

APPENDIX A – COST ESTIMATES



Job Name: SW 1st and SE 1st - Enhancememts
 Job Number: 1826.01
 Date: April 11, 2011

**Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (SW 1st and SE 1st from Byers to Frazer excluding intersections)**

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
GENERAL CONSTRUCTION					
Mobilization	1	LS	25,000.00	25,000	
Traffic Signal Modifications	1	LS	28,000.00	28,000	
Traffic / Pedestrian Control Measures	1	LS	16,000.00	16,000	
Const. Survey, Monumentation, SWPPP/BMP's	1	LS	40,000.00	40,000	
Sub-Total				109,000	109,000
ROAD RESTRIPIING					
Repaint Lanes and Parking Spaces for 40' ROW width	5,260	LF	0.75	3,945	
Repaint Pedestrian Crossings	2,808	LF	4.00	11,232	
Sub-Total				15,177	15,177
SITE AMENITIES					
Trash Receptacle	6	EA	1,500.00	9,000	
Sub-Total				9,000	9,000
PLANTING AND IRRIGATION					
48" Box Tree every 60' LF	38	EA	1,500.00	57,000	
4'x4' Tree Grate	38	EA	1,000.00	38,000	
90 Day Landscape Maintenance	1,000	SF	1.00	1,000	
Irrigation System	1	LS	30,000.00	30,000	
Sub-Total				126,000	126,000
TOTALS					
	SUB-TOTAL				259,177
	30% CONTINGENCY				77,753
	ESTIMATED CONSTRUCTION COST				336,930
	20% Architectural/Engineering Fees				67,386
	10% Construction Management				33,693
	TOTAL				438,009

This is a rough planning level cost estimate and does not reflect the unique conditions that individual blocks may have. The existing utility location and potential impacts is based on GIS maps provided by the City.



Job Name: Main Street Modifications - 3 Lane Configuration
Job Number: 1826.01
Date: April 11, 2011

Preliminary
OPINION OF PROBABLE CONSTRUCTION COST
(Main Street 3 Lane Configuration From Byers to Railroad)

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
GENERAL CONSTRUCTION					
Mobilization	1	LS	150,000.00	150,000	
Traffic Signal Modifications	1	LS	260,000.00	260,000	
Traffic / Pedestrian Control Measures	1	LS	100,000.00	100,000	
Const. Survey, Monumentation, SWPPP/BMP's	1	LS	65,000.00	65,000	
Sub-Total				575,000	575,000
DEMO/EARTHWORK/GRADING					
Grading for Sidewalk Subgrade (extension of existing sidewalk)	12,285	SF	1.00	12,285	
Concrete Curb Alterations	2,730	LF	7.00	19,110	
Concrete/Asphalt Paving Demo (under new bulb outs)	10,750	SF	2.75	29,563	
Sub-Total				60,958	60,958
ROAD RESTRIPING					
Repaint Lanes for 50' width	4,260	LF	0.75	3,195	
Repaint Pedestrian Crossings	1,775	LF	4.00	7,100	
Sub-Total				10,295	10,295
CONCRETE					
3" Concrete Sidewalk Paving (extension of existing sidewalks)	12,285	SF	9.00	110,565	
PCC 6" Curb	2,730	LF	20.00	54,600	
Bulb Outs w Access Ramps	15,850	SF	15.00	237,750	
3 Elevated Midblock Crossings: Colored Concrete 10' Wide with Speed Table Ramps	3,075	SF	15.00	46,125	
Stained or Colored Concrete with stamped texture at 5 intersections	11,575	SF	10.00	115,750	
12" rumble texture banding at intersections	360	SF	15.00	5,400	
Adjust Utility to Grade	1	LS	10,000.00	10,000	
Sub-Total				580,190	580,190

Job Name: Main Street Modifications - 3 Lane Configuration
 Job Number: 1826.01
 Date: April 11, 2011

**Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (Main Street 3 Lane Configuration From Byers to Railroad)**

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
MASONRY					
Decorative Ped-Scale Bulbout Designs (one on each bulbout space permitting at Byers and Frazer)	900	SF	20.00	18,000	
Sub-Total				18,000	18,000
SITE AMENITIES					
Trash Receptacle	12	EA	1,500.00	18,000	
Benches	16	EA	2,000.00	32,000	
Sub-Total				50,000	50,000
ELECTRICAL					
Relocate existing pedestrian street lights along Main	66	EA	2,000.00	132,000	
12'-14' Dbl. Acorn Ped Street Light (light fixture foundation in place, stub out conduit & adj. pullbox) for Festival Street	6	EA	9,000.00	54,000	
Sub-Total				186,000	186,000
PLANTING AND IRRIGATION					
48" Box tree	94	EA	1,000.00	94,000	
1 Gal. Shrub	50	EA	6.00	300	
5 Gal. Shrub	50	EA	15.00	750	
15 Gal. Shrub	25	EA	65.00	1,625	
Movable planter boxes 3'x 6', wood or metal	14	EA	1,000.00	14,000	
3'x5' Custom Tree Grate	94	EA	1,200.00	112,800	
90 Day Landscape Maintenance	2,000	SF	1.00	2,000	
Irrigation System	1	LS	25,000.00	25,000	
Sub-Total				250,475	250,475
TOTALS					
	SUB-TOTAL				1,730,918
	30% CONTINGENCY				519,275
	ESTIMATED CONSTRUCTION COST				2,250,193
	20% Architectural/Engineering Fees				450,039
	10% Construction Management				225,019
	TOTAL				2,925,251

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Job Name: Main Street Festival Street
Job Number: 1826.01
Date: April 11, 2011

Preliminary
OPINION OF PROBABLE CONSTRUCTION COST
(for blocks between Byers and Railroad Subarea)

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
GENERAL CONSTRUCTION					
Mobilization	1	LS	250,000.00	250,000	
Traffic Signal Modifications	1	LS	260,000.00	260,000	
Traffic / Pedestrian Control Measures	1	LS	100,000.00	100,000	
Const. Survey, Monumentation, SWPPP/BMP's	1	LS	65,000.00	65,000	
Sub-Total				675,000	675,000
DEMO/EARTHWORK/GRADING					
Grading for Bulbout Subgrade	15,850	SF	1.00	15,850	
Grading for Parking Pavement Subgrade	7,380	SF	1.00	7,380	
Grading for Misc. Concrete Subgrade (areas between bollards and under street ramps)	3,850	SF	1.00	3,850	
Concrete Curb Alterations	2,730	LF	7.00	19,110	
Road Grinding Demo	18,000	SF	3.35	60,300	
Grading for Festival Street Subgrade	18,000	SF	2.00	36,000	
Sub-Total				142,490	142,490
ROAD RESTRIPIING					
Repaint for Turn Lane, Sharrow Lane and Parking	4,260	LF	0.50	2,130	
Repaint Pedestrian Crossings	1,775	LF	4.00	7,100	
Sub-Total				9,230	9,230
CONCRETE					
Colored Concrete Festival Street, 3" - 5" thick	18,000	SF	10.00	180,000	
Colored Concrete Festival Street Park Spaces, 3" - 5"	7,400	SF	10.00	74,000	
PCC 6" Curb	1,650	LF	20.00	33,000	
Festival Street At-Grade 6" Curb To Frame Tree Grates	1,025	LF	50.00	51,250	
2 Elevated Midblock Crossings: Colored Concrete 10' Wide with Speed Table Ramps	2,050	SF	15.00	30,750	

Job Name: Main Street Festival Street
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 Date: April 11, 2011

**Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (for blocks between Byers and Railroad Subarea)**

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
Stained or Colored Concrete with stamped texture at 5 intersections	11,575	SF	10.00	115,750	
12" Rumble Strips	360	SF	15.00	5,400	
Bulb Outs with Access Ramps	15,850	SF	15.00	237,750	
5% Ramp Concrete	1,450	SF	12.00	17,400	
Colored Concrete Between Bollards	2,850	SF	8.00	22,800	
Adjust Utility to Grade	1	LS	10,000.00	10,000	
Sub-Total				778,100	778,100
MASONRY					
Decorative Ped-Scale Bulbout Designs (one on each bulbout space permitting)	2,080	SF	20.00	41,600	
Sub-Total				41,600	41,600
SITE AMENITIES					
Trash Receptacle	12	EA	1,500.00	18,000	
Permanent Bollards	60	EA	800.00	48,000	
Removable Bollards	16	EA	1,000.00	16,000	
Hookups for shade sails on acorn lights	14	EA	500.00	7,000	
Hookups for shade sails on buildings	7	EA	750.00	5,250	
6" Decorative Iron Trench Drain	1,024	LF	80.00	81,920	
Benches on Festival Street	20	EA	2,000.00	40,000	
Gateway Arch - Design & Construction*	1	LS	350,000.00	350,000	
Sub-Total				566,170	566,170
ELECTRICAL					
12'-14' Dbl. Acorn Ped Street Light (light fixture foundation in place, stub out conduit & adj. pullbox) for Festival Street	18	EA	9,000.00	162,000	
Relocate existing pedestrian street lights along Main	54	EA	2,000.00	108,000	
Sub-Total				270,000	270,000

Job Name: Main Street Festival Street
 Job Number: 1826.01
 Date: April 11, 2011

**Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (for blocks between Byers and Railroad Subarea)**

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
PLANTING AND IRRIGATION					
48" Box tree	94	EA	1,000.00	94,000	
1 Gal. Shrub	50	EA	6.00	300	
5 Gal. Shrub	50	EA	15.00	750	
15 Gal. Shrub	25	EA	65.00	1,625	
Movable planter boxes 3'x 6', wood or metal	14	EA	1,000.00	14,000	
90 Day Landscape Maintenance	2,000	SF	1.00	2,000	
3'x5' Custom Tree Grate	94	EA	1,200.00	112,800	
Irrigation System	1	LS	25,000.00	25,000	
Sub-Total				250,475	250,475
TOTALS					
	SUB-TOTAL				2,733,065
	30% CONTINGENCY				819,920
	ESTIMATED CONSTRUCTION COST				3,552,985
	20% Architectural/Engineering Fees				710,597
	10% Construction Management				355,298
	TOTAL				4,618,880

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Footnotes*

"Gateway Arch": Cities typically allocate a lump sum for these kinds of projects that covers design, permitting and construction. Similar projects have been priced at \$350K-\$500K depending on materials choice and desired detailing.



Job Name: Railroad Sub-district - Parking & Frazer Improvements
Job Number: 1826.01
Date: April 11, 2011

Preliminary
OPINION OF PROBABLE CONSTRUCTION COST
(Chamber Parking Lots & Frazer Improvements)

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
GENERAL CONSTRUCTION					
Mobilization	1	LS	25,000.00	25,000	
Const. Survey, Monumentation, SWPPP/BMP's	1	LS	10,000.00	10,000	
Sub-Total				35,000	35,000
DEMO/EARTHWORK/GRADING					
Grading for Sidewalk Subgrade - parking lot entry bulb outs & sidewalk along RR	2,500	SF	1.00	2,500	
Grading for Parking Lot Planters Subgrade - east and west lots	3,800	SF	1.00	3,800	
Concrete/Asphalt Paving Demo	6,300	SF	2.75	17,325	
Sub-Total				23,625	23,625
ROAD RESTRIPIING					
Repaint Parking Spaces - east parking lot	30,750	SQ	0.75	23,063	
Repaint Parking Spaces - west parking lot	7,500	SQ	0.75	5,625	
CONCRETE					
3" Concrete Sidewalk Paving - sidewalk along RR	1,450	SF	9.00	13,050	
PCC 6" Curbs - along new Frazer sidewalks, parking lot bulb outs and parking lot planters	1,900	LF	20.00	38,000	
Bulb Outs at Parking Lot Entries with Access Ramps	1,100		15.00	16,500	
Sub-Total				67,550	67,550

Job Name: Railroad Sub-district - Parking & Frazer Improvements
 Job Number: 1826.01
 Date: April 11, 2011

**Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (Chamber Parking Lots & Frazer Improvements)**

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
SITE AMENITIES					
Trash Receptacle	2	EA	1,500.00	3,000	
Sculpture (for SE bullbout)*	1	LS	25,000.00	25,000	
Benches (along south side of Frazer)	3	EA	2,000.00	6,000	
Sub-Total				34,000	34,000
ELECTRICAL					
12'-14' Dbl. Acorn Ped Street Light (light fixture foundation in place, stub out conduit & adj. pullbox)	9	EA	9,000.00	81,000	
Sub-Total				81,000	81,000
PLANTING AND IRRIGATION					
48" Box tree	22	EA	1,000.00	22,000	
5'x5' Tree Grates along Frazer	12	EA	1,500.00	18,000	
90 Day Landscape Maintenance	3,800	SF	1.00	3,800	
Turf and Irrigation System Improvements for Planter Strips	1	LS	10,000.00	10,000	
Sub-Total				53,800	53,800
TOTALS					
	SUB-TOTAL				294,975
	30% CONTINGENCY				88,493
	ESTIMATED CONSTRUCTION COST				383,468
	20% Architectural/Engineering Fees				76,694
	10% Construction Management				38,347
	TOTAL				498,508

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Footnotes*

"Sculpture" at SE Corner of Frazer and Main): City will allocate a lump sum for public art that relates to quality of desired materials and craftsmanship. Cost can vary greatly. Generally, figure covers artist's design fee, cost of construction, installation and necessary permitting.



Job Name: Pathway Restoration & SW Byers Streetscape
 Job Number: 1826.01
 Date: April 11, 2011

**Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (Pathway Restoration and SW Byers Streetscape)**

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
GENERAL CONSTRUCTION					
Mobilization	1	LS	40,000.00	40,000	
Const. Survey, Monumentation, SWPPP/BMP's	1	LS	25,000.00	25,000	
Sub-Total				65,000	65,000
DEMO/EARTHWORK/GRADING					
Grading for Sidewalk Subgrade (Along Byers)	6,500	SF	1.00	6,500	
Concrete Paving Demo	5,650	SF	2.75	15,538	
Sub-Total				22,038	22,038
ROAD RESTRIPING					
Striping for Ped/Bike Path	31,000	SQ	0.75	23,250	
Sub-Total				23,250	23,250
ASPHALT PEDESTRIAN PATH					
Regional Path Refurbishment: 15' Wide, 2.5" Paving, 6" Gravel Base (recycles existing asphalt path, includes synthetic weatherization layer, demo & earthwork)	1,730	LF	50.00	86,500	86,500
CONCRETE					
3" Concrete Sidewalk Paving (Extend Byers sidewalks linking asphalt portions of ped path)	6,500	SF	9.00	58,500	
PCC 6" Curb	530	LF	20.00	10,600	
Sub-Total				69,100	69,100

Job Name: Pathway Restoration & SW Byers Streetscape
 Job Number: 1826.01
 Date: April 11, 2011

Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (Pathway Restoration and SW Byers Streetscape)

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
SITE AMENITIES					
Trash Receptacle	4	EA	1,500.00	6,000	
Path Signage	5	EA	1,500.00	7,500	
Benches	4	EA	2,000.00	8,000	
Sub-Total				21,500	21,500
ELECTRICAL					
12'-14" Dbl. Acorn Ped Path Light (light fixture foundation in place, stub out conduit & adj. pullbox)	18	EA	9,000.00	162,000	
Sub-Total				162,000	162,000
PLANTING AND IRRIGATION					
48" Box tree (trees north of Byers on Main and along Byers)	7	EA	1,000.00	7,000	
3'x5' Custom Tree Grate (trees north of Byers on Main)	4	EA	1,200.00	4,800	
Sub-Total				11,800	11,800
TOTALS					
	SUB-TOTAL				461,188
	30% CONTINGENCY				138,356
	ESTIMATED CONSTRUCTION COST				599,544
	20% Architectural/Engineering Fees				119,909
	10% Construction Management				59,954
	TOTAL				779,407

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Job Name: River Edge Along Bailey Ave - Parking Lot & Overlook
 Job Number: 1826.01
 Date: April 11, 2011

**Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (River edge along Bailey Avenue)**

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
GENERAL CONSTRUCTION					
Mobilization	1	LS	60,000.00	60,000	
Const. Survey, Monumentation, SWPPP/BMP's	1	LS	25,000.00	25,000	
Sub-Total				85,000	85,000
DEMO/EARTHWORK/GRADING					
Grading for Sidewalk Subgrade	7,500	SF	1.00	7,500	
Grading for Parking Lot Planters Subgrade	3,800	SF	1.00	3,800	
Concrete Curb Alterations	650	LF	7.00	4,550	
Concrete/Asphalt Paving Demo	12,000	SF	2.75	33,000	
Sub-Total				48,850	48,850
ROAD RESTRIPING					
Repaint Parking Spaces	25,000	SQ	0.75	18,750	
Repaint Pedestrian Crossings	450	LF	4.00	1,800	
Sub-Total				20,550	20,550
CONCRETE					
3" Concrete Sidewalk Paving	7,500	SF	9.00	67,500	
PCC 6" Curb	1,200	LF	20.00	24,000	
Concrete overlook and switchback ramp from parking lot to river with landings and interpretive signage*	1	LS	350,000.00	350,000	
Sub-Total				441,500	441,500

Job Name: River Edge Along Bailey Ave - Parking Lot & Overlook
 Job Number: 1826.01
 Date: April 11, 2011

**Preliminary
 OPINION OF PROBABLE CONSTRUCTION COST
 (River edge along Bailey Avenue)**

DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT COST	ITEM COST	SUB TOTAL
SITE AMENITIES					
Trash Receptacle	1	EA	1,500.00	1,500	
Benches	2	EA	2,000.00	4,000	
Sub-Total				5,500	5,500
ELECTRICAL					
12'-14' Dbl. Acorn Ped Street Light (light fixture foundation in place, stub out conduit & adj. pullbox)	8	EA	9,000.00	72,000	
Sub-Total				72,000	72,000
PLANTING AND IRRIGATION					
48" Box tree	16	EA	1,000.00	16,000	
90 Day Landscape Maintenance	4,100	SF	1.00	4,100	
Turf and Irrigation System Improvements for Planters	1	LS	10,000.00	10,000	
Sub-Total				30,100	30,100
TOTALS					
	SUB-TOTAL				703,500
	30% CONTINGENCY				211,050
	ESTIMATED CONSTRUCTION COST				914,550
	20% Architectural/Engineering Fees				182,910
	10% Construction Management				91,455
	TOTAL				1,188,915

This is a rough planning level cost estimate and does not reflect the unique conditions that individual blocks may have. The existing utility location and potential impacts is based on GIS maps provided by the City.

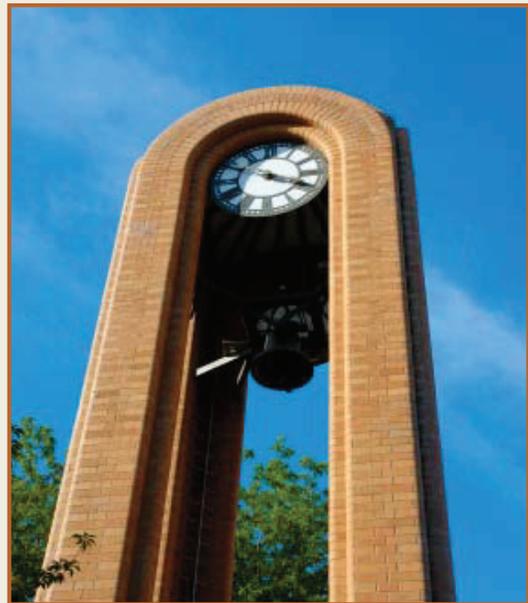
Footnotes*

"Switchback Ramp" (river access): Probable cost for concrete overlook and ramp is a separate lump sum item because of difficulty of estimating actual costs as affected by geotechnical, hydrologic and engineering issues of construction along a riverbank.

APPENDIX B – MARKET OPPORTUNITY AND ANALYSIS STUDY/VISITOR SURVEY

PENDLETON DOWNTOWN PLAN
Task 2.1 Visitor Survey/Market
Opportunity and Analysis Study

City of Pendleton, Oregon



November 27, 2010

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SECTION I: INTRODUCTION

This report provides a summary of the work conducted as part of Task 2.1 – Visitor Survey/Market Opportunity and Analysis Study. As part of this work task, FCS GROUP (the consultant) performed the following activities:

- ◆ Assisted City of Pendleton staff with creation of new visitor survey document.
- ◆ Evaluated seasonal visitation trends and spending patterns.
- ◆ Compiled and analyzed downtown business inventory data, and retail inflow/outflow trends using IMPLAN and other data resources.
- ◆ Conducted an economic overview and real estate market analysis for new housing and commercial development in the Pendleton Market Trade Area.
- ◆ Evaluated near-term housing and commercial development potential for the downtown Pendleton study area.
- ◆ Prepared market supportable development program recommendations by 5-year increments between 2010 and 2030.

The preliminary findings for each of these work activities are summarized in the following sections.

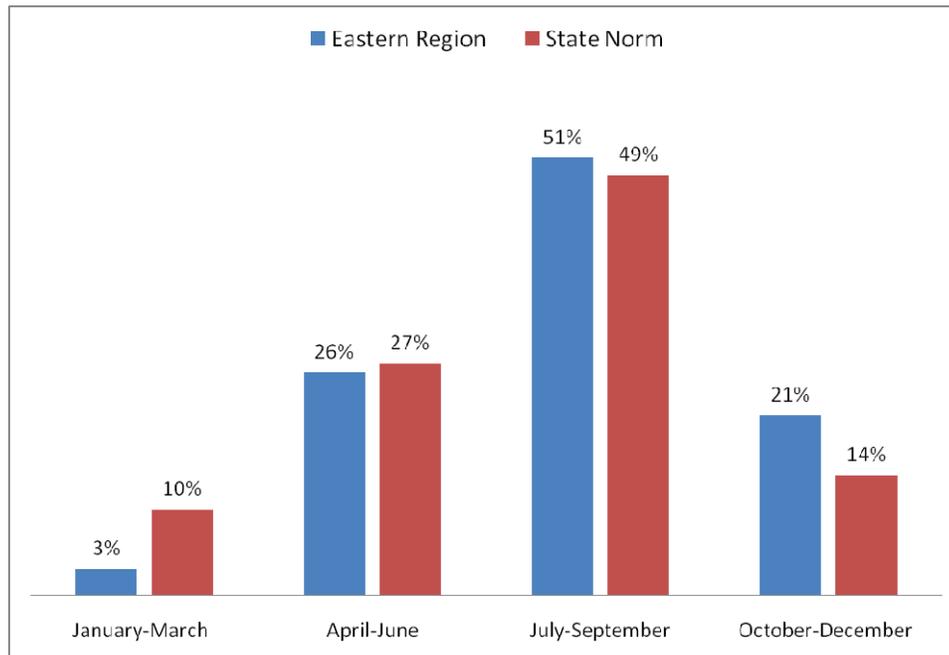
SECTION II: VISITATION TRENDS

Visitation and tourism has always played an important role in Pendleton’s economy: from the pioneer days as a service center near the Oregon Trail (aka. Oregon and California Trail) to the post civil war years, when Pendleton served as a staging area for one of Oregon’s first railroad connections (Pendleton segment completed by Oregon Railway & Navigation Company in 1879) with the Transcontinental Railroad.

