

RESOLUTION NO. 3114

A RESOLUTION DECLARING THE BEND CITY COUNCIL'S INTENT AND PROVIDING STAFF AND COMMUNITY DIRECTION TO ACHIEVE THE CITY'S URBAN GROWTH BOUNDARY IMPLEMENTATION GOALS

FINDINGS

A. The 2017-19 City Council goals include three goals that relate directly to growth, transportation, and housing affordability. The Council considers this resolution to be a significant step toward meeting multiple aspects of those goals.

B. The City of Bend's 2016 Urban Growth Boundary (UGB) expansion included ten expansion areas, four of which are designated for area plans to coordinate infrastructure and other development. Chapter 11 of the Bend Comprehensive Plan guides area planning and subsequent development for these areas.

C. The expansion areas subject to area planning require substantial investment to build the transportation, sewer, and water infrastructure necessary to support development. The City does not have the immediate capacity to construct all of the required infrastructure, nor does the City have funding in the 2017-19 biennium to pay for all of the planning and coordination required.

D. The UGB expansion also designated nine opportunity areas within the existing City boundary. The opportunity areas were identified as locations suitable for development and/or redevelopment to help meet some of the City's needs for housing and employment. The City's opportunity areas have varying levels of existing infrastructure, and require a mix of private and public investments. Chapter 11 of the Bend Comprehensive Plan also applies to the opportunity areas.

E. The infrastructure required to implement the UGB expansion and the Comprehensive Plan carries different challenges. As one example, the absence of major components of sewer infrastructure such as sewer interceptor lines may limit the development potential of some UGB expansion areas because these improvements must often be in place before private development can occur, and may be too costly for private developers to construct. Transportation infrastructure, while costly, is somewhat more suited to phased construction prior to or concurrent with development, and can lend itself to cost sharing between public and private efforts.

F. Public investments in infrastructure and planning to maximize near-term development potential must balance location-specific site readiness factors, including infrastructure capacity, construction timelines, costs, public safety, public agency readiness, and other factors.

G. These factors and others are included in the *Bend Urban Growth Boundary Implementation: Return on Investment Analysis and Next Steps* report, which was presented to Council and discussed at the March 21 and April 18, 2018 Council

meetings. The public had an opportunity to submit comment and testimony at the April 4, 2018 Council meeting. The information in the analysis and input from the public provides part of the basis for the Council's balancing of these factors to advance the Council's 2017-19 Goals and Strategic Plan.

H. Council has studied and considered the potential return on investment, both public and private, that would be anticipated from development of the various expansion and opportunity areas. Council desires to effectively leverage existing resources to maximize that return by doing as much as possible to meet the City's needs for housing, employment, and efficient and compatible realization of the Comprehensive Plan policies and goals.

I. The UGB expansion area in southeast Bend known as "the Elbow" has been designated for an area plan in the Comprehensive Plan. The Elbow is particularly suited for near-term development, in part due to recently completed sewer infrastructure, investments in the Murphy Road corridor, and readiness of other public agencies. Council intends area planning efforts for the Elbow to commence in the summer of 2018, with an anticipated conclusion in winter 2020.

J. The Council directs staff to determine whether the UGB expansion area known as "the DSL Property" could be included in the area plan for the Elbow. Although the DSL property was not identified for an area plan, and could be subject to an owner-initiated master plan, it may be efficient to include both areas in a single area planning effort. The Council desires to determine the feasibility of this option prior to approving a contract for an area plan for the Elbow.

K. Based on current information, Council finds that the next UGB expansion areas that should be the focus of area planning efforts are the "Northeast Edge" area, followed by the "North Triangle" area and the O.B. Riley area. While schedules for area planning commencement and completion will be subject of future Council discussion and direction, the Council currently anticipates that area planning efforts for the Northeast Edge area will begin in winter 2020, followed by the North Triangle and O.B. Riley areas in Winter 2022.

L. The Core Area of Bend includes several opportunity areas that are well-positioned for development and redevelopment through implementing redevelopment incentives, including urban renewal. These areas may include some or all the following opportunity areas: Bend Central District, East Downtown, Inner Highway 20/Greenwood, and KorPine. The boundaries of an eventual urban renewal district would be subject to a feasibility study and determined by the Bend Urban Renewal Agency (BURA) and Council.

M. Key transportation infrastructure improvements, particularly for Empire Avenue in the north and Murphy Road in the south, are necessary to serve current residents as well as anticipated demands presented by expected future development. The City does

not have the resources to complete all of the required projects and improvements with existing funding and staffing resources.

N. Council intends to continue refining the focus, prioritization, and phasing of particular aspects of the Empire Avenue and Murphy Road projects in order to best balance private and public investment. Council intends to consider financial tools to fund these improvements, including to what extent increases to transportation System Development Charges and water and sewer franchise fees may be necessary.

O. The City is in the process of updating its Sewer Public Facilities Plan and Transportation System Plan to account for the new infrastructure needed for the expansion and opportunity areas and other infrastructure needs in existing City limits. These planning efforts will further inform future rate modeling and budget development.

P. Through the UGB and Comprehensive Plan, the City has committed to developing all of the expansion areas, and completing area plans for all of the areas in the UGB that were identified as needing area plans.

Q. In response to the shortage of all housing types and increasing affordability challenges, the Council recognizes the need to implement housing incentives such as the Multiple Unit Tax Exemption and Vertical Housing Tax Exemption. Council anticipates further study and work sessions to develop strategies and provide direction to use these and other available tools to meet the City's housing needs.

R. Council is acting in a discretionary capacity by considering and approving this resolution. Council intends to provide direction to staff and to inform the community, including residents and landowners, of the direction of the City's future development and redevelopment. This resolution is not a land use decision, nor does it obviate or replace any processes required by state law, City code, or any other authority governing any of its subjects. Future actions on the subjects of this resolution will follow all required processes.

Based on these Findings,

THE CITY COUNCIL OF THE CITY OF BEND RESOLVES AS FOLLOWS:

Section 1. The City Council directs City staff to prioritize area planning efforts for the Elbow in southeast Bend, including reaching a determination of whether the DSL Property can be included prior to Council approval of a contract for the area plan.

Section 2. Council directs the BURA to take all actions necessary for development and adoption of an urban renewal plan and district for some or all the following opportunity areas: Bend Central District, East Downtown, Inner Highway 20/Greenwood, and KorPine, consistent with this Resolution, beginning with a feasibility study assessing all of these areas.

Section 3. Council desires to reach consensus on funding mechanisms for the Empire Avenue and Murphy Road projects prior to July 1, 2018, in preparation for the 2018/19 fiscal year. Council intends to continue evaluating the projects to determine the appropriate level of funding and construction prioritization.

Section 4. Council directs staff to begin to study and prepare for work sessions to implement housing incentive programs as discussed in the *Bend Urban Growth Boundary Implementation: Return on Investment Analysis and Next Steps* report.

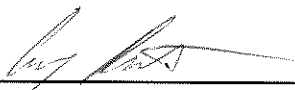
Section 5. Council directs staff to determine the additional staffing needs necessary to successfully implement the tasks and goals identified in this resolution, and to provide a report of additional staffing needs to Council.

Section 6. This resolution is effective on passage.

Adopted by motion of the Bend City Council on May 2, 2018.

YES: Casey Roats, Mayor
Sally Russell
Bill Moseley
Bruce Abernethy
Nathan Boddie
Justin Livingston
Barb Campbell

NO: none



Casey Roats, Mayor

ATTEST:



Robyn Christie, City Recorder

APPROVED AS TO FORM:



Mary A. Winters, City Attorney