



CITY OF BEND

Minutes

Bend Economic Development Advisory Board (BEDAB)

Monday, December 2, 2019

Staff Liaison: Ben Hemson

12:06 pm BEDAB Meeting

Roll Call: Keith Dodge-Vice Chair, Brecht Palombo, Brenda Speirs, Jamie Klopp, Kevin Cole, Lisa Goodman, Travis Davis, and Wendy McGrane

Karen Koppel-Alternate; Kip Barrett, Jim Sansburn - Ex Officio

Councilor Piper

1. Public Input

None.

2. Approve November 4 Meeting Minutes

Minutes approved.

3. Introduce new BEDAB Members | Brecht Palombo & Karen Koppel

All members introduced themselves.

4. Formalize Community Climate Action Plan Feedback | Ben Hemson

Discussion on conflict of interest. No one has energy scoring company that would benefit from plan. However, do own houses.

Ben set up discussion with background and history with BEDAB. Showed slide with recap of plan. Only one strategy is mandatory, rest are voluntary. BEDAB previously had pushed toward a voluntary resolution.

Home energy score recommended to be mandatory by CCAP. BEDAB had questions about mandatory and programmatic requirements, cost, time. BEDAB wanted CCAP and staff take a step back and look at home energy score program and present with details to Council. Both voluntary and mandatory options. Plan with strategies.

Where and how should BEDAB weigh in? Advocacy subcommittee discussion: concern with score being mandatory. Concern with cost and timeliness on transaction and older homes with lower scores. What does program look like? Is State going to act? Discussed concern if not mandatory, would anything be done, would there be results in reduction. Still require voluntary action.

Keith asked if this is a BEDAB related issue. Ben replied yes, housing supply is a key component of economic growth. Concerns about whether will weigh more heavily on older stock as they are likely the least efficient and add costs. Lisa mentioned that it does create transparency of the cost to own a specific home. Is a benefit to buyer. A utility bill is different than score due to many variables. Kevin is worried that many of the strategies will result in higher costs.

New wording does not specify as a mandate. There is potential to make recommendations of how program is set up before institute. Lisa: Questions regarding programmatic elements. No one wants to approve without details but plan calls for 5 years to figure out. Is it premature to not support when plan will develop details?

Ian Leitheiser stated that if plan that Council approves requires anything mandatory plan, nothing happens until Ordinance is created and passed. Even if plan says yes, Council can change mind. Plan is outlining a course. It is not binding Council. Definitely does not enact.

Wendy asked about wording and how it affects what might happen. Cassie reminded that they are stepping back a bit. Will still look into both mandatory and voluntary. Question asked of EDCO, if businesses are inquiring about climate plans. Response: Only one. Concerns are more related to business costs, housing and workforce.

Keith said score is beneficial to buyer but is worried about adding cost. Jamie said there will be a return on investment with more energy efficiency. Cassie said she hears the concerns, need to systematically look into.

What is point of plan if not mandatory? Council does have a goal of more efficiency. Cassie said it creates a committee to work on and through topics. It opens a space to move forward.

Lisa feels comfortable approving after hear this discussion. She feels it is premature to agree/disagree with specific items and thinks it is important to support. Can weigh in going forward. Kevin asked if we want to address preemption by State. Ben said City will keep an eye on what state is doing/does.

Ben said letter will describe how BEDAB engaged. Council Piper suggested to state BEDAB's approval but also bring up points that want to see addressed/be involved in including State preemption.

General support with riders where want to be involved in. Monitor efforts. Mention home energy scores. BEDAB wants to be in loop. Ben will monitor meetings. Will bring back to BEDAB.

Suggestion that plan should prioritize actions by cost and immediate benefits. Also those that align with City goals.

Kevin Cole made motion: Letter to Council.