Year 2010 marks the 100-year centennial celebration of the Pendleton Roundup, which is one of the top rodeos held in North America. The first Roundup event was held on September 29, 1910 and drew over 10,000 people. This year the Pendleton Chamber of Commerce estimates that total visitation during the week the Roundup is held (second full week of September) will exceed 75,000 visitors.

The Roundup event combined with other summer attractions make the July to September time period the busiest season for tourism and visitation in Pendleton and Eastern Oregon, according to the Oregon Tourism Commission. As indicated in **Figure 1**, trip seasonality in the Eastern Region of Oregon tends to follow statewide visitation patterns during the spring and summer, but falls below statewide averages during the fall and winter. Please refer to **Map 1** to view the Eastern Region location.

**Figure 1. Trip Seasonality, Eastern Region versus State of Oregon
(percentage of total annual visitors)**



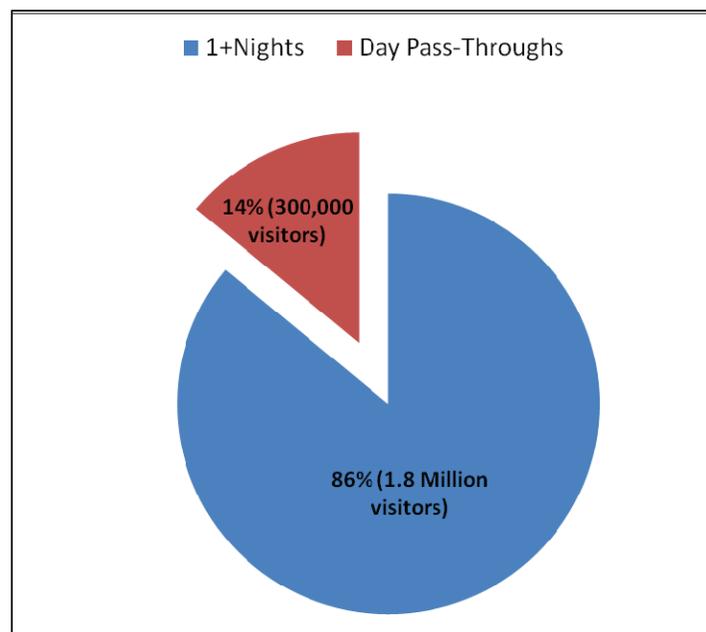
Source: Longwoods, Regional Analysis from 2004/2006 Oregon Visitors Survey, Oregon Tourism Commission. Note, numbers may not add to 100 percent due to rounding.

Map 1. Oregon Tourism Commission Visitation Regions



According to the 2004/2006 Oregon Visitors Survey, the majority (86 percent) of 2.1 million annual visitors to the Eastern Region are overnight visitors, and 14 percent are day trip (pass through) visitors, as indicated in **Figure 2**.

Figure 2. Average Length of Stay for Eastern Region Visitors – 2004/2006



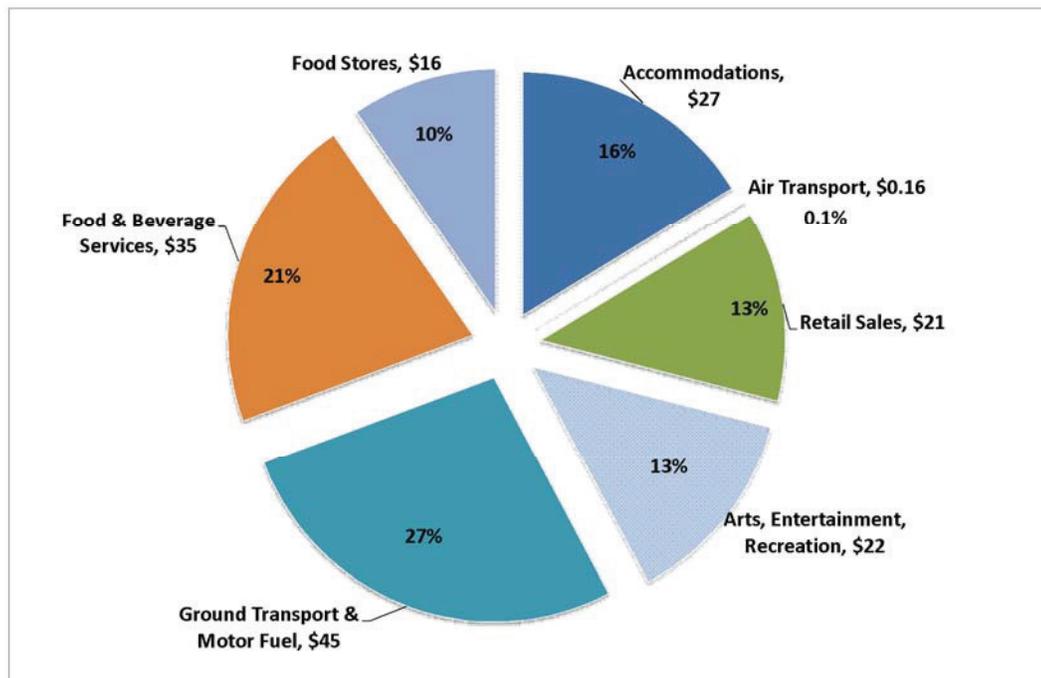
Source: Longwoods, Regional Analysis from 2004/2006 Oregon Visitors Survey, Oregon Tourism Commission.

According to the 2004/2006 Oregon Visitors Survey, the primary purpose of visitation trips to the Eastern Region included “marketable pleasure” trips, which accounted for 43 percent of the visitation

(900,000 visitors). The next most popular reason for tourism in the Eastern Region is visiting “friends/relatives” which accounted for 38 percent or 800,000 visitors. Business trips accounted for 19 percent or 400,000 million visitors.

The amount of total average spending per visitor in the Eastern Region amounts to an estimated \$166 dollars per trip. The estimated amount of spending in major commodity types is shown in **Figure 3**.

Figure 3. Average Total Spending Per Visitor Trip, Eastern Region – Estimated in 2010 dollars



Source: calculated by FCS GROUP using data from the 2004/2006 Oregon Visitors Survey, and the Oregon Travel Impacts, 2000 to 2009 report by Dean Runyan Associates, adjusted to 2010 dollars using the Bureau of Labor Statistics, Consumer Price Index calculator.

According to the *Oregon Travel Impacts, 2000 to 2009* report by Dean Runyan Associates, (prepared for the Oregon Tourism Commission) total travel spending in Umatilla County recorded a steady increase between 1999 and 2008, but declined slightly in 2009. As indicated in **Table 1**, total direct visitor spending in Umatilla County amounted to \$133.5 million in 2009 (preliminary estimates), down 8.3 percent from 2008. Travel spending in Umatilla County supported an estimated 2,120 direct jobs, and generated approximately \$5.7 million in tax receipts, including \$4.5 million in state tax revenues, and \$1.2 million in local tax revenues.

Table 1. Annual Visitor Impacts in Umatilla County – 2001-2009 (preliminary)

	1991	2001	2003	2005	2007	2008	2009p
Total Direct Travel Spending (\$Million)							
Visitor Spending at Destination	43.4	94.1	105.8	123.7	138.9	144.7	132.8
Other Travel *	0.6	1.1	0.8	0.8	0.9	0.8	0.8
Total Direct Spending	44	95.3	106.6	124.5	139.7	145.6	133.5
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	7.6	14.4	16.3	18.5	22.2	23	22.7
Food & Beverage Services	8.9	18.6	21.5	24.5	26.7	27.5	28.1
Food Stores	4.2	7.3	8.1	8.9	9.6	10	9.9
Ground Transport & Motor Fuel	12.4	20.7	22.9	32.3	39.7	44	31.9
Arts, Entertainment & Recreation	2.9	21.7	24.8	26.9	28	27.8	27.6
Retail Sales	7.1	11.1	11.9	12.3	12.4	12.1	12.2
Air Transport (visitor only)	0.2	0.4	0.2	0.3	0.3	0.3	0.4
Spending at Destination	43.3	94.2	105.7	123.7	138.9	144.7	132.8
Industry Employment Generated by Travel Spending (Jobs)							
Accommodations and Food Service	620	890	990	1,060	1,120	1,160	1,150
Arts, Entertainment and Recreation	110	620	610	610	740	780	750
Retail**	160	180	190	200	200	210	200
Auto Rental and Other ground tran.	b	b	10	10	10	10	0
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel *	20	20	10	10	10	10	10
Total Direct Employment	910	1,720	1,810	1,880	2,070	2,160	2,120
Tax Receipts Generated by Travel Spending (\$Million)							
Local Tax Receipts	0.3	0.7	0.7	0.9	1.1	1.2	1.2
State Tax Receipts	2.1	3.5	3.7	4.2	4.6	4.6	4.5
Total Direct Tax Receipts	2.4	4.2	4.4	5.1	5.7	5.8	5.7
<i>*Other Travel Includes residents air travel and travel agencies</i>							
<i>**Retail includes gasoline. Less than 5 employees='b'</i>							
<i>Source: Dean Runyan Associates, Tourism Impacts in Oregon, 2010.</i>							

The primary year-round visitor attractions in Pendleton (excluding the Pendleton Roundup) include the Pendleton Woolen Mills, Pendleton Underground Tours, and the Children’s Museum. According to statistics compiled by the Pendleton Chamber of Commerce and shown in **Table 2**, the level of visitation at these attractions has fluctuated from year to year, and declined slightly between 2008 and 2009. While annual walk-in traffic at the Pendleton Chamber of Commerce is reported to be down from prior years, the amount of Internet Web-based traffic has increased dramatically from virtually zero in year 2000 to nearly 2 million Web hits in 2009. Hence, Chamber of Commerce walk-in traffic is no longer considered to be a key factor in measuring overall tourism activity.

According to the Pendleton Chamber of Commerce, local transient lodging tax revenues have been trending up over the past several years, and this reflects increasing demand from overnight visitors. In light of this increased overnight room demand, a few local hotels have expanded or were constructed in recent years. Examples include the 74-room Hampton Inn near Interstate 84, Exit 210 (opened in 2009); the 100-room Wild Horse Resort & Casino hotel (outside Pendleton) by the Confederated Tribes of the Umatilla Indian Reservation; and an expanded Oxford Suites near the Pendleton Convention Center.

Area-wide visitation is expected to increase in the near term after the Confederated Tribes of the Umatilla begins its planned \$45 million Wild Horse resort expansion. Resort expansion plans include a new 10-story hotel, additional casino gaming facilities, a multiplex cinema complex, and a new events

center. The new hotel is on a fast track schedule and is slated for opening in time for the 2011 Roundup. The resort expansion project will contribute significant construction and permanent economic benefits to the region in form of jobs, payroll and visitation spending.

Table 2 Annual Visitors at Selected Attractions in Pendleton – 2000 to 2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Chamber Walk in Count	11,276	9,267	6,140	8,237	8,383	8,853	9,747	7,413	6,836	6,298
History Museum	6,703	5,530	4,888	582	7,636	10,431	6,385	5,749	4,696	3,507
Woolen Mill Tours	11,843	12,090	11,563	10,060	7,644	9,458	13,209	17,041	13,753	7,024
Underground Tours	20,013	20,159	18,250	13,926	9,380	n/a	19,738	16,173	7,337	10,561
Children's Museum	13,217	9,557	9,314	11,436	12,556	13,197	13,021	11,296	8,053	7,378
Roundup Hall of Fame	4,964	4,062	6,874	4,439	3,991	n/a	4,940	4,368	3,782	2,949

Source: Pendleton Chamber of Commerce

To gather additional information regarding visitation in downtown Pendleton, FCS GROUP assisted the City of Pendleton in preparing a Downtown Visitor Survey. The Downtown Visitor Survey (provided in **Appendix A**) was distributed at local area hotels/motels and at the downtown Chamber of Commerce in late July and early August 2010. In light of these survey distribution points, survey respondents tend to reflect the perceptions of overnight visitors, but not local or regional “day trip” visitors nor local patrons. The results from 100 completed visitor surveys (received by September 1, 2010) are summarized below.

- ◆ All of the respondents indicated that they enjoyed their visit to Pendleton and nearly all would like to return again in the future.
- ◆ Nearly 65 percent of the respondents had never visited Pendleton before. And since all of the respondents indicate that would like to return, Pendleton appears to be making significant progress at attracting both new and long-time visitors.
- ◆ The majority (56 percent) stayed for one night or less; about 39 percent stayed for 2 to 3 nights; and 5 percent stayed for over one week. All of the week-long visitors were traveling on business.
- ◆ Over 75 percent of the survey respondents indicated they were “on vacation” and/or “just passing through.” Please refer to **Figure 4** for a summary of trip purpose responses. It should be noted that Pendleton’s “Historic Downtown” and the “Underground Tours” were nearly tied with “Business” and “Family/Friends” as the fourth most cited reasons for visits to Pendleton, behind “Convention/Events”, which was the third most cited reason for the visit.
- ◆ Pendleton has an international visitor base. Only 17 percent of the visitors that took part in the survey were from Oregon. A larger percent of the visitors were from Washington (24 percent of respondents) and an even greater percent were from other parts of the U.S. (42 percent). International visitors represented 16 percent of the respondents, with 10 percent from Canada and 6 percent from Europe. One respondent from Paris, France, indicated that Pendleton is a “friendly warm town—well worth visiting.”
- ◆ Nearly all of the respondents traveled to Pendleton by car, with only 1 percent traveling by airplane (Seaport Airlines).
- ◆ All of the respondents indicated that they were comfortable walking, bicycling, or driving around the downtown. Many complimented the easy to navigate one-way street system.
- ◆ When asked what they would remember most about their visit, respondents primarily mentioned “nice and friendly” people and hotel staff. Other noteworthy mentions included local business establishments (e.g., Hamley’s, Crabby’s, Main Street Diner) and local attractions including the Underground Tours and the Pendleton Woolen Mills, and the American Best Value Inn Hotel.

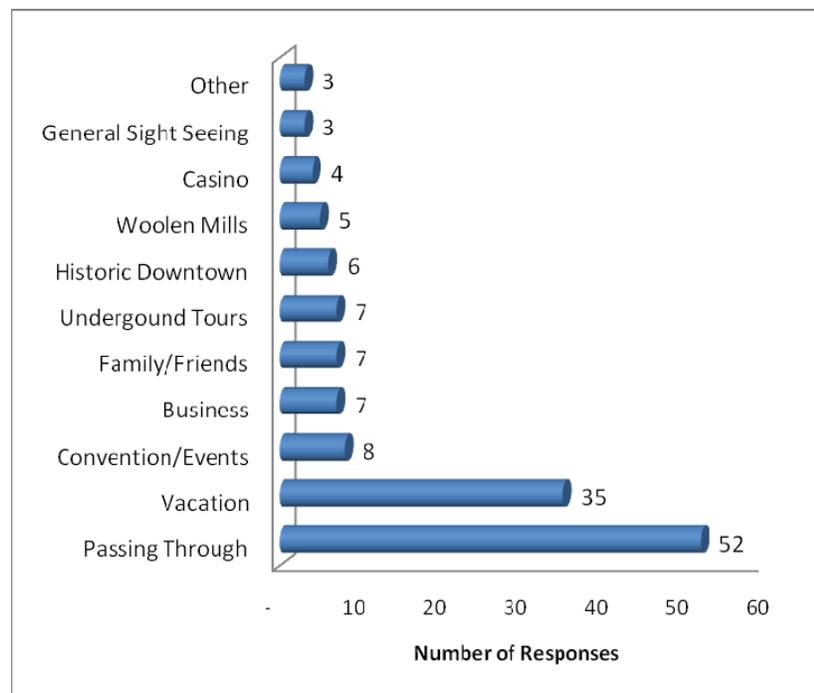
- ◆ Respondents also complimented the local farmers market and the Pendleton Chamber of Commerce staff. One respondent complimented the “free parking” in downtown.

When asked what they would suggest to make the downtown more appealing, responses ranged from “nothing—keep it the way it is” to several ideas, including:

- ◆ Need a more appealing river walk (mentioned by 3 respondents). One respondent called the river walk a “sad eyesore”
- ◆ Need more hanging flower baskets and art displays or murals (3 respondents)
- ◆ Need more discount coupons to lure visitors to downtown shops and restaurants (2 respondents)
- ◆ Need more historical signage and banners to guide visitors to downtown (2 respondents)
- ◆ Need a small park for recreation (1 respondent)
- ◆ Need better interpretive video at Woolen Mill (1 respondent)
- ◆ Need more bicycle rental or bike loan opportunities (1 respondent)
- ◆ Need more redevelopment of older buildings (1 respondent)
- ◆ Provide self-guided walking tours (1 respondent)
- ◆ Have hotels provide more information about local events, restaurants, and places of interest (1 respondent)

Figure 4. Purpose of Visits to Downtown Pendleton (multiple responses allowed)

Source: Downtown Pendleton Visitor Survey, July 2010.



SECTION III: DOWNTOWN PENDLETON BUSINESS INVENTORY

The City of Pendleton conducted a downtown business inventory in 2009 that included all properties within the study area. The business inventory included approximately 226 separate business entities. As indicated in **Figure 5**, the primary categories of downtown businesses include: miscellaneous retail; miscellaneous services; finance, insurance and real estate services; health care services; restaurants and taverns; and legal services. Other primary businesses in downtown included JCPenney (general merchandise); lodging establishments; food stores; churches; and three apartment buildings.

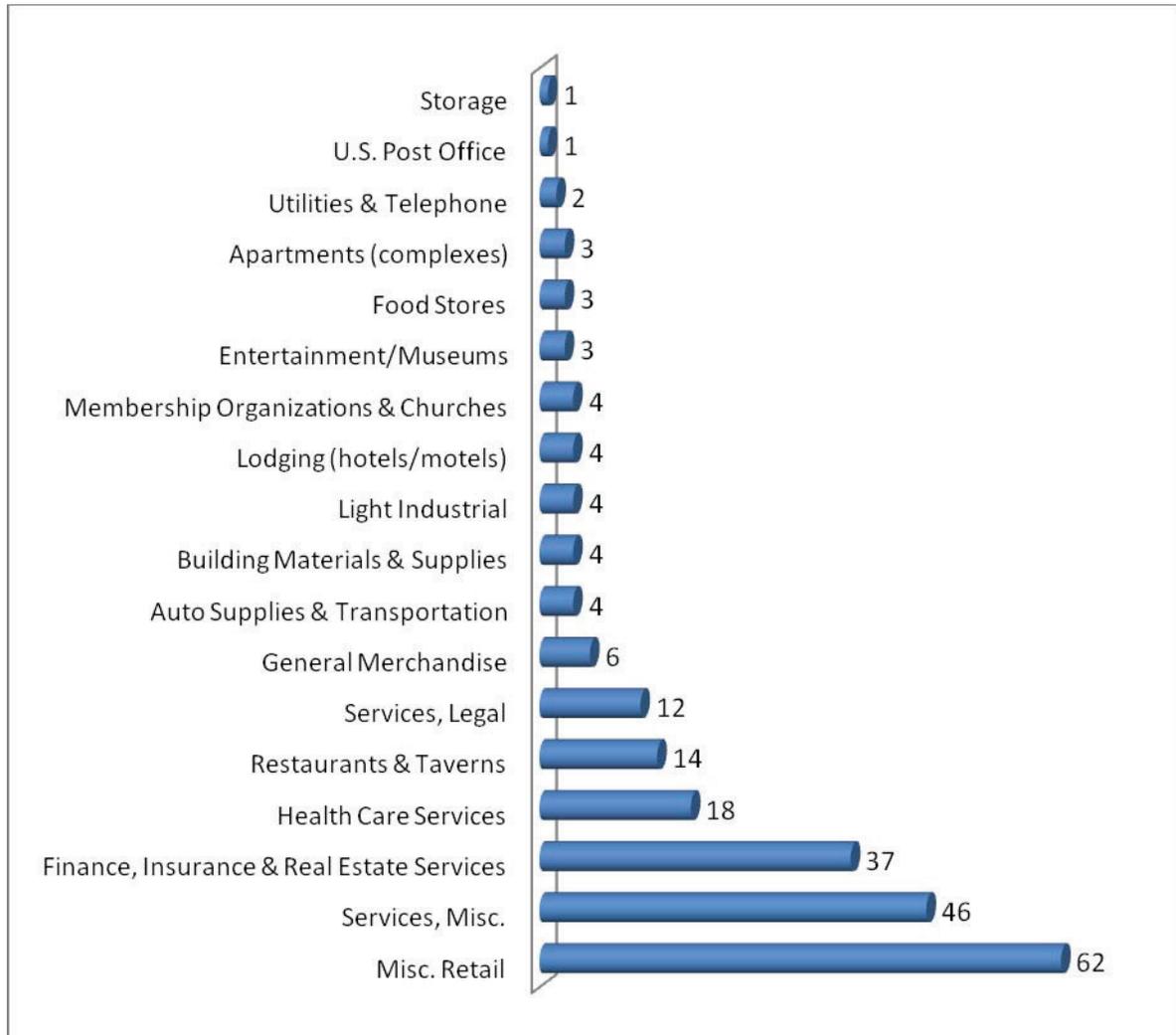
While the total amount of building floor area has not been measured for the entire downtown, the City estimates that the businesses along Main Street occupy more than 188,000 square feet of space. If we assume an estimated 2,500 to 3,000 square feet per business (based on the City inventory findings), FCS GROUP estimates that the total amount of occupied floor area in downtown Pendleton ranges from 570,000 to 650,000 square feet.

The downtown business inventory also included 15 vacant store fronts and one vacant lot. Downtown vacancy levels appear to be less than 5 percent (along Main Street), which indicates a very healthy existing downtown by any real estate development standard. However, commercial lease rates were reported to range from \$0.60 to \$1.00 per square foot per month, and are relatively low in comparison to typical rural community shopping centers.

TRADE INFLOW/OUTFLOW ANALYSIS

FCS GROUP utilized the IMPLAN (Impact Analysis for Planning) model to help understand local economic commodity trade flows for Umatilla County. The IMPLAN model is an economic analysis model that is used to quantify the direct and secondary (indirect and induced) economic effects of changes in investment on local and regional economies. The IMPLAN model was originally developed by the United States Department of Agriculture (USDA) Forest Service in cooperation with the United States Department of the Interior Bureau of Land Management to assist in land and resource management planning. The IMPLAN model has been in use since 1979 and has evolved into an interactive microcomputer program that has become the national standard for performing economic impact analysis. For more detailed information about the IMPLAN model, please visit www.IMPLAN.com.

Figure 5 Downtown Pendleton Business Inventory – 2009 (number of entities)



Source: City of Pendleton

Overall findings from the IMPLAN analysis portray Umatilla County in 2008 as having a total Gross Regional Product (value added) of \$2.3 billion, with total personal income of \$2.0 billion. The IMPLAN model indicates that Umatilla County has 181 different “industry sectors” out of a total possible number of 440 sectors. The regional economic impact of the top 10 industry sectors in Umatilla County are listed in **Table 3**.

