



ECONOMIC DEVELOPMENT

Department Budget Overview

In May 2015, the City of Bend recreated the Economic Development Department. This involved lumping 12 stand-alone divisions (or funds) into one department. The funds were each adopted separately in the 2015-2017 biennial budget. The following funds make up the City's Economic Development Budget:

- 400 – Bend Municipal Airport
- 140 – Community Development Block Grant program (CDBG)
- 145 – Affordable Housing
- 440 – Downtown Parking
- 175 – Business Advocacy
- 188 – Transient Room Taxes (Tourism Fund)
- 191 – Economic Improvement District
- Bend Urban Renewal Agency (BURA):
 - 003 – Urban Renewal General Fund
 - 360 – Juniper Ridge Construction
 - 260 – Juniper Ridge Debt Service
 - 331 – Murphy Crossing Construction
 - 231 – Murphy Crossing Debt Service

Since the department has no “overhead” fund for Admin, the administration functions of the department are currently administered through the City Manager's Office (CMO). The total funds from the CMO were estimated for this overview.

Staffing

The department has a total of **5.45 FTE**. In the City of Bend staff (FTE) are allocated directly to Division budgets or Admin budgets.

The following outlines the staff costs allocated to each fund:

- Bend Municipal Airport has 1.83 FTE
- CDBG and Affordable Housing has 1.383 FTE
- Downtown Parking combined has 0.33 FTE
- Business Advocacy has 1.083 FTE
- Urban Renewal General Fund has 0.083 FTE
- 50% of Director and 20% of Program Coordinator are allocated to the CMO.
- 30% of the Program Coordinator is allocated to the ADA program

Tourism Fund and the Economic Improvement District have administrative costs which are allocated to the Finance Department. No money from these funds are allocated to the Economic Development Department.

Revenue

The Department's total annual revenue is \$14M. In all cases revenue is restricted to specific uses. For example, revenue earned from Airport Leases can only be spent on Airport operating expenses. Revenue earned from Affordable Housing fees can only be spent on affordable housing projects. The only flexible or non-restricted funds that the Department currently has are business license registration revenues.

The only general fund support for the department is the \$75,000 for the annual EDCO contract included in the Business Advocacy budget (this is 0.5% of the total Economic Development department budget).

	Projected Revenue	Budgeted Expenses
Bend Municipal Airport	\$ 6,490,339	\$ 6,466,627
CDBG	\$ 921,100	\$ 837,464
Affordable Housing	\$ 1,795,800	\$ 2,153,290
Downtown Parking	\$ 858,821	\$ 776,325
Business Advocacy	\$ 385,300	\$ 383,730
Urban Renewal General Fund	\$ 3,500	\$ 109,180
Juniper Ridge URA	\$ 960,600	\$ 688,300
Juniper Ridge Constu	\$ 41,000	\$ 41,000
Murphy Crossing URA	\$ 282,900	\$ 246,000
Murphy Crossing Con	\$ 500	\$ 1,300,000
Tourism Fund	\$ 2,406,600	\$ 2,406,600
Economic Imp District	\$ 153,100	\$ 153,100
CMO (Internal Transfers)	\$ 91,332	\$ 91,332
TOTAL	\$ 14,390,892	\$ 15,652,948

Revenue Sources

In general revenues for the Economic Development Department come from fees – business registration, affordable housing, parking citations, parking permits, and other permits. Other revenue comes from lease rates, fuel flowage, grants and lodging taxes. Property tax revenue is recorded in the Murphy Crossing and Juniper Ridge Urban Renewal Debt Service Funds. The primary revenue source for the Economic Improvement District is a special assessment on properties inside the downtown district.

Expenses

The City of Bend budgets expenditures in five broad categories: Personnel, Materials and Services, Capital Outlay, Debt Service and Interfund Transfers. Departments cannot move expenses from one broad category to another without Council or BURA approval; however, expenses can be moved between line items within a broad category as operations demand. Due to this rule, the line item detail of each fund's expenses is not too important (at time time) rather the approved expenses are presented by broad category.

Table 2: Ec Dev Dept FY 2016 Projected Expenses by Category							
	Personnel	%	M&S; Capital; Debt	%	Transfers	%	Contingency & Reserves
Bend Municipal Airport*	\$ 266,858	4.1%	\$ 5,944,969	91.9%	\$ 254,800	3.9%	\$ 459,112
CDBG	\$ 133,009	15.9%	\$ 687,855	82.1%	\$ 16,600	2.0%	\$ 325,236
Affordable Housing	\$ 85,617	4.0%	\$ 2,001,773	93.0%	\$ 65,900	3.1%	\$ 593,810
Downtown Parking	\$ 34,366	4.4%	\$ 523,909	67.5%	\$ 218,050	28.1%	\$ 1,642,096
Business Advocacy	\$ 179,382	46.7%	\$ 158,848	41.4%	\$ 45,500	11.9%	\$ 43,870
Urban Renewal General Fund	\$ 12,600	11.5%	\$ 49,680	45.5%	\$ 46,900	43.0%	\$ 289,620
Juniper Ridge URA*			\$ 688,300	100.0%			\$ 1,582,200
Juniper Ridge Constr			\$ 41,000	100.0%			\$ 2,800
Murphy Crossing URA*			\$ 246,000	100.0%			\$ 534,850
Murphy Crossing Con			\$ 1,300,000	100.0%			
Tourism Fund			\$ 2,354,400	97.8%	\$ 52,200	2.2%	\$ 133,700
Economic Imp District			\$ 145,450	95.0%	\$ 7,650	5.0%	
CMO (Internal Transfers)	\$ 91,332	100.0%					
TOTAL	\$ 803,164	5.1%	\$ 14,142,184	90.3%	\$ 707,600	4.5%	\$ 5,607,294
*expenses include capital and debt service							

Department Goals & Objectives

The newly created Economic Development Department was assigned six 2015-2017 City Council goals. These goals highlight the importance of the new Department to successful City operations. On top of the City Council goals, each division has stated goals and objectives that have been adopted by Council over the last two years; however, the staffing assigned is not currently adequate to complete the goals and objectives in a timely manner.

For example, 3 hours per week of staff time is allocated to updated two existing urban renewal plans and complete feasibility studies for three more urban renewal area. Likewise, the Bend Municipal Airport is one of the top three busiest general aviation airports in the State with over 100 hanger leases and ground leases and \$8M in committed FAA funds, there are 1.75 staff committed to that managing the Airport.

In addition, there is no staff time allocated to Juniper Ridge. There is no staff time allocated to Juniper Ridge because there is no existing revenue source.