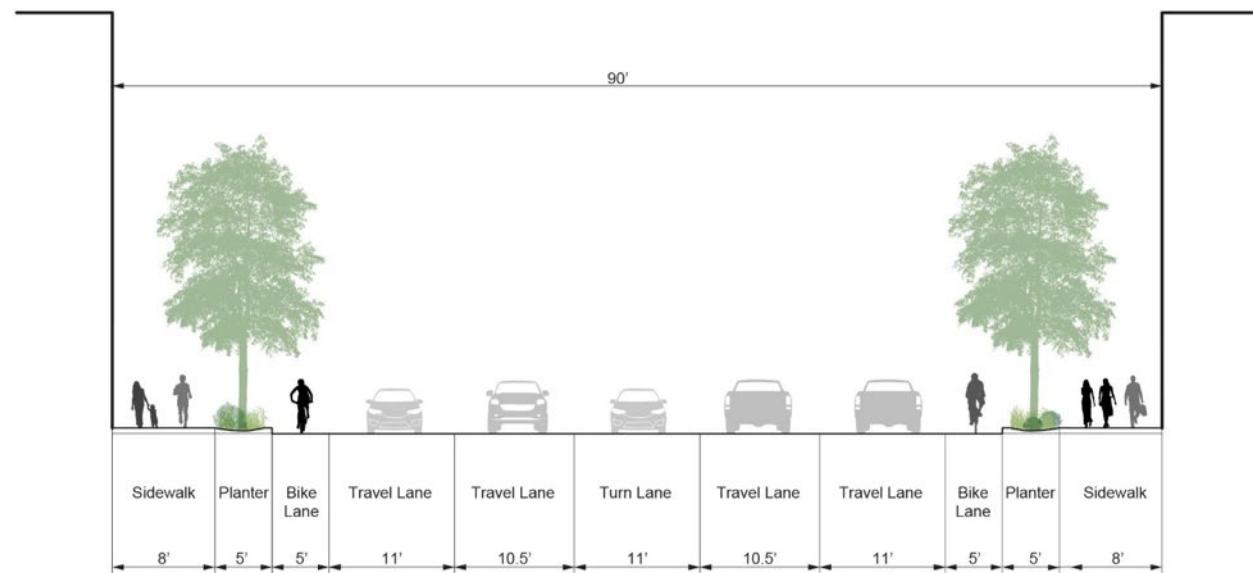
- Bicycle facilities: None
- Primary transit corridor for Routes 1 and 4 with stops at Wilson Avenue, NE Kearney Avenue, and Revere Avenue, at Wagner Mall
- Newly constructed enhanced crossing at Hawthorne Avenue

### **Opportunities & Recommendations:**

Through the draft TSP and CET planning efforts, 3rd Street is identified as a high capacity transit corridor. 3rd Street is proposed to remain at 5 lanes with nominal bike lanes added through striping changes. There is opportunity for the City to require enhanced cross-section elements between the curb and the building along 3rd Street under ODOT's jurisdiction. Bicycle travel will be prioritized to parallel routes given the high speeds and limited space between curbs along 3rd Street. The City should continue to require at least a 5-foot dedication of ROW or a public access easement to achieve desired sidewalk widths to provide a comfortable, walkable space along 3rd Street.

- **ROW:** 80 feet, potential for ROW increases up to 100-foot standard requirement
- **Travel lanes:** Five lanes (including center turn lane), no on-street parking
- **Landscape:** Opportunity to buffer pedestrian experience using street trees and wider landscape buffer between curb and sidewalk
- **Sidewalks:** Required public access easement in the BCD could be considered for all properties abutting 3rd Street in the Core Area
- **Bicycle facilities:** Opportunity for 5-foot bicycle lanes on 3rd Street within City jurisdiction (south of Franklin Avenue)
- **Identified corridor for high capacity transit** and opportunity for enhanced transit design elements (shelter, signage, seating)
- **Incorporate 5-foot bike lanes** between Miller and Wilson Avenue with new striping projects
- **Opportunity for urban design elements** to provide pedestrian and bicycle comfort at signalized intersections
- **Improve 3rd Street underpass** in the long-term

Figure 62. Draft 3rd Street Cross-Section Concept South of Greenwood Avenue (includes 5-foot ROW dedication or public access easements on both sides)





### Division Street

**Vision:** Division will be transformed from a street that people pass through by car to a place they 'go' to by the addition of on street parking, buffered bicycle facilities, and enhanced pedestrian facilities.

**Existing Characteristics:** Division Street is a minor arterial that acts as a northern vehicular gateway into the Core Area, connecting Downtown to the Riverhouse Convention Center and the Bend River Promenade. The Division Street area provides access to public space on the Deschutes River and has recently been invigorated with several new private investments along the corridor. The existing street includes a three-lane cross-section without on-street parking.

- **ROW:** 80 feet
- **Travel lanes:** Three lanes (including center turn lane), no on-street parking
- **Landscape:** Minimal landscape depending on abutting property frontage
- **Sidewalks:** 6-foot curb-tight sidewalks and some sidewalk gaps; no existing sidewalk connections to the north
- **Bicycle facilities:** None
- **No existing transit routes**
- **Well located**, providing vehicular access along the river between

