



CITY OF BEND

## Minutes

**Bend Economic Development Advisory Board  
(BEDAB) Monday, August 19, 2019  
City Hall | Council Chambers  
710 NW Wall Street Bend, Oregon**

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**12:06 pm BEDAB Meeting**

**Roll Call:** Keith Dodge-Vice Chair, Erich Schultz, Lisa Goodman, and Wendy McGrane

Heather Ficht, Jim Sansburn, Kip Barrett- ex officio

### 1. Public Input

None.

### 2. Approve June 6 Meeting Minutes

Postponed until next meeting.

### 3. Industrial/Commercial Construction Excise Tax | Lynne McConnell

Affordable Housing (with a capital A) is defined as deed restricted at 80% AMI or less (purchase), 60% AMI or less (rent) levels. Today talking about lower case a - affordable housing. Council directed staff to come up with ideas to meet their housing goals.

Existing affordable housing fee was first in Oregon. After Bend enacted state prohibited others cities from implementing. Bend's fee was grandfathered in. In 2016, state passed a bill allowing cities to institute fees but with rules. Any change to existing fee or creation of a new fee would trigger 2016 requirements. Commercial and industrial allows for more flexibility in the state code, which appealed to Council.

Current fee: 1/3<sup>rd</sup> of 1% of permit valuation. Fee covers cost to run the program and typically, about \$1 million is awarded out to community each year. Goal is to get funding out. Historically 46% of permits are residential and 54% are commercial.

Infrastructure is needed to build additional housing. Council wants to mobilize more developers to build middle-income housing.

Commercial/Industrial Scenarios presented to Council:

A: .17% additional/.5% total – projecting \$344k total revenue

B: .33% additional/.66.6% total – projecting \$669k total revenue

C: .67% additional/1.0% total - projecting \$1.3 million total revenue.

Any questions, thoughts, concerns? Erich Schultz challenges the city to look at commercial/industrial permit data (not hotels) – there is not a lot. Similar issues (land scarcity, building costs) for lack of housing applies to lack of commercial/industrial land. Why doesn't community pay for? Why singling out commercial? Carolyn Eagan responded that is due to the way the state wrote the law. Also, cities have less restrictions on how commercial CET funds are allocated when compared to residential CET funds.

Are there alternative ways to find money? Erich Schultz said to go out to a vote. Doesn't think commercial community wants. Timing: Back to Council in late September. AHAC meeting on September 11<sup>th</sup>. Ben Hemson said could discuss at Advocacy meeting next Monday also at September BEDAB meeting. Kip Barrett asked if has been modeled. How many units? Lynne mentioned that an additional group is looking at RFP/RFI details.

Lisa Goodman asked if it is worth considering touching existing fee. Need to know what the 15% fee that goes to State would be used for. Response: Down payment assistance but difficult to get to required AMI levels plus would not necessarily come back to Bend.

Heather Ficht said it was hard to look at in a vacuum without looking at other fees. Keith Dodge asked if lack of commercial building construction is related to land costs or proforma costs. Erich Schultz said relates to availability of land and cost of construction. Keith said it would be important to know if lack of land, because then fee makes more sense.

Ben said to discuss at Advocacy and bring back to BEDAB in September. Kip Barrett suggested have more data and modeling expected outcomes. Kip also pointed out that current employers are having issues with finding employees. Ben said he would invite commercial builders to Advocacy meeting.

Lynne asked if there was an interim solution that might work.

Erich Schultz asked if anything else was considered. Response: Council wanted aggressive target. Staff vetted and brought for Council's consideration.

#### **4. Office of Performance Management & Data Services | Jesse Thomas**

Office of Performance Management is a new department. Key goal is that staff and Council have information they need to make decisions.

Land Supply Update - RS Zone. Striving for real time land supply information.

Buildable Land Inventory (BLI). 1,009 acres of RS, 9% of total in 2017. Last

update from 2019, decreased to 752 acres which is 7% of total. Problem with methodology of information state requires. Includes COID land which has restrictions and will not be available for many years. Other lots are way too expensive to build on. Need to identify baseline of what is actually useable. Hope to roll out by end of 2020.

Kip Barrett asked why RS only. Jesse's response: RS was used just for the presentation given to Council. Have same metrics and analysis for other types. June CL update: 17.6 acres available in 18 lots.

#### **5. Juniper Ridge Management Advisory Board Update | Matt Stuart**

Gave quick background of Board which came out of BEDAB memo to Council. Board is tasked to develop work plan going forward, creating a vision, a land disposition strategy, look at documents (CC&Rs, zoning code, design guidelines). Track everything alongside the north interceptor sewer. Meeting later this week. Will take a deeper dive into planning goals, why industrial land is important, looking at infra-grant, update on north interceptor sewer and then look at what documents should be looked at first for short term disposition strategy. Four lots remain for sale. How to bring on new land. Then look at design guidelines and overlay district. In early stages. Hope to have to Council in spring.

#### **6. Council Subcommittee-Climate Action Review | Kip Barrett & Ben Hemson**

Council decided to create two subcommittees with three councilors each. Hoping for more interaction between subcommittee and relevant Committees/Boards.

##### **Community Building Subcommittee:**

Planning Commission, Affordable Housing Advisory Committee and Neighborhood Leadership Alliance.

Mayor Russell and Councilors Goodman-Campbell and Livingston.

- Development Code Audit
- Policies to streamline housing projects
- Alternative housing models
- Land use planning for Opportunities Areas
- Neighborhood Traffic Safety Plan
- Sidewalk Plan

##### **Stewardship subcommittee:**

Climate Action Steering Committee and BEDAB.

Councilors Piper, Abernethy and Campbell.

- Community Climate Action Plan

- TSP policies related to greenhouse gas emissions
- Renewable energy options
- Knott Landfill options
- Wildfire resiliency
- Stabilization center
- Emergency Management Plan

## **7. Innovation District Update & Next Steps | Carolyn Eagan**

Council liked the proposed area for the Innovation District. They like the idea of testing and trialing things in the area. Possibilities could include a micromobility lab, testing new street lights, cameras, expanded workforce, etc. There is no Council role until plan comes to them. Then would adopt into the Municipal Code. Katy Brooks is connecting with other innovation areas – what is working, what is not working.

Governing Board must have a vision and be engaged. City might have an overarching Innovation Council. Kick off meeting and figure out which businesses are interested and which are not. Need engagement from business communities.

Heather Ficht: Allows for looking at code differently and testing out. Does it have to go back to Council? Carolyn responded that it depends on how code is written. Erich Schultz asked about Juniper Ridge. Response: best practice – doesn't have to be limited to area. Can have ties to others outside area. Test then grow. How to link to Innovation District. OSU has a plan already for a district. Couple our resources with theirs.

Working on list of businesses inside boundary. Working with Chamber to see who is interested. Will keep you posted.

## **8. BEDAB Schedule Through 2019 | Ben Hemson**

Two opportunities to weigh into Council. Construction Excise Tax and Climate Action Plan. If there is anything you want an update on, let Ben know. Can plug into schedule.

Separate point: Kip Barrett: Has heard from quite a few businesses. Seems like CDD is enforcing on change in use more than in past. Is there a change in direction? Need to communicate out to businesses. Set expectation. Ben will try to look at magnitude. Work with Jesse on data.

## **9. Adjourned at 1:18 pm.**