



Oregon

Tina Kotek, Governor

Department of State Lands

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State Land Board

State Land Board

Regular Meeting
April 9, 2024
Agenda Item 4

Tina Kotek
Governor

LaVonne Griffin-Valade
Secretary of State

Tobias Read
State Treasurer

SUBJECT

The Stevens Road Tract in Bend.

ISSUE

Whether the State Land Board should authorize the Department to sell the remaining 261 acres of the Stevens Road Tract in a brokered transaction.

AUTHORITY

House Bill 3318 (2021); relating to the process to expand the City of Bend urban growth boundary to include the Stevens Road Tract.

Oregon Constitution, Article VIII, Sections 2 and 5; relating to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the director of the Department of State Lands.

BACKGROUND

The Department has partnered with the City of Bend on implementation of House Bill 3318 (2021), which established a two-step process for incorporation of the 261-acre Stevens Road Tract into Bend's urban growth boundary. The goal is development of a mixed-use community which includes affordable housing.

The first step of the process was the creation of a Concept Plan to determine what could be developed on the tract. The second step of the process required detailed

studies to confirm the Concept Plan could work, as well as approval of the land use language that would control development. The Department is pleased to share the City of Bend recently completed this second step at a City Council meeting on February 21, 2024, thereby incorporating the tract into the UGB.

In April 2022, the Land Board approved the Department supporting incorporation of the tract into Bend's UGB. At that time, the Department noted if the incorporation process was successful it would return to the Land Board with a plan for the marketing and sale of the tract.

The Department now seeks approval for sale of the 261-acre Stevens Road Tract through a brokered transaction.

Future of the Tract: Add Critical Housing in a Mixed-Use Community

The City of Bend is seeking to add much-needed housing with expansion of its urban growth boundary to include the Stevens Road Tract. Work to date is leading towards the eventual development of a "complete community" including deed-restricted affordable, workforce, and market-rate housing, as well as parks and areas for mixed and commercial uses. The development will also have transportation options for walking, biking, and transit use.

To ensure the development of affordable housing, HB 3318 requires 20 acres of those lands to be deed-restricted for the use of households that make less than the area median income. The City of Bend is responsible for the development of the affordable housing.

In an innovative approach tied to the Common School Fund's mission to support public education, 7 of the 20 acres will be "made available, to the extent permitted by law, in a manner that gives a priority to households in which at least one individual is employed by an education provider." These 7 acres will be provided to the City of Bend at no charge. If the City of Bend cannot meet this requirement within 10 years of receiving title to the final parcel of land, they must then pay market price for the land, based on an assessment at the time of transfer. The market rate on the 7 acres will be higher than the charge for the other 13 acres of affordable housing parcels. If the City does not buy back the land, the 7 acres reverts to DSL ownership for benefit of the Common School Fund. The agreed upon price the City will pay for the remaining 13 acres is \$35,000 per acre.

Pursuant to the direction outlined in HB 3318, the City of Bend developed the Stevens Road Tract Concept Plan, which explains future planning amendments and intended uses and zoning for the tract. Work on the plan began in October 2021, and included a community engagement process with multiple open houses and public meetings. The City of Bend Planning Commission and City Council approved the Concept Plan in the Spring of 2022 leading to approval by the Oregon Department of Land Conservation and Development before a July 1, 2022, deadline.

The City of Bend developed draft planning amendments for the City's Comprehensive Plan based on the Concept Plan. Before finalizing these standards, the City completed a series of studies of the tract, including utility availability, transportation impacts, and a natural resource survey. These studies, alongside community outreach, showed the proposed plan was viable.

The policies adopted into the City of Bend's Comprehensive Plan will require the Stevens Road Tract to be developed as a mixed-use community, providing connected streets and a multi-use path network, over 2,400 new housing units at a mix of densities and income levels, and at least 39 acres of parks and open space.

Property Background

The Stevens Road Tract is located east of Bend, near the intersection of 27th Avenue and Stevens Road. The Department acquired the original 643-acre tract from the Bureau of Land Management in 1997 to partially satisfy the federal government's obligation to provide Oregon with the remaining acres of federal land owed "in lieu" of school lands not granted at statehood. In 2016, the western 382 acres of the property were brought into the City's urban growth boundary. These acres were sold by the Department in 2020 for \$22 million and are currently being developed with a mix of housing and employment uses.

Today, the remaining 261 acres of the Stevens Road Tract are in state ownership. A property map is included as Appendix A.

Sale Process

Due to the unusual path that brought this tract into the City of Bend and the detailed development standards, including the requirement to transfer affordable housing parcels to the City of Bend, the Department plans to engage a real estate broker and appraiser to coordinate on the valuation of the property. This will ensure that the materials used to value the land and the marketing materials provided to interested buyers will include all relevant information.

Once a value is determined, the broker will carry out a broad marketing program to ensure awareness of the parcel, and then invite offers. The Department successfully followed a similar process in the sale of the western part of this tract. A marketing period of between three and six months will likely be followed by an extended buyer due diligence period to allow confirmation that the buyer's intentions for the tract align with the City's requirements.

