

DEVELOPMENT OPPORTUNITY

Midtown Development Land

445 NE Penn Ave | Bend, OR

Tax Exemption Approved - High Density - Ideal Affordable Development



PROPERTY SUMMARY

Offering Price	\$1,800,000
Lot Size (Acres)	0.48 AC
Lot Size (SF)	20,908 SF
Zoning	RH (Residential High Density)
Minimum Density	21.7 Units/AC
Maximum Density	No Maximum Density

HIGHLIGHTS

- Site approved for MUPTTE tax exemption
- Excellent Midtown Bend location
- Ideal affordable multi-family project
- High-demand market area
- Sellers may be open to land contribution, JV or partnership

NAICascade

Chuck Brazer
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Development Summary

Sales Price	\$1,800,000
Address	445 NE Penn Ave Bend, OR 97701
Tax Account	105177
Acres	0.48 (20,908 SF)
Zoning	RH- Residential High Density The High Density Residential District is intended to provide land for primarily high density multi-unit residential in locations close to shopping and services, transportation and public open space and to provide a transitional use area between other Residential Districts and other less restrictive areas. The minimum density of the district is 21.7 units per gross acre and there is no maximum density.
Current Use	Vacant
Proposed Use	Multifamily
Allowed Use in Zone	Allowed
Max Site Coverage	None
FAR	None
Density	21.7 units/gross acre- no maximum
Height Limit	50' allowable
Parking	OAR 660-012-0430 may not be required for units under 750 SF (allowable).
Development Proposal	Site may be utilized for any concept a developer may seek within the confines of what is allowable per current zoning. Current ownership did have an approved project totaling 59-units on the site with permits issued. Land use permit for this project did lapse in October 2025. This site was approved for the Multi Unit Property Tax Exemption status (one of 4 granted in Bend) which is transferable to a new owner.



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MUPTTE Tax Exemption Approval



CITY OF BEND
COMMUNITY AND
ECONOMIC DEVELOPMENT

STAFF REPORT FOR MULTIPLE UNIT PROPERTY TAX EXEMPTION

PROJECT NUMBER: PRTX202300065
CITY COUNCIL DATE: April 17, 2024
**APPLICANT/
OWNER:** Hiatus Homes
Jesse Russell
740 NE 3rd Street 3-314
Bend, OR 97703

OWNER: Hiatus Capital Fund LLC
20856 SE Sotra Loop
Bend, OR 97702

**APPLICANT'S
REPRESENTATIVE:** n/a

LOCATION: 445 NE Penn Avenue Bend, OR; Tax Lot 171233BB00200
Between Revere and Olney Avenues and NE 4th & NE 5th Street

REQUEST: Multiple Unit Property Tax Exemption, 10-year tax abatement on residential improvements

STAFF REVIEWER: Allison Platt, Economic Development

RECOMMENATION: Approval

DATE: February 20, 2024

PROJECT & SITE OVERVIEW:

The project site is at 445 NE Penn Ave in the High Density Residential (RH) zone, outside the Core Tax Increment Finance (TIF) Area. This application, submitted in January 2024, is a revision from an initial Multiple Unit Property Tax Exemption (MUPTTE) application submitted by the same applicant in February of 2023. The project, subject to this MUPTTE application proposes one (1) 3-story micro-unit building with 59 dwelling units. Thirty percent (30%) - 18 units - will be designated middle income housing and rented at levels affordable to those making 120% Area Median Income (AMI) or less. While the applicant will be required to deed-restrict 18 of the units to middle income levels for the 10-year exemption period, the project's proforma indicates a total of 27 units will likely meet middle-income rental levels (\$1,998 per month or less). In addition, two of the units will be dedicated as units accessible under Americans with Disabilities Act (ADA) standards. The project emphasizes community interaction and will include: three community spaces, one on each floor; a south-facing deck on the third floor; a community kitchen; and co-working spaces. Nine parking spaces will be provided on site and serve the project's tenant and common area uses. Five of these spaces will be served with Electric Vehicle (EV) charging infrastructure. In addition, the project includes



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MUPTE Tax Exemption Approval

77 total bicycle parking spaces (18 more than is required by the Bend Development Code) as well as e-bike charging stations.

The previous MUPTE application submitted by this applicant was for a micro-unit building that would consist of 40 units utilizing the same public benefits. The primary differences between this application in comparison to the initial application include the following:

- Addition of 19 residential units
 - 6 additional units to be deed restricted to those making 120% AMI or less
- 50% reduction of total parking spaces
 - One less space to be served with EV charging infrastructure

The property is currently vacant land with no buildings, so there is no residential or commercial displacement associated with this project.