BEDAB endorses the Climate Action Steering Committees recommendations. Encourages Council to monitor state action on climate issues and avoid any overlapping regulations during implementation. Encourages Council to adopt things that are voluntary in nature and as the programs are developed. Encourages Council to assess the impact of each measure that is passed on Bend's competitiveness as a place to do business. BEDAB looks forward to additional opportunities for input as the implementing ordinances are developed.

Travis added to viewing these opportunities in light of other competing goals like housing and infrastructure to make sure they don't conflict.

Recap:

- **Don't want overlapping regulation with state**
- **Prefer programs to be voluntary**
- **Bend as a place to do business and actions don't make that worse**
- **Balance with competing interests such as housing and infrastructure development.**

Lisa Goodman seconded. All in favor.

5. Conflict of Interest Refresher | Ian Leitheiser

Gave framework of public official ethics. Public officials include staff and volunteers on Boards and Commissions. Conflicts of Interest are situations that could lead to financial benefit or avoidance of detriment to individual or their family.

Two different kinds in Oregon – actual and potential. Actual – WOULD result. Potential – COULD or MIGHT result. Any conflict will be in potential category because BEDAB is making recommendations to Council. All have to do is announce at beginning of discussion. Can still discuss and vote. Statement protects you.

Mentioned that liability is personal. Members should look at agendas ahead of time. Put possible conflicts on the table. If has general impact on everyone, then no need. Is diluted. Error on the side of announcing. Conflicts are a good thing. Want varied stakeholders.

6. Update on Development Code Section 4.7 & BEDAB Input | Ben Hemson

BEDAB was supportive but make sure communicate the benefits. Will turn into letter. Council on 12/18.

7. Planning Commission-Upcoming Work Sessions | Ben Hemson

Ben went through timing on upcoming policy discussions.

- Housing Code updates (Shared Courts/Cottage Code): October 2019
- Septic/Sewer Code Update: October and December 2019
- URAB Code Update: October 2019 and February 2020 (tentative)
- Transportation Analysis (4.7): September and December 2019
- Alternative Housing Types - HB2001: October/November 2019, early 2020 for worksession and public hearing to be determined.
- HB3450 Mixed-Use Housing in Employment Lands: project to start January 2020

8. Corporate Activity Tax Overview & Update | Wes Price

Wes Price discussed the upcoming implementation of the Corporate Activity Tax, approved by the Oregon State Legislature in 2019:

Letter from Department of Revenue has gone out. First round of draft regulations in December. At issue, 2 pieces of legislation create the tax.

July 2018 the Wayfair Case. Prior exempted those that didn't have bricks and mortar in another state, didn't pay state tax.

Issue: \$100,000 in sales in another state or 200 customers. (all states are adopting, started with South Dakota to Supreme Court). Will have to collect a use tax. Specific to e-commerce. BEDAB could be a good host to spread information. (Only have to give back to ruling even if states ask).

Good news: no federal changes.

Corporate Activity Tax is actually a Commercial activity tax HB 3427 and HB 2164 passed.

All business types and business. Charities and co-ops are defined. No exemptions for trade organizations like the Bend Chamber or EDCO. All governments are exempt.

Threshold: 1:31 commercial activity are subject. Pay tax if have more than 1,000,000 in sales. Must register at 750,000 in sales. If don't register, is a monthly fine. Need clarification about timing. Can't register yet. Process starts January 1. Businesses would need to register in January. FAQ site needs work.

\Cost of inputs – code section 471 (cost of inventory) – not sure how will be defined. Can only be subtracted up to 95% of Oregon sales. Both limited to 35%.

Unitary group rule – common ownership. Can split up to avoid tax. 1:43

Not in law right now – if sale originates in Oregon, subject to gross receipts. Sales office in another state does not include.

Different due dates; April 30, July 31, October 31, Dec 31. Reports are due mid-month before each deadline for businesses that exceed the reporting threshold.

Groceries are exempt but they have to pay on sundries.

Kip: possible technical fix bill in short session.

9. Adjourned at 2:01 pm