PUBLIC INVOLVEMENT

Over the past two and a half years the City of Bend has completed extensive public involvement on both the general goals for the tract and the specific language that will guide development. The most recent outreach relating to the planning amendments included:

- The City of Bend held a public open house on the proposed amendments on October 19, 2023, and opened a public comment period on that same date.
- The Planning Commission held a work session on November 13, 2023, and a public hearing on November 27, 2023, that was continued to December 11, 2023, to allow for further participation by the public.
- The City Council held a public hearing on February 7, 2024.
- Notice of the public hearings before both the Planning Commission and the City Council was provided through the Bend Bulletin (in print and online), and through electronic mail to three neighborhood associations, several public agencies and local governments, and to a large list of interested persons.

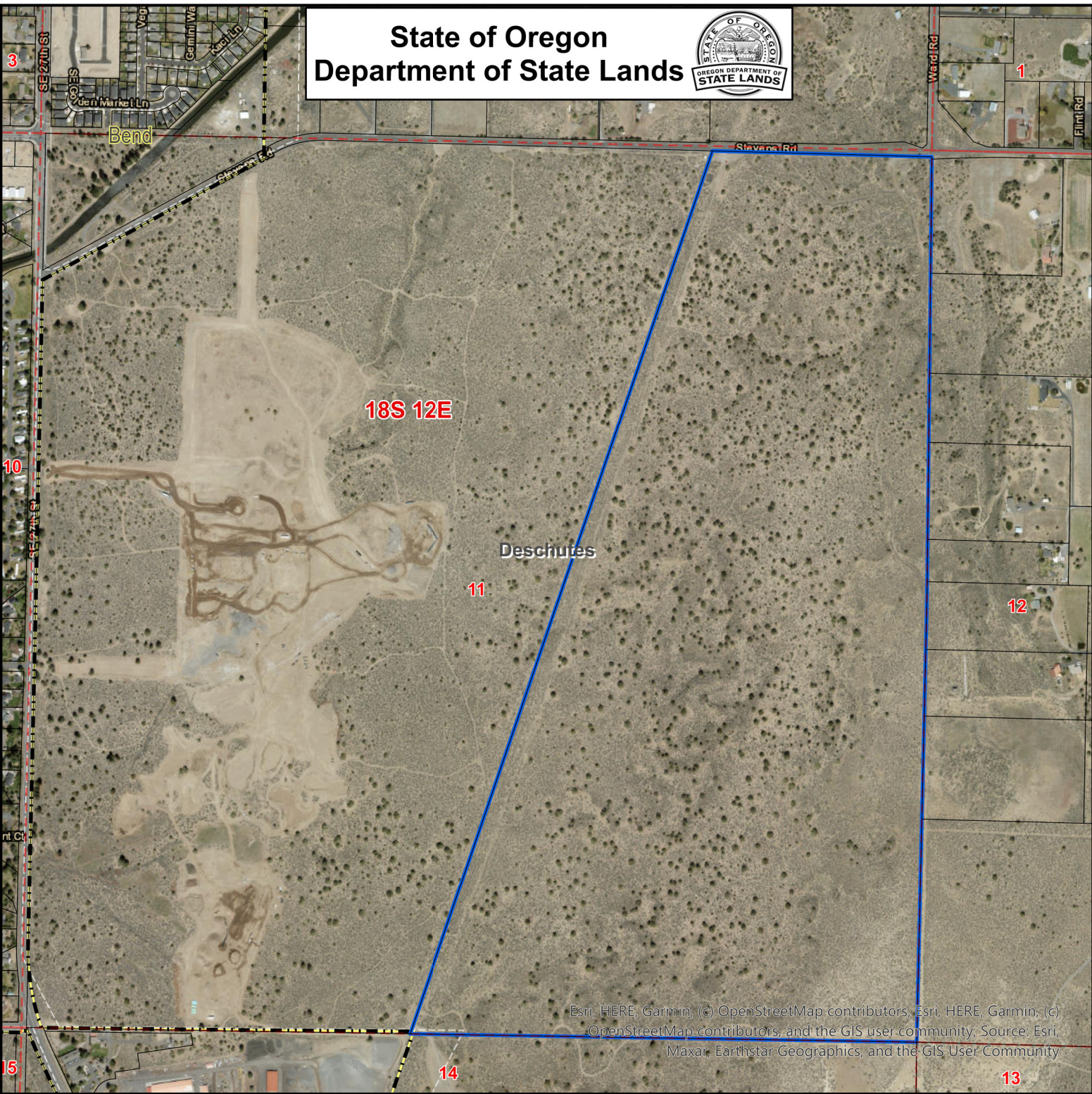
RECOMMENDATION

The Department recommends the State Land Board authorize the Department to sell the remaining 261 acres of the Stevens Road Tract through a brokered transaction.

APPENDICES

- A. Map of the 261-Acre Stevens Road Tract
- B. City of Bend Amendments to the Comprehensive Plan

State of Oregon
Department of State Lands



Esri, HERE, Garmin, (c) OpenStreetMap contributors, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

EXHIBIT A

**Stevens Road East
T18S, R12E Section 11
261 acres
Deschutes County**

 DSL Uplands

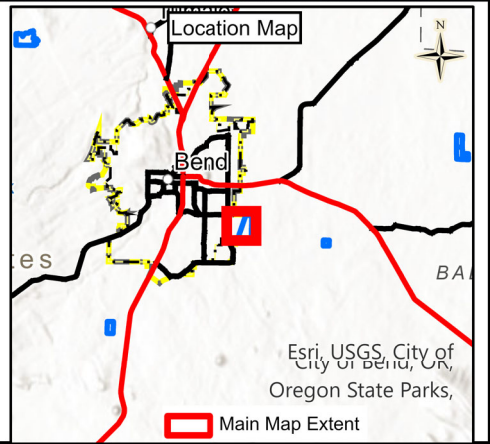
This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0 450 900

Feet



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
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Date: 3/19/2024



Stevens Road Tract Planning Amendments

APPENDIX B

Amendments to Chapter 11 of the Bend
Comprehensive plan and to Chapter 4.9 of the
Bend Development Code

PLTEXT20230635 and PLCPMA20230636.