Table 3. Top 10 Economic Industry Sectors in Umatilla County – 2008 (annual impact)

Description	Employment	Labor Income	Output
Public Employment (State and Local Government Non-Education)	4,371	\$225,970,900	\$255,942,700
Grain Farming	2,155	\$5,532,551	\$124,433,900
Employment and Payroll Only (State and Local Government Education)	2,105	\$86,766,880	\$98,275,250
Food Service and Drinking Places	1,942	\$30,158,200	\$96,275,250
Support Activities for Agriculture	1,203	\$32,982,860	\$31,817,760
Frozen Food and Manufacturing	1,137	\$44,568,860	\$342,532,800
Light Truck and Utility Vehicle Manufacturing	972	\$69,794,910	\$1,342,807,000
Retail Stores-General Merchandise	868	\$23,560,590	\$53,009,400
Couriers and Messengers	861	\$29,214,530	\$65,511,640
Child Day Care Services	842	\$7,491,787	\$22,656,980
Subtotal	16,456	\$556,042,068	\$2,433,262,680

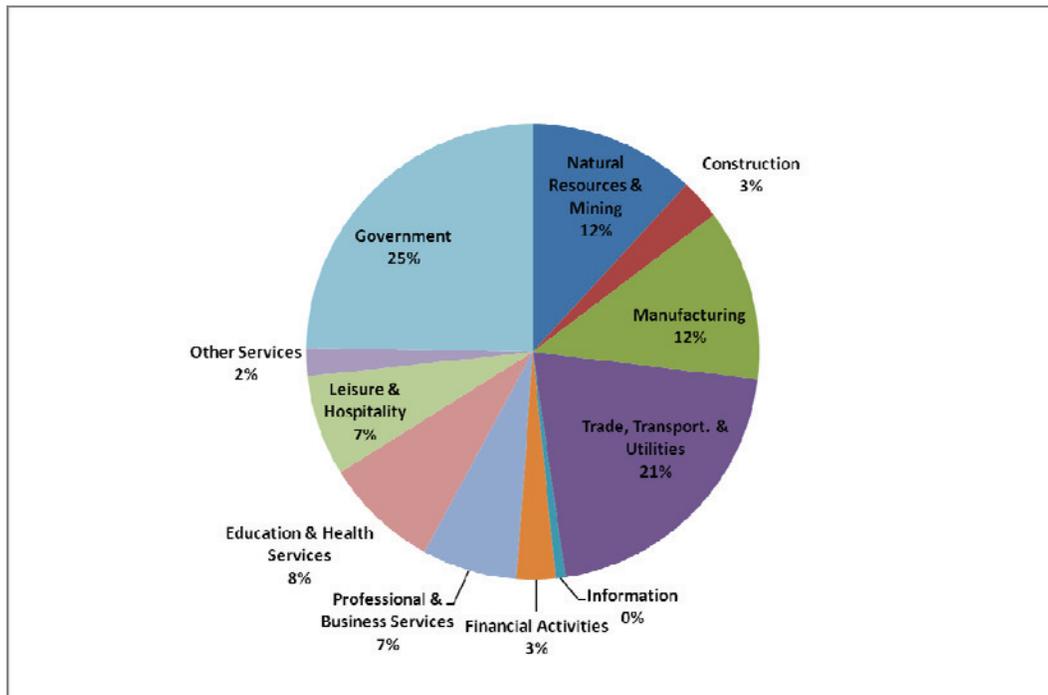
Source: IMPLAN model for Umatilla County, 2008.

At least four of these leading industry sectors are already represented in downtown Pendleton, including public employment; food service and drinking places; retail stores-general merchandise; couriers and messengers; and child day care.

For comparison purposes, the overall mix of employment within Northeast Oregon (Umatilla and Union Counties) is shown in **Figure 6**. According to the Oregon Employment Department, the top economic sectors (in total employment) for the Umatilla and Union County area include:

- ◆ Government
- ◆ Trade, Transportation and Utilities
- ◆ Farming, Natural Resources, and Mining
- ◆ Manufacturing
- ◆ Education and Health services
- ◆ Professional and Business services
- ◆ Leisure and Hospitality services

Figure 6. Industry Sector Employment in Umatilla and Union Counties – 2008



Source: Oregon Employment Department, 2008.

According to the IMPLAN model for Umatilla County, each industry sector has a unique amount of total annual commodity demand (estimated demand from existing households within Umatilla County) in relation to the net supply or sales achieved at existing business establishments. The results shown in **Table 4** provide an estimate of retail spending inflow/outflow for selected industry sectors. The sectors that have relatively large amounts of retail outflow in Umatilla County may also provide near-term business expansion opportunities in downtown Pendleton. The ability to intercept countywide retail trade leakage may be highest for the following sectors:

- ◆ Insurance agents/brokers
- ◆ Securities and stocks
- ◆ Physicians and dentists
- ◆ Advertising
- ◆ Architecture and engineering services
- ◆ Banks and credit unions

The IMPLAN model can also be used to help estimate the amount of retail trade inflow that occurs within specific industry sectors. While the results tend to vary significantly by individual industry sectors, the analysis of trade inflow indicates that the sales inflow from outside Umatilla County to retail establishments in Umatilla County accounts for approximately 30 percent of annual sales in the general merchandise sector. These results may be applied to the downtown Pendleton market to help estimate retail inflow/outflow spending patterns.

Table 4. Umatilla County Commodity Flows by Selected Industry Sector – 2008

	Total Community Demand (Millions)	Net Supply or Sales from Existing Establishments (Millions)	Estimated Sales Inflow or (Outflow) (Millions)	Good Potential for Downtown Pendleton
Insurance Sales/Agents	\$85.3	\$26.7	(\$58.6)	X
Securities and Stocks	\$77.1	\$27.4	(\$49.7)	X
Physicians & Dentists	\$93.4	\$58.3	(\$35.1)	X
Advertising	\$45.3	\$16.4	(\$28.9)	X
Architects & Engineering Services	\$33.7	\$7.2	(\$26.5)	X
Nonmonetary Credit Unions	\$35.2	\$12.2	(\$23.0)	X
Banks	\$71.1	\$53.0	(\$18.1)	X
Managment, Scientific and Technical Services	\$21.4	\$3.6	(\$17.8)	X
Clothing & Apparel	\$19.0	\$6.1	(\$12.9)	X
Employment Services	\$23.4	\$11.5	(\$11.9)	X
Magazines, Periodicals & Books	\$15.6	\$4.0	(\$11.6)	X
Computer System Design	\$14.9	\$3.7	(\$11.2)	X
Accounting	\$20.9	\$12.9	(\$8.0)	X
Health & Personal Care	\$14.1	\$6.5	(\$7.6)	X
Information Service	\$13.8	\$6.3	(\$7.5)	X
Personal Care Services	\$9.2	\$2.4	(\$6.8)	X
Jewelry	\$5.4	\$0.1	(\$5.3)	X
Sporting Goods	\$6.5	\$2.3	(\$4.2)	X
Environmental/ Technical Consulting	\$7.0	\$3.5	(\$3.5)	X
Electronics	\$7.2	\$4.3	(\$2.9)	X
Music Retail	\$10.1	\$7.2	(\$2.9)	X
Special Design Services	\$2.9	\$0.9	(\$2.0)	X
Other Accomodations	\$3.0	\$1.6	(\$1.4)	X
Travel Agency	\$6.1	\$5.0	(\$1.1)	X
Office supplies	\$0.8	\$0.1	(\$0.7)	X
Photographic Services	\$1.5	\$1.0	(\$0.5)	X
Musical	\$0.3	\$0.1	(\$0.2)	X
Furniture & Home Furnishings	\$9.7	\$10.5	\$0.8	
Hotels & Motels	\$16.9	\$17.8	\$0.9	
Restaurants & Bars	\$96.2	\$97.9	\$1.7	
Veterinary Services	\$4.9	\$8.3	\$3.4	
Food & Beverage	\$32.8	\$38.5	\$5.7	
Nursing & Residential Care Facilities	\$24.2	\$34.7	\$10.5	
Building Materials	\$20.2	\$33.4	\$13.2	
Child Day Care	\$9.1	\$22.7	\$13.6	
Scientific Research	\$15.5	\$34.2	\$18.7	
Legal Services	\$17.6	\$40.3	\$22.7	

IMPLAN model for Umatilla County, 2008.

FCS GROUP conducted a preliminary analysis of retail inflow/outflow spending for downtown Pendleton (see **Appendix B**). The analysis provided in **Appendix Table B-1** includes an estimate of existing retail inflow/outflow for downtown commercial businesses. Downtown businesses must compete with other areas of the City and county (and with online retail purchasing) to attract retail spending. Overall, it is estimated that the downtown captures about 70 to 80 percent of total sales from Pendleton residents, and visitor spending (retail inflow) is estimated to generate 20 to 30 percent of total annual downtown retail sales.

Over the long term, if population and income levels continue to increase, we would expect to see the demand for downtown retail development increase along with lease rates, as vacancy rates fall. **Appendix Table B-2** indicates that the potential growth in local population combined with modest increases in income levels would result in approximately 297,000 square feet of supportable retail development for the City of Pendleton if existing levels of retail inflow remain constant. A portion of this net new demand may be captured in downtown Pendleton if redevelopment opportunities are provided along with adequate parking and access. The level of potential new development to be supported over the next 20 years is discussed later in this memorandum.

SECTION IV: MARKET ANALYSIS

FCS GROUP conducted an economic overview and real estate market analysis of commercial office, retail, and housing development potential for downtown Pendleton. The economic and market findings are intended to document near-term and mid-term market demand for conceptual redevelopment projects in the downtown plan area. The focus of this analysis is on the expected level of demand for new commercial development and market rate housing development over the next 20 years (2010 to 2030).

The U.S. and Oregon economies are currently mired in an economic recession that began in December 2007. The current economic slowdown is now the longest on record since the Great Depression, but some economic expansion is beginning to occur. According to the U.S. Bureau of Economic Analysis, real Gross Domestic Product (GDP is the measure of value of all goods and services in the U.S.) increased at an annual rate of 3.7 percent during the first quarter of 2010, and increased by 2.4 percent during the second quarter of 2010.

Consumers are still very cautious as unemployment rates remain high, home prices fall, and home foreclosures rise. Oregon posted a year-over-year overall job loss of 16,000 jobs between June 2009 and June 2010, as the state’s unemployment rate decreased to 10.5 percent in June 2010, compared to 11.6 percent in June 2009.

The U.S. and Oregon economy are now poised for a slow economic recovery. The July 2010 survey of the National Association of Business Economists reported expectations of slow growth in GDP during the second half of 2010 in the U.S. as industry demand, profit margins, employment, capital spending, and credit conditions improve.

Despite job losses, population levels continue to increase in Oregon and Pendleton due to migration patterns, increases in immigrant population levels, and natural population increases. As indicated in **Table 5**, the population in Pendleton increased to 17,515 residents in 2009, up from 16,354 residents in 2000. The average annual growth rate (AAGR) for population in Pendleton was 0.7 percent between 2005 and 2009, which was above the level of growth recorded for Umatilla County, but below the statewide average.

Table 5. Population Trends – 1990 to 2009

	1990 (Census)	2000 (Census)	2005 (PSU)	2009 (PSU)	Avg. Annual Growth Rate	
					2000 to 2005	2005 to 2009
State of Oregon	2,842,321	3,421,436	3,631,440	3,823,465	1.2%	1.3%
Umatilla County	59,249	70,548	72,395	72,430	0.5%	0.0%
Unincorp. Umatilla County	19,709	22,758	20,270	18,210	-2.3%	-2.6%
City of Pendleton	15,142	16,354	17,025	17,515	0.8%	0.7%
City Share of County	26%	23%	24%	24%		

Source: U.S. Census, and Portland State University, Population Research Center; compiled by FCS GROUP.

An aging baby boom population (U.S. citizens born between 1945 and 1965), combined with changes in socio-economic patterns (such as single-parent households and fewer children per couple), are expected

to depress the average household size. The number of persons per household within the City of Pendleton was 2.39 in 2000, well below the average household size recorded for Umatilla County (2.67) and the State of Oregon (2.51). The trend towards smaller households along with increasing level of population should create new demand for multifamily housing types in downtown Pendleton over the next 10 to 20 years.

As indicated in **Appendix C**, other demographic findings for Pendleton include:

- ◆ Average income levels for Pendleton were slightly higher than Umatilla County but lower than the Oregon statewide average.
- ◆ Pendleton residents are more likely to rent versus own their housing unit. In Pendleton, about 43 percent of the occupied housing units are renter occupied, compared with 36 percent in Oregon.
- ◆ Pendleton has a larger share of multifamily housing than the statewide average. In Pendleton about 36 percent of the housing inventory is multifamily/other, compared to 34 percent for the state.

The current real estate housing market in Pendleton is very weak, but should improve over the next 2 to 3 years. According to Zillow.com, there were 78 housing structures listed for sale as of August 5, 2010, as indicated in **Table 6**. During the past 12 months, the median list price was \$145,000 and the median sales price was \$109,000. The housing market appears to be bottoming out, but it is still too early to tell how much demand was induced by the federal tax credit for new home buyers, which expired in April 2010.

Table 6. Listed For-Sale Residential Homes in Pendleton

Price Range	Single Family	Multi-family*	Total
\$99 or less	13	2	15
\$100-149k	19	1	20
\$150-199k	10	-	10
\$200-249k	9	2	11
\$250-299k	10	-	10
\$300-349k	5	-	5
\$350-399k	1	-	1
\$400k or more	5	1	6
Total	72	6	78

**Note: includes one structure listed at \$450,000 with 4 duplexes (8 units).*

Source: Zillow.com

SECTION V: DOWNTOWN HOUSING DEVELOPMENT POTENTIAL

FCS GROUP prepared a forecast of housing development potential for downtown Pendleton, using population growth forecasts prepared by the Oregon Office of Economic Analysis, and recent U.S. Census data regarding housing demand preferences and household size characteristics. The results of the housing forecast are provided in **Appendix D**, and summarized in **Table 7**.

The findings indicate that Umatilla County is forecasted to add 20,572 residents between 2010 and 2030 (according to the Oregon Office of Economic Analysis). If the City of Pendleton continues to “capture” between 23 percent and 25 percent of the population growth within Umatilla County, Pendleton’s population would increase by between 4,499 and 6,416 people by 2030. As population levels expand, the market for housing in Pendleton will increase by 1,982 to 3,002 dwellings over the 2010 to 2030 time period.

Given the level of amenities (such as retail/shopping, restaurants and bars, recreational trails, etc.) in the downtown area, we expect downtown to become an attractive location for a portion of the net new housing demand related to new townhomes and multifamily dwellings. If well-designed housing development/redevelopment opportunities can be provided with adequate onsite parking (assumes an average of 1.5 parking spaces per dwelling unit) and priced at competitive lease/sales prices, we would expect the downtown area to attract 188 to 286 new dwelling units over the 2010 to 2030 time period.

Table 7. Downtown Pendleton Housing Development Potential – 2010 to 2030

	2010 to 2015	2015 to 2020	2020 to 2025	2025 to 2030	Total
Townhomes (dwellings)	1 to 3	10 to 14	10 to 14	10 to 16	31 to 47
Multifamily (dwellings)	10 to 20	45 to 69	50 to 70	52 to 80	157 to 239
Total New Dwellings	11 to 23	55 to 83	60 to 84	62 to 96	188 to 286

Source: FCS GROUP, based on assumptions shown in Appendix D.

SECTION VI: DOWNTOWN OFFICE/ COMMERCIAL DEVELOPMENT POTENTIAL

Downtown Pendleton already functions as a regional commercial center with more than 570,000 square feet of retail and office space. Future demand for additional commercial retail or office development in downtown Pendleton will primarily occur through adaptive building reuse and redevelopment, including occupancy of upper floors in older buildings. Since employment is the primary driver for new office and retail growth, we do not expect to see much redevelopment activity until 3 to 5 years from now—if the U.S. and Oregon economic recovery solidifies.

To estimate future development potential for downtown Pendleton, FCS GROUP evaluated the 10-year employment growth forecasts prepared by the Oregon Employment Department for the Umatilla and Union County region. As indicated in **Figure 7**, the 10-year job growth forecasts for Umatilla and Union County portend a positive trend towards job growth for all industry sectors. The sectors that are expected to grow the fastest include: industrial; government; retail and entertainment; lodging; and farming-related employment, followed by the service sector. Businesses within all of these sectors, with the possible exception of farm-related jobs, could benefit downtown Pendleton. Even light industrial businesses (typically of a custom or artisanal nature) could be housed in artisan/flex space that can be integrated into downtown urban development patterns.

It should be noted that the 2008 to 2018 economic forecast prepared by the Oregon Employment Department was completed prior to the recent land use action by the City of Pendleton to annex over 500 acres of vacant industrial land near the airport. According to City of Pendleton planning staff, the development of the vacant lands near the airport along with other planned projects in the county (e.g., Wildhorse Casino expansion project) may likely result in significantly higher job growth forecasts than what is shown in **Figure 7**.

FCS GROUP prepared a forecast of non-residential development potential for downtown Pendleton (see **Appendix E**). The job growth projections indicate that Umatilla and Union counties are forecasted to add 3,880 net new jobs between 2010 and 2030 (based on extrapolating job forecasts from the Oregon Office of Economic Analysis). If downtown Pendleton is successful at “capturing” between 0 percent and 20 percent of the employment growth within the two-county region (range depends on sector type and development opportunity), downtown Pendleton could attract a mix of retail/entertainment, office, lodging and artisan/flex businesses and related development investment.

As indicated in **Table 8**, if redevelopment opportunities can be provided with adequate onsite parking and priced at competitive lease/sales prices, we would expect the downtown area to attract the following level of development over the 2010 to 2030 time period:

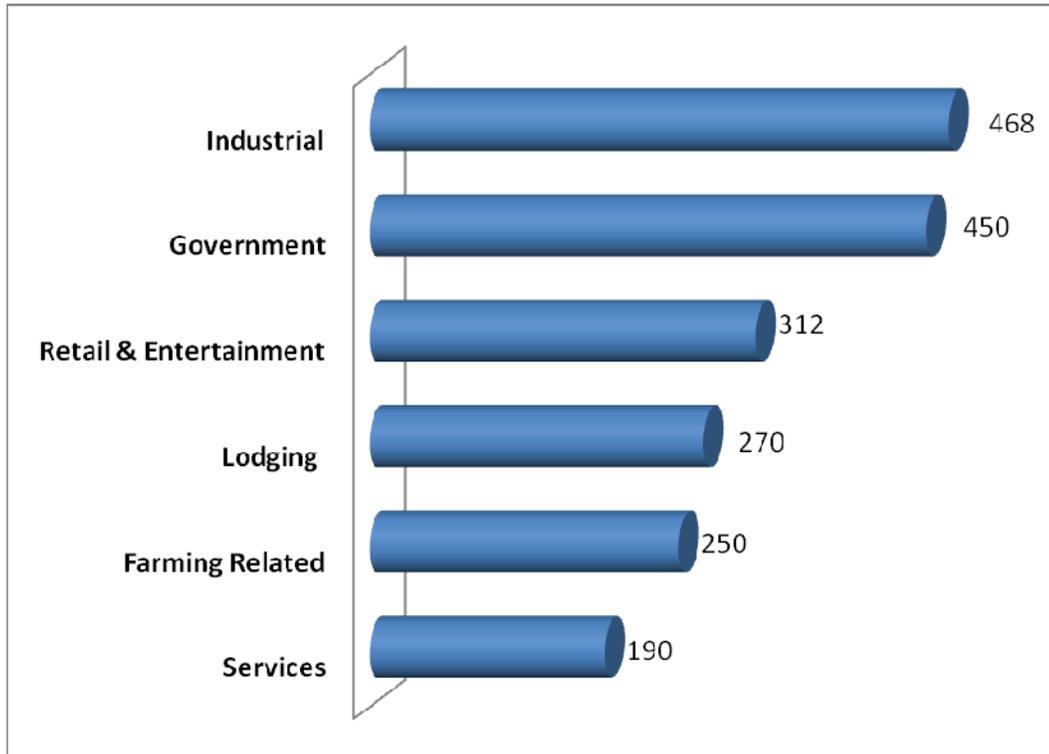
RECOMMENDED NON-RESIDENTIAL DEVELOPMENT PROGRAM

Downtown Pendleton (2010 to 2030)

- ◆ Retail and Entertainment (31,000 to 62,000 square feet)
- ◆ Professional and Personal Services (13,000 to 27,000 square feet)

- ◆ Lodging (11,000 to 43,000 square feet, or 28 to 108 rooms)
- ◆ Artisan/Flex (0 to 42,000 square feet)
- ◆ Government (0 to 36,000 square feet)

Figure 7. Employment Growth Forecasts for Umatilla and Union Counties – 2008 to 2018



Source: Oregon Employment Department.

**Table 8. Downtown Pendleton Non-Residential Development Potential – 2010 to 2030
(thousands of square feet of gross floor area)**

	2010 to 2015	2015 to 2020	2020 to 2025	2025 to 2030	Total
Artisan/Flex	0 to 4	0 to 12	0 to 12	0 to 14	0 to 42
Retail and Entertainment	4 to 8	8 to 16	10 to 16	9 to 22	31 to 62
Lodging	0 to 4	8 to 12	0 to 13	3 to 14	11 to 43
Services	4 to 4	3 to 7	4 to 8	4 to 8	13 to 27
Government	0 to 4	0 to 10	0 to 10	0 to 12	0 to 36
Total	6 to 24	19 to 57	14 to 59	16 to 70	55 to 210

Source: FCS GROUP.

RECOMMENDED DOWNTOWN DEVELOPMENT PROGRAM

Downtown Pendleton continues to evolve and change over time. Between 1900 and 1950 downtown transitioned from serving as the primary regional service center to one of several sub-regional service centers. Between 1950 and 2000, as suburban neighborhoods developed and large box retail chain stores emerged, retail spending dollars shifted from downtown to outlying areas. In more recent decades, local

public (City and ODOT) and private investments in downtown have partially overcome current challenges to redevelopment; though the following challenges exist today:

- ◆ Attracting people and shoppers during off-peak events, evenings and weekends
- ◆ Competition from discount stores and shopping centers (e.g., Walmart, Melanie Square and Southgate area)
- ◆ Difficulty with reuse of vacant single-purpose buildings
- ◆ Underutilized space (particularly upper-level floor area)
- ◆ Perceived lack of parking
- ◆ Shortage of suitable housing
- ◆ Image (vintage versus new development)
- ◆ Cost of preserving and restoring older less-efficient buildings
- ◆ Presence of visual blight (along railroad and some side streets)
- ◆ Perceived safety issues after dark
- ◆ Traffic circulation patterns
- ◆ Pedestrian and bicycle accessibility and safety
- ◆ Lack of vacant land for major new developments
- ◆ Low achievable rent levels

The combination of these challenges can dissuade private investment or simply refocus private investment to other areas that are deemed to be more competitive and less risky. To overcome these challenges, the City of Pendleton, downtown business organizations (Pendleton Chamber of Commerce, Downtown Partnership, etc.) must continue to work with downtown property owners, business owners, investors, and residents to target public investment in a manner that leverages desired private investment, and to promote competitive business operations.

In the wake of the recent “Great Recession,” the need to preserve and enhance downtown Pendleton is made even more challenging by tighter real estate development lending standards, which now require higher amounts of developer cash equity (typically 30 to 50 percent of appraised value), and line-of-credit terms for small businesses are virtually unavailable. In light of rising homeowner foreclosures, high unemployment, and falling property values, real estate development conditions, lease rates, and vacancy levels may not improve until after year 2011.