Downtown and the Riverhouse Convention Center/Bend River Promenade

### **Opportunities & Recommendations:**

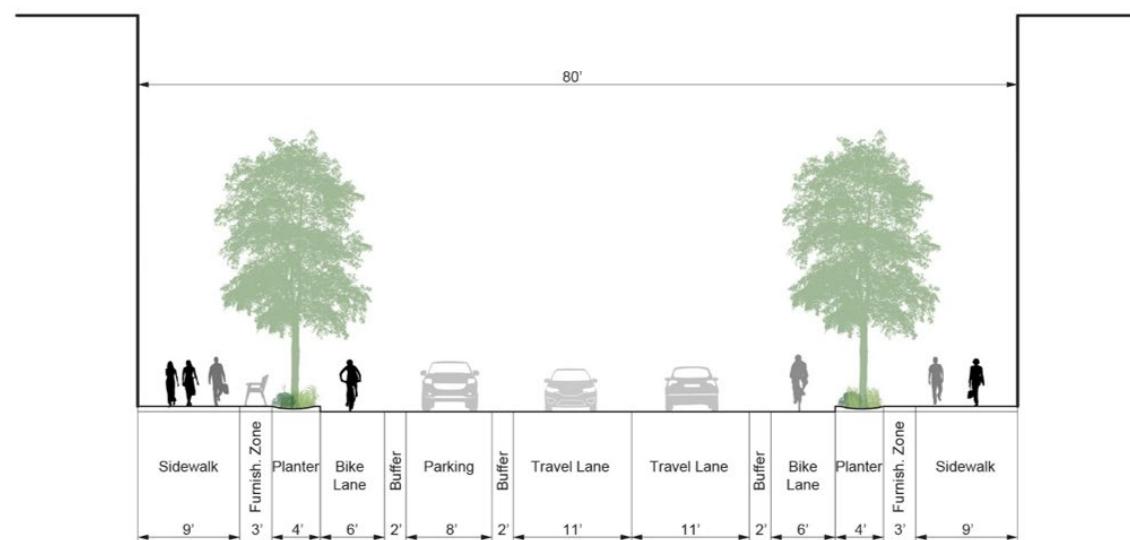
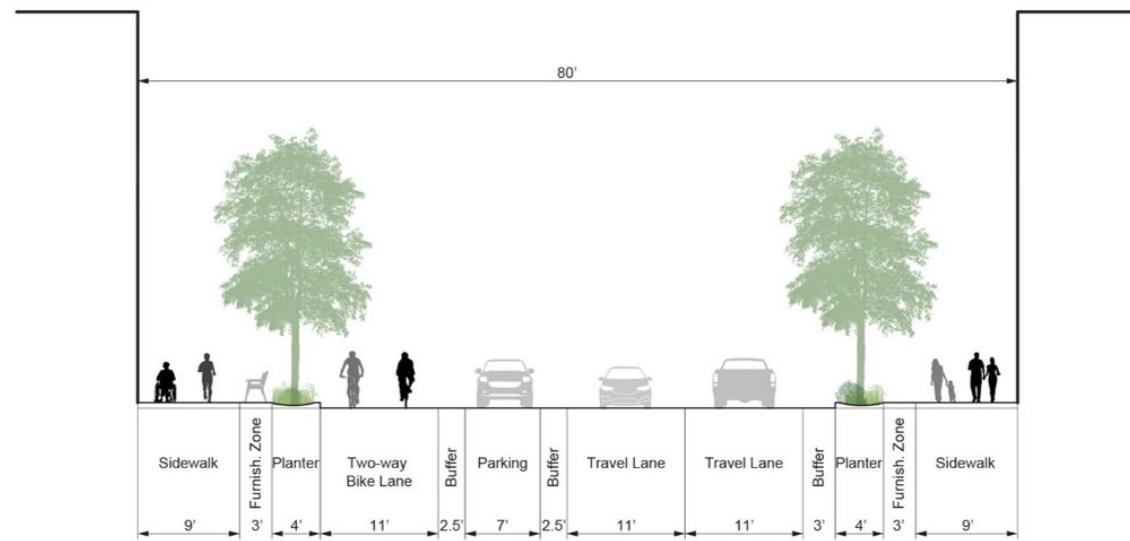
Division Street's existing 80-foot ROW provides an opportunity to reconsider the existing three-lane corridor cross-section. On-street parking and improved pedestrian and bicycle facilities could help transform the Division Street into a major gateway and destination. On-street parking could be accomplished by reconfiguring the street from three-lanes to two-lanes while maintaining the existing 48-foot curb-to-curb width, helping to alleviate some of the parking shortages new businesses have experienced in the district. This would require further analysis of feasibility, and outreach with affected property owners, given current access conditions of most businesses.

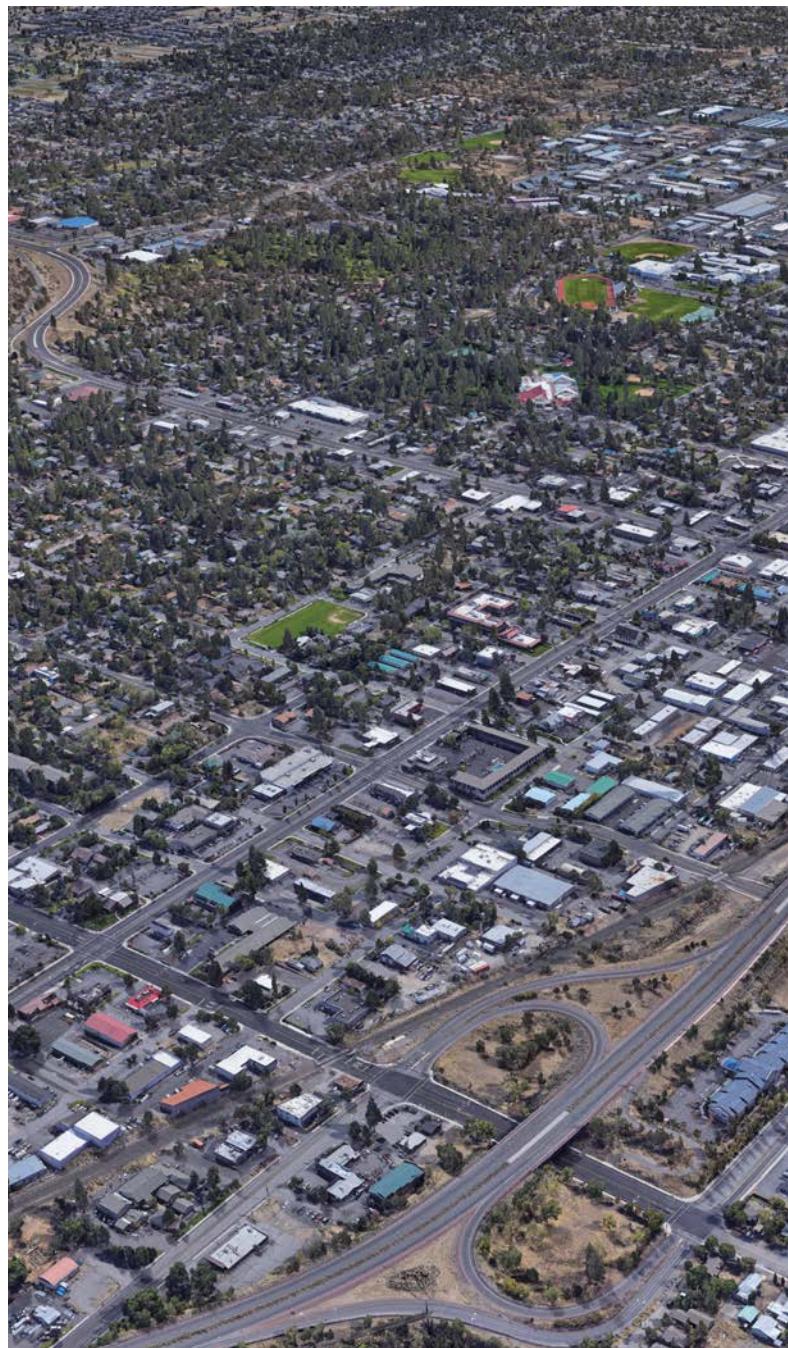
In order to improve turning movements on Division Street, it is recommended to analyze the corridor to identify areas where turn pockets or three lanes may be needed. Enhancing bicycle facilities and slowing speeds could also be accomplished by simply reducing travel lane and turning lane widths.

- **ROW:** 80 feet
- **Travel lanes:** Opportunity to consider two-lanes with turn lanes and on-street parking
- **Landscape:** Opportunity to incorporate urban pedestrian scaled amenities such as street trees and stormwater management treatments
- **Sidewalks:** Opportunity to widen existing sidewalks (to a recommended 8-foot minimum) and add sidewalks where missing
- **Bicycle facilities:** Opportunity to incorporate low stress bicycle facilities along the river
- **Opportunity to improve access** to river and Riverview Park to enhance the public realm and attract investment into the area

Following are two examples of Division Street with a potential new cross-section. Removing a lane for on-street parking could also provide opportunity for curb extensions which would create easier street crossings. Buffered on-street parking could shift from one side of the street to the other—depending on the urban character of the street and could be stopped 50 feet short of intersections that might need a short dedicated turn lane.

Figure 63. Draft Division Street Cross-Section Concept Alternatives





## ***RECOMMENDATION #6*** **INVOLVE STAKEHOLDERS IN FUTURE POLICY AND PROGRAM DEVELOPMENT**

This section describes recommendations for continued stakeholder involvement for the Core Area Urban Renewal/TIF Area. As described elsewhere in this report, the City is taking a comprehensive approach to its initiatives to improve the Core Area. Accordingly, the recommendations in this section address a range of topics, including: an ad hoc committee for stakeholder involvement; how business improvement programs will be integrated; coordination with affordable housing programs; and integration of the City's Community Climate Action Plan.