DRAFT
Comprehensive Plan Text Update
December 11, 2023

Prepared by: Community and Economic Development Department

Note:

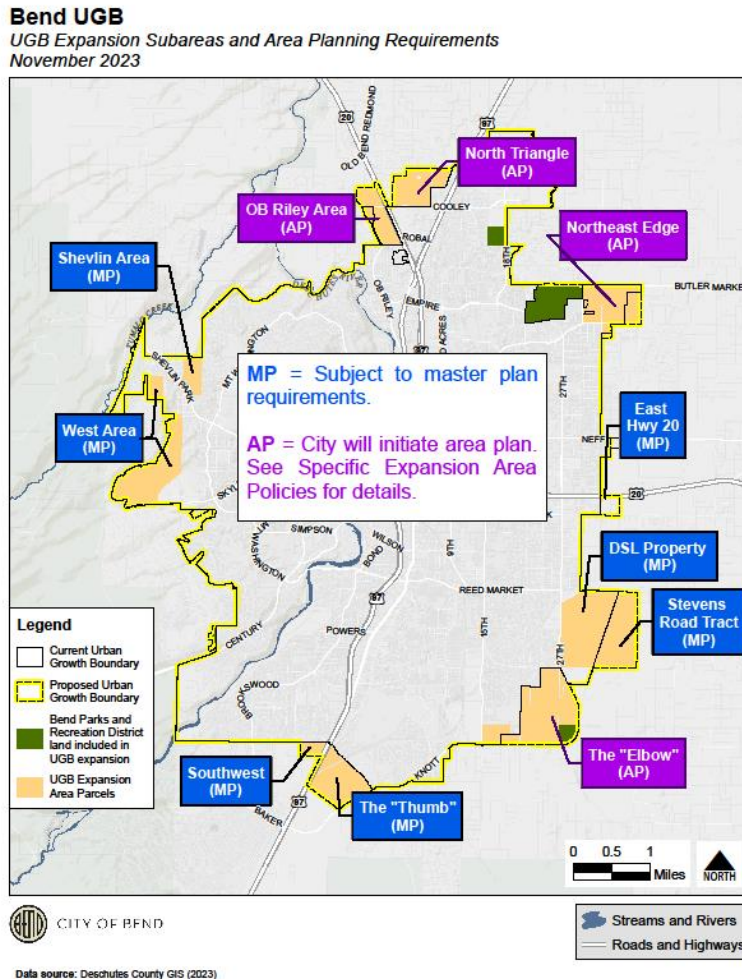
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***Indicates where text from the existing code has been omitted because it will remain unchanged.

Bend Comprehensive Plan
Chapter 11, Growth Management

Figure 11-7: UGB Expansion Subareas and Area Planning Requirements
(Replaces existing Figure 11-7)



11-153 The City approved a Concept Plan for the Stevens Road Tract, on June 1, 2022, consistent with Oregon House Bill (HB) 3318 (2021), now Oregon Laws 2021 Chapter 552. The Concept Plan addresses the requirements of Oregon Laws 2021 Chapter 552. The master plan must be consistent with both the applicable master plan standards in the Bend Development Code and Policies 11-154 through 11-170, below, which implement the Concept Plan.

11-154 The overall planning concept for the Stevens Road Tract property as identified in Figure 11-8 is for a new complete community that accommodates dense development focused primarily on providing affordable and market-rate housing in a mixed-use, multi-modal community.

11-155 Within areas zoned for residential purposes, not counting the lands identified for affordable housing as required by Policy 11-158 below,

- the density must exceed nine (9) residential units per gross residential acre,
- more than 10 percent of the total number of market-rate units must be single-unit attached (e.g. townhome) dwellings, and
- more than 35 percent of the total number of market-rate units must be duplex, triplex, quadplex, or multi-unit residential units.

11-156 In order to provide adequate opportunities for the development of all needed housing types, sizes, and densities of market-rate housing, the Master Plan must demonstrate that this area will provide capacity for a minimum of 2,487 total residential units (including the affordable housing units required by Policy 11-158 below) with the following specific plan designation and market rate residential unit requirements:

- Urban High Density (RH): A minimum of 30 total net acres of RH designation of which, 18 net acres must be identified for affordable housing as outlined in Policy 11-158 below, and a minimum of 12 net acres must be used to accommodate a minimum of 480 market- rate units.
- Urban Medium Density (RM): A minimum of 24 total net acres of RM designation of which, two (2) net acres must be identified for affordable housing as outlined in Policy 11-158 below, and a minimum of 22 net acres must be used to accommodate a minimum of 440 market-rate units.
- Urban Standard Density (RS): A maximum of 92.9 net acres of RS designation to accommodate a minimum of 808 market-rate units.
- The RM and RH designations may be increased, and the RS designation decreased proportionally, above the minimum sizes established in this policy in order to accommodate additional density if approved as part of a Master Plan.