Monthly lease rates for street-level commercial space in the downtown core area of Pendleton range from about \$0.60 to \$1.00 per square foot (with a mix triple net and partial utility service options available). New retail construction typically requires lease rates of at least \$1.65 to \$1.75 per month to become feasible from a private investors perspective. Hence, the current supportable rent levels in downtown Pendleton are enough to justify partial building renovation or rehabilitation (of approximately \$60 to \$80 per square foot in construction costs), but are not high enough to justify new construction (which tends to cost about \$125 to \$135 per square foot), unless there is some form of subsidy or “gap financing” available to the investor.

These development costs assume that parking is provided on streets or surface lots, and also assume that adequate pedestrian and bicycle facilities exist or can be improved. The average capital cost for auto parking can range from as low as \$2,500 for surface parking stall to \$20,000 to \$30,000 per stall for a new above-ground parking structure. At an average demand level of 2 parking spaces per 1,000 square feet of space, the cost of structured parking can add about \$40 to 60 per square foot of floor area to the overall development cost. It is not common to see privately-funded parking structures unless average

monthly rent levels exceed \$2.00 per square foot. Furthermore, the parking inventory provided by the City and analyzed by the project team indicates downtown Pendleton has a large surplus of surface parking. Please refer to the following section for additional economic analysis of parking structures.

RECOMMENDATIONS FOR MARKET-SUPPORTABLE COMMERCIAL USES DOWNTOWN

As Pendleton considers its downtown redevelopment potential, it's important to take into account the fundamentals of retail. According to the Urban Land Institute, successful retail is based upon:

- ◆ **Central location.** Stores should be conveniently located vis-à-vis their target markets. For example, office supply stores would naturally locate downtown near private office buildings and legal offices would locate near government buildings. Grocery stores tend to locate within a 2 mile radius of where residents live and do not move into downtown locations until a critical mass of housing exists. Downtown Pendleton's established presence as an entertainment district and visitor center makes it an ideal location for expanded "entertainment businesses" including additional (more diversified) restaurants, cinemas, boutique retail (e.g., Western wear and apparel), and arcades/amusement centers.
- ◆ **High visibility.** Retailers almost always seek locations where they are likely to be seen by thousands of passers-by every day. Most retail that is hidden will struggle. This principal could be applied to downtown Pendleton's less traveled side streets. Strategies that redirect or accommodate some vehicle, pedestrian and bicycle traffic along less traveled streets could enhance redevelopment potential in those locations.
- ◆ **Easy access.** Shoppers should be able to get to stores easily, whether by car, transit, foot, bike or some other mode of travel. Opportunities to enhance parking access and to promote safe bicycle and pedestrian access will encourage shoppers to more frequently patronize downtown businesses. Consistent and expanded business hours is also important to remain competitive with suburban shopping centers. A recent public survey among residents in Pendleton indicated that 61 percent of the respondents come downtown after 5:00 pm; yet many retail businesses close at 5:00.
- ◆ **Continuity.** Pedestrian-oriented retail destinations and districts should feature continuous retail with active vibrant frontages. When store fronts are empty, shoppers tend to move elsewhere.

Civic leaders and downtown business owners and investors have managed to retain and enhance downtown Pendleton's market presence in spite of the many challenges facing downtown. Today, downtown Pendleton is home to approximately 226 separate business entities and over 570,000 square feet of occupied floor area. This level of development floor area is over four times greater than a typical Walmart store, and the downtown is far more land efficient—with total land area that is equal in size to a typical Walmart site (including its parking area).

The ability for the Pendleton to continue to enhance downtown redevelopment potential will require concerted efforts aimed at mitigating the challenges listed earlier, with techniques that optimize the unique strengths and advantages of downtown.

These unique advantages include:

- ◆ Pedestrian-oriented street network
- ◆ Historic landmarks and vintage buildings
- ◆ Existing critical mass of restaurants, museums, boutique retail, and professional business service providers

- ◆ Proximity of major attractors, such as the Pendleton Library, U.S. Post Office, city and county government facilities, churches, Underground Tour and Museum, Railroad Museum, Pendleton Chamber of Commerce and others
- ◆ Umatilla River and the Riverwalk trail
- ◆ Abundant redevelopment potential within older bank buildings and in upper-levels of other buildings
- ◆ Recent private investment levels in high profile developments, such as St. George Hotel; the Brown Building and America's Best Inn
- ◆ Recent public investments in transportation and parks
- ◆ Proactive city urban renewal programs already established to encourage local façade improvements
- ◆ Established leadership among non-profits and foundations that invest in Pendleton's future

The recommended development program for downtown Pendleton anticipates a market rebound starting in 2011 or 2012. After a period of modest growth (2011 to 2014), we anticipate significant pent-up demand for housing will occur in the 2014 to 2020 time period, followed by more sustained growth in the later years. It appears that the market will support increased private investment in housing, office, retail, and light industrial/flex buildings over the long run (2015 to 2030).

The downtown plan for Pendleton should assume a mix of new development, redevelopment, and adaptive reuse of existing historic buildings. The potential level of new development includes:

- ◆ 31 to 47 townhomes or live/work dwelling units
- ◆ 157 to 239 multifamily apartments or upper-level rental flats
- ◆ Retail and Entertainment (31,000 to 62,000 square feet)
- ◆ Professional and Personal Services (13,000 to 27,000 square feet)
- ◆ Lodging (11,000 to 43,000 square feet, or 28 to 108 rooms)
- ◆ Artisan/Flex Space (0 to 42,000 square feet)
- ◆ Government (0 to 36,000 square feet)

The actual amount and timing of new development will of course vary from year to year. The amount of new development and redevelopment that occurs in downtown will also be impacted by the City's ability to encourage desired private investment through various incentive programs, such as the urban renewal façade program and other public/private development techniques. It should be noted that the wide range in artisan/flex and government space needs reflects current uncertainty regarding the City's willingness to accommodate new flex development buildings in the downtown study area, and uncertainly regarding local, state and federal space needs.

In order to refine the recommended development program, the consultant team conducted a public open house meeting on October 18 and conducted outreach with elementary school students on October 19. These meetings helped identify some more-specific and desired downtown redevelopment concepts. The consultant team also reviewed results from prior Pendleton resident surveys and national literature regarding what types of development mix is most desired by downtown residents.

Local suggestions for downtown businesses include:

- ◆ Apparel stores
- ◆ Health care services
- ◆ Grocery store
- ◆ Additional restaurants

- ◆ More boutique retail stores
- ◆ Arts and craft stores
- ◆ More book stores
- ◆ Sporting goods
- ◆ Pet store
- ◆ Hobby store
- ◆ Family fun entertainment center
- ◆ Playground and a “permanent carnival”
- ◆ Cinema

As the City looks to add additional housing in and around downtown it’s important to also consider what types of businesses downtown residents want to have. Based on the consultant team’s experience assisting other Oregon communities with downtown development plans and code updates(e.g., Ashland, Bend, Corvallis, Lake Oswego, and Silverton) the following types of businesses and features are important for **downtown residents**:

- ◆ Restaurants
- ◆ Grocery store
- ◆ Bookstore
- ◆ Parks, green spaces and trails
- ◆ Farmer’s market
- ◆ Coffee shop
- ◆ Dry cleaner
- ◆ Hardware store
- ◆ Arts and galleries
- ◆ Drug store
- ◆ Movie theater
- ◆ Boutique hotels and cultural events
- ◆ Civic spaces, (library, aquatic center, community center, etc.)

The good news is that downtown Pendleton already offers many of these types of businesses. However, some of the preferred business types and features are missing or not represented in downtown Pendleton. In light of the existing downtown business inventory mix (**Figure 5**), documented existing outflow away from Umatilla County into outlying areas (Table 4), and forecasted retail spending patterns (Appendix B-2), the consultant team prepared a list of potential commercial development opportunities by general store group type in **Table 9**.

The list of potential new or expanded downtown redevelopment opportunities includes several potential catalyst projects that could serve to “jump start” additional patronage and private investment in downtown. The catalyst projects are not mutually exclusive and could be combined in a multi-use development. The recommended timing and scale of catalyst projects along with recommended funding strategies and public/private roles for spurring such redevelopment will be further discussed during Task 3 of this TGM work program.

Table 9. Summary of Existing and Recommended Development in Downtown Pendleton

Business or Store Group Category	Existing ¹		Potential Additional Downtown Redevelopment ²					
	Estimated Gross Square Feet	Number of Entities	Potential Additional Opportunities (Business Expansion and/or New Business Needs and Gaps)	Space Preference		Building Preference	Potential New SF or Units	Potential Catalyst Projects
				Ground Floor	Upper Level			
Retail and Entertainment								
Family Entertainment/Museums	6,000	3	Boutique cinema (e.g., cinema/ brew house or cinema/ arcade), bowling center	ground floor		adaptive reuse	6-10,000 SF	yes
Food and Drug	11,900	3	Mid-size grocery & drug store (e.g., convenience store, Walgreens), or expansion of existing store (Albertsons)	ground floor		build-to-suit	8-16,000 SF	maybe
General Merchandise	31,213	6	JC Penny renovation, Dollar Store, specialty cookware/ appliance store	ground floor		varies	3-6,000 SF	
Restaurants & Taverns	76,011	14	Indie restaurants: pizza, yogurt shop, sub shop, classic diner, internet café, combination bookstore/ café	ground floor		varies	6-12,000 SF	maybe
Business Services (shipping/mail/copies)	4,000	1	Expanded or new mail/ copy center (e.g., UPS Store, FEDX-Kinkos)	ground floor		build-to-suit/flex	0-4,000 SF	
Misc. Retail	138,395	62	Outdoor store, bike shop, dry cleaners, kids learning store, bridal/ baby/ life cycle events retail	ground floor		varies	8-14,000 SF	maybe
Services								
Health Care Services	45,475	18	Fitness center, emergency center, outpatient care, med. offices, chiropractor	varies	upper levels	varies	5-10,000 SF	yes
Services, Misc.	96,812	46	Dance/ Yoga studio, martial arts center, preschool/ day care, catering, business incubator, gym/ gymnastics	varies	upper levels	varies	4-7,000 SF	yes
Finance, Insurance & Real Estate	112,460	37	Expanding and new small businesses	varies	upper levels	adaptive reuse	2-6,000 SF	
Membership Organizations & Churches	20,440	4	Retain & rehab existing entities	varies	upper levels	varies		
Services, Legal	24,799	12	Expanding and new small businesses	varies	upper levels	adaptive reuse	2-4,000 SF	
Flex/Artisan Space								
Flex/Artisan Space	12,000	4	Artist studios/ galleries, western wear and apparel, cabinet making, specialty/ restoration hardware,	ground floor		adaptive reuse or flex building	0-24,000 SF	yes
Utilities & Telephone	4,000	2	Free WI-FI zone in downtown, local utility expansion/ service	ground floor		adaptive reuse or flex building	0-2,000 SF	
Auto & Transportation	8,000	4	Motor scooter sales/ rentals, truck parts, RV gear (must be enclosed - not outdoor sales)	ground floor		adaptive reuse or flex building	0-8,000 SF	
Other								
Government Office	n/a	n/a	County, state or federal administration	varies	yes	adaptive reuse or build-to-suit	0-36,000 SF	
Lodging (hotels/motels)	n/a	4	Boutique hotel, suites hotel and/ or B&B	varies	yes	varies	38 to 108 rooms	yes
Townhomes or Live/Work dwellings	n/a	3	Mix of new townhomes or live/ work units	varies	yes	new construction	31 to 47 units	yes
Apartments	n/a	3	Mix of new apartment buildings, flats, live/ work units	varies	yes	adaptive reuse & new construction	157 to 239 units	yes
Subtotal Occupied	591,505	226						
Vacant storefronts	31,850	15						
Grand Total	623,355	241						

Notes:

1. Reflects downtown Pendleton core area between Umatilla River (north), railroad (south), and W. 3rd Street (west), and E. 3rd Street (east).

2. Derived from City of Pendleton Downtown land use inventory, December 2009; reflects 2010 to 2030 opportunities in the Downtown study area.

Source: compiled by FCS GROUP.

FEASIBILITY OF DOWNTOWN PARKING STRUCTURE AS A STRATEGY FOR LEVERAGING PRIVATE INVESTMENT

In cases where public parking structures are provided in downtown locations (e.g., cities of Bend and Lake Oswego), parking structures are typically funded using urban renewal tax increment financing with tax-exempt bonds.

For illustrative purposes, if the City of Pendleton had adequate debt capacity within its downtown urban renewal district (which it does not currently have) to fund a three-level (+/- 150-stall) parking structure on a ½-acre development site, the parking structure would cost at least \$3.75 million (assumes \$25,000 per stall x 150 stalls) to construct and another \$90,000 per year to operate and maintain.

The actual debt requirement for the parking structure would need to be adjusted upwards to account for debt issuance costs and reserve requirements (estimated at \$48,000 and \$186,000, respectively) so the total amount of bonds issued would need to approximately \$4.36 million, as indicated in **Appendix F**. The annual debt service on a 20-year tax exempt bond issue on \$4.36 million would be approximately \$372,000 and the annual O&M cost would add another \$90,000 (assuming the parking structure is managed seven days per week). The total planning-level preliminary annual cost to the City would be approximately \$462,000 to finance and operate/maintain this parking facility.

If we assume that the parking structure intends to breakeven based on rates and charges, the facility would need to charge at least \$8 per vehicle to cover capital and O&M expenses.

This calculation assumes a best case scenario with 70 percent average utilization with 1.5 turns per utilized parking stall, as indicated in **Table 10**. Charging for parking in downtown in the near term is not recommended since it would undermine visitation, patronage and business viability. Hence, strategies designed to optimize the use of existing surface parking areas, such as shared-parking and parking zone management using free parking or modest parking permit fees is the recommended strategy for downtown Pendleton.

Table 10. Preliminary Breakeven Analysis for Downtown Parking Structure – Best Case Scenario

Parking Stalls Added in Structure	150
Avg. Daily Occupancy Rate	70%
Occupied Stalls	105
Turnover Rate Per Stall	1.5
Avg. Daily Parking Customers (Vehicles)	158
Days Per Year	365
Annual Parking Customers (Vehicles)	57,488
Annual Parking Cost (includes capital cost, debt service, and O&M cost – from Appendix F)	\$462,000
Avg. Cost Per Vehicle Entering Parking Structure to Achieve Breakeven*	\$8.04

*Source; Preliminary analysis by FCS GROUP. * Actual cost would vary by length of stay.*

SECTION VII: SUMMARY AND NEXT STEPS

The preliminary development program for downtown Pendleton anticipates a market rebound starting in 2011. After a period of modest growth (2010 to 2015), we anticipate significant pent-up demand to occur in the 2015 to 2020 time period, followed by more sustained growth in the later years. It appears that the market will support increased private investment in housing, office, retail, and artisan/flex buildings over the long run.

The downtown plan for Pendleton should assume a mix of new development, redevelopment, and adaptive reuse of existing historic buildings. The potential level of new development includes:

- ◆ 31 to 47 townhomes or live/work dwelling units
- ◆ 157 to 239 multifamily apartments or upper-level rental flats
- ◆ Retail and Entertainment (31,000 to 62,000 square feet)
- ◆ Professional and Personal Services (13,000 to 27,000 square feet)
- ◆ Lodging (11,000 to 43,000 square feet, or 28 to 108 rooms)
- ◆ Artisan/Flex Space (0 to 42,000 square feet)
- ◆ Government (0 to 36,000 square feet)

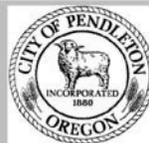
The actual amount and timing of new development will of course vary from year to year. It should be noted that the wide range in artisan/flex space and government space needs reflects current uncertainty regarding the City's willingness to accommodate additional artisan/flex development in the downtown study area and uncertainly regarding local, state and federal space needs.

In light of the responses from the Downtown Pendleton Visitor Survey, the success of existing and future businesses in downtown could be enhanced by strategies designed to address the primary weaknesses that are perceived by visitors (as well as residents and business owners). The City should continue to work with the Chamber of Commerce and local stakeholders (including the Confederated Tribes of the Umatilla) to address current deficiencies with respect to downtown parking management, landscaping, art and the river walk.

These downtown development program recommendations should be incorporated into the urban design framework options for downtown, and incorporated into the overall Pendleton Economic Opportunities Analysis (EOA) to ensure that surrounding vacant commercial zones complement (not compete with) downtown redevelopment potential. Task 3 of the Downtown Pendleton TGM project will focus on strategies and public investments that help implement and facilitate desired downtown development.

APPENDIX B-I: DOWNTOWN PENDLETON VISITOR SURVEY

Downtown Pendleton Travel Survey				
Help us make downtown Pendleton even better!				
When did you visit Pendleton?	Month / Day(s)		Year	
Have you visited Downtown Pendleton before?	Yes		No	
If so, when did you last visit?	Month		Year	
How many times have you visited?				
What was the purpose of your trip?	Business	Vacation	Convention/Event	Family/Friends
	Woolen Mill	Underground Tours	Skate Park	Casino
How did you travel to Pendleton?	Personal vehicle	Air (Seaport)	Air (private)	RV
	Columbia River Tour	Bicycle	Transit/Bus	Other (specify)
Where did you stay?	Hotel (name)	B&B (name)	RV Park (name)	Family/friends
How long did you stay?	day trip	>1 day	> 1 week	> 1 month
Did you enjoy your visit?	Yes		No	
Will you visit again?	Yes		No	
Where do you reside?	City	State/Province	Country	
Would you suggest any improvements to make our Downtown area more appealing?				
Complete this Survey and you will be entered in a raffle to WIN a Pendleton gift basket!				
Please provide an email address or phone number in the comment section above to contact you if you win. Your information WILL NOT be used for future marketing purposes, unless you specifically ask to be included in future tourism marketing.				
City of Pendleton www.pendleton.or.us		Pendleton Chamber of Commerce www.pendletonchamber.com join us on facebook!		



APPENDIX B-II: RETAIL INFLOW/OUTFLOW ANALYSIS

Note: The methodology for the retail analysis in Appendix Tables B-1 and B-2 reflects the City as a whole, not just the downtown. As such the supportable retail demand shown in Appendix B-2) is the amount of retail demand calculated for the entire City over the next 20 years. The downtown demand forecast and recommended development program will be a portion of this larger total demand. The change to city-wide demand was done in response to the City's concurrent effort to integrate the Downtown Plan with the Goal 9 EOA update.

Appendix B-1	
Analysis of Existing Retail Development in Downtown Pendleton	
Estimated 2010	
Est. 2010 Population in Pendleton ¹	17,545
Analysis of Effective Buying Income (EBI)	
Est. 2010 Per Capita Income ²	\$20,000
Est. 2010 Aggregate EBI (000)	\$350,900

	Analysis of Existing Retail Sales by City Residents		Existing Downtown Retail Supply			
	Distribution of Local Income by Store Group ³	2010 Retail Buying Power from Local Residents (000) ³	Sales Attributed to Local Residents (000) ⁴	Sales Attributed to Retail Inflow (000) ⁴	Total Estimated Retail Sales (000) ⁵	Estimated Sq.Ft. of Retail Development ⁶
Store Group						
Food Stores	8.3%	\$29,125	\$3,300	\$825	\$4,125	15,000
Eating & Drinking	5.0%	\$17,545	\$10,588	\$4,538	\$15,125	55,000
Gen. Merchandise	5.5%	\$19,300	\$6,160	\$2,640	\$8,800	32,000
Furniture, Fixtures & Appliances	2.2%	\$7,720	\$963	\$413	\$1,375	5,000
Automotive/Transportation	9.6%	\$33,686	\$2,640	\$660	\$3,300	12,000
Other/Misc.	11.3%	\$39,652	\$23,870	\$10,230	\$34,100	124,000
Total	41.9%	\$147,027	\$47,520	\$19,305	\$66,825	243,000

Notes:

1/ Based on July 1, 2010 estimates by Portland State University, Population Research Center.

2/ Derived from US Census estimates; assumes .05% annual real income growth.

3/ Store group sales allocations from U.S. Bureau of Economic Analysis, Consumer Expenditure Survey, Western United States.

4/ Retail inflow assumed to account for 20% to 30% of total retail sales, depending on store group type.

5/ Assumes annual average retail sales of \$275 per sq.ft. of building floor area.

6/ Building area by store group based on Pendleton Downtown inventory by City of Pendleton, Dec. 2009.

Source: analysis by FCS GROUP.

Appendix B-2								
Analysis of Retail Development Potential								
Pendleton Urban Growth Boundary								
2010 to 2030								

Est. 2010 Population in Pendleton ¹	17,545
Proj. 2030 Population in Pendleton ²	23,003
Analysis of Effective Buying Income (EBI)	
Est. 2010 Per Capita Income ³	\$20,000
Proj. 2030 Per Capita Income ³	\$22,098
Est. 2010 Aggregate EBI (000)	\$350,900
Proj. 2030 Aggregate EBI (000)	\$508,318
Change in Aggregate EBI (000)	\$157,418

	Analysis of Existing & Future Retail Sales				Future 2030 Supportable Retail Development Potential			
	<i>Distri- bution of Local Income by Store Group</i> ⁴	<i>2010 Retail Buying Power from Local Residents (000)</i> ⁴	<i>2030 Retail Buying Power from Local Residents (000)</i> ⁴	<i>Change in Retail Buying Power (000)</i>	<i>Sales Attributed to Local Residents (000)</i> ⁵	<i>Sales Attributed to Retail Inflow (000)</i> ⁵	<i>Total Support able Retail Sales (000)</i>	<i>Supportable Sq.Ft. of New Retail Development</i> ⁶
Store Group								
Food Stores	8.3%	\$29,125	\$42,190	\$13,066	\$11,759	\$5,040	\$16,799	64,000
Eating & Drinking	5.0%	\$17,545	\$25,416	\$7,871	\$7,084	\$3,036	\$10,120	39,000
Gen. Merchandise	5.5%	\$19,300	\$27,958	\$8,658	\$7,792	\$3,340	\$11,132	43,000
Furniture, Fixtures & Appliances	2.2%	\$7,720	\$11,183	\$3,463	\$3,117	\$1,336	\$4,453	17,000
Automotive/Transportation	9.6%	\$33,686	\$48,799	\$15,112	\$12,090	\$5,181	\$17,271	66,000
Other/Misc.	11.3%	\$39,652	\$57,440	\$17,788	\$12,452	\$5,336	\$17,788	68,000
Total	41.9%	\$147,027	\$212,985	\$65,958	\$54,294	\$23,269	\$77,562	297,000

Notes:

1/ Based on July 1, 2010 estimates by Portland State University, Population Research Center.

2/ Projection assumes 24% Pendleton UGB capture of Umatilla County population growth (county forecast by Oregon Office of Economic Analysis).

3/ Derived from US Census estimates; assumes .05% annual real income growth.

4/ Store group sales allocations from U.S. Bureau of Economic Analysis, Consumer Expenditure Survey, Western United States.

5/ Future retail inflow assumed to account for 30% of total retail sales.

6/ Assumes a 5% vacancy allowance, and average annual retail sales of \$275 per square foot of building floor area.

Source: analysis by FCS GROUP.