A land use decision was approved by the City for this project in September of 2022 (PLSPR20210456) and a modification of approval (PLMOD20230480) to increase the unit count was approved in November of 2023 to increase the total number of units to 59, as proposed in this revised Multiple Unit Property Tax Exemption (MUPTE) application. Building permits for the project (PRNC202202626) were issued in October of 2023 and a building permit revision was submitted to the City on October 31, 2023, for the proposed revisions to the project that are being considered as part of this MUPTE application. The building permit revisions are still under review by the City. The applicant has not begun construction and has communicated to the City that they can't proceed with construction of this revised site plan without this tax exemption. Proceeding with a building permit revision will allow the applicant some administrative efficiencies in moving this project forward if approved for MUPTE.

Aerial Map



NAICascade

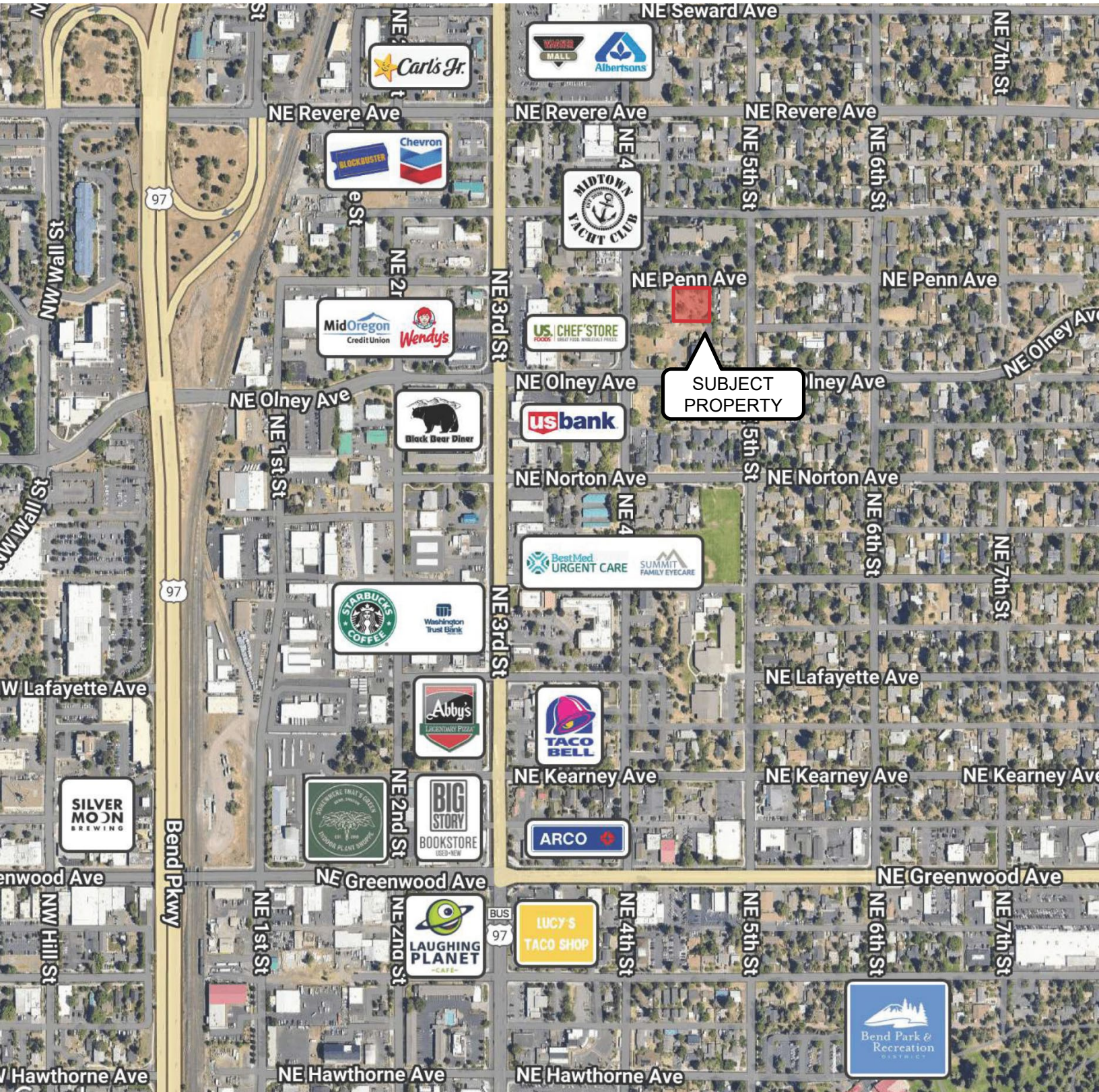
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Amenities Map



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Bend, OR



Situated on the eastern edge of the Cascade Range along the Deschutes River, Bend joins forested mountain highlands and high desert plateaus, offering diverse scenery and outdoor activities.