11-157 In order to meet the minimum unit density requirements in Policy 11-155 above, the densities may exceed the maximum densities in BDC 2.1.600.

11-158 As required by Oregon Laws 2021 Chapter 552, in order to provide affordable housing, the master plan must include a minimum of 20 net acres of residential land for deed-restricted

affordable housing consistent with the Purchase and Sale Agreement between the City and the Department of State Lands, recorded against the Stevens Road Tract, and configured as follows:

- Three (3) lots or parcels, each at least six (6) acres in size with an RH designation
- Two (2) lots or parcels, each at least one (1) acre in size, with an RM designation

The applicant for the master plan must coordinate with the City's Housing Department to identify the final locations of these parcels.

11-159 The lots or parcels for affordable housing identified in Policy 11-158 above, are to be transferred to the City following the recording of a final land division plat. They must be platted and transferred to the City in phases so that the lots or parcels for affordable housing identified in Policy 11-158 and market-rate lots or parcels are platted over time and in a ratio similar to the ratio of affordable and market-rate lots or parcels within the master plan as a whole. They must be subject to deed restrictions recorded by the City on a form agreed to between the City and the Department of State Lands that set the affordability levels and, for one of the six-acre lots or parcels and one of the one-acre lots or parcels, made available, to the extent permitted by law, in a manner that gives a priority to households in which at least one individual is employed by an education provider over other members of the public.

11-160 In order to provide adequate employment lands, the employment land plan designations must include a minimum of five (5) gross acres of Commercial plan designations and seven (7) gross acres of Mixed Employment or Industrial plan designations.

11-161 In order to create a complete community with primarily neighborhood-serving commercial uses, the master plan must prohibit auto-oriented commercial uses.

11-162 Commercial plan designations and at least one of the six-acre lots or parcels for deed-restricted affordable housing must be located adjacent to the community park.

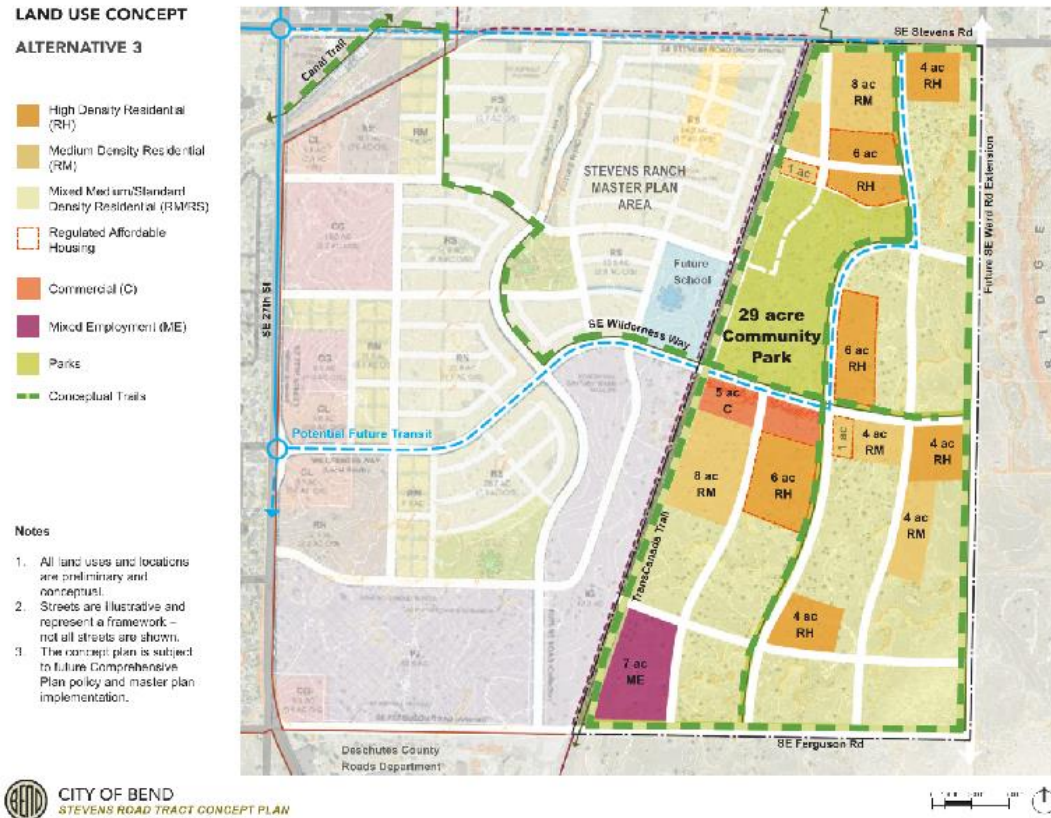
11-163 In order to provide sufficient areas designated for mixed-use development and to support equitable, integrated and viable commercial and residential uses along with transportation options (including walking, bicycling, and transit use), land use designations must be located as follows:

- The affordable housing required in Policy 11-158 above, must be located within a block of the community park, and within one-quarter mile of the commercial land or SE Wilderness Way, providing equitable access to transit, open space, planned trails, and commercial uses. This does not apply to the affordable housing lot or parcel described above under Policy 11-162.
- Market-rate medium- and high-density housing will be dispersed throughout the master plan, integrated adjacent to the affordable housing and located on planned transit routes adjacent to the community park, SE Wilderness Way, and near SE Stevens Road.
- The required five acres of Commercial plan designation will be configured as a main street and must be located on the future western portion of the extension of SE

Wilderness Way, abutting the TransCanada Trail and adjacent to the future community park.