APPENDIX B-III: U.S. CENSUS ESTIMATES

U.S. Census Estimates, 2000 and 2006-2008 American Community Survey			
	City of Pendelton	Umatilla County	State of Oregon
Population			
2000 Census	16,354	70,548	3,421,399
2006-2008 ACS	n/a	73,252	3,735,524
Group Quarters Population			
2000 Census	2,110	3,300	77,491
Avg. Household Size			
2000 Census	2.39	2.67	2.51
2006-2008 ACS	n/a	2.56	2.49
Households			
2000 Census	5,964	25,195	1,333,723
2006-2008 ACS	n/a	26,296	1,464,672
Median Household Income			
2000 Census	36,800	36,249	40,916
2006-2008 ACS	n/a	45,000	49,863
Avg. Per Capita Income			
2000 Census	17,551	16,410	20,940
2006-2008 ACS	n/a	19,690	26,326
Housing Units (2000)			
Single Family Detached	3,916	16,924	911,595
Single Family Attached	160	592	47,671
Multi Family	2,276	10,160	493,443
Owner Occupied	3,392	16,348	856,951
Renter Occupied	2,572	8,847	476,772
Total	6,352	27,676	1,452,709
Housing Units (2006-2008 ACS)			
Single Family Detached	n/a	18,465	1,025,987
Single Family Attached	n/a	335	65,572
Multi Family	n/a	10,493	517,738
Owner Occupied	n/a	16,502	943,379
Renter Occupied	n/a	9,794	521,293
Total	n/a	29,293	1,609,297
Housing Vacancy Rates			
2000 Census	6.1%	9.0%	8.20%
2006-2008 ACS	n/a	10.20%	9.0%

Source: U.S. Census

APPENDIX B-IV: POPULATION AND HOUSING GROWTH FORECAST, DOWNTOWN PENDLETON

Pendleton Population					
	2000	Est. 2009	Est. 2010		
Population	16,354	17,515	17,545	<i>Source: PSU</i>	
	Est. 2010	Proj. 2015	Proj. 2020	Proj. 2025	Proj. 2030
Umatilla County	75,271	79,701	85,242	90,660	95,844
Pendleton UGB Pop.					
Low	17,545	18,331	19,606	20,852	22,044
Med	17,545	19,128	20,458	21,759	23,003
High	17,545	19,925	21,310	22,665	23,961
Pendleton Pop. Capture					
Low	23%	23%	23%	23%	23%
Med	23%	24%	24%	24%	24%
High	23%	25%	25%	25%	25%
Projected Pendleton Housing Demand, 2010-2030					
	Low	Med	High		
Pop. Change	4,499	5,458	6,416		
Avg. HH Size	2.39	2.35	2.25		
Occupied Dwellings	1,882	2,322	2,852		
Vacancy Allowance (@5%)	99	122	150		
Total New Dwellings	1,982	2,445	3,002		
Potential Pendleton Housing Demand by Type, 2010-2030 (Dwellings)					
	Low	Med	High	<i>Assumptions</i>	
Single Family Detached	1,209	1,491	1,831	61%	
Townhomes	79	98	120	4%	
Multifamily	535	660	810	27%	
Manufactured	159	196	240	8%	
Total New Dwellings	1,982	2,445	3,002	100%	
Potential Downtown Pendleton Capture Rates, 2010 to 2030 (Dwellings)					
	Low	Med	High	<i>Capture Rate Assumptions</i>	
Single Family Detached	-	-	-	0%	
Townhomes	31	38	47	39%	
Multifamily	158	194	239	29%	
Manufactured	-	-	-	0%	
Total New Dwellings	188	233	285	10%	
Potential Downtown Pendleton Capture Rates by Time Period (Dwellings)					
	2010 to 2015	2015 to 2020	2020 to 2025	2025 to 2030	Total
Townhomes (dwellings)	1 to 3	10 to 14	10 to 14	10 to 16	31 to 47
Multifamily (dwellings)	10 to 20	45 to 69	50 to 70	52 to 80	157 to 239
Total New Dwellings	11 to 23	55 to 83	60 to 84	62 to 96	188 to 286

Source: FCS GROUP

APPENDIX B-V: EMPLOYMENT AND NON-RESIDENTIAL DEVELOPMENT FORECAST, DOWNTOWN PENDLETON

Umatilla & Union County Job Growth Forecast, 2008-2018								
	2008	Proj. 2018	Change					
			Jobs	%				
Natural Resources & Mining	4,220	4,470	250	6%				
Construction	1,020	1,070	50	5%				
Manufacturing	4,320	4,450	130	3%				
Trade, Transport. & Utilities	7,380	7,980	600	8%				
Information	250	240	-10	-4%				
Financial Activities	980	1,050	70	7%				
Professional & Business Services	2,420	1,990	-430	-18%				
Education & Health Services	2,910	3,400	490	17%				
Leisure & Hospitality	2,540	2,810	270	11%				
Other Services	700	770	70	10%				
Government	8,790	9,240	450	5%				
Total	35,530	37,470	1,940	5%				
<i>Source: Oregon Employment Department</i>								
Umatilla & Union County Job Growth Forecast by General Land Use Type, 2008-2018								
	2008	Proj. 2018	Change					
			Jobs	%				
Farming Related	4,220	4,470	250	6%				
Industrial	8,882	9,350	468	5%				
Retail & Entertainment	3,838	4,150	312	8%				
Lodging	2,540	2,810	270	11%				
Services	7,260	7,450	190	3%				
Government	8,790	9,240	450	5%				
Total	35,530	37,470	1,940	5%				
<i>Source: Oregon Employment Department and FCS GROUP.</i>								
Proj. Downtown Pendleton Capture Rate								
	Low	Medium	High					
Farming Related	0%	0%	0%					
Light Industrial	0%	3%	5%					
Retail & Entertainment	10%	15%	20%					
Lodging	5%	10%	20%					
Services	10%	15%	20%					
Government	0%	5%	10%					
Proj. Downtown Pendleton Net New 20-Year Employment Forecast								
	Low	Medium	High					
Light Industrial	0	28	47					
Retail & Entertainment	62	94	125					
Lodging	27	54	108					
Services	38	57	76					
Government	0	45	90					
Total	127	278	446					
Supportable Building Square Feet	Low	Medium	High	Sector/Use	Jobs Needing Land ¹	Bldg. SF per Job ²	FAR ²	Gross:Net Land ³
Light Industrial	0	25,000	42,000	Industrial	95%	900	0.18	1.15
Retail & Entertainment	31,000	47,000	62,000	Retail & Ente	80%	500	0.30	1.15
Lodging	11,000	22,000	43,000	Lodging	80%	400	0.30	1.15
Services	13,000	20,000	27,000	Services	80%	350	0.30	1.15
Government	0	18,000	36,000	Government	80%	400	0.20	1.15
Total	55,000	132,000	210,000	Notes:				
				1/ Excludes special uses, such as schools & hospitals.				
				2/ Building density derived from national industry standards.				
				3/ Allowances take into account land dedicated to public				

Source: FCS GROUP

APPENDIX B-VI: CONCEPTUAL FUNDING AND FINANCE ANALYSIS



Conceptual Funding/Financing Analysis for 150-space Parking Structure in Downtown Pendleton
Preliminary Revenue Requirement for \$3.75 million bond issue
Debt Service Requirements

GO Bonds AA (Based off of Bond Buyer 20 Year Bond Index)	1.10%	Total Principal Amount \$	4,360,000
Issuance Cost (% of Principal Issued)	5.75%	Total Interest Amount \$	3,088,929
Interest Rate	20 Years	Total Amount \$	7,448,929
Repayment Term	Average Annual Payments \$	372,446	
Principal Deferral Period	Total Issuance Costs \$	47,960	
Reserve Requirement (% of Average Annual Debt Service)	150.00%	Annual Avg. Coverage Req. \$	186,223
Coverage Requirement	Average Annual O&M Cost \$	90,000	
	Combined Annual Capital & O&M \$	402,446	

Note: Debt service requirement is calculated using:
- 125 percent of average annual debt service on the bonds

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSE ONLY

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
New Debt Calculations																				
GO Revenue Bonds																				
Total Amount Issued	\$ 4,360,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Issuance Costs	(47,960)																			
Less: Reserve Requirement	(588,670)																			
Net Proceeds Available for Project	\$ 3,723,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Principal Payments	\$ 121,746	\$ 128,747	\$ 136,150	\$ 143,978	\$ 152,257	\$ 161,012	\$ 170,270	\$ 180,061	\$ 190,414	\$ 201,363	\$ 212,841	\$ 225,186	\$ 238,134	\$ 251,826	\$ 266,306	\$ 281,619	\$ 297,812	\$ 314,936	\$ 333,045	\$ 352,195
Total Interest Payments	\$ 250,700	\$ 243,700	\$ 236,297	\$ 228,468	\$ 220,189	\$ 211,434	\$ 202,176	\$ 192,386	\$ 182,032	\$ 171,083	\$ 159,805	\$ 147,261	\$ 134,313	\$ 120,620	\$ 106,140	\$ 90,827	\$ 74,654	\$ 57,510	\$ 39,401	\$ 20,251
Total Payments	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446
Additional Coverage Required	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223	\$ 186,223
Use of Bond Reserve for Final Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Debt Amortization Schedules - GO Revenue Bonds																				
Year 2011 Beginning Balance	\$ 4,360,000	\$ 4,238,254	\$ 4,109,507	\$ 3,973,357	\$ 3,829,378	\$ 3,677,121	\$ 3,516,109	\$ 3,345,839	\$ 3,165,778	\$ 2,975,364	\$ 2,774,001	\$ 2,561,060	\$ 2,335,874	\$ 2,097,741	\$ 1,845,914	\$ 1,579,608	\$ 1,297,989	\$ 1,000,177	\$ 685,240	\$ 352,195
Principal Payment	\$ 121,746	\$ 128,747	\$ 136,150	\$ 143,978	\$ 152,257	\$ 161,012	\$ 170,270	\$ 180,061	\$ 190,414	\$ 201,363	\$ 212,841	\$ 225,186	\$ 238,134	\$ 251,826	\$ 266,306	\$ 281,619	\$ 297,812	\$ 314,936	\$ 333,045	\$ 352,195
Interest Payment	\$ 250,700	\$ 243,700	\$ 236,297	\$ 228,468	\$ 220,189	\$ 211,434	\$ 202,176	\$ 192,386	\$ 182,032	\$ 171,083	\$ 159,805	\$ 147,261	\$ 134,313	\$ 120,620	\$ 106,140	\$ 90,827	\$ 74,654	\$ 57,510	\$ 39,401	\$ 20,251
Total Payment	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446	\$ 372,446
Ending Balance	\$ 4,238,254	\$ 4,109,507	\$ 3,973,357	\$ 3,829,378	\$ 3,677,121	\$ 3,516,109	\$ 3,345,839	\$ 3,165,778	\$ 2,975,364	\$ 2,774,001	\$ 2,561,060	\$ 2,335,874	\$ 2,097,741	\$ 1,845,914	\$ 1,579,608	\$ 1,297,989	\$ 1,000,177	\$ 685,240	\$ 352,195	\$ -
Use of Bond Reserve For Final Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

APPENDIX C – TRANSPORTATION ALTERNATIVES ANALYSIS



MEMORANDUM

Date: February 4, 2011 Project #: 10588.0
To: Scot Siegel
From: Matt Hughart, AICP and Nick Foster
Project: Pendleton Downtown Plan
Subject: Transportation Alternatives Analysis

In conjunction with the City of Pendleton Downtown Plan, Kittelson & Associates (KAI) evaluated four different downtown circulation alternatives from a transportation operations perspective. This technical memorandum summarizes the evaluation methodology and findings.

TRAFFIC GROWTH METHODOLOGY

2030 Traffic Volumes

The future traffic conditions analysis illustrates projected traffic conditions in the year 2030. For the purposes of this study, 2030 traffic growth is anticipated to come from two sources, regional background growth and future downtown development growth.

Regional Background Growth

A regional background growth rate was developed for the downtown street network using previous travel demand modeling work conducted as part of the City's most recent Transportation System Plan (TSP) update. As part of the on-going I-84/US 395 Interchange Area Management Plan, this model was more recently updated to reflect industrial land use modifications adopted by the City near the Pendleton Airport. From these combined sources, a 1.5 percent annual growth rate was calculated for the through streets within the downtown study area.

Downtown Development Growth Potential

Year 2030 estimates for the total development in downtown Pendleton were projected as part of the *Visitor Survey/Market Opportunity and Analysis Study*. Based on the results of this study, downtown Pendleton has the potential to experience residential, retail, and office growth through the 2030 planning horizon year. This growth potential is likely to assume a mix of new development, redevelopment, and adaptive reuse of existing historic buildings. Table 1 summarizes the extent of total new development potential in downtown Pendleton by 2030.

Table 1 Year 2030 Downtown Build Out Potential

Land Use Category	Type of Use
Residential	31-47 townhomes
	157-239 multi-family apartments
Retail	31,000 – 62,000 square feet of shopping center uses
Lodging	68 room hotel
Light Manufacturing/Artesian	42,000 square feet of light manufacturing/artesian flex space
Office	63,000 square feet of general office / government office

Source: Visitor Survey/Market Opportunity and Analysis Study

Trip Generation and Mode Reduction

Based on the anticipated development in the study area, future person trips were estimated using the standard reference *Trip Generation Manual, 8th Edition*, published by the Institute of Transportation Engineers (ITE). Recognizing the envisioned mix of land uses and higher density urban character of downtown Pendleton, it is expected that some portion of the travel within and to/from downtown Pendleton will be internalized and occur using non-auto modes such as biking or walking. For this analysis, it was assumed that ten percent of the person trips into and out of downtown will use non-automobile transportation in 2030. Table 2 summarizes the estimated trip generation of the expected development in downtown Pendleton, taking into consideration the anticipated internalization and subsequent reduction in vehicle trips.

Table 2 Year 2030 Downtown Pendleton Trip Generation Summary

Land Use	ITE Code	Size	Daily Trips	Weekday AM Peak Hour			Weekday PM Peak Hour		
				Total	In	Out	Total	In	Out
Townhomes	230	47 units	275	20	5	15	25	15	10
Apartments	220	239 units	1,590	120	25	95	150	95	55
General Retail	820	62,000 s.f.	2,660	60	35	25	230	110	120
Office	710	63,000 s.f.	690	95	85	10	95	15	80
Hotel	310	68 rooms	555	40	20	20	40	20	20
Light Manufacturing	110	42,000 s.f.	290	40	35	5	45	5	40
Subtotal			6,100	375	205	170	585	260	325
10% Non-Auto Mode Reduction			(610)	(40)	(20)	(10)	(60)	(25)	(35)
Total			5,490	335	185	150	525	235	290

Note: Trip generation rates are not available for the midday time period.

As shown in the table, downtown Pendleton has the potential to generate 5,490 additional daily trips, where 335 will occur during the a.m. peak hour and 525 will occur during the p.m. peak hour. The anticipated residential and retail development in downtown is expected to generate the largest portion of trips between the potential future land uses.

Trip Distribution

While the *Visitor Survey/Market Opportunity and Analysis Study* does not identify specific locations for future downtown development, it has been assumed that development is likely to be focused primarily within the blocks bounded by SW 2nd Street to SE 2nd Street and Byers Avenue to Frazer Avenue. To estimate the number of vehicle trips on the downtown Pendleton transportation network, the trips shown in Table 2 were dispersed amongst these downtown blocks and assigned to the existing roadway network/study intersections based on existing travel patterns. The operational impacts of this growth potential are summarized in the following sections.

FUTURE TRANSPORTATION CONDITIONS

A 20-year traffic operations assessment was prepared for each of the circulation alternatives outlined below during the weekday a.m. (7:40-8:40 a.m.), afternoon (12:00-1:00 p.m.), and p.m. (4:15-5:15 p.m.) peak periods. The following sections outline the methodology and assumptions used to prepare the analysis.

Identified Circulation Alternatives

Based on feedback from the Downtown Open House and PMT Meeting #2, four unique circulation alternatives were developed and subsequently analyzed. These alternatives are outlined below and graphically illustrated in Figures 1 through 4.

- Alternative #1. *No-Build*: this alternative would maintain the existing circulation infrastructure and would not include any significant roadway, sidewalk, or bicycle circulation modifications.
- Alternative #2. *Main Street Modifications*: this alternative would reduce the number of travel lanes on Main Street from four lanes to three lanes. Specifically, this would result in one northbound lane, one southbound lane, and one center lane for left-turns.
- Alternative #3. *Main Street Modifications with SW 1st/SE 1st Conversions*: this alternative would reduce the number of travel lanes on Main Street from four lanes to three lanes. In addition, both SW 1st Street and SE 1st Street would be modified to one-way travel between Byers and Frazer Avenues.
- Alternative #4. *Main Street Restriction with SW 1st/SE 1st Conversions*: this alternative is nearly the same as Alternative #3, with the exception that Main Street between Frazer and Emigrant Avenues would be restricted to one-way northbound travel. All southbound movements along this stretch of Main Street would shift to parallel streets.

Figure 1 No Build

Figure 2 Main Street Modifications

Figure 3 Main Street Modifications with SW 1st/SE 1st Conversions

Figure 4 Main Street Restriction with SW 1st/SE 1st Conversions

Alternative #1 - No-Build

In order to provide a basis of comparison to the other circulation alternatives, the No-Build alternative would maintain the existing circulation patterns, travel lanes, sidewalk, and other miscellaneous transportation infrastructure. No significant circulation modifications or intersection capacity improvements would be made to the vehicular downtown street network.

2030 "No-Build" Forecast Intersection Operations

Figures A-1 through A-3 summarize the future operational performance of the study intersections under the "No-Build" alternative. As shown in the figures, all study intersections are forecast to operate within acceptable volume-to-capacity ratios for each of the three study time periods. While the operations analysis indicates that the existing infrastructure network can support the projected future traffic growth, the "No-Build" analysis does not address the City's goals to enhance and create an environment that is more conducive to supporting alternate forms of transportation such as walking, bicycle, and transit. As such, three other circulation alternatives have been developed to better address these issues.

Alternative #2 - Main Street Modifications

Recognizing the importance of Main Street as the predominate commercial and pedestrian corridor in Downtown, Alternative #2 involves modifications to Main Street that would provide better balance between vehicular and non-motorized movements. Specifically, this alternative would reduce the number of travel lanes on Main Street from four lanes to three lanes. By eliminating one travel lane, the sidewalk environment on both sides of Main Street would be widened from 10 feet to 15 feet, providing more walking space and the ability to accommodating street furniture, street trees, bicycle parking, and transit amenities. Figure B-1 illustrates the assumed new lane configurations along Main Street that would be needed under this alternative. For the purposes of the analysis summarized below, the resulting dedicated left-turn lane on Main Street is assumed to continue to operate with permissive left-turn signalization.

One variation on this alternative would involve the addition of special pavement markings called "sharrows" to the reduced Main Street cross section. Sharrows are pavement markings that are added to travel lanes creating a formal environment where motor vehicles and bicyclists would share the travel lane. The sharrow markings are typically placed in the travel lane so that bicyclists will minimize their chances of impacting the open door of a parked vehicle in the adjacent on-street parking lane. Given the projected long-term daily traffic volumes on Main Street are approximately 5,000 vehicles and travel speeds would be better managed under a three-lane section, Main Street can accommodate both vehicles and bicyclists.

A second variation on this alternative would involve the reduction of Main Street from four lanes to three lanes as described above. However, both directions of travel on SE 1st and SW 1st Streets would be striped with sharrow markings while Main Street would be unmarked and primarily reserved for vehicle travel.

2030 "Main Street Modifications" Forecast Intersection Operations

Figures B-2 through B-4 summarize the operational performance of the study intersections under the "Main Street Modifications" alternative. This operations analysis also covers the Main Street lane reduction with sharrow markings and the SE 1st/SW 1st Street with sharrow markings variations given that they would have no measurable operational impact. As shown in the figures, the reduction of Main Street from four lanes to three lanes is not forecast to degrade the intersection operations at any of the study intersections below acceptable volume-to-capacity standards.

Given that Alternative #2 reduces the number of travel lanes along Main Street, a 95th percentile queuing analysis was performed at each of the Main Street study intersections to determine if the revised cross section can accommodate vehicle demands at the intersections. As shown in Table 3, the 95th percentile queues can be accommodated during all three study periods at each of the Main Street intersections.

**Table 3 95th Percentile Queue Lengths –
 2030 Traffic Conditions Under Alternative #2
 (Main Street Modifications)**

Intersection	Movement	Weekday AM Peak Hour Estimated Queue Length (feet)	Weekday Midday Peak Hour Estimated Queue Length (feet)	Weekday PM Peak Hour Estimated Queue Length (feet)	Storage Available (feet)
Main / Byers	NB LT	25	25	25	275
	NB TH/RT	25	50	75	290
Main / Court	SB TH/RT	50	100	50	290
	NB LT	25	25	50	125
	NB TH	50	50	50	340
Main / Dorion	NB TH/RT	125	125	125	340
	SB LT	25	50	25	125
	SB TH	50	75	75	340
Main / Emigrant	SB TH/RT	75	125	75	340
	NB LT	50	50	50	50 ¹
	NB TH	75	50	75	190
Main / Frazer	NB TH/RT	75	100	75	190 ²
	SB LT	25	25	25	50 ¹
	SB TH	25	50	50	190

¹ Reflective of the short block spacing between Emigrant and Frazer Avenues and the need to provide at least 90' of reversing curve distance between the NB/SB back-to-back left-turn lanes.

² Effective storage distance between the Main/Frazer intersection and the railroad tracks

Alternative #3 - Main Street Modifications with SW 1st/SE 1st St Conversion

Through the planning process, there was a desire to look at more pronounced changes to the Downtown circulation network while still building upon the more fundamental lane reduction changes to Main Street. In addition to modifying Main Street from four lanes to three lanes, Alternative #3 looks at the potential for converting SW 1st Street and SE 1st Street to one-way corridors between Frazer Avenue and Byers Avenue, allowing one travel lane in each direction to be marked with “sharrows” and function as a shared bike/travel lane. Specifically, SW 1st Street would be converted to one-way southbound travel between Byers Street and Frazer Avenue and SE 1st Street would be converted to one-way northbound travel between Frazer Avenue and Byers Avenue. The cross-section of Main Street would be the same as described in the “Main Street Modifications” alternative. Figure C-1 shows the assumed modified lane configurations along Main Street, SW 1st Street, and SE 1st Street.

2030 “Main Street Modifications with SW 1st/SE 1st Street Conversion” Forecast Intersection Operations

Figures C-2 through C-4 summarize the operational performance of the study intersections. As shown in the figures, the reduction of Main Street from four lanes to three lanes and the conversion of SW 1st and SE 1st Streets to one-way travel is not forecast to reduce the intersection operations at any of the study intersections below acceptable volume-to-capacity ratios.

Given that this alternative reduces the number of travel lanes along Main Street and the conversion of SW 1st and SE 1st to one-way facilities will likely add traffic to Main Street, a 95th percentile queuing analysis was performed at each of the Main Street study intersections. As shown in Table 4, the 95th percentile queues can be accommodated during all three study periods at each of the Main Street intersections with the exception of the northbound left-turn at the Main Street/Emigrant Avenue intersection. This queuing limitation during the midday and p.m. peak hours is primarily due to the additional traffic that would shift to the Main Street corridor when converting SW 1st and SE 1st Streets to one-way travel. See highlighted cells in Table 4.