The largest city in Central Oregon, Bend, is the commercial, recreation and social center of the tri-county region and also serves as the county seat of Deschutes County. It covers 32 square miles and sits at an elevation of 3,625 feet. Bend is noted for its scenic setting and year-round recreational activities.

Bend was rated the best performing small metro for from 2018-2022. Economically, Bend started as a logging town, but began a transition to a more varied sustainable economy in the 1980's when it became apparent that the lumber mills were no longer vital.

Unlike resort communities such as Aspen or Jackson Hole, Bend's lifestyle and quality workforce draw many successful companies in the aviation, manufacturing, renewable energy, high-tech, healthcare and recreation equipment sectors. Many of Bend's companies are owner-operated in the small to midsize range, typically with 10 to 15 employees. Companies like Breedlove Guitars, G5 Search Marketing, Deschutes Brewery, Hydro Flask and Bend Research provide solid employment and bring in vital traded-sector dollars to Bend's economy.

Source: EDCO (Economic Development of Central Oregon) edcoinfo.com/communities

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Demographics

DEMOGRAPHIC SUMMARY

445 NE Penn Ave, Bend, Oregon, 97701 2
Drive time of 5 minutes

KEY FACTS

13,932

Population

38.4

Median Age



2.2

Average Household Size

\$94,039

Median Household Income

EDUCATION

3%

No High School Diploma



17%

High School Graduate



27%

Some College



53%

Bachelor's/Grad/Prof Degree

BUSINESS



1,986

Total Businesses



15,595

Total Employees

INCOME



\$94,039

Median Household Income



\$51,868

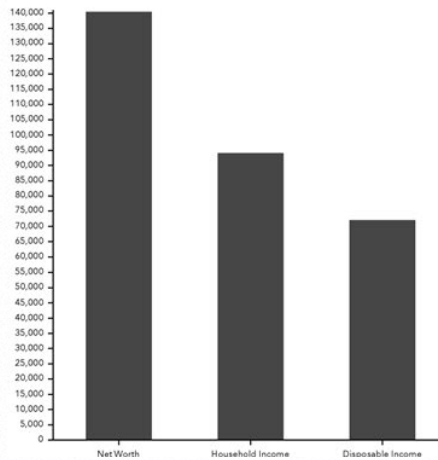
Per Capita Income



\$140,465

Median Net Worth

2022 Median Net Worth



EMPLOYMENT



White Collar

72%



Blue Collar

14%



Services

14%

4.2%
Unemployment Rate

ANNUAL HOUSEHOLD SPENDING



\$2,500

Apparel & Services



\$238

Computers & Hardware



\$4,153

Eating Out



\$7,319

Groceries



\$7,334

Health Care

ANNUAL LIFESTYLE SPENDING



\$3,550

Travel



\$116

Theatre/Operas/ Concerts



\$83

Movies/Museums/ Parks



\$93

Sports Events



\$11

Online Games

HOUSING STATS



\$722,281

Median Home Value



\$12,377

Average Spent on Mortgage & Basics



\$1,448

Median Contract Rent

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Multifamily Broker

Chuck Brazer

Licensed in Oregon

SCOPE OF RESPONSIBILITIES

Chuck Brazer joins NAI Cascade with 22 years of multi-family sales real estate experience in Oregon with several national investment sales firms. Chuck was drawn to commercial real estate in college as an on-site property manager for several multi-family properties on the University of Oregon campus. His studies in architecture, business and economics gives him a unique perspective of the integration of physical asset and asset management.

BACKGROUND & EXPERIENCE

Prior to joining NAI Cascade, Chuck spent the previous 11 years at a boutique commercial firm in Portland. Throughout his tenure, he has closed nearly \$300 million in multifamily property transactions. He relocated to Central Oregon at the end of 2021, seeking the Bend lifestyle. He continues to grow his book of business and provide exceptional service to existing and new clients throughout Oregon.



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