Figure 11-8 illustrates the above requirements.

Figure 11-8: Stevens Road Tract Planning Concept



11-164 The street, path, and bikeway network must provide connectivity throughout the Stevens Road Tract, connect to existing and planned extensions of abutting roads, and provide opportunities for connections to adjacent undeveloped land both inside and outside the UGB. The transportation network must be consistent with the Bend Transportation System Plan. The white dashed line shown through the park on Figure 11-8 is intended to provide for a non-vehicular pedestrian connection through the park. The master plan must show a pedestrian route through the park that provides access to the future school site and residential designations adjacent to the park.

11-165 In order to ensure the development of adequate infrastructure to support walking, bicycling, public transit, and motor vehicle movement, and to ensure transportation networks connect the Stevens Road Tract to other areas within the Bend UGB, the future master plan must include:

- A “green loop” of off-street trails in 20’ wide trail easements or multi-use trails around or near the perimeter of the master plan area with a centrally located path adjacent to SE Wilderness Way and a trail located in the TransCanada trail easement. Trails may be

hard- or soft-surfaced. The trail surfacing for the TransCanada trail will be determined in collaboration with the City Engineer, Bend Parks and Recreation District, and TC Energy.

- The extensions of SE Stevens Road (minor arterial), SE Ferguson Road (minor arterial), and SE Wilderness Way (neighborhood route) to the eastern edge of the Tract. Given the proximity of these roads near the edge of the current city limits, future master plan developers may coordinate with the City of Bend on interim roadway improvements for these facilities. Such improvements must build towards adopted City of Bend roadway standards and provide right-of-way consistent with functional classification requirements.
- Plans to address the future potential extension of the SE Ward Road Alignment. The functional classification for SE Ward Road is a Minor Collector based on the City of Bend roadway spacing requirements. This designation will be confirmed and intersection type for the SE Ward/Stevens and SE Ward/Ferguson intersections shall be determined through the review of the master plan.
- Construction of a new North-South street within the master plan area that provides a connection between SE Stevens Road to the north with SE Ferguson to the south.

Figure 11-8 illustrates the above requirements.

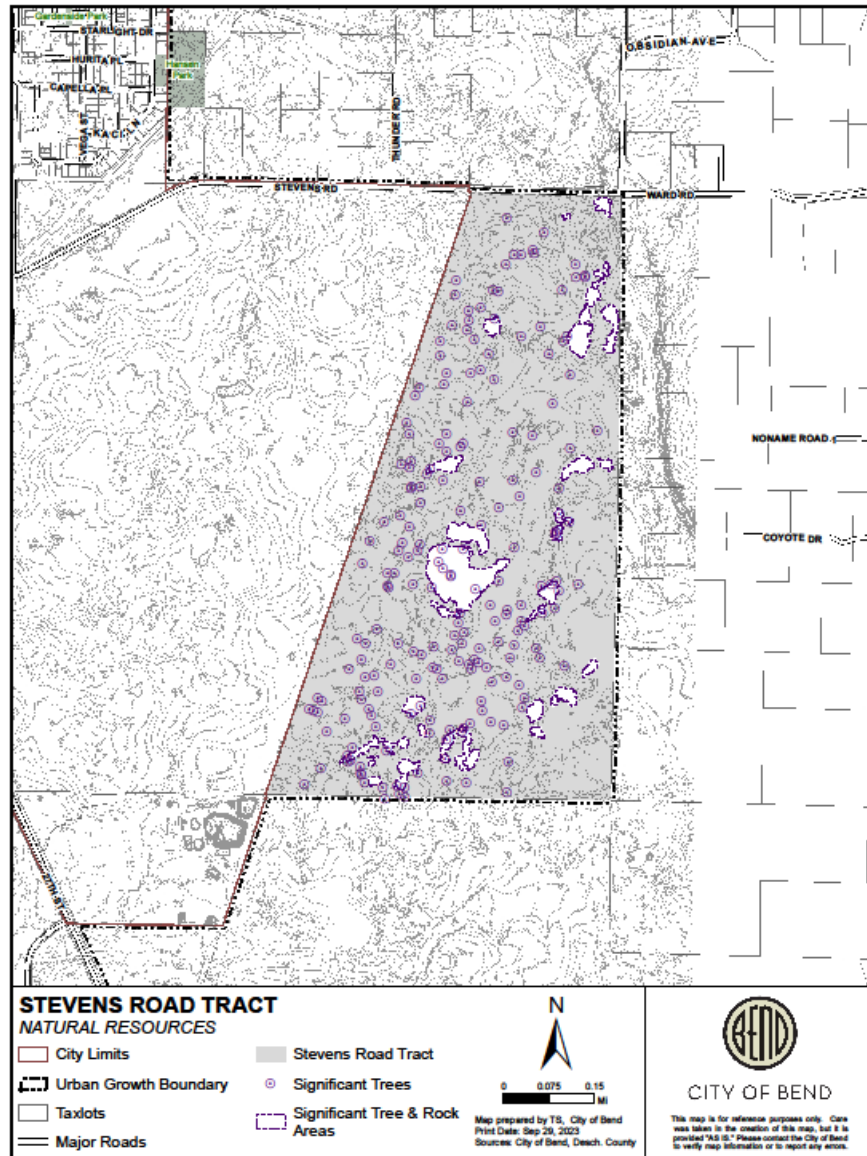
11-166 The City had a pedestrian archaeological survey completed for the Stevens Road Tract that identified a potential historic road identified as McGilvray Road. The road's location is identified in a May 2023 report from Caldera Archaeology, and this report has also been provided to the State Historic Preservation Office (SHPO). The master plan must be accompanied by documentation that the master plan developer has coordinated with SHPO and will comply with their requirements, if any, for protection of, or mitigation of any impacts to, McGilvray Road. The master plan must also show that the unit mix, counts, and density in Policies 11-155 and 11-156 will be met if SHPO requires preservation of McGilvray Road. The City shall provide notice of the proposed master plan and solicit comments from the SHPO.