### **RECOMMENDED ACTIONS**

- 6.1. Form advisory committee(s) for implementation of the Urban Renewal/TIF Plan.*
- 6.2. Develop a business improvement program.*
- 6.3. Support housing that is affordable.*
- 6.4. Incorporate CCAP strategies.*

## INTENDED OUTCOMES AND BENEFITS TO BEND

The overall intent of these recommendations is to involve stakeholders in the implementation of the Core Area. Through this approach, the many voices, concerns and ideas of affected stakeholders will be heard and considered by the City in an ongoing and proactive way. More specifically, the City intends to create communication channels to address the following forward-looking concerns shared by stakeholders during the CAP process. City staff heard concerns about potential, unintended outcomes that may occur as a result of the City's adoption of the Core Area Urban Renewal/TIF Area, summarized below. The issues and concerns include:

- The City needs to involve Core Area residents and businesses in the implementation of the Core Area Urban Renewal/TIF Plan.

- Stakeholder and public involvement should be used to monitor and evaluate the success of the Core Area implementation.
- Commercial and industrial rents could rise as a result of investment in the area causing existing and established businesses in the Core Area to relocate or close.
- Urban renewal/TIF and other investments in new development could lead to increases in sale and rent pricing for all housing units, both inside and adjacent to the area; further exacerbating the City's housing affordability concerns.
- Opportunities to incorporate sustainable, "green" building, and low impact development strategies and best practices may be missed.

- The Core Area could miss opportunities to develop and/or attract positive community-focused activities due to a lack of formal and/or informal community gathering spaces identified or planned.

The recommendations in this section are intended to get ahead of the above-listed issues, particularly concerns related to gentrification. Gentrification is a growing concern in successful cities across the nation. Its definition varies, but it generally refers to broad changes in neighborhood character related to demographics, income levels, public investments, and local businesses. Concern with gentrification typically results from the real or perceived displacement of existing residents and businesses as an area grows.

## STAKEHOLDER AND PUBLIC INVOLVEMENT

To address the first concern, the City should create a stakeholder group or groups for the Core Area Urban Renewal/TIF Area. This is consistent with URAB's Guiding Principle to ensure transparent and open processes for those affected by the decision-making process.

Stakeholder engagement will encourage Core Area implementation outcomes and trade-offs are thoroughly evaluated and considered before action is required. It is recommended to form either a single and or multiple ad hoc advisory committee(s) throughout the life of the Core Area Urban Renewal/TIF Area. As used here, "ad hoc advisory committee(s)" means task-oriented, limited duration committees that are not general, standing committees.

Due to the length of time over which a new urban renewal/TIF area is to be implemented (approximately 30 years), ad hoc advisory committee(s) offer the best choice in ensuring proper involvement, development, and adaptation to the possible changing of market and political conditions. In addition, the initial generation of tax increment revenue typically is not sufficient for project and/or programming

purposes until multiple years following a new urban renewal/TIF area's adoption. Therefore, the first programs, projects, and/or developments may only apply to a selection of the plan's outlined projects and objectives, identified as necessary strategic investments to ensure future District success.

An ad hoc advisory committee(s) arrangement would allow the City and/or BURA to select stakeholders that offer expertise in the area; are significantly impacted by the program or project; or are associated with partner agencies and taxing districts that serve those affected by the subject matter or will be directly affected by the potential outcomes. In contrast, a standing BURA-appointed advisory committee would be composed of stakeholders with more general knowledge of the overall scope, area, and subject matter. They would be tasked with providing general oversight of the implementation process to ensure that the vision created and accepted comes to fruition. An advisory group would have the widest representation as possible and provide comments on project development and implementation

but lack the specificity and subject matter expertise offered by an ad-hoc committee. Advisory committee(s), members, and representatives should be appointed for terms commensurate with the proposed objective(s). Committee members should:

- Have the experience, education, and expertise necessary to make informed subject matter decisions.
- Either live, own property, or maintain a business inside the Core Area Urban Renewal/TIF Area; or offer expertise in a professional field, or are representative of affected partner agencies and/or taxing districts that would be impacted by the project or program to be considered.
- Have the ability to serve as liaisons with all residents, businesses, and property owners inside the Core Area Urban Renewal/TIF Area.
- Have an established staff liaison with the authority to bring decisions to the committee and to bring committee recommendations for action to City and/or Agency.

## EVALUATION AND MONITORING

Program evaluation is critical to building community trust and ensuring proper resource allocation. In addition to the annual financial reporting required for urban renewal/TIF areas by ORS 457, BURA should explore monitoring and evaluating the performance of the proposed Core Area Urban Renewal/TIF Plan in meeting identified goals, objectives, and/or guiding principles.

Program evaluation can be accomplished in a variety of ways to provide a transparent use of urban renewal/TIF resources such as the development of online, interactive tools and or/ dashboards. It is recommended that advisory committees made up of applicable stakeholders and taxing district representatives convene every two to five years, as necessary, to review, advise and make recommendations to BURA on matters concerning the implementation of the urban renewal/TIF plan.

## BUSINESS DEVELOPMENT

The Core Area Urban Renewal/TIF Plan will likely fund a program to assist businesses inside its boundary. This section provides additional detail about the program's intent, structure, and priorities. In Oregon, there are several examples of successful programs that have been implemented in urban renewal/TIF areas. These include building façade improvement programs, pre-development assistance activities (i.e. professional design and consultant support), building safety improvements, energy efficiency improvements, and streetscape/pedestrian improvements.

A future business program should provide assistance to businesses of all sizes, in the broadest range of industries, and support business prosperity regardless of whether or not the business owns or rents its business location. Bend's business assistance program for the Core Area should seek to minimize and mitigate potential gentrification.

## CASE STUDY: LINCOLN CITY, OR

### Façade Improvement Loan:

- 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:

- 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:

- \$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.

Programs should consider when such improvement activity could result in negative impacts on rents and/or lease agreements for existing businesses; and establish clear criteria for administering potential assistance to commercial building owners with existing tenants. Several strategies to support small, local businesses, small-scale business owners, and emerging developers/contractors and professional service firms include:

- Support services and technical assistance including resources for market analysis and property activation as well as support real estate, permitting, identifying collective purchasing and co-location opportunities;
- Financial incentives such as tax exemptions or alternative financing options through the development of partnerships with Community Development Finance Institutions (CDFIs); and

- Support for local businesses during construction such as supporting “open for business” campaigns.

The program must be accessible to existing business, but also flexible, allowing businesses and property owners to take advantage of market conditions and the current business cycle at the time. Providing programs that are available to the broadest range of industries and business sizes creates overall sustainable growth that can withstand volatile market changes.

Not all businesses and industries within the Core Area Urban Renewal/TIF Plan are at the same point of the business cycle, nor experience the same impacts based on changing market conditions; therefore business assistance should be available while businesses are experiencing growth or at the risk of closure.

## **CASE STUDY: BEAVERTON, OR**

### **Pre-Development Grant:**

- 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 Grant:**

- 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 Grant (Food & Beverage):**

- 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.



## HOUSING THAT IS AFFORDABLE

Affordability within the Core Area was identified as a key priority during the CAP process. Urban renewal/TIF can help or hurt this goal depending on how it is implemented.

Urban renewal/TIF aims to increase tax revenue through property development and improvement and accomplishes this by offering incentives and providing funds for projects that eliminate blight. Prioritizing the construction of affordable housing (which is typically tax exempt) within an urban renewal/TIF area can decrease the collection of tax increment that is envisioned in the Urban Renewal/TIF Financial Plan.

