



## ECONOMIC DEVELOPMENT

Wednesday, March 06, 2019

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Dear City Councilors,

Thank you for your recent feedback to the Bend Parks and Recreation Board of Directors on their update to the methodology behind Parks System Development Charges. The Bend Economic Development Advisory Board has been following the conversation closely due to the impact on construction costs in Bend.

The decision before you this month will center on how to accommodate the City's costs associated with processing Parks SDCs within the existing permitting process and determining if the Intergovernmental Agreement (IGA) between both agencies should continue. While BEDAB supports seeking an agreement that accurately reflects costs borne by the City of Bend and even dissolving the current IGA if Council sees it as no longer valid; we'd first urge you to pursue better alignment between current City long-term planning efforts and those being undertaken by the Bend Parks and Recreation District.

During their recent strategic planning process BEDAB identified transportation investment and increased availability of housing that's affordable as key priorities. This sentiment was echoed in the City's recent community survey and by numerous community groups during the City Council's goal setting process. While a strong park system plays a vital role in what makes Bend such a desirable place to live and work, the community has been clear in where they're prioritizing investment right now.

As Bend grows, local agencies are contending with competing funding priorities and planning timelines while the development community is struggling to meet demand due to increasing costs. Businesses need regulatory certainty. The potential cost increases under discussion by BPRD now and within the next two years by the City as part of the Transportation System Plan (TSP) make preparation difficult. BEDAB asks Council to urge the Parks Board to slow down on implementing changes to their SDC methodology and maintain their SDCs at the

current level. Adopting a similar timeline would allow the community to take stock of both the City and Parks proposals at the same time.

As proposed, the Parks SDC changes would stifle development of both housing and hotels impacting the community's ability to continue to develop economically and the City of Bend's General Fund. Further, while the Parks' proposal allows for an SDC exemption on Affordable Housing up to 100 units annually, better alignment would leave this exemption uncapped until 2023 in line with City policy. With Bend deficient by over 3,500 housing units for those making less than 60% of Area Median Income, BEDAB is concerned that Parks' cap could leave potential Affordable Housing development unrealized.

Despite the temptation to simply do away with the current IGA, there is business value to the current agreement between Parks and the City of Bend. Allowing for all fees associated with development to be handled with one stop provides certainty and transparency during an often complex process. Again, the City should ensure that the costs associated with this arrangement are not overlooked and not solely borne by the Community Development Department.

Thank you for your continued attention to development costs in Bend. BEDAB looks forward to continuing to work with you on making Bend a place where businesses and residents can thrive.

Sincerely,

Stephanie Senner  
Chair  
Bend Economic Development Advisory Board