11-167 The master plan developer must coordinate and consult with the Confederated Tribes of Warm Springs prior to master plan approval and on-going, during development of the site

- A master plan for the Stevens Road Tract must include an inadvertent discovery plan (IDP) that outlines how any artifacts or remains found during excavation or earth movement will be protected or otherwise addressed.
- Applicable state and federal regulations regarding the discovery of artifacts or remains must be followed during construction activities
- The City shall provide notice of the proposed master plan and solicit comments from the Confederated Tribes of Warm Springs.

11-168 The City has completed an inventory of significant trees and rock outcrops shown in Figure 11-9. A master plan for the Stevens Road Tract must demonstrate how the significant trees and rock outcrops shown in Figure 11-9 located in the Community Park and open spaces distributed throughout the Tract as required under Policy 11-169 will be incorporated and preserved to the extent possible. Significant trees must be protected according to the City's regulations for tree preservation or under standards proposed with a master plan code that provide at least as much protection of significant trees as the generally applicable tree preservation regulations of the BDC.

Figure 11-9: Natural Resources



11-169 A master plan for the Stevens Road Tract must include preservation of at least 39 acres for recreational and open space (designated as Public Facility) as follows:

- A community park for active recreation and preservation of significant natural resources, must be centrally located and adjacent to the proposed pipeline trail and future school site planned in the neighboring Stevens Ranch Master Plan Area. Figure 11-8 illustrates

the above requirements. The park land must be dedicated to the District following the satisfaction of due diligence requirements for public property. As used in this policy, a "community park" has the meaning from the Bend Park and Recreation District 2018 Comprehensive Plan, and is a park intended to serve a wider area than neighborhood parks, and therefore are larger in size, averaging about 25 acres each. Due to their larger size, community parks include a greater variety of amenities, including one or more of the following: athletic fields, court sports, skate parks, bike skills courses, trails and natural areas.

- A minimum of 7 acres for trail corridors, and these trails may be located within public access easements or in public open space tracts that are a minimum of 20 feet in width.
- A minimum of 3 acres of open space to maximize preservation of natural features including significant trees and rock outcrops. These open spaces must be protected in a tract or tracts.
- Coordination with Bend Park and Recreation District is required to locate the community park and trails.

11-170 The master plan must show that wildfire risk will be mitigated through one or more of the following methods: creation of defensible space, arrangement of land uses, construction and building materials, and/ or development pattern. Any special planned district code proposed for regulating development of the land uses within the master plan must incorporate the proposed wildfire risk mitigation actions.