At the extreme, if there is little new taxable development and heavy investment in non-taxable development, this can create challenges for the funding of other projects. However, there are several opportunities to support housing affordability in the Core Area. These include:

- Direct assistance to support affordable housing and

homelessness development projects with urban renewal/TIF revenue;

- Increasing capacity for housing supply and construction of new housing at a range of price-points; and
- Expanding and supporting programs to support housing stability for existing renters in adjacent neighborhoods.

Stakeholder involvement in housing programs in the Core Area will help integrate the perspective of the community into decisions about affordable affordability.

### ***Increase Housing Capacity***

One of the primary strategies that can prevent the rapid escalation of housing costs citywide is to allow and encourage housing supply to keep pace with demand. While there are many factors that affect housing prices, when demand outpaces supply (as has been the case in Bend over the past decade), the increased competition drives up the cost of housing.



Existing and future activities to encourage an increase in housing supply include:

- Land use and zoning that allow for dense mixed-use development and missing middle housing types; and
- Code updates to remove barriers to housing development.

The majority of the Core Area was rezoned in 2016 to allow for more intense development. In addition, there are several zoning and development code recommendations discussed in the zoning and development code section of this chapter that identify strategies to remove barriers to development in the area, particularly of housing development.

#### ***Support Affordable Housing Projects***

The community has made it very clear that housing that is affordable is a priority. The Core Area Urban Renewal/TIF Area should participate in the development of projects with the goal of maintaining affordability in the area. These projects and programs should be developed, implemented and

managed in coordination with the City's existing Affordable Housing Program and AHAC. This approach will ensure a high degree of prioritization and the City's continued successful adherence to Fair Housing and disparate impact standards.

#### ***Support Housing Stability***

The City of Bend does not currently have any housing stability programs, all services are done through partners such as Thrive Central Oregon and NeighborImpact. Their programs include services such as onsite help with potential rent delinquency and rent assistance. The City has a structure in place to fund and support partner agencies in providing services as other revenue becomes available.

Other programs that the City supports include homeless services. However, current resources are extremely limited and funding assistance is highly competitive and these services are not eligible for support from the City's Affordable Housing Fund.



## SUSTAINABILITY

URAB identified the desire to incentivize sustainable and low impact development practices within the Core Area as one of their Guiding Principles. In addition, the City recently developed a Community Climate Action Plan which identifies four areas of focus to reducing Bend's greenhouse gas emissions including energy supply, energy in buildings, transportation, and waste/materials. There is significant opportunity to incorporate CCAP strategies into the Core Area to achieve area specific and community wide benefits. Specific strategies and opportunities are discussed below. Investments in these strategies should be balanced with economic and social considerations such as economic vitality, affordability, and equity.

### ***Energy Supply and Energy in Buildings***

Several of the strategies to enhance energy supply and efficiency, identified in the Bend Community Climate Action Plan, could be successfully implemented in the Core Area:

- **Code updates:** As development code updates are considered for the Core Area, they could include higher energy efficiency standards, with the goal of incentivizing zero energy and zero energy ready buildings.

- **Energy efficiency incentives and projects:** Urban renewal/TIF and tax incentive programs can incentivize energy efficiency by including energy efficiency and/or green building standards as program criteria in program development.
- **Urban renewal/TIF revenue** could be used as a revolving loan fund to finance energy efficiency projects in the Core Area through the development of a business improvement program.

### ***Transportation***

The transformation of the Core Area from an employment only area to a mixed-use area creates a critical opportunity to reduce Bend's greenhouse gas emissions. Transportation-based strategies to meet Bend's Climate Action Goals within the Core Area include:

- Remove barriers to housing development in the Core Area;
- Invest in transportation projects for alternative modes, such as HCT, mobility hubs, and safe and comfortable walking and bicycling infrastructure; and
- Encourage and incentivize Transportation Demand Management (TDM) in the area.

Encouraging people to live in the center of the

city, closer to services and goods that they regularly access, is one of the City's adopted strategies to reducing vehicle miles traveled per capita. The Core Area should be served with high capacity transit and the location for one to two mobility hubs that are envisioned to improve access to a wide range of travel options to support multimodal lifestyles. Transportation Demand Management (TDM) practices including parking management or required TDM programs for major employers can be incorporated into the Core Area to further reach citywide greenhouse gas reduction goals.

### ***Waste and Materials***

Several strategies to reduce waste and materials can be utilized in the Core Area as well. Since the Core Area will likely be the site of ongoing development/redevelopment over the life of the urban renewal/TIF area, identifying opportunities for construction and demolition waste recovery will be critical. Other programs or project opportunities include codes and standards that improve recycling at multifamily residences and utilizing and incentivizing low-carbon concrete mixes in City or developer led projects.

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07



*Photo Credit: Steve J*

# Chapter 7

# Action Plan

This chapter describes the actions necessary to implement the recommendations described in Chapter 6. The Action Plan describes the “what, when, and who” of the work proposed as follow-up to the completion of this report. 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. The Action Plan also identifies the 2019-21 Council Goals that are relevant to each recommended action.

## APPROACH

The actions, recommendations, and follow-up work described in this Action Plan are organized by topic. Accordingly, the staffing responsibilities are identified for the City departments that will participate. This level of organization is a practical necessity; however, the work will not be a collection of separate efforts. Rather, the approach is to promote integration, coordination, and

interdisciplinary work. The following strategies will be used to promote integration and coordination:

- 1. Ongoing collaboration by the Bend Core Area Project team.** City staff will include the following departments: City Manager’s Office (CMO), Growth Management (GMD), Community Development (CDD), Economic Development (EDD), Engineering and Infrastructure Planning (EIPD), Transportation and Mobility (TMD), Finance, and Legal.
- 2. Use of the Core Area Project Guiding Principles.** The CAP Guiding Principles will be used to guide idea development and decision making. (See Chapter 2 of this report.)
- 3. Integration of the Council Goals and other applicable City initiatives.** As the City of Bend continues to innovate and adopt new policies and programs, those perspectives will be integrated into the Core Area implementation.
- 4. Synergistic work.** Many of the recommended actions are opportunities for synergistic work. For

example, a development incentives program could be used to incentivize affordable/workforce housing and energy efficiency. The Core Area team will identify opportunities for synergistic work as projects and programs are implemented.