**Table 4 95th Percentile Queue Lengths –
 2030 Traffic Conditions Under Alternative #3
 (Main Street Modifications with SE 1st/SW 1st Conversions)**

Intersection	Movement	Weekday AM Peak Hour Estimated Queue Length (feet)	Weekday Midday Peak Hour Estimated Queue Length (feet)	Weekday PM Peak Hour Estimated Queue Length (feet)	Storage Available (feet)
Main / Byers	NB LT	25	50	25	275
	NB TH/RT	25	50	50	290
Main / Court	SB TH/RT	75	125	75	290
	NB LT	50	75	100	125
	NB TH	50	125	125	340
Main / Dorion	NB TH/RT	150	175	175	340
	SB LT	50	50	50	125
	SB TH	50	75	100	340
Main / Emigrant	SB TH/RT	75	125	100	340
	NB LT	50	75	125	50 ¹
	NB TH	100	125	125	190
Main / Frazer	NB TH/RT	75	100	75	190 ²
	SB LT	25	25	25	50 ¹
	SB TH	50	50	50	190

¹ Reflective of the short block spacing between Emigrant and Frazer Avenues and the need to provide at least 90' of reversing curve distance between the NB/SB back-to-back left-turn lanes.

² Effective storage distance between the Main/Frazer intersection and the railroad tracks

Alternative #4 - Main Street Restriction with SW 1st/SE 1st Conversions

As noted in Alternative #3, there is a forecast vehicle queuing deficiency along Main Street between Emigrant and Frazer Avenues. As such, Alternative #4 was developed in an attempt to address this deficiency. Alternative #4 is similar to Alternative #3, however the difference is that Main Street would be restricted to one-way northbound travel between Frazer Avenue and Emigrant Avenue. This would replace the southbound on-street parking and travel lanes with space for a permanent plaza along the west side of Main Street between Frazer and Emigrant. In addition, the elimination of southbound movements would provide an alternative that addresses the lack of back-to-back left-turn queuing space between the shorter Emigrant and Frazer Avenue block face. Figure D-1 illustrates the lane configurations along Main Street and SE 1st/SW 1st Streets under this alternative.

2030 “Main Street Modifications with Southbound Restriction” Forecast Intersection Operations

Figures D-2 through D-4 summarize the operational performance of the study intersections under this alternative. As shown in the figures, all intersections are forecast to operate within acceptable volume-to-capacity ratios. Table 5 illustrates the queue lengths expected for the study intersections under this circulation alternative.

**Table 5 95th Percentile Queue Lengths –
 2030 Traffic Conditions Under Alternative #4
 (Main Street Restriction with SE 1st/SW 1st Conversion)**

Intersection	Movement	Weekday AM Peak Hour Estimated Queue Length (feet)	Weekday Midday Peak Hour Estimated Queue Length (feet)	Weekday PM Peak Hour Estimated Queue Length (feet)	Storage Available (feet)
Main / Byers	NB LT	25	50	25	275
	NB TH/RT	25	50	50	290
Main / Court	SB TH/RT	75	125	75	290
	NB LT	50	75	100	125
	NB TH	50	125	125	340
Main / Dorion	NB TH/RT	150	175	175	340
	SB LT	50	75	75	125
	SB TH	50	75	75	340
Main / Emigrant	SB RT	25	50	75	340
	NB LT	25	25	50	175 ¹
	NB TH	75	125	100	190
Main / Frazer	NB TH/RT	100	100	100	190 ²
	SB LT	-	-	-	-
	SB TH	-	-	-	-

¹ Reflective of the short block spacing between Emigrant and Frazer Avenues.

² Effective storage distance between the Main/Frazer intersection and the railroad tracks

As shown in the table, the 95th percentile queues can be accommodated during all three study periods at each of the Main Street intersections. With the elimination of southbound movements along Main Street between Emigrant and Frazer Avenues, the queuing limitation that occurs with the conversion of SW 1st / SE 1st to one-way streets can be resolved.

Circulation Alternatives Operations and Multi-Modal Summary

The previous sections summarized the operations and queuing analysis associated with implementing the four circulation alternatives. The following section summarizes these findings and identifies a number of implementation and qualitative factors that need to be considered in the evaluation process.

Alternative #1 – No Build

- The operations analysis indicates that the existing infrastructure network can support the projected future traffic growth; however, the “No-Build” alternative does not address the City’s goals to enhance and create an environment that is more conducive to supporting alternate forms of transportation such as walking, bicycle, and transit.

Alternative #2 - Main Street Modifications

- Under the “Main Street Modifications” alternative, the reduction of Main Street from four lanes to three lanes does not degrade the intersection operations at any of the study intersections below acceptable volume-to-capacity standards. In addition, the alternative supports the 95th percentile queue estimates along the Main Street corridor.
- From a pedestrian perspective, Alternative #2 would enhance Main Street for walking by calming vehicle traffic and widening the sidewalk environment.
- The placement of sharrow lane markings either on the reduced Main Street cross section or on the SE 1st/SW 1st corridors would provide a more formalized environment for bicycling through downtown Pendleton. While beneficial for bicyclists, the lack of multiple adjacent travel lanes under either scenario would force motorists to wait/queue behind the bicyclists. Other shared lane alternatives (as presented in Alternatives #3 and #4), motorists would not be subject to this same condition.

Alternative #3 - Main Street Modifications with SW 1st/SE 1st St Conversion

- Under the “Main Street Modifications with SW 1st/SE 1st Street Conversion” alternative, the reduction of Main Street from four lanes to three lanes and the conversion of SW 1st and SE 1st Streets to one-way travel (with shared bike/vehicle lanes) does not create capacity issues at any of the study intersections. However, the additional traffic that is expected to shift to Main Street with the SW 1st Street conversion, coupled with the short block spacing between Emigrant and Frazer Avenues is forecast to result in a vehicle queuing limitation along Main Street. As such, the effectiveness of this alternative to safely and efficiently accommodate traffic flows in the long-term future is not possible.
- The Main Street Modifications with SW 1st/SE 1st Street Conversion alternative would enhance Main Street for walking by calming vehicle traffic and widening the sidewalk environment. In addition, this alternative also improves the environment for bicycling by providing shared bike/vehicle lanes on SW 1st and SE 1st. The lower traffic volumes on

these two corridors may be more conducive to attracting bicyclists who are less experienced or uncomfortable riding in higher volume environments.

- The conversion of SE 1st and SW 1st Streets to one-way travel would necessitate modification of existing traffic signals at Dorion and Court and require existing route signing to be modified. This would be a fairly significant cost feature of this alternative.

Alternative #4 - Main Street Restriction with SW 1st/SE 1st Conversions

- Under the “Main Street Reduction with SW 1st/SE 1st Street Conversion” alternative, the elimination of southbound movements along Main Street between Emigrant and Frazer Avenues does not result in capacity issues at any of the study intersections. In addition, this circulation modification resolves the left-turn queuing limitation created by the short block spacing between Emigrant and Frazer Avenues.
- This alternative enhances Main Street for walking more than any other alternative by creating a permanent plaza between Frazer Avenue and Emigrant Avenue. This alternative also improves the environment for bicycling, similar to Alternative #3, through the provision of shared bike/vehicle lanes on SW 1st and SE 1st.
- The Main Street restriction between Emigrant and Frazer and the conversion of SE 1st and SW 1st Streets to one-way travel would necessitate modification of existing traffic signals at Dorion and Court and require existing route signing to be modified. This would be a fairly significant cost feature of this alternative.

SIGNAL PROGRESSION

A review of signal timing along the Main Street corridor indicates that there is a signal offset that is leading to undesirable vehicle progression speeds. Observations and feedback from City staff indicate that drivers have learned how to progress through multiple Main Street signals by traveling at speeds in excess of 35 mph. These speeds are not desirable for a downtown environment where there are on-street parking maneuvers and the potential for bicyclists and pedestrians.

ODOT is intending to address signal timing in downtown Pendleton in the near future. At that time, it is recommended that ODOT work directly with City staff to examine the offsets along the Main Street corridor. A goal of this collaboration should be to find a signal offset plan that formally progresses traffic on Main Street at slower travel speeds (approximately 20 mph) while still effectively progressing traffic volumes on the Court Avenue and Dorion Avenue corridors.

PEDESTRIAN ACCOMMODATIONS AND ENHANCEMENTS

As previously stated, all of the circulation alternatives have identified a modification of Main Street that would reduce the number of travel lanes from four lanes to three lanes. This reduction would allow the existing 10-foot sidewalks to be widened to 15-foot sidewalks, providing more walking space and the ability to accommodate street furniture, street trees, bicycle parking, and

transit amenities. This improvement is at the fundamental heart of the City's goals to create an improved downtown environment that better accommodates walking and shopping.

In addition to the wider sidewalk environment, additional improvements can be made to enhance the safety of pedestrians. With the exception of the No-Build alternative, all of the circulation alternatives described above should include the development of pedestrian curb extensions at each of the Main Street crossings and the state highway crossings along the Main Street corridor. Applying curb extensions to the existing Main Street cross section will reduce the pedestrian crossing distance from 60 feet to approximately 44 feet. With the Main Street lane reduction alternatives, curb extensions can shorten the pedestrian crossing distance to as little as 34 feet. Shortening the pedestrian crossing distances minimizes pedestrian exposure times while in the cross walk. Furthermore, curb extensions can make pedestrians more visible to motorists as they approach the intersections. For these reasons, curb extensions are recommended as part of any circulation alternative to the Main Street corridor.

Given that there are a variety of vehicle types and sizes that are currently and will be traveling in Downtown, the size of the curb returns need to be adequate to accommodate these vehicles. Utilizing a curb-return radius of no less than 35 feet will adequately accommodate most buses and delivery trucks and prevent overtracking in adjacent lanes. This curb return radius is also an appropriate size for a downtown environment.

Along Main Street, there are mid-block crossings that exist between Emigrant and Dorion Avenues, Dorion and Court Avenues, and Court and Byers Avenues. Maintaining these mid-block crossings can be advantageous for pedestrians and maximize circulation opportunities within the retail core of downtown Pendleton. Given the benefits of curb extensions noted above, it is recommended that curb extensions be installed at each of these mid-block pedestrian crossings¹ under all of the circulation alternatives. To enhance pedestrian visibility, the mid-block crossings should be raised. The raised crossings (sometimes called a speed table) delineate the mid-block crossings for motorists and also act as a traffic calming device.

TRANSIT

Transit service within Pendleton is limited to a City provided paratransit service and a CTUIR operated fixed-route bus service. There is currently no formal transit stop or regular presence within the downtown core. However, the development of the downtown plan recognizes that transit is a valid and important transportation option. Each of the transportation alternatives as presented will go a long ways towards the encouragement of future transit service in downtown. For example, enhancing the pedestrian environment along Main Street via wider sidewalks will allow for the potential development of transit amenities such as shelters, transit kiosks (to display route maps, schedules, fares, etc), and benches. By improving the environment for transit, it will

¹ It should be noted that the provision of curb extensions at the mid-block crossings will necessitate the shifting and re-striping of on-street parking spaces along Main Street.

hopefully lead to a new downtown transit focus including coordination between transit providers.

ON-STREET LOADING

One potential concern that has been raised under the Main Street lane reduction from four lanes to three lanes is the issue of truck loading/unloading. Presently, the four-lane cross section allows delivery vehicles to temporarily double park in the lane closest to the on-street parking. The presence of the adjacent travel lane allows other vehicular traffic to move around the delivery vehicles. With a recommended reduction of Main Street to three lanes, the truck loading/unloading will need to occur in a different manner. One solution is to designate portions of the center turn lane for this loading/unloading to occur. Segments of Main Street such as the section between Dorion and Emigrant Avenues will not have left-turn maneuvers and can easily accommodate temporary loading/unloading zones. It is suggested that these zones can occur on either side of the raised mid-block pedestrian crossing, thereby accommodating loading/unloading for both directions of travel on Main Street.

FUTURE PARKING CONDITIONS

The City of Pendleton maintains an inventory of parking supply within the downtown study area between SW 4th Street and SE 4th Street. This inventory includes the on-street and off-street parking supply as summarized in Table 6 under the “No-Build” alternative. The “Main Street Modifications” and “Main Street Modifications with SW 1st/SE 1st Conversions” alternatives will decrease the amount on on-street parking supply by approximately 16 stalls. This reduction in parking supply is the result of the inclusion of curb extensions to better facilitate pedestrian crossings at the Main Street intersections. The “Main Street Restriction with SW 1st/SE 1st Conversions” alternative will further decrease the parking supply by another 6 stalls due to the elimination of southbound travel between Emigrant and Frazer Avenues.

Table 6 Existing Parking Inventory

Parking Ownership/ Location	No-Build Alternative	Main Street Modifications Alternative	Main Street Modifications with SW 1st/SE 1st Conversions	Main Street Restriction with SW 1st/SE 1st Conversions
Public On-Street	1,030	1,014	1,014	1,008
Public Off-Street	500	500	500	500
<i>Total Public</i>	<i>1,530</i>	<i>1,514</i>	<i>1,514</i>	<i>1,508</i>
<i>Total Private</i>	<i>1,435</i>	<i>1,435</i>	<i>1,435</i>	<i>1,435</i>
Total Parking Supply	2,965	2,949	2,949	2,943

As Table 6 shows, the various circulation alternatives will decrease the overall downtown on-street parking supply by as much as 22 stalls. Assuming the amount of amount of public off-street and private parking supply does not change, the total future downtown study area parking supply would be approximately 2,943 stalls.

Downtown Core Parking Analysis

Within the downtown study area, the Main Street corridor (all land uses fronting Main Street from Byers Avenue to Frazer Avenue) represents the main commercial/retail core. While the uses fronting Byers, Dorian, Court, and Emigrant Avenues contain some of the same characteristics as Main Street, they tend to have more opportunities for off-street parking (behind buildings) than do the uses fronting Main Street. Main Street is also the area with the highest concentration of pedestrians. Therefore the Downtown Core Parking Analysis focuses on the Main Street corridor.

Table 7 identifies the approximate inventory of existing uses for this corridor. Based on the future development growth projections outlined in the *Visitor Survey/Market Opportunity and Analysis Study*, an attempt was made to estimate the increase in gross square footage that could potentially be supported along this corridor. From these assumed levels of additional development, the total future parking demand estimates have been calculated using parking demand rates identified for these various uses in the Parking Generation manual.

Table 7 Main Street Peak Parking Demand Estimates

Land Use	Existing Conditions		Future Conditions		Total Future Estimate Demand (spaces)
	Estimated Gross Square Footage (GSF)	Estimated Demand (spaces)	Estimated Increase in Gross Square Footage (GSF)	Future Estimated Demand (spaces)	
Restaurants ¹	11,111	137	-	-	137
Office ²	50,259	100	-	-	100
Retail ³	115,320	288	6,000	15	303
Medical/Dental ⁴	7,975	26	3,000	10	36
Membership Organizations/Churches	14,440	86	-	-	86
Apartments ⁵	65 units	59	24 units	26	85
Total	199,105 GSF + 65 apartment units	696	9,000 GSF + 24 apartment units	51	747

1. Based on the average rate for Quality Restaurants in Parking Generation
2. Based on averaging the suburban and urban rates for Office Building in Parking Generation
3. Based on a rate of approximately 2.5 spaces per 1,000 square feet
4. Based on the average medical-dental office building in Parking Generation
5. Based on rates for Low/Mid-Rise Apartments in Parking Generation

Using the estimated parking demand shown in Table 7, a high level analysis was performed to identify if the future parking supply for the Main Street corridor is sufficient to meet the estimated future demand. Recognizing that the effective parking zone for South Main Street likely extends beyond South Main Street itself, a reasonable parking buffer was determined as outlined below.

Walking distance is very important in the value of parking and the usage characteristics of existing parking. One can have an oversupply of parking, but if it is not located in proximity to the demand, it is of little use. The practical limit for effective parking will vary considerably depending upon the size of the community and its level of overall urbanization. For a community like Pendleton with fairly short downtown block lengths, 400 feet is likely the maximum effective walking distance for both shopping and business parking. This distance roughly represents the block faces bounded by SW 1st Street to the west and SE 1st Street to the east.

Within this boundary, Table 8 identifies the future effective parking supply (taking into account the reduction in on-street parking supply summarized in Table 6). As shown in the table, the effective public and private parking supply (1,288 spaces) for South Main Street businesses is greater than the estimated future demand of 747 spaces. As such, the total parking supply is likely still sufficient to meet the estimated future demand.

Table 8 Future Effective Main Street Parking Supply vs. Demand

Parking Ownership/Location	Future Parking Supply	Future Estimated Demand
----------------------------	-----------------------	-------------------------

	(spaces)	(spaces)
Public On-Street	418	
Public Off-Street	262	
<i>Total Public Parking Supply</i>	<i>680</i>	
<i>Total Private Parking Supply</i>	<i>608</i>	
Total Public and Private	1,288	747

*Although exact data is not available, it is likely that a good portion of the future estimated demand would be able to park in the existing private parking supply that exists within the Effective Main Street parking area. As such, it is reasonable to assume that there will be sufficient supply between the public and private parking areas to meet the estimated future parking demand.

Non-Downtown Core Parking Analysis

As there is insufficient land use data to calculate the existing parking demand for the entire downtown study area outside of the Main Street corridor, an aggregate parking demand (2.5 spaces per 1,000 square feet) was developed that averages all of the existing retail, office, residential, and industrial related uses. Using existing land use data, there is approximately 339,000 square feet of uses that exist outside of the Main Street corridor. Applying the aggregate parking demand rate of 2.5 spaces per 1,000 square feet, it is estimated that the existing parking demand for the non-Main Street corridor uses is approximately 848 spaces.

Based on the future development growth projections outlined in the *Visitor Survey/Market Opportunity and Analysis Study*, an attempt was made to estimate the increase in gross square footage that could potentially be supported within the Downtown study area outside of the Main Street corridor. From these assumed levels of additional development, Table 9 summarizes the total future parking demand estimates have been calculated using parking demand rates identified for these various uses in the Parking Generation manual.

Table 9 Non-Main Street Parking Demand Estimates

Land Use Category	Estimated Increase in Gross Square Footage (GSF)	Future Estimated Demand (spaces)
Townhomes ¹	47 units	68
Apartments ²	215 units	235
Retail ³	56,000	140
Hotel	68 rooms	61
Industrial	42,000	30
Office	63,000	133
Total		667

1. Based on the Residential Condominium/Townhouse rate in Parking Generation
2. Based on rates for Low/Mid-Rise Apartments in Parking Generation
3. Based on a rate of approximately 2.5 spaces per 1,000 square feet

Using the estimated existing parking demand of 594 spaces and the estimated parking demand increase summarized in Table 9, a high level analysis was performed to identify if the future

downtown parking supply (outside of the effective Main Street corridor) is sufficient to meet the estimated future demand. Table 10 summarizes this analysis.

Table 10 Future Non-Main Street Parking Supply vs. Demand

Parking Ownership/Location	Future Parking Supply (spaces)	Existing Estimated Demand (spaces)	Future Estimated Demand (spaces)	Total Future Estimated Demand (Spaces)
Public On-Street	590			
Public Off-Street	238			
<i>Total Public Parking</i>	828			
<i>Total Private Parking</i>	827			
Total Public and Private	1,655	848	667	1,515

As shown in Table 10, the future total parking supply outside of the non-Main Street corridor is likely going to be sufficient to meet the estimated future parking demand. The analysis does not take into account any off-street parking that would be created with new development.

Appendix C-I
Alternative #1 No-Build
Intersection Operations

Table 11 Alternative #1 - No-Build Intersection Operations Summary

Intersection	AM Peak Hour			PM Midday Peak Hour			PM Peak Hour		
	LOS ¹	Avg Delay ¹	V/C ¹	LOS ¹	Avg Delay ¹	V/C ¹	LOS ¹	Avg Delay ¹	V/C ¹
Unsignalized									
SE 2 nd St/SE Byers Ave	B	11.8	0.03	B	11.1	0.02	B	11.6	0.10
SE 2 nd St/SE Dorion Ave	B	12.3	0.11	B	13.8	0.16	B	14.3	0.14
SE 2 nd St/SE Emigrant Ave	B	13.5	0.15	B	12.3	0.09	C	16.3	0.15
SE 2 nd St/SE Frasier Ave	B	11.0	0.02	B	10.9	0.03	B	11.1	0.04
SE 1 st St/SE Emigrant Ave	B	13.0	0.16	B	14.3	0.16	C	19.4	0.26
SE 1 st St/SE Frasier Ave	B	11.1	0.01	B	11.9	0.07	B	10.6	0.03
SW 1 st St/SW Emigrant Ave	B	14.3	0.15	C	22.5	0.43	C	24.6	0.41
SW 1 st St/SW Frasier Ave	B	13.0	0.09	C	15.7	0.16	B	13.4	0.13
SW 2 nd St/SW Court Ave	B	10.1	0.03	B	10.9	0.08	B	10.8	0.04
SW 2 nd St/SW Dorion Ave	B	14.7	0.18	D	31.1	0.39	C	21.9	0.36
SW 2 nd St/SW Emigrant Ave	C	15.1	0.11	C	22.7	0.34	D	27.1	0.35
Signalized									
SE 1 st St/SE Court Ave	B	13.2	0.37	B	13.0	0.37	B	14.6	0.43
SE 1 st St/SE Dorion Ave	A	8.6	0.29	A	9.1	0.46	A	6.5	0.42
Main St/Byers Ave	C	20.3	0.54	B	11.9	0.44	B	10.2	0.34
Main St/Court Ave	A	7.5	0.42	A	6.2	0.39	A	6.3	0.49
Main St/Dorion Ave	A	9.3	0.34	B	10.5	0.57	B	10.2	0.52
Main St/Emigrant Ave	B	11.4	0.34	B	12.1	0.33	B	13.1	0.42
Main St/Frasier Ave	B	11.6	0.36	B	10.9	0.32	B	11.5	0.32
SW 1 st St/SW Court Ave	A	9.5	0.41	B	11.6	0.51	B	11.2	0.56
SW 1 st St/SW Dorion Ave	A	7.5	0.31	C	23.2	0.62	B	18.9	0.62

¹ LOS, Avg Delay, and V/C for unsignalized intersections are reported for minor street movement.