DRAFT
Development Code Text Update
October 19, 2023

Chapter 4.9, Annexations

New Figure 4.9.300

Bend UGB

UGB Expansion Subareas and Area Planning Requirements
November 2023

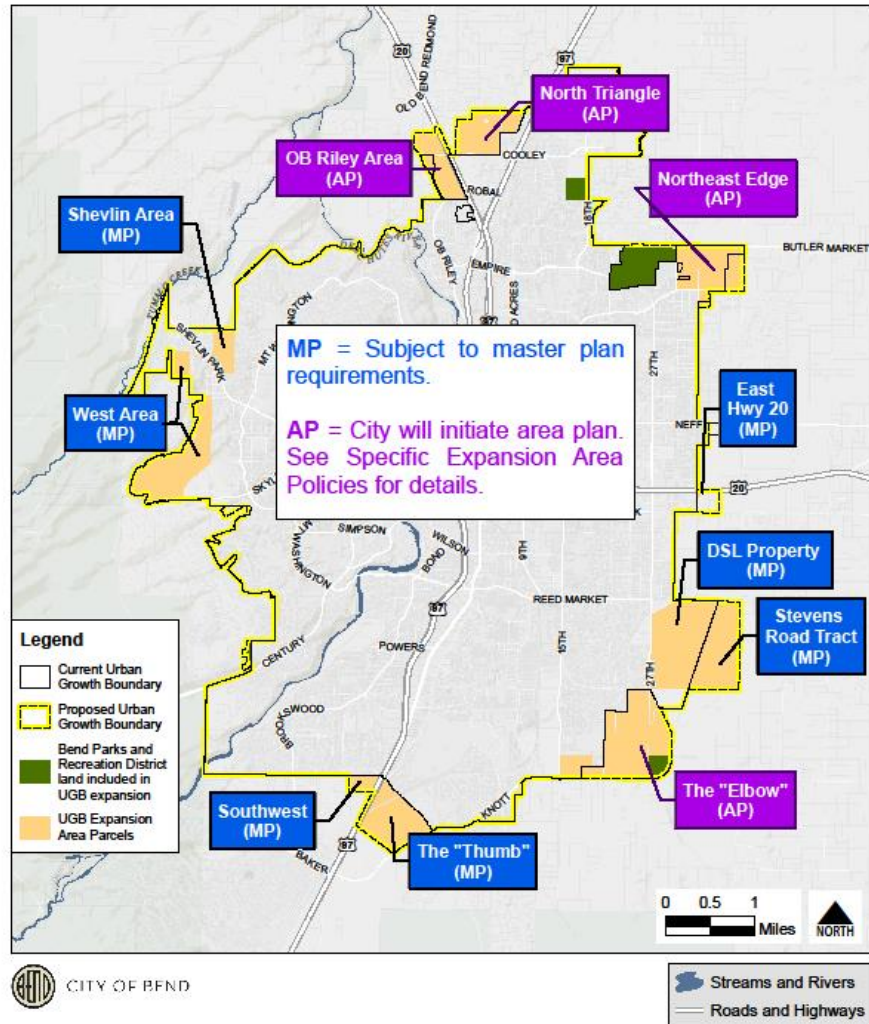


Table 4.9.300 - Specific Expansion Area Policies and Land Use Approval Requirements

Expansion Area	Bend Comprehensive Plan Specific Expansion Area Policies	Land Use Approval Required Prior to or Concurrently with Annexation
Northeast – Butler Market Village	11-74 through 11-81	See BDC 4.9.300(B)(1)(a)(iv)
East Highway 20	11-82	See BDC 4.9.300(B)(1)(a)(i)
DSL Property	11-83 through 11-92	Master plan in compliance with BDC Chapter 4.5 , Master Plans
The Elbow	11-93 through 11-104	Southeast Area Plan approved. See BDC 4.9.300(B)(2)
The Thumb	11-105 through 11-111	Master plan in compliance with BDC Chapter 4.5 , Master Plans
Southwest	11-112 through 11-119	Master plan in compliance with BDC Chapter 4.5 , Master Plans
West Area	11-120 through 11-128	Master plan in compliance with BDC Chapter 4.5 , Master Plans
Shevlin Area	11-129 through 11-135	Master plan in compliance with BDC Chapter 4.5 , Master Plans

Expansion Area	Bend Comprehensive Plan Specific Expansion Area Policies	Land Use Approval Required Prior to or Concurrently with Annexation
OB Riley Area	11-136 through 11-141	Area plan in compliance with BDC 2.7.100 . Prior to completion of the area plan, annexations in this area must be a minimum of 40 contiguous acres and be the subject of a master plan application which includes a framework level area plan for the rest of the subarea. Following adoption of the area plan, annexation and development of individual properties or groups of properties of any size, consistent with the area plan, may be approved in compliance with the Bend Development Code
North Triangle	11-142 through 11-151	Area plan in compliance with BDC 2.7.100 . Prior to completion of the area plan, annexations in this area must be a minimum of 40 contiguous acres and be the subject of a master plan application which includes a framework level area plan for the rest of the subarea. Following adoption of the area plan, annexation and development of individual properties or groups of properties of any size, consistent with the area plan, may be approved in compliance with the Bend Development Code
<u>Stevens Road Tract</u>	<u>11-153 through 11-170</u>	<u>Master plan in compliance with BDC Chapter 4.5, Master Plans</u>

[Ord. NS-2463, 2023; Ord. NS-2434, 2022; Ord. NS-2405, 2021; Ord. NS-2302, 2018]



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Department of State Lands

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State Land Board

State Land Board

**Regular Meeting
October 17, 2017
Agenda Item 1d**

Kate Brown
Governor

Dennis Richardson
Secretary of State

Tobias Read
State Treasurer

SUBJECT

Request for approval to initiate the review and determination for a potential sale of the Stevens Road Tract, a 640-acre parcel located at Township 18 South, Range 12 East, Section 11, Tax Lot 2300 in Deschutes County.

ISSUE

Whether the Land Board should authorize the Department to initiate the review and determination for the potential sale of the Stevens Road Tract in Deschutes County.

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-067; relating to the sale, exchange and purchase of state land.

Central Oregon Area Management Plan (COAMP), adopted by the Land Board; October 2011

Real Estate Asset Management Plan (REAMP), adopted by the Land Board; February 2012

SUMMARY

The Stevens Road Tract is located directly adjacent to the current eastern boundary of the City of Bend, located at the intersection of 27th Avenue and Stevens Road (Appendix A). In 2007, DSL completed the *Stevens Road Tract Conceptual Master Plan*

for the subject property demonstrating the future potential for mixed-use urban development (Appendix B). In 2016, the City of Bend approved 320 acres of the subject property be brought inside the Urban Growth Boundary, and be eligible for future annexation to the City. In 2017, DSL has applied to Deschutes County to rezone the 260 acres of the subject property remaining outside the City of Bend Urban Growth Boundary from Exclusive Farm Use (EFU) to Multiple Use Agriculture (MUA-10).

The current condition of the property is as follows: The western half of the Stevens Road Tract property is located inside the Urban Growth Boundary of the City of Bend and is eligible for annexation into the City of Bend according to the requirements of the appropriate jurisdictional authorities. The eastern half will be zoned for multi-use purposes appropriate for a property adjacent to developing or urbanized land.