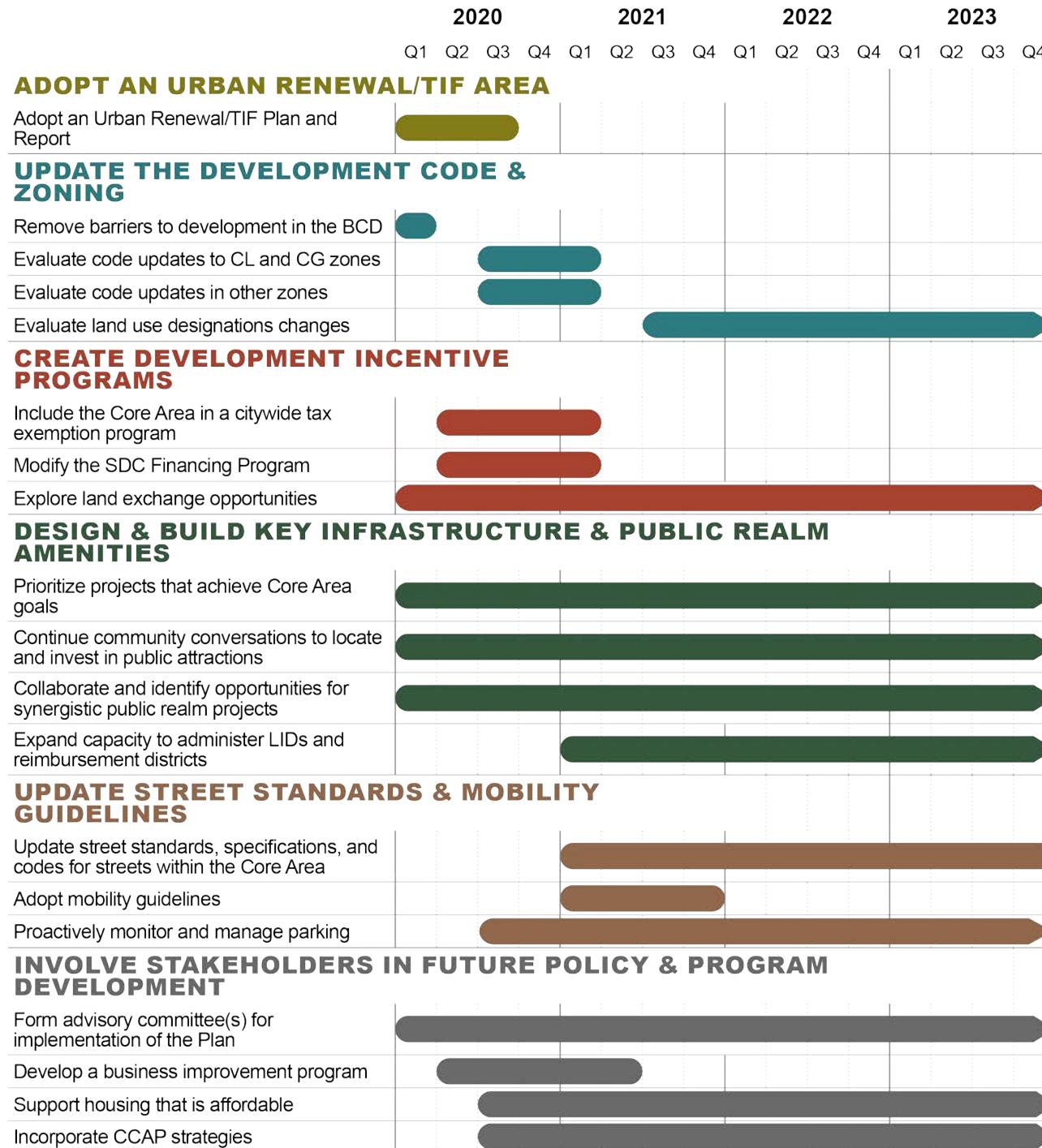
### ***A Note on Staffing***

The preliminary assessment of the staffing needs for the Action Plan is that it can be initiated with existing and planned City staffing resources. Staffing needs will be evaluated as the projects and programs are developed and delivered.

### ***Action Plan Costs***

Each recommended action includes an “Estimated Cost.” The costs are generalized and defined as follows:

- \$\$\$ Low** (less than \$500,000)
- \$\$\$ Medium** (\$500,000 to \$1.5 Million)
- \$\$\$ High** (more than \$1.5 Million)



## ACTION PLAN TIMELINE

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



Table 19. Crosswalk: Recommendations and 2019-21 Council Goals

RECOMMENDATIONS	Economic Vitality	Transportation & Infrastructure	Public Health & Safety	Effective & Efficient City Operations
				
Adopt an Urban Renewal/TIF Area	●	●	●	●
Update the Development Code & Zoning	●	●		
Create Development Incentive Programs				●
Design & Build Key Infrastructure & Public Realm Amenities	●		●	
Update Street Standards & Mobility Guidelines	●			
Involve Stakeholders in Future Policy & Program Development	●			●

## 1. ADOPT AN URBAN RENEWAL/TIF AREA

### Action 1.1

#### Adopt an Urban Renewal/TIF Plan and Report

IMPLEMENTATION TIMING	 Near-term (2020 Quarter 1 - Quarter 3)
LEAD RESPONSIBILITY	EDD
ESTIMATED COST	\$\$\$

#### Notes:

1. Scheduled for BURA and City Council consideration and adoption in July/August 2020.
2. Already allocated in 2019-21 Biennial Budget.

EDD will lead the finalization of the draft Urban Renewal/TIF Plan and Report that will identify projects eligible for TIF funding, as well as the plan adoption process with BURA and City Council. The adopted plan and report will establish a new urban renewal/TIF area, and enable TIF as a funding mechanism for the area.

#### RATIONALE & OBJECTIVES:

- Stimulate private development/redevelopment in the Core Area that may otherwise not occur.
- Establish a funding mechanism to leverage public investments.

#### RELEVANT COUNCIL STRATEGIES:

- Increase the supply of shovel-ready residential land and decrease development costs for needed housing through public investment leveraging private development.
- Increase the supply and viability of serviceable employment land through public investments leveraging private development.
- Leverage multiple funding sources to improve transportation infrastructure, addressing both housing and mobility challenges.

- Improve the condition and function of City sewer, stormwater, transportation, and water infrastructure to keep pace with community needs.

## 2. UPDATE THE DEVELOPMENT CODE & ZONING

### Action 2.1

#### Remove barriers to development/redevelopment, particularly for housing and mixed-use development in the Bend Central District

IMPLEMENTATION TIMING	 Near-term (2020 Quarter 1)
LEAD RESPONSIBILITY	CDD (lead), GMD (support)
ESTIMATED COST	<i>No additional costs anticipated</i>

#### Notes:

1. City Council hearing scheduled for February 2020.
2. Already allocated in 2019-21 Biennial Budget.

CDD has drafted the BCD Development Code amendments and will lead the adoption process (scheduled for City Council hearing on February 5, 2020). The code amendments can be used as a template to evaluate future code updates in other Core Area zones.

#### RATIONALE & OBJECTIVES:

- Remove barriers to development and redevelopment by allowing for more housing; simplifying and reducing parking requirements, particularly for small lots; and maximizing buildable space for development while balancing public needs such as creating walkable and attractive streets.

#### RELEVANT COUNCIL STRATEGIES:

- Increase the supply of shovel-ready land and decrease development costs for needed housing.
- Permit 3,000 housing units (citywide) by June 30, 2021.
- Identify barriers in constructing needed housing, including mobility and parking standards.

## Action 2.2

## Evaluate code updates to Commercial Limited (CL) and Commercial General (CG) zones in the Core Area to remove barriers to development/redevelopment

IMPLEMENTATION TIMING	 Near-term (2020 Quarter 3 - 2021 Quarter 1)
LEAD RESPONSIBILITY	CDD (lead), GMD (support)
ESTIMATED COST	\$\$\$

## Notes:

1. Will begin upon Urban Renewal/TIF Plan adoption.
2. Some additional funding for consultant services, could be used from savings/contingency of existing Core Area Project contract.

CDD to request Council direction to proceed with evaluation and drafting of CL and CG code updates in the Core Area. This effort should be coordinated with implementation of HB 3450. CDD to lead code evaluation with support from GMD. Engage the public and stakeholders in drafting the updates such as a new overlay or expanding the BCD area. Expanding the district should evaluate unique conditions of expanded areas for use allowances. Upon drafting, Planning Commission and City Council hearings would occur prior to adoption by ordinance.