Appendix C-II
Alternative #2 "Main
Street Modifications"
Intersection Operations

Table 12 Alternative #2 - Main Street Modifications Operations Summary

Intersection	AM Peak Hour			PM Midday Peak Hour			PM Peak Hour		
	LOS ¹	Avg Delay ¹	V/C ¹	LOS ¹	Avg Delay ¹	V/C ¹	LOS ¹	Avg Delay ¹	V/C ¹
Unsignalized									
SE 2 nd St/SE Byers Ave	B	11.8	0.03	B	11.1	0.02	B	11.6	0.10
SE 2 nd St/SE Dorion Ave	B	12.3	0.11	B	13.8	0.16	B	14.3	0.14
SE 2 nd St/SE Emigrant Ave	B	13.5	0.15	B	12.3	0.09	C	16.3	0.15
SE 2 nd St/SE Frasier Ave	B	11.0	0.02	B	10.9	0.03	B	11.1	0.04
SE 1 st St/SE Emigrant Ave	B	13.0	0.16	B	14.3	0.16	C	19.4	0.26
SE 1 st St/SE Frasier Ave	B	11.1	0.01	B	11.9	0.07	B	10.5	0.03
SW 1 st St/SW Emigrant Ave	B	14.3	0.15	C	22.5	0.43	C	24.6	0.41
SW 1 st St/SW Frasier Ave	B	13.0	0.09	C	15.7	0.16	B	13.4	0.13
SW 2 nd St/SW Court Ave	B	10.1	0.03	B	10.9	0.08	B	10.8	0.04
SW 2 nd St/SW Dorion Ave	B	14.7	0.18	D	31.1	0.39	C	21.9	0.36
SW 2 nd St/SW Emigrant Ave	C	15.1	0.11	C	22.7	0.34	D	27.1	0.35
Signalized									
SE 1 st St/SE Court Ave	B	13.2	0.37	B	13.0	0.37	B	14.6	0.43
SE 1 st St/SE Dorion Ave	A	8.3	0.29	A	8.8	0.46	A	6.4	0.42
Main St/Byers Ave	C	22.7	0.56	B	11.8	0.44	B	10.3	0.34
Main St/Court Ave	A	7.6	0.46	A	6.4	0.43	A	6.3	0.49
Main St/Dorion Ave	A	9.3	0.38	B	10.6	0.58	B	10.6	0.60
Main St/Emigrant Ave	B	11.4	0.33	B	12.2	0.37	B	13.2	0.44
Main St/Frasier Ave	B	12.1	0.44	B	11.1	0.37	B	11.7	0.37
SW 1 st St/SW Court Ave	A	9.3	0.41	B	11.4	0.51	B	11.1	0.56
SW 1 st St/SW Dorion Ave	A	7.5	0.31	C	23.2	0.62	B	18.9	0.62

¹ LOS, Avg Delay, and V/C for unsignalized intersections are reported for minor street movement.

Appendix C-III
Alternative #3 "Main
Street Modifications with
SW 1st/SE 1st
Conversions"
Intersection Operations

Table 13 Alternative #3 - Main Street Modifications with SW 1st/SE 1st Conversion Operations Summary

Intersection	AM Peak Hour			PM Midday Peak Hour			PM Peak Hour		
	LOS ¹	Avg Delay ¹	V/C ¹	LOS ¹	Avg Delay ¹	V/C ¹	LOS ¹	Avg Delay ¹	V/C ¹
Unsignalized									
SE 2 nd St/SE Byers Ave	B	11.8	0.02	B	11.1	0.02	B	11.6	0.10
SE 2 nd St/SE Dorion Ave	B	12.1	0.10	B	14.1	0.16	B	14.3	0.14
SE 2 nd St/SE Emigrant Ave	B	13.5	0.15	B	12.3	0.09	C	16.3	0.15
SE 2 nd St/SE Frasier Ave	B	10.9	0.02	B	10.9	0.03	B	11.1	0.04
SE 1 st St/SE Emigrant Ave	B	12.7	0.07	B	13.6	0.08	C	17.6	0.13
SE 1 st St/SE Frasier Ave	A	3.0	0.06	A	2.8	0.05	A	2.3	0.04
SW 1 st St/SW Emigrant Ave	B	14.0	0.03	C	16.8	0.10	C	19.1	0.10
SW 1 st St/SW Frasier Ave	B	11.2	0.04	B	11.4	0.05	B	11.2	0.05
SW 2 nd St/SW Court Ave	A	9.8	0.03	B	10.2	0.07	B	10.2	0.04
SW 2 nd St/SW Dorion Ave	B	14.6	0.18	D	31.1	0.39	C	21.9	0.36
SW 2 nd St/SW Emigrant Ave	C	15.1	0.11	C	22.8	0.34	D	29.8	0.38
Signalized									
SE 1 st St/SE Court Ave	B	13.2	0.32	B	12.9	0.33	B	14.6	0.39
SE 1 st St/SE Dorion Ave	A	10.0	0.26	A	8.4	0.41	A	7.9	0.36
Main St/Byers Ave	C	21.0	0.58	B	11.9	0.46	B	10.1	0.36
Main St/Court Ave	A	7.7	0.50	A	7.6	0.50	A	7.7	0.61
Main St/Dorion Ave	A	9.3	0.43	B	13.7	0.74	B	12.0	0.75
Main St/Emigrant Ave	B	11.9	0.36	B	14.2	0.41	B	15.0	0.51
Main St/Frasier Ave	B	12.6	0.47	B	12.0	0.43	B	12.5	0.43
SW 1 st St/SW Court Ave	B	10.6	0.39	B	11.8	0.41	B	12.6	0.54
SW 1 st St/SW Dorion Ave	A	6.6	0.28	C	22.5	0.54	B	18.6	0.53

¹ LOS, Avg Delay, and V/C for unsignalized intersections are reported for minor street movement.

Appendix C-IV
Alternative #4 "Main
Street Restriction with
SW 1st/SE 1st
Conversions"
Intersection Operations

Table 14 Alternative #4 - Main Street Reductions with SW 1st/SE 1st Conversion Operations Summary

Intersection	AM Peak Hour			PM Midday Peak Hour			PM Peak Hour		
	LOS ¹	Avg Delay ¹	V/C ¹	LOS ¹	Avg Delay ¹	V/C ¹	LOS ¹	Avg Delay ¹	V/C ¹
Unsignalized									
SE 2 nd St/SE Byers Ave	B	11.8	0.02	B	11.1	0.02	B	11.6	0.10
SE 2 nd St/SE Dorion Ave	B	12.1	0.10	B	14.4	0.16	B	14.6	0.14
SE 2 nd St/SE Emigrant Ave	B	13.9	0.15	B	12.9	0.09	C	17.6	0.17
SE 2 nd St/SE Frasier Ave	B	11.2	0.08	B	11.4	0.16	B	11.5	0.13
SE 1 st St/SE Emigrant Ave	B	12.6	0.07	B	13.3	0.08	C	17.2	0.13
SE 1 st St/SE Frasier Ave	A	3.1	0.06	A	3.1	0.05	A	2.5	0.04
SW 1 st St/SW Emigrant Ave	C	16.8	0.11	D	25.6	0.36	D	27.5	0.33
SW 1 st St/SW Frasier Ave	B	11.9	0.14	B	12.6	0.20	B	12.0	0.16
SW 2 nd St/SW Court Ave	A	9.8	0.03	B	10.2	0.07	B	10.2	0.04
SW 2 nd St/SW Dorion Ave	B	14.6	0.18	D	31.1	0.39	C	21.9	0.36
SW 2 nd St/SW Emigrant Ave	C	15.1	0.11	C	22.8	0.34	D	29.8	0.38
Signalized									
SE 1 st St/SE Court Ave	B	13.2	0.32	B	13.0	0.33	B	14.6	0.39
SE 1 st St/SE Dorion Ave	B	11.2	0.27	B	10.9	0.44	A	9.5	0.38
Main St/Byers Ave	C	21.0	0.58	B	11.9	0.46	B	10.1	0.36
Main St/Court Ave	A	7.7	0.50	A	7.7	0.50	A	7.8	0.61
Main St/Dorion Ave	A	9.6	0.42	B	12.0	0.71	B	11.5	0.72
Main St/Emigrant Ave	D	42.4	0.35	D	36.2	0.35	B	15.2	0.41
Main St/Frasier Ave	B	12.3	0.49	B	11.7	0.45	B	11.7	0.44
SW 1 st St/SW Court Ave	B	10.6	0.39	B	11.9	0.41	B	12.6	0.54
SW 1 st St/SW Dorion Ave	A	6.4	0.27	C	22.6	0.54	B	18.6	0.53

¹ LOS, Avg Delay, and V/C for unsignalized intersections are reported for minor street movement.

APPENDIX D – FUNDING AND IMPLEMENTATION STRATEGY MEMO

To: Scot Siegel, Siegel Planning Services **Date:** February 11, 2011

From: Todd Chase, AICP, FCS GROUP

CC: Project Team Members

RE Pendleton Downtown Plan, Task 3.2 Funding & Implementation Strategy

Introduction

This memorandum recommends potential funding and implementation measures for proposed public improvements in downtown Pendleton (Task 3.2). The recommendations are consistent with the findings contained in the Baseline Traffic Analysis and Existing Conditions Report (Subtask 2.2), and should be reviewed with the Transportation Alternatives Analysis (Subtask 3.1) and Revised Schematics and Street Sections (Subtask 3.3). The recommendations are intended to help leverage limited public funds in a manner that equitably spreads out the costs of the improvements among those that will benefit.

Preliminary Capital Facility Projects and Cost Estimates

Preliminary (planning-level) capital cost estimates were developed by MIG and Kittelson Associates based on similar project development experience, and are available under separate cover. The cost estimates include unit costs associated with project mobilization, earthwork, grading, roadway striping, masonry, pavement, streetscape amenities, landscaping and irrigation, and a contingency allowance. The costs do not include some enhancements (e.g., public art, plaques, banners, etc.) that could become part of a special community fund raising campaign.

The primary infrastructure improvements for downtown Pendleton include:

- Improvement of Main Street (from Byers to the Railroad District);
- Improvement of SW 1st and SE 1st Streets (from Byers to Frazer);
- Improvement of the South Main Street Gateway/Railroad District;
- Improvement of the South Riverside District, including pathway renovation between SE 4th and SW 4th adjacent to Byers; and
- Improvement of the North Riverside District, including river access (Bailey Avenue area)

Two variations (options) of Main Street improvements are included at this stage in the downtown planning process, Option A, a 3-lane configuration, and Option B, a “Festival Street” with enhanced concrete work and streetscape amenities (street lighting, plantings, etc.). Based on our preliminary analysis of costs, and the limited potential for leveraging public and private funds, we recommend the city begin with a package of Main Street improvements. Other citywide sources of funding, in addition to downtown funds, could be explored for the riverfront path and park improvements. For example, a citywide Parks and Pathways bond could support improvements along the riverfront and those adjacent to

the railroad and historical museum. The above improvements are proposed as updates or refinements to Pendleton’s Downtown Urban Renewal Plan, though the preliminary cost estimates do not include some existing urban renewal projects, such as façade improvements. The final Downtown Plan will incorporate existing Urban Renewal projects as appropriate.

As indicated in **Table 1**, the cost for Main Street improvements is expected to range from approximately \$2.9 million with Option A to \$4.6 million with Option B. The conversion of SE 1st Street and SW 1st Street to one-way streets (Schematic Plan Alternatives 3 and 4 only) is expected to cost an additional \$438,000; however, that expense would be reduced under Schematic Plan Alternative 2, which maintains the existing configuration of SE 1st and SW 1st Streets, while adding a bicycle lane or sharrow lane markings. The total cost of proposed public improvements, including Main Street, SW 1st and SE 1st, S. Gateway/Railroad District and North and South Riverside Improvements, is expected to range from approximately \$5.4 million (Option A, Alternative 2) to \$7.5 million (Option B, Alternatives 3 or 4). It should be noted that these costs are stated in 2011 dollars, and may be adjusted upwards in future years to account for inflation (which typically equates to a 2-4% annual cost increase).

Table 1 Preliminary Capital Cost Estimates for Downtown Streetscape Improvements

	Option A Main St. with 3-Lane Config.	Option B Main St. as Festival Street
Main Street	\$2,915,251	\$4,618,880
SW 1st St. & SE 1st. St.	\$438,009 (Only for Alts 3-4)	\$438,009 (Only for Alts 3-4)
S. Main Street Gateway/Railroad District	\$498,508	\$409,508
S. Riverside District	\$779,407	\$779,407
N. Riverside District	\$1,188,915 (\$350k is for water access)	\$1,188,915 (\$350k is for water access)
Total	\$5,382,081 (Alt. 1) to \$5,820,090 (Alts. 3 & 4)	\$7,114,710 (Alt. 1) to \$7,523,719 (Alts. 3 & 4)

Source: see Appendix A; costs are expressed in 2011-dollar amounts.

Funding Options

This section summarizes the potential funding and financing options that are available to the city of Pendleton. Our evaluation and recommendations follow. The primary funding options include:

- System Development Charges (SDC)
- Parking District Charges
- Urban Renewal Program, Tax Increment Financing
- Local Improvement Districts (LID)
- Zone of Benefit District (ZBD)
- Economic Improvement District (EID)
- Utility Rates and Connection Charges
- General Obligation and General Revenue Bonds
- State and Federal Financing Programs and Grants

The planned transportation and pedestrian system improvements necessary to serve downtown are a significant financial expenditure for the City of Pendleton. Improvements to Main Street and SW 1st Street and SE First Street are expected to result in enhanced pedestrian, bicycle and vehicular access and safety in the downtown core area. The enhancements to downtown will provide a direct benefit to downtown visitors, residents, businesses and workers. In light of the anticipated *local benefits* to downtown businesses, residents and property owners, and *city-wide benefits* to residents who visit, shop or work downtown, the city may consider a mix of local and city-wide funding techniques to help spread out the cost of the improvements to those who benefit.

A summary of *local funding* techniques used in Oregon includes:

System Development Charges

ORS 223.297 – 223.314 provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.” An SDC can be constructed to include one or both of the following components: (1) a reimbursement fee, intended to recover an equitable share of the cost of facilities already constructed or under construction and (2) an improvement fee, intended to recover a fair share of future, planned, capital improvements needed to increase the capacity of the system. ORS 222.299 defines “capital improvements” as facilities or assets used for:

- Water supply, treatment and distribution;
- Waste water collection, transmission, treatment and disposal;
- Drainage and flood control;
- Transportation; or
- Parks and recreation.

The City of Pendleton currently uses SDCs. The current Pendleton Transportation SDC ordinance was adopted by city Resolution 1980 in 1998 and amended by Resolution No. 2234 on March 1, 2005. The city's SDC methodology was established in 1997 and includes separate fees for single-family dwellings, multifamily dwellings, and a fee of \$110 per Equivalent Length New Daily Trips for commercial and industrial developments.

SDCs may include an "improvement fee" for new facilities and a "reimbursement fee" associated with capital improvements already constructed. SDCs cannot be used for operation or routine maintenance.

Pendleton may apply SDC funding to designated downtown capital improvements that enhance capacity as required to address future growth needs. Potentially applicable downtown facilities include streets, transit facilities, pedestrian facilities, and storm drainage and flood control improvements.

In order to enhance SDC revenues and allocate SDC funds, the city should consider revisiting and updating its SDC methodology reports for transportation, parks and storm water facilities. This would entail an update to the capital facilities program list, cost estimates, and calculation of improvement fee and reimbursement fee calculations. Key objectives of the SDC updates could focus on:

- **Full Cost Recovery** (the use of the current Pendleton TSP capital facilities plan, reimbursement fee, improvement fee, planning/permitting component, annual escalations)
- **Bike, pedestrian and transit facilities elements** (relates to Full Cost Recovery for street and pedestrian, bicycle and transit facility improvements)
- **Location Based SDCs** (SDC adjustment/reduction for housing developments in the downtown area).
- **Variable SDCs by dwelling and land use type** (SDCs can vary for residential dwelling categories and about 143 non-residential categories)
- **Variable SDCs for higher density and "green" design** (special SDC reductions can be provided for any development in the city that can demonstrate lower trip generation rates).

*Rather than creating/adopting an SDC overlay for downtown (which may result in higher fees in downtown and discourage redevelopment there), it is **recommended** that the city **revisit its overall methodology for calculating SDCs.***

Local Improvement Districts, Urban Renewal Districts, Economic Improvement Districts, and Parking Districts

The construction cost of a new streets, parks and storm drainage systems in downtown are well beyond the limitations of the city's general fund resources. The City is consequently dependent on other forms of revenue to finance these types of projects.

- **LID:** Cities in Oregon have the statutory authority to establish local improvement districts and levy special assessments on the benefited property to pay for improvements. These are payable in annual installments for up to 30 years. LIDs are generally used for capital improvement projects that benefit numerous large tenants and/or private property owners. The formation of LID

districts could be considered as a potential primary source of funding downtown streetscape improvements because there will be direct benefits to multiple property owners.

- **ZBD:** Similar to LIDs, cities can require future downtown developers, within a designated zone of benefit district (ZBD), to partially reimburse the city for capital improvement that were funded in advance of planned redevelopment efforts. This payment would be made directly to the city, only if the developer/applicant seeks a building permit or development approval within 15 years of formation of the ZBD.
- **URD:** At the discretion of the city of Pendleton's Urban Renewal Agency, there may be opportunities to utilize funding from the existing downtown Urban Renewal District (URD) for eligible economic development improvements. In many cases, URD funds are combined with other local funding sources (e.g., LIDs) to leverage non-local grants or loans. Based on discussions with city staff, the existing URD funds are very limited so funding from existing URD revenues would be an ancillary source (not a primary source) of funds for capital facilities.
- **EID:** Cities may establish an Economic Improvement District (EID) or business improvement district (BID) to create additional revenue for targeted infrastructure improvements or enhanced operating/advertising services (e.g., public safety or marketing within downtown). EIDs require the formation of a special benefit district area, identification of improvements and services to be funded, along with an assessment mechanism and methodology report that is subject to approval by the majority of property owners within the district. In Oregon, most EIDs are limited to relatively small annual assessments and used to enhance maintenance and marketing activities.
- **Parking Districts:** Several cities in Oregon have established special parking districts in their downtown areas (including Bend, The Dalles, Salem, Ashland, etc.) with revenues derived from parking fees and citations. Parking districts are generally intended to enhance the overall parking efficiency and management within downtown locations. Funds may be combined with other sources of local funding and used for parking system and operational improvements, such as development of new public off-street parking facilities and parking area maintenance activities.

Utility Fees and Connection Charges

Utility rates and connection charges are a common way to raise local revenues to pay for required infrastructure facilities and operations but require approval and adoption by the City Council or utility district and must meet state and local regulations. Utility fees for street lighting, transportation, parks or storm drainage facilities are utilized by several cities in Oregon, including La Grande, Lake Oswego and Medford.

Donations and Corporate Sponsorships

Pendleton has a long history of working with non-profit foundations to rehabilitate downtown buildings and establish local funding for civic improvements, such as the recent expansion of the Pendleton Roundup Centennial Grandstand and Happy Canyon facilities. Examples include a \$500,000 grant from the Meyer Memorial Trust (for investments in the Pendleton Roundup facilities), and community improvements averaging \$100,000 annually by the Pendleton Foundation Trust (for various

redevelopment projects). These and other foundations along with corporate and individual donations or sponsorships could become a source of funding for unique downtown streetscape and artwork improvement.

Issuing Debt

At present, the City is not in a financial position to pay for needed capital improvements with fund reserves or taxes. Absent assisted funding and low-cost loan programs, the City may be forced to rely on conventional municipal bond debt to finance the construction of its proposed capital program. There are some benefits to this form of financing. First, as with all debt, it spreads capital costs over the term of the bonds. Furthermore, bonds implement a level of equity by dissipating the burden among current and future customers. Finally, bonds allow flexibility that the aforementioned assisted programs do not through repayment options.

Revenue Bonds

Revenue Bonds are, by definition, backed by the revenue of a utility or enterprise fund. Because the payment stream is less secured than tax backed bonds, revenue bonds carry higher interest rates than G.O. bonds. This differential, however, may be minimal.

Revenue bonds are perhaps the most common source of funding for construction of major public facility or utility projects. To issue revenue bonds, the City will be required to commit to certain security conditions related to repayment, specifically reserve and coverage requirements for annual rate revenues. These conditions are included in the bond resolution to be adopted by the City and essentially impose certain conservative financial practices on the City as a way of making the bonds more secure.

The reserve requirement commits the City to maintain a bond reserve, which could be used to meet payments if the utility is incapable of doing so. This reserve is often set at the least of (a) 10 percent of the issue price of all new and outstanding parity bonds, (b) maximum annual debt service on all new and outstanding parity bonds, and (c) 1.25 times average annual debt service on all new and outstanding parity bonds. The reserve requirement is dictated by the terms of the bond resolution. Since the reserve can be invested and earn interest, the net cost of providing the reserve is relatively small. The City has the option of borrowing the reserve requirement as part of the total loan amount, or can fund it over a five-year period through rates and interest earnings.

Revenue bond coverage is a legal requirement binding a utility to demonstrate that annual revenues exceed expenses by a multiple of the debt service payment. This factor is usually at least 1.25, and is higher for agencies with unrated bonds or low bond ratings. Revenue bond coverage factors can require higher utility rates than otherwise necessary in order to meet the coverage target. Any accumulated assessment reserves or other available fund reserves may be used to pay off all or some of the outstanding principal.

The city of Pendleton has utilized revenue bonds to help pay for improvements to the Pendleton airport Industrial Road using a voter-approved special levy that includes a four-cent per gallon fuel tax, which is expected to raise \$1.4 million.

General Obligation Bonds

General Obligation Bonds offer attractive conditions relative to revenue bonds. G.O. bonds are issued against the City's general fund and taxing authority. G.O. bonds offer slightly lower interest rates than revenue bonds, being backed by the City's tax base. From the investor's perspective, tax backed debt is more secure. These bonds also carry no additional coverage requirement, allowing the City to collect revenues necessary to meet annual debt service with no additional financial consequences. G.O. bonds can be politically unpalatable if the municipality's constituency doesn't support the project purpose.

Other dedicated revenues may repay general obligation bonds issued against the taxing authority of the City. This arrangement takes advantage of the more favorable terms, while still requiring system users to repay the debt. The General Fund would ultimately remain responsible for debt repayment should rate revenues prove insufficient.

In the past, the city of Pendleton has successfully received voter-approval for ad valorem property tax levies to support G.O. bonds for parks, the Pendleton library, Pendleton Family Aquatic Center and the Pendleton City Hall.

Loans and Grants

Federal and state grant programs, once readily available for financial assistance, were mostly eliminated or replaced by low-cost loan programs. Remaining grant programs are generally limited in application, lightly funded and heavily subscribed. Nonetheless, the economic benefit of grants and low-interest loans can make the effort of applying worthwhile.

Common special programs identified as potential funding sources are summarized below:

- **Bank Loans:** The city may utilize private bank loans or state loans to make strategic capital facility upgrades. Given the city of Pendleton's limited operating revenues, bank loans would only be viable for smaller budget improvements that promise rapid return on the investment. State loan funds available from Business Oregon currently include the Special Public Works Fund, and the Oregon Bond Bank. Special Public Works funds are available on a competitive basis to public agencies and can fund projects of up to \$3.0 million, but require well-secured loan guarantees from the applicants. Oregon Bond Bank funds are available if the project is well secured and other funding alternatives are not available.
- **Grant Financing:** Grants offer some potential for the capital improvement projects and initiatives that the city is considering. The city can leverage local dollars as a match for non-local grant funding. Several state and federal grant programs are further detailed in **Appendix D-I**.

Evaluation of Funding Options

A preliminary evaluation of funding options was conducted to ascertain the relative benefit of implementing the potential funding and financing measures identified above. The funding sources to be considered must be adequate to address all or part of the estimated \$3.7 to \$4.3 million in downtown streetscape construction costs (2011 dollar amounts).

Public investment in downtown transportation facilities are expected to result in direct local and citywide benefits in terms of enhanced safety, access, visitation, and business income. As business income and sales increase, there will be citywide benefits in the form of enhanced downtown employment, private real estate investment and enhanced local property tax revenue collections.