Three key factors supporting due diligence on the subject property at this time include:

1. Expansion of the City of Bend UGB was delayed for several years creating a developable-lands deficit in the key jurisdiction of the Central Oregon region.
2. The real estate market has sufficiently rebounded since 2008 and real estate development is again driving the economy of Central Oregon.
3. The Stevens Road Tract property and its developmental potential is generating interest and inquiries from public and private entities in Central Oregon.

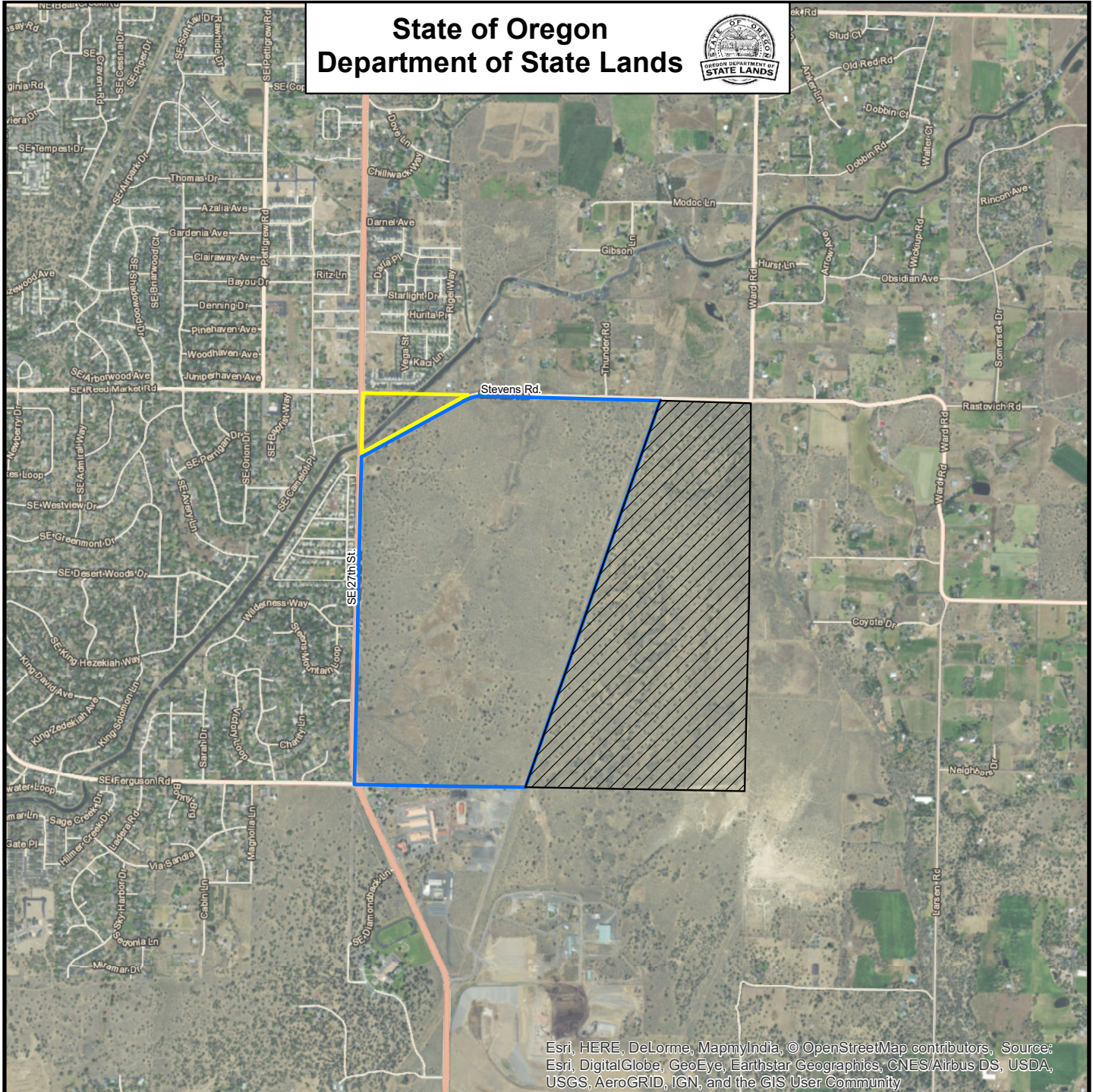
RECOMMENDATION

The Department recommends that the State Land Board authorize the Department to initiate the review and determination for a potential sale of the Stevens Road Tract, a 640-acre parcel located at Township 18 South, Range 12 East, Section 11, Tax Lot 2300 in Deschutes County.

Appendices

- A. Map of Property
- B. June 2007 State Land Board Agenda Item 7
- C. Stevens Road Tract Conceptual Master Plan

State of Oregon Department of State Lands



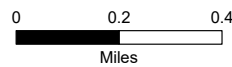
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APPENDIX A

Stevens Road Tract
T18S, R12E, Section 11
Tax Lot 2300
Deschutes County

- 60 Acres: Within UGB
- 320 Acres: 2016 UGB Expansion
- 260 Acres: 2017 Rezone Application

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Map Projection:
 Oregon Statewide Lambert
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 Date: 9/26/2017