### RATIONALE & OBJECTIVES:

- Current CL and CG development standards are not conducive to supporting the vision or development potential of the Core Area.
- Code updates, including allowing residential uses and removing excessive setbacks and parking requirements, are needed to remove barriers to development/redevelopment of CL and CG properties, compliment urban renewal/TIF investments, and achieve the vision for the Core Area.

- The updated code will encourage and facilitate the development of needed housing and provide more flexibility for private development in balance with public needs.

### RELEVANT COUNCIL STRATEGIES:

- Increase the supply of shovel ready employment land through City policy and procedural adjustments.
- Complete land use planning for core areas, including the BCD.

## Action 2.3

**Evaluate code updates in other zones in the Core Area to remove barriers to development/redevelopment, particularly for housing**

IMPLEMENTATION TIMING	 Near-term (2020 Quarter 3 - 2021 Quarter 1)
LEAD RESPONSIBILITY	CDD (lead), GMD/EDD (support)
ESTIMATED COST	\$\$\$

## Notes:

1. Will begin upon Urban Renewal/TIF Plan adoption.
2. Some additional funding for consultant services, could be used from savings/contingency of existing Core Area Project contract.

CDD to request Council direction to proceed with evaluation and drafting of CL and CG code updates in the Core Area. This effort should be coordinated with implementation of HB 3450. CDD to lead code evaluation with support from GMD. Engage the public and stakeholders in drafting the updates such as a new overlay or expanding the BCD area. Expanding the district should evaluate unique conditions of expanded areas for use allowances. Upon drafting, Planning Commission and City Council hearings would occur prior to adoption by ordinance.

**RATIONALE & OBJECTIVES:**

- The feasibility analysis, feedback from owners, developers, and URAB identified the need to evaluate additional code updates throughout the Core Area to remove development barriers, compliment urban renewal/TIF investments, and achieve the vision for the Core Area.
- Evaluate updated parking standards in Mixed Urban (MU) and Mixed Neighborhood (MN) zones, remove minimum mixed-use requirements in the Mixed Employment (ME) zone, and consider early activation uses.

**RELEVANT COUNCIL STRATEGIES:**

- Increase the supply of shovel-ready land available for housing and employment land.
- Permit 3,000 units (citywide) by June 30, 2021.
- Identify barriers in constructing needed housing, including mobility and parking standards.

## Action 2.4

**Evaluate land use designation changes (Inner Greenwood & SE 2nd Street) in the Core Area**

IMPLEMENTATION TIMING	 Mid-term (2021 Quarter 3 - 2023 Quarter 2)
LEAD RESPONSIBILITY	CDD (lead), GMD (support)
ESTIMATED COST	<i>Could be included in future City-led projects</i>

## Notes:

1. Activity may be ongoing.

CDD to request Council direction to proceed with re-designation of CL to MN zoning (or to include area in BCD) and re-designation of Light Industrial (IL) to a mixed-use designation. Prior to re-designation of IL, employment land needs particularly industrial land needs, would need to be evaluated. Engage affected property owners and businesses, as well as conduct significant public outreach and technical analysis, as needed. Would require a comprehensive plan map and zoning map amendment which would include public hearings with Planning Commission and City Council prior to adoption by ordinance.

**RATIONALE & OBJECTIVES:**

- Evaluate plan designations and zoning in the Inner Greenwood opportunity area.
- Consider a future mixed-use designation and zone for the SE 2nd Street Industrial area properties to accommodate a greater variety of active uses, including housing, helping to achieve the vision for the BCD.

**RELEVANT COUNCIL STRATEGIES:**

- Increase the supply of shovel-ready land available for housing and employment land.
- Permit 3,000 units citywide by June 30, 2021.

### 3. CREATE DEVELOPMENT INCENTIVE PROGRAMS

#### Action 3.1

#### Include the Core Area in a citywide tax exemption program

IMPLEMENTATION TIMING	 Near-term (2020 Quarter 2 - 2021 Quarter 1)
LEAD RESPONSIBILITY	EDD (lead), CDD/Finance/CMO (support)
ESTIMATED COST	<i>No additional costs anticipated</i>

Developing a tax exemption program is included in 2019-21 Council Goals. EDD staff will work with Council in identifying applicable programs as defined in the Oregon Revised Statutes and seek direction regarding further stakeholder engagement, including taxing districts. In addition, staff will work to identify applicable areas and parameters for project qualification as well as evaluate impacts and considerations to reduce impact to tax increment revenue for Council and stakeholder consideration. Any tax exemption program will require adoption by Council ordinance.

#### RATIONALE & OBJECTIVES:

- Achieving the vision for the Core Area will require the implementation of several incentive tools in order to make development feasible in the near-term.
- A tax exemption program will catalyze private investment in housing and mixed-use development in the early years of the urban renewal/TIF area, ensuring long-term revenue growth.

#### RELEVANT COUNCIL STRATEGIES:

- Implement tax exemption programs that promote housing goals.
- Increase the supply of shovel-ready residential and employment land and decrease development costs for needed housing through City policy and procedural adjustments.

## Action 3.2

**Modify the System Development Charge (SDC) Financing Program in the Core Area**

<b>IMPLEMENTATION TIMING</b>	 <i>Near-term (2020 Quarter 2 - 2021 Quarter 1)</i>
<b>LEAD RESPONSIBILITY</b>	CDD/Finance
<b>ESTIMATED COST</b>	<b>\$\$\$\$ - \$\$\$</b>

*Notes:*

1. Cost impacts reflect the estimated deferred SDC revenues, which will depend on modified SDC financing program utilization.

Evaluate the need for a modified SDC financing program in the Core Area. Council direction to proceed with modifications to existing SDC Financing program. Research available and best options for interest rates for SDC loans and modifications to the SDC deferral program to a broader range of project types beyond the current allowance for just multi-family projects in the Core Area. Evaluate how these changes could impact SDC revenue and form a recommendation on how to modify the existing SDC financing program while monitoring deferred SDC revenue impacts. Will require amendments to the Bend Municipal Code (Chapter 12.10) and adoption by ordinance.

**RATIONALE & OBJECTIVES:**

- Lower upfront development and holding costs.
- Make SDC financing more accessible and broadly usable, including changing interest rates and/or deferral of SDC payments.
- Changes will further incentivize development in the Core Area, including development of needed mixed-use and housing projects.

**RELEVANT COUNCIL STRATEGIES:**

- Develop 3-5 procedural and policy adjustments to streamline needed housing projects.
- Partner with other public agencies to reduce housing costs.
- Explore renewable energy production options.

Action 3.3  
**Explore land exchange opportunities**

IMPLEMENTATION TIMING	 <i>Ongoing (beginning 2019 Quarter 3)</i>
LEAD RESPONSIBILITY	CDD/Facilities
ESTIMATED COST	<i>No additional costs anticipated</i>

Juniper Ridge Management Advisory Board is developing a vision, disposition strategy, and plan for future development for consideration by Council that could support this action. Identify and work with existing property owners within the Core Area who may be interested in relocating and facilitate the land exchange, in accordance with Bend Municipal Code 1.50.095.

**RATIONALE & OBJECTIVES:**

- Leverage City-owned land, for existing uses and users looking to relocate out of the Core Area.
- Maximize development potential, including residential capacity, on lands in the Core Area, while facilitating the relocation of growing employment-based users.

**RELEVANT COUNCIL STRATEGIES:**

- Increase the supply of shovel-ready land available for housing and employment in alignment with the City's Comprehensive Plan.
- Create a management and development plan for Juniper Ridge.
- Decrease development costs for needed housing and increase viability of serviceable employment land through public investments leveraging private development.

## 4. DESIGN & BUILD KEY INFRASTRUCTURE & PUBLIC REALM AMENITIES

### Action 4.1

#### Invest in key infrastructure and public realm amenities: Prioritize projects that achieve Core Area goals in future infrastructure plans

IMPLEMENTATION TIMING	 <i>Ongoing (beginning 2020 Quarter 1)</i>
LEAD RESPONSIBILITY	TMD/EIPD (lead), Utilities/GMD (support)
ESTIMATED COST	<b>\$\$\$\$</b> ( <i>coordination and planning</i> ) <b>\$\$\$\$</b> ( <i>capital costs</i> )

Obtain direction from Council to proceed with establishing a recommended prioritized list of Core Area infrastructure projects and public realm amenities, identifying both timing and possible funding sources. Project investments in this area have a direct benefit, by stimulating development and therefore additional tax increment that can be directly re-invested into the district. Work with public, stakeholders, and Council/BURA to develop prioritization criteria and draft recommended list. Obtain Council budget approvals and process to incorporate infrastructure project priorities for the Core Area on future Capital Improvement Program lists.

#### RATIONALE & OBJECTIVES:

- Public investment in Core Area infrastructure projects will help to

catalyze private development and investment.

- Prioritize infrastructure projects within the Core Area that remove east-west barriers, provide north-south connectivity, create a walkable area with a balanced transportation system, and support and catalyze private development.
- Remedy existing infrastructure deficiencies and attract private development within the Core Area.
- Determine feasibility and priority for enhancing Midtown Crossings (Greenwood, Franklin, and Hawthorne) as a critical project to catalyze private development of the Core Area.
- Identify stormwater solutions and policies that reduce barriers to private development within the Core Area

while protecting water quality.

#### RELEVANT COUNCIL STRATEGIES:

- Increase the supply and viability of housing and employment land through public investments leveraging private development.
- Prioritize short term transportation projects that relieve congestion, improve safety, and increase options for all modes of transportation.
- Explore internal and external shared funding opportunities to make needed improvements & connections.
- Leverage multiple funding sources to enhance and improve transportation infrastructure.
- Improve the condition and function of City sewer, stormwater, transportation and water infrastructure.

## Action 4.2

**Invest in key infrastructure and public realm amenities: Continue community conversations to locate and invest in public attractions within the Core Area**

IMPLEMENTATION TIMING	 <i>Ongoing (beginning 2020 Quarter 1)</i>
LEAD RESPONSIBILITY	Facilities/CMO
ESTIMATED COST	<b>\$\$\$\$</b> ( <i>coordination and planning</i> ) <b>\$\$\$\$</b> ( <i>capital costs</i> )

## Notes:

1. Other responsible include Communications, Council/BURA and community partners including districts, foundations, non-profits, and other relevant groups.

Identify lead responsibility and create a communications plan. Incorporate communications strategy and develop community investment plan and potential urban renewal/TIF program to support public attractions within the Core Area where relevant.

**RATIONALE & OBJECTIVES:**

- Public realm and infrastructure improvements will address deficiencies, create enhancements that benefit existing and surrounding businesses and residents, and stimulate new private development in the area.
- The community expressed a desire and support for civic and creative spaces (such as government buildings, music/art venues, and creative/maker space) to be located within the Core Area.

- Continue to engage and foster community conversations and support for centrally located community gathering spaces, attracting more people to the district, and driving private investment.

**RELEVANT COUNCIL STRATEGIES:**

- Increase community participation.
- Complete comprehensive long-term facility plan, including a new City Hall and Public Works facility.

## Action 4.3

## Invest in key infrastructure and public realm amenities: Collaborate and identify opportunities for synergistic public realm projects

IMPLEMENTATION TIMING	 <i>Ongoing (beginning 2020 Quarter 1)</i>
LEAD RESPONSIBILITY	EIPD (lead)
ESTIMATED COST	<b>\$\$\$\$</b> ( <i>coordination and planning</i> ) <b>\$\$\$\$</b> ( <i>capital costs</i> )

## Notes:

1. Utilities and partnerships with outside agencies such as BPRD will support activities.
2. If program is heavily utilized it could result in the need for a new full-time equivalent (FTE) employee.

Continued collaboration and coordination between City departments and with external agencies such as BPRD. Council direction and budget approval to update Stormwater Master Plan and review stormwater policies for infill development. Evaluate projects and project prioritization that achieve multiple co-benefits such as a stormwater facility/park.

**RATIONALE & OBJECTIVES:**

- Provides stormwater, sewer, water, transportation, and public realm benefits to the area and the community.
- Uses public investment to leverage private investment.

**RELEVANT COUNCIL STRATEGIES:**

- Improve the condition and function of City sewer, stormwater, transportation and water infrastructure to keep pace with community needs.
- Leverage multiple funding sources to enhance and improve transportation infrastructure.
- Explore internal and external shared funding opportunities to make needed improvements & connections.

## Action 4.4

**Expand capacity to administer LIDs and reimbursement districts**

IMPLEMENTATION TIMING	 <i>Ongoing (beginning 2021 Quarter 1)</i>
LEAD RESPONSIBILITY	Legal/Finance (lead), CDD (support)
ESTIMATED COST	\$\$\$

## Notes:

1. *Activity may be ongoing.*
2. *If program is heavily utilized it could result in the need for a new full-time equivalent (FTE) employee.*

Evaluate internal capacity to manage reimbursement and LIDs and future program utilization. Would require Council approval of any future staff and corresponding budgets for future LIDs.

**RATIONALE & OBJECTIVES:**

- LIDs and reimbursement districts, where the City performs the work, are currently constrained by the City's capacity to allocate staff time to develop districts and manage projects. With additional resources, the City could be of great help facilitating the private financing of public infrastructure.
- Expand infrastructure funding mechanisms (such as LIDs and Reimbursement Districts), in the Core Area as a pilot program with a potential citywide program to follow, to complement existing infrastructure financing mechanisms.

**RELEVANT COUNCIL STRATEGIES:**

- Leverage multiple funding sources to enhance and improve transportation infrastructure.
- Explore internal and external shared funding opportunities to make needed improvements & connections.

## 5. UPDATE STREET STANDARDS & MOBILITY GUIDELINES

### Action 5.1

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

IMPLEMENTATION TIMING	 Mid-term (2021 Quarter 1 - 2023 Quarter 4)
LEAD RESPONSIBILITY	EIPD/TMD/CDD/GMD/Utilities
ESTIMATED COST	\$\$\$

#### Notes:

1. *Activity begins following adoption of the Bend TSP.*
2. *Costs anticipated for planning and consulting services.*

Requires Council direction and approval of staff resources and budget to initiate project to plan for Core Area streets to include urban design elements to implement the Urban Design Framework. Develop a project to engage community stakeholders to identify desired street design elements. Will likely require updates to the BDC and Street Standards and Specifications as well as community outreach. Develop project work plan and key elements (in coordination with EIPD, TMD, GMD, CDD) and ensure coordination with citywide efforts to update street standards.

#### RATIONALE & OBJECTIVES:

- An updated and coordinated set of street cross sections and design elements are needed to develop standards and codes in order to provide clear direction to the City and BURA as they make investments in the area, to the private sector during development review, and to partnering agencies who own property or have transportation interests in the area.
- Create walkable and attractive streets, support and attract private investment, remove east-west barriers, incorporate

low impact development standards to protect water quality, and implement the Urban Design Framework and URAB's Guiding Principles.