To help evaluate the relative benefits of potential funding options, preliminary evaluation criteria were identified and compared to one another in **Table 2**. Initial funding evaluation criteria included:

- **Legal Precedence** – Is this funding technique allowed under Oregon law? Has it been applied in Pendleton recently?
- **Funding or Financing Potential** – Will the funding stream result in a stable and reliable source of revenues? Will the revenues be deemed credit worthy by potential lenders, and become a source of near term funding for the planned improvements?
- **Direct Cost Burden on Downtown Development** – Will the funding technique be considered as an extraordinary development cost, and dissuade potential investment in downtown?
- **Equity** – Will those who pay deem the funding technique and its implementation process equitable?

Table 2 Preliminary Evaluation of Funding Options

Funding Option	Evaluation Criteria					
	Legal Precedence in Oregon	Funding/ Financing Potential	Direct Cost Burden on Downtown Development	Equity	Overall Score (sum of + s)	Recommended for Additional Consideration
System Development Charges	✓	+	++++	++++	7	✓
Local Improvement District	✓	+++	+	++++	7	✓
Zone of Benefit	✓	+	++	++++	6	
Urban Renewal District	✓	++	++++	++	7	✓
Economic Improvement Dist.	✓	+	++	++++	6	
Parking District	✓	++	++++	++	7	✓
Utility Fees	✓	+	++++	++++	7	✓
GO Bonds	✓	+++	++++	++++	9	✓
Revenue Bonds	✓	++	++	++	6	
Donations & Sponsorships	✓	+	++++	++++	7	✓
Loans	✓	+	++++	+	5	
Grants	✓	++	++++	++	7	✓

Notes:

+ least positive

++

+++ most positive

The preliminary evaluation resulted in a relative scoring of funding options. The funding options that received the highest score may merit additional analysis and consideration by the city and downtown businesses. Funding sources recommended for additional consideration include:

- **System Development Charges** – The city may revisit its SDC methodology and charge structure for transportation, parks and storm water facilities. A new citywide SDC methodology could be created that encourages downtown development and brings in additional funding for roads, pedestrian/bicycle and park facilities. Any new SDC fee increase could be phased in over 2-5 years to mitigate development impacts as the regional and national economy climb out of the recent economic recession. However, potential funding for downtown improvements from SDCs is not expected to be a major source of revenue for several years, even if the streetscape improvements measurably improve vehicular or pedestrian capacity.
- **Local Improvement District** – The city should expect downtown property owners that benefit from the planned transportation facility investments to help pay for a portion of the total cost of the improvements through an LID. A downtown LID engineering study could be conducted to create an equitable approach for assessing between \$1 and \$2 million from downtown property owners over the next 15-20 years. The LID could include zones with varying assessment levels to account for benefits that are perceived to vary by location or land use/building/occupant characteristics (e.g., LIDs may exempt upper-floor redevelopment or owner-occupied households).
- **Urban Renewal District** – While the city’s existing Urban Renewal District has little available funding to invest in planned facility improvements, it could become a source of long-term funding to help match non-local loans or grants, especially after additional private investment occurs in the district. Potential funding from this source should be targeted to raise approximately \$500,000 over the next 15-20 years.
- **Parking District** – The city may opt to establish a parking district in downtown to pay for parking facilities and systems management/maintenance enhancements. Funding revenues for the parking district could be initially obtained by charging downtown businesses, residents, and employees for monthly or annual parking permits to allow for all-day parking in designated locations in the downtown core area. Free parking is recommended for short-term (less than four hours) for downtown visitors and patrons. Parking revenues may also be enhanced through special event pricing policies and through citations. This funding source should be targeted to raise approximately \$75,000 annually approximately \$1 to \$1.5 million over the next 15-20 years.
- **Utility Rates** - The city may explore establishing a street utility fee, parks utility fee or storm water drainage fee throughout the city. This fee could result in enhanced maintenance revenue but is unlikely to generate significant sources of capital proceeds. The ability to provide new sources of local maintenance funding, could help free up the use of state shared tax revenues from vehicle fuel tax and registration fee formulae proceeds, which could in turn be used to help offset the local cost of financing downtown capital facilities on a pay as you go basis.

- **GO Bonds or Revenue Bonds** – The city could pursue a city-wide “people parks and places” bond measure that generates adequate funding for all or a portion of the planned downtown streetscape improvements along with other parks and trail improvements throughout the city. These types of bond measures are more successful when they result in “heritage improvements” that benefit residents with strategic parks and pedestrian safety improvements (such as enhanced access to schools and parks).
- **Donations or Corporate Sponsorships** – The city could work closely with non-profit foundations, such as the Pendleton Foundation Trust or a newly established non-profit organization to establish tax deductible programs for specific streetscape elements, such as street trees, lighting, and artwork. This type of investment could be targeted to net about \$100,000 to \$200,000 for project improvements.
- **Grants** – There are a number of state and federal grant programs that the city could pursue to match local funding sources and leverage private investment in downtown. Programs such as the CDBG program and USDA rural community enhancement grants could be targeted to raise about \$1 to \$1.5 million in upfront capital facilities proceeds.

Phasing and Implementation Considerations

The Pendleton Downtown Plan includes a framework for enhancing downtown livability, visitation, business activity, and private investment. The plan entails leveraging the current historic and cultural characteristics of downtown and providing safe and convenient access through local streetscape, parking and parks improvements.

The \$5.8 to \$7.3 million in public capital costs for reconstructing downtown streetscapes, improving gateways, and better connecting downtown to the Umatilla River will require a mix of local funding sources to leverage available non-local (e.g., state, federal, and foundation) grants. The preliminary recommended primary local funding sources include the establishment of a local improvement district, general obligation bonds, and a downtown-parking district. These three local funding sources should be targeted to raise approximately \$5 million over the next 15-20 years. Ancillary local funding sources, including SDCs, Urban Renewal District funds, utility fees, and donations could be targeted to raise approximately \$500,000 to \$1.0 million in additional funding.

These techniques may adequately address Main Street Option A, but not the more expensive Option B. Hence, the city may pursue multiple strategies to fully fund downtown streetscape improvements over the next 3-5 years.

1. **Scenario 1 - Maximize Non-Local Funding.** Assumes that a new city-wide General Obligation Bond or Revenue Bond referendum (e.g., “People, Parks, and Places” bond measure), combined with a new downtown LID, raise approximately \$5 million over 15-20 years, and these sources in-turn leverage \$500,000 in additional local funding from the URD, SDCs and donations for a total amount of \$2.5 million in local funding. These funds are used to leverage another \$2 million in state, federal, and/or foundation grants.

2. **Scenario 2 – Maximize Local Funding.** In the event that Scenario 1 does not result in \$2+ million in non-local grants, the city may decide to enhance local funding through a larger LID assessment or a downtown parking district fee, combined with the bond measure described above. This approach could target an additional \$1 million to \$2 million in revenue.
3. **Scenario 3 Hybrid Approach.** In the event that the city-wide bond measure fails to receive voter approval, the city may desire to scale back the planned downtown streetscape improvements (to reduce costs) and establish a local funding source using a smaller amount of LID and parking district assessments to obtain consent from impacted property owners and businesses. Once the local LID and parking districts are formed, the city could pursue state and federal grant funding in hopes of receiving a 50% match. The final design of the downtown streetscape improvements would be delayed and refined/downsized in line with available local and non-local funding sources.

Public-Private Policy Framework

In addition to supporting new sources of funding for strategic improvements to downtown transportation, pedestrian/bicycle and parks facilities, the city could also explore new requirements for leveraging desired downtown investment. The creation of a new location-based SDC methodology is one way to help create incentives to invest in downtown if impact fees in downtown are measurably lower than fees in outer locations. Another approach used by cities to encourage downtown development entails the use of expedited design approvals for projects that meet clear and objective design standards (used by Bend and Salem).

As the city's urban renewal district reserve funds increase over time, the city may consider new policies to loan urban renewal funds to investors as a secondary source of financing for private investments that meet stated local objectives. Potential lending criteria could include: level of private investment to be leveraged (e.g., at least \$2 million per project); potential direct permanent job creation; and potential development of affordable housing or workforce housing in downtown.

Appendix D-I – Potential Local, State and Federal Funding Programs

Funding Program / Source	Program Description	Cycle	Contact
Grants			
Transportation Enhancement Program	Reimbursement is provided for projects that strengthen the cultural, aesthetic or environmental value of a transportation system. Projects must relate to Pedestrian and Bicycle access, Historic Preservation, Landscaping & Scenic Beautification or Environmental Mitigation as it relates to runoff and wildlife protection. http://www.oregon.gov/ODOT/HWY/LGS/enhancement.shtml		Pat Rogers Fisher (503)986-3528
Pedestrian and Bicycle Improvement Grant Program	A competitive grant awarded to Oregon cities, counties and ODOT offices for improvement of pedestrian and bicycle facilities. Qualified projects include: ADA upgrades, improved crossings, widened sidewalks or bike lanes and completing short sections of unfinished bike lanes or sidewalks. http://www.oregon.gov/ODOT/HWY/BIKEPED/grants1.shtml	New cycle begins in spring 2012	Sheila Lyons (503)986-2555 Rodger Gutierrez (503)986-3554
Economic Development Administration Community Development Block Grants	Provides grants that work to the benefit of low to middle income citizens. Programs funded must provide improved economic opportunities, suitable housing and living environment over one to three years. Qualified plans include infrastructure, especially improved ADA and pedestrian accessibility. http://www.hud.gov/offices/cpd/communitydevelopment/programs	Annual	Doug Carlson (971)222-2612
Oregon Immediate Opportunity Program	ODOT grants up to 50% of project (\$500,000) based on job creation. http://www.oregon.gov/ODOT/CS/EA/reports/Immediate_Opportunity_Fund.pdf?ga=t	Periodic (ODOT makes a funding decision within 30 days of request)	ODOT District 12 office (541)276-1241
Special Public works Fund	Grants can be obtained by contacting a regional coordinator. They are available for construction projects that create or retain jobs. A grant is limited to \$500,000 based upon up to \$5,000 per job created or retained by the project.	Ongoing	Tawmi Bean (503)986-0149
Oregon Community Block Grant Program	Available funding depends on project type ranging from \$48,000 to \$750,000. Projects must either benefit low and moderate income individuals, aid in the elimination of blight or address an immediate threat to the health or welfare of a community.	Quarterly (refer to website)	N/A
USDA Grants	A variety of grants and loans for purposes which include rural infrastructure and community enhancement. The revolving nature of the grants/loans means many are closed at any given time and an eye must be kept on the website http://www.csrees.usda.gov/fo/funding.cfm	Periodic depending on grant	Periodic
USDOT TIGER III Livability Grants	A series of competitive grants for transportation infrastructure investment, eligible projects include highway bridge projects, public transit projects, rail projects and port infrastructure in an effort to encourage sustainable growth. http://www.dot.gov/recovery/ost/tigerii/	Last deadline was 08/23/10	Robert Mariner (202)366-8914
HUD Community Challenge Grants	Grants are available for integrated regional planning for sustainable development and investment in sustainable housing and community development http://www.grants.gov/search/search.do?mode=VIEW&oppld=56236	Last deadline was 8/23/10	HUD: (202)402-5297
HUD DEI Special Projects	Only entities named by the Congressional HUD report may apply for grants under this program and the activities must be approved by	N/A	N/A

	congress.http://www.hud.gov/offices/cpd/economicdevelopment/programs/		
Funding Program/Source	Program Description	Cycle	Contact
EPA Smart Growth Technical Assistance	A program that helps communities manage their growth, helping foster economic progress and environmental protection. Approved communities are given technical assistance from a team of national experts in either policy analysis or public participatory processes. http://www.epa.gov/smartgrowth/sgia.htm	Annual	
USDA Rural Cooperative Development Grants	Targeted towards rural areas, this grant helps establish operating centers for the development and improvement of cooperatives. This grant must be applied for by a non-profit organization. http://www.rurdev.usda.gov/rbs/coops/rcdg/rcdg.htm	Annual	Gail Thuner: (202)690-2426

Low Interest Loans

Oregon Business Development Fund (OBDF)	Several programs, including those targeted at “distressed” areas, which include most of the state, provide loans at interest rates of 4% or higher, depending on the market. The loans target businesses of 100 employees or fewer which must specialize in products for which national or international competition exists. Projects must assist in manufacture, distribution or processing. Preference will be given to those projects which produce or maintain one job for every \$30,000 loaned out. http://www.oregon4biz.com/assets/docs/OBDF_biz_app.pdf	Periodic (proposals will be evaluated at bi-monthly meetings of finance committee of Business Oregon)	Business Oregon: 503-986-0123
Oregon Transportation Infrastructure Bank	A revolving loan fund Designed to provide innovative financing for transportation. Most authorities below the state level are eligible to apply for the loans. Eligible projects include highway projects, public transit, Maintenance, passenger facilities, bicycle or pedestrian accessibility projects on highways. Loans may cover up to 100% of project costs. Interest rates vary with loan length. http://www.oregon.gov/ODOT/CS/FS/otib.shtml	Periodic (applications will be processed within 60 days of receipt)	Tom Meek (503)986-3921
Special Public Works Fund	Provides funds for publicly owned facilities that support economic and community development. Loans are available for the planning and implementation of construction projects that qualify. http://www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Community-Development-Project/Special-Public-Works-Fund/	Ongoing	Tawni Bean (503)986-0149
USDA Loans	USDA Rural Development announces the availability of loans through its website. The loans are organized in three types, utilities, business and housing. Each loan carries its own requirements and stipulations. http://www.rurdev.usda.gov/RD_NOFAs.html	Periodic	N/A

Local Funding Program/Source	Program Description	Cycle	Contact
Local Improvement Grants	The city can fund projects which preserve and create publicly owned infrastructure. This is an uncommon process, though, because general funds are usually overcommitted to other city services.	Annual	N/A
Local Property Tax Levies	The can fund roads, schools, parks and other facilities through voter-approved referendums, subject to Oregon law. Not usually a viable option for single projects that cost less than \$2,000,000	Ongoing	N/A
Local System Development Charges	Development impact fees, directly related to the proportional share of capital costs. Applicable to sewer and water systems.	Ongoing	N/A
Reimbursement District or Zone or Benefit District	Public or private entities that build road systems can be compensated by future property owners at a proportional rate, as development occurs. Usually limited to private construction of roads, this mechanism can be useful for public/private developments.	Requires legislative action	N/A
Advanced Financing Agreements	Private entities that build public facilities can be compensated by the city as development occurs. Limited to private construction of public facilities, this mechanism is useful for public/private developments.	Requires legislative action	N/A
Transportation System Development Charges (SDC)	A transportation system development charge or traffic impact fee can be charged to new development to pay for infrastructure improvements needed to serve it. Cities throughout Oregon use transportation system development charges or impact fees to assist in funding traffic improvements related to new development.	N/A	N/A
Advanced Financing Agreements	Private entities that build public facilities can be compensated by the city as development occurs. Limited to private construction of public facilities, this mechanism is useful for public/private developments.	N/A	N/A
Local Improvement Districts (LID)	LIDs can be formed by petition and subsequent legislative action under Oregon Law. They are often used to finance public infrastructure (roads, sewer, water, etc.) using guaranteed payments from affect properties with a lien placed on those properties until the LID share is paid off. They typically require at least 51% of affected properties to approve the LID.	Requires legislative action	N/A
Urban Renewal District	Urban Renewal Districts can be formed by legislative action under Oregon law (with acknowledgement of an Urban Renewal Plan). Project financing is secured through dedication of increases in tax increment revenues in the affected district.	Requires legislative action	N/A

Funding Program/Source	Program Description	Cycle	Contact
General Obligation Bonds (G.O. Bonds)	Bonds often sold by a municipal government to fund transportation (or other types) of improvements and are repaid with property tax revenue generated by that local government. Under measure 50, voters must approve G. O. bond sales with at least a 50 percent voter turnout. Cities all over the state use this method to finance the construction of transportation improvements. For smaller jurisdictions, underwriting costs can become a high percentage of the total financing cost for bond issues. "Bond Pools" such as those associated with the Oregon Infrastructure Bank assists small jurisdictions by pooling together several small bond issues, thereby achieving economies of scale with lower financing costs.	Requires a referendum.	N/A
Revenue Bonds	Revenue Bonds include bonds sold by a city and repaid by an enterprise fund that has a steady revenue stream such as a water fund or a local gas tax. Revenue bonds are typically sold to fund improvements in the system which is producing the revenue. Revenue bonds are a common means to fund large high cost capital improvements with a long useful life. A water or sewage treatment plant are examples where high construction cost over a short period makes it difficult to pay for the project with operating funds, However, the long-term revenue stream from user revenues makes the sale of bonds a viable alternative, with the cost of the facility spread over a long period of time.	Requires city council action, voter referendum.	N/A

Other

Meyer Memorial Trust	In rare instances, foundations or trusts may award grants to help fund civic improvements, including roads, parks and civic buildings. The largest share of the dollars the Trust awards each year is made under the General Purpose Grants Program. General Purpose Grants support projects related to arts and humanities, education, health, social welfare, community development, the environment and a variety of other activities. Proposals may be submitted at any time under this program and there are no limitations on the size or duration of these grants Applicants normally have tax exemption under Section 501(c)(3) of the Internal Revenue Code and have been determined not to be a "private foundation" under section 509(a) of the code. The trust also awards grants to applicants that have federal tax exemption under other designations, such as public schools and government entities. http://www.mmt.org	Continuous enrollment	MMT Offices: (503)228-5512
Private Donations	Donations from individuals or corporations can be collected from cities or 501(c)(3) profits to be used for various elements of public street improvements, such as paving (bricks), landscaping and benches.	N/A	N/A

Other Funding Sources:

Oregon Historic Preservation Office

Oregon's State Historic Preservation Office offers two tax incentives programs for historic properties:

- The tax reform act of 1986, as amended, provides an income tax credit of 20% of the rehabilitation cost for the qualified rehabilitation of depreciable, income producing, certified historic properties. The federal Historic Rehabilitation Tax Credit program is administered through State Historic Preservation Offices.
- In return for signification investments in historic rehabilitation on a National Historic Register property, the Special Assessment of Historic Properties program offers a ten-year "freeze" of its assessed value. Applications are accepted year round.

Certified Local Governments:

The Certified Local Government program extends aspects of the federal/state preservation partnership to the local level. In return for taking on certain responsibilities, such as designating and reviewing proposed alterations of historic properties, Certified Local Governments become eligible for non-competitive "basic participation" grants and for other competitive grants from a dedicated amount of the state's federal apportionment. The preservation planner assists the officials, staff and landmark commissioners of the CLGs and acts as a liaison to all local governments in Oregon. He has special expertise regarding ordinances, plans and preservation programs and can answer about the eligibility of local programs for certification and about which local governments are certified.

Financial Resources for Rural Housing

USDA Rural Housing Service (RHS):

The USDA Rural Housing Service has various programs available to aid in the development of rural America. Funds are available through community facilities loans, home ownership loans, rural rental housing loans, home improvement loans and more.

Rural Community Assistance Corporation Housing Program:

This program emphasizes three areas: Farm Worker Housing, Self-Help Housing and Community Housing Development Organizations. Additionally, they have begun working with special projects involving the combination of housing with business, social services, health care and childcare.

Rural Local Initiatives Support Corporation:

An organization which strives to build the capacity of resident led rural community development corporations (CDCs), increase their production and impact, demonstrate the value on investing in and through rural CDCs and make the resource and policy environment more supportive of rural CDCs and their work.

Rural Housing and Economic Development Program:

Created in 1999, the Rural Housing and Economic Development (RHED) program provides grants to rural nonprofits, community development corporations and Native American tribes to build capacity, develop innovative housing and create and strengthen economic development programs.

Housing for the Elderly (Section 202):

The Section 202 program provides capital grants to private nonprofit sponsors and consumer cooperatives for the construction or substantial rehabilitation of residential projects and related facilities for elderly persons which may include the cost of real property acquisition, site improvement, conversion, demolition, relocation and other expenses of supportive housing for elderly persons.

Oregon Housing and Community Services

HELP Program:

The HELP program was established to provide funding for safe, decent and sanitary housing, affordable to very low-income families and individuals. Funding for this program has been built up through monthly allocations from HUD and \$500,000 are available for the 2011 fiscal year. Some restrictions and requirements are attached to funds. The department, at its discretion, set aside HELP funds for three distinct populations: Homeless, victims of domestic violence and group homes for persons with development disabilities or chronic mental illness.

HOME Investment Partnership Program:

The HOME program makes funds available for the development of affordable housing for low and very low-income families and individuals. It encourages cooperation between governmental agencies in that it requires a consolidated planning process in approved projects. Funds are allocated to all states and approved localities. Funds can be used for acquisition, rehabilitation and/or new construction of single or multi-family rental units.

Housing Development Grant “Trust Fund” Program:

The Housing Development Grant “Trust Fund” Program was created to expand Oregon’s supply of housing for low and very low-income families and individuals by providing funds to construct new housing or to acquire and/or rehabilitate existing structures. Applications are accepted twice a year during the department’s Consolidated Funding Cycle (CFC). Cities applying must work through a regional advisor (Bruce Buchanan (541)980-6300). Applicants are encouraged to leverage grant dollars with other public and private funds.

Low Income Housing Tax Credit (LIHTC) Program:

The 1986 Tax Reform Act created this program as an incentive to encourage the construction and rehabilitation of rental housing for lower income households. The program offers credits on federal tax liabilities for 10 years so long as the rent stays at or below the LIHTC limit, as determined by a percentage of area median income. Individuals, corporations, partnerships and other legal entities may benefit from tax credits, subject to applicable restrictions.

Oregon Affordable Housing Tax Credit (OAHTC) Program:

The Oregon Affordable Housing Tax Credit (OAHTC) Program provides a state income tax credit for affordable housing loans for which a lender reduces the interest rate by up to four percent. Applications must demonstrate that the benefit of the tax credit will be entirely passed on to reduce tenant rents. One hundred percent of the savings from the reduced loan must be directly passed through to the low-income tenants and/or users in the form of lower rents. Low-income households are those having less than 80 percent of the area median income as defined by the U.S. Department of Housing and Urban Development (HUD). The sponsors must show intent to use the tax credit project for a long term affordable housing use. Restrictive covenants will be required to guarantee long term affordability.

Department of the Treasury:

New Markets Tax Credit Program:

The Community Development Financial Institutions Fund designates certain corporations or partnerships as “Community Development Entities”. These CDEs must prove that their primary objective is investment in low-income areas in order to qualify. Once certified, taxpayers can invest in these CDEs and receive a tax credit of 39% of their investment over seven years.

Citizenship and Immigration Services:

The Fifth Employment-based Preference Immigrant Investor Program:

The Fifth Employment-based Preference Immigrant Investor Program, or EB-5 is a program that encourages immigrant investment in US markets through private capital. Immigrants must provide a business plan which will employ ten people full time (35 hours a week) within two years. The investment must be one million dollars, with exceptions in Targeted Employment Areas (TEAs). Investments can be made through regional centers which are larger businesses that several immigrants invest in through EB-5. No regional centers exist in Oregon. This is not a source of funding for public infrastructure; rather, it is a program to provide investment in private business and, ultimately, employment in strategic locations designated as “Regional Centers” (which could include Downtown Pendleton).

Office of the Governor:

Executive Order 10-01

While the Executive Order issued on January 10, 2010 is not a direct source of funds for infrastructure, Executive Order 10-01 encourages the Department of Administrative Services to locate state agencies in historic buildings in Oregon’s downtowns which are pedestrian-friendly. Having a state agency headquartered in an area like Downtown Pendleton can provide a reliable anchor for prospective developers or investors.