

Section 3 of Ordinance 2271

Exhibit C

New Chapter 6 of the Bend Comprehensive Plan, Economy



Chapter 6: Economy





Adopted Amendments

EFFECTIVE DATE	ORD #	CHANGES
6-7-95	Ordinance 2147	Addition of policies for Mixed-use Riverfront Zone or MR zone
11-18-98	Resolution 2247	Major update and revisions to General Plan text and maps
5-02-01	Ordinance NS-1781	General Plan text amendment to Chapter 6 text and policies pertaining to Northwest Crossing. Note: Chapter 6 text was subsequently replaced by NS-1936.
7-21-04	Ordinance NS-1936	General Plan text amendment with entirely new Chapter 6, Economy & Lands for Economic Growth, a few new Chapter 6 policies, UGB amendment for Juniper Ridge, findings.
11-17-04	Ordinance NS-1946	General Plan text amendment to Chapter 6 regarding building heights in the CB Zone and changes to Development Code.
2-15-06	Ordinance NS-1998	General Plan text amendment to Chapter 6, Economy & Lands for Economic Growth; policy requiring building height exceptions by conditional use and variance, also amends Bend Development Code.
7-05-06	Ordinance NS-2017	General Plan map amendments CH to CG, and IP to ME and text amendments to Preface and Chapter 6 of the General Plan.
2016	Ordinance NS-2271	Significant update in response to 2010 Urban Growth Boundary Remand Order: format update, new background text, new and revised policies, deleted outdated policies



BACKGROUND

Context

Bend's economy is shaped by its historic role as a trade, service, education and tourist center for Central Oregon. Bend is attractive to expanding companies primarily because of its quality of life, growing population dominated by in-migration, and access to a labor force that is young and well-educated. As Bend's economy grows, its role as a regional center will guide and stimulate economic growth throughout Central Oregon and beyond.

This regional economic role will influence the number and types of jobs that existing and future businesses create. Downtown Bend