#### RELEVANT COUNCIL STRATEGIES:

- Prioritize short term transportation projects that relieve congestion, improve safety, and increase options for all modes of transportation.
- Improve the condition and function of City transportation infrastructure.

## Action 5.2

### Adopt mobility guidelines

IMPLEMENTATION TIMING	 Mid-term (2021 Quarter 1 - Quarter 4)
LEAD RESPONSIBILITY	EIPD (lead), TMD/GMD/CET (support)
ESTIMATED COST	\$\$\$

## Notes:

1. Activity begins following adoption of the Bend TSP.
2. Cost anticipated for consulting services.

Obtain Council direction and approval of staff resources to proceed with development and adoption of Mobility Guidelines. Could be considered as part of a citywide effort. Evaluate and identify necessary adoption process and coordinate with stakeholders.

**RATIONALE & OBJECTIVES:**

- Elements of mobility guidelines are either located in different places throughout the City's various standards and policies, or currently don't exist. Therefore, there is a need to adopt a consolidated set of mobility design elements and standards, including urban streetscape design, pedestrian, bikeway, transit, curb management and other mobility design elements needed for the Core Area.
- Create walkable and attractive streets, support and attract private investment, and implement the Urban Design Framework and URAB's Guiding Principles.

**RELEVANT COUNCIL STRATEGIES:**

- Prioritize short term transportation projects that relieve congestion, improve safety, and increase options for all modes of transportation.
- Improve the condition and function of City transportation infrastructure.

## Action 5.3

**Proactively monitor and manage parking in the Core Area**

<b>IMPLEMENTATION TIMING</b>	 <i>Ongoing (beginning 2020 Quarter 3)</i>
<b>LEAD RESPONSIBILITY</b>	EIPD (lead), TMD/GMD/CET (support)
<b>ESTIMATED COST</b>	\$\$\$

*Notes:*

1. *Activity begins following adoption of the Bend TSP.*
2. *Cost anticipated for consulting services.*

Evaluate potential impacts to Core Area parking from proposed code changes. Evaluate parking utilization rates in the Core Area and identify parking management strategies and/or policy changes. In the future, evaluate the need to form a new business parking district in the Core Area. Look to partner with private development to provide public parking areas in the district as new development occurs.

**RATIONALE & OBJECTIVES:**

- Parking and parking management were brought up as key concerns during Core Area planning, especially as new parking regulations are considered for the area to encourage compact urban form and increased housing development feasibility in the area.
- The City will need to take an active role to monitor and manage parking and parking policies, codes, ordinances in the Core Area and adjacent neighborhoods.

**RELEVANT COUNCIL STRATEGIES:**

- Develop a community wide parking program that is based on the concept plan proposed in 2018 citywide parking study, is responsive to changing community needs.

## 6. INVOLVE STAKEHOLDERS IN FUTURE POLICY & PROGRAM DEVELOPMENT

Action 6.1

### Form advisory committee(s) for implementation of the Urban Renewal/TIF Plan

IMPLEMENTATION TIMING	 <i>Ongoing (beginning 2020 Quarter 1)</i>
LEAD RESPONSIBILITY	EDD
ESTIMATED COST	<i>No additional costs anticipated</i>

Evaluate role and desired structure of future advisory committees to oversee Core Area implementation. Council and/or BURA direction and approval to form an advisory committee(s) by resolution or ordinance.

#### RATIONALE & OBJECTIVES:

- Provide public and stakeholder input on project and program review, development, and implementation throughout the life of the Core Area Urban Renewal/TIF Area.

#### RELEVANT COUNCIL STRATEGIES:

- Seek to improve the effectiveness of governance.
- Assess the effectiveness of advisory boards to respond to items of community interest.

Action 6.2

## Develop a business improvement program

IMPLEMENTATION TIMING	 Mid-term (2021 Quarter 1 - 2021 Quarter 2)
LEAD RESPONSIBILITY	EDD
ESTIMATED COST	\$\$\$

*Notes:*

1. *Activity begins following adoption of the Urban Renewal/TIF Plan and Report.*
2. *Cost includes planning and implementation of program.*

Council and/or BURA direction and approval of budget and resources to develop and support a business improvement program in Core Area. Coordination with community partners and stakeholders such as Economic Development for Central Oregon (EDCO), the Chamber of Commerce, and existing Core Area businesses.

### RATIONALE & OBJECTIVES:

- Program will serve Core Area businesses and building owners to foster economic development.
- Examples of business improvements programs include, but are not limited to, storefront/façade improvement grants, business expansion loans, and energy efficiency/ tenant improvement loans.

### RELEVANT COUNCIL STRATEGIES:

- Increase the viability of serviceable employment land through public investments leveraging private development, City policy and procedural adjustments.

## Action 6.3

**Support housing that is affordable**

IMPLEMENTATION TIMING	 <i>Ongoing (beginning 2020 Quarter 3)</i>
LEAD RESPONSIBILITY	EDD (lead), CDD (support)
ESTIMATED COST	\$\$\$

*Notes:*

1. *Activity begins following adoption of the Urban Renewal/TIF Plan and Report.*
2. *Cost includes administrative processing for managing Affordable Housing program.*  
*No costs expected for evaluating development code changes.*

Council and/or BURA direction and approval of budget to support affordable housing programs in Core Area. Urban renewal/TIF revenue could be used as a supplemental funding source of the City's existing Affordable Housing program (funds from urban renewal/TIF could only be used on projects within the urban renewal/TIF area boundary).

Evaluate code updates to increase development feasibility of adjacent high density residential to Core Area through development code updates in partnership with AHAC. Development code amendments require Council direction as well as public hearings with both the Planning Commission and City Council prior to adoption.

**RATIONALE & OBJECTIVES:**

- Utilize the existing expertise and structure of the City's Affordable Housing Program and the AHAC to support affordable housing in the Core Area.
- Evaluate updated density limits and parking requirements in the adjacent higher density residential zones to the Core Area (along 4th Street and within the Wilson sub-area).

**RELEVANT COUNCIL STRATEGIES:**

- Permit 3,000 residential units by 6/30/2021.
- Seek to improve the effectiveness of governance.

## Action 6.4

**Incorporate Community Climate Action Plan strategies**

<b>IMPLEMENTATION TIMING</b>	 <i>Ongoing (beginning 2020 Quarter 3)</i>
<b>LEAD RESPONSIBILITY</b>	CMO (lead), CDD/EDD/TMD/Utilities (support)
<b>ESTIMATED COST</b>	\$\$\$

Obtain Council direction to incorporate CCAP strategies into Core Area implementation. CCAP representation on future Core Area Advisory Committee(s). Future Core Area proposals to be reviewed by Environment and Climate Committee. Integration of CCAP strategies into Core Area implementation (such as development code updates, tax abatement programs, and urban renewal/TIF programs) throughout the life of the Core Area Urban Renewal/TIF Area.

**RATIONALE & OBJECTIVES:**

- Integrate CCAP strategies into the Core Area implementation and program development to reduce fossil fuel consumption.
- Relevant CCAP strategies include creating incentives for energy efficient buildings, renewable energy projects and low carbon concrete and waste management; encouraging and planning for electric vehicle adoption, bike and pedestrian travel, transit; and identifying opportunities for innovative pilot projects such as community solar or battery storage.

**RELEVANT COUNCIL STRATEGIES:**

- Ensure growth takes into consideration natural resources and reflects a triple bottom line approach.

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*Photo Credit: Richard Scott Nelson, 2019*

# Technical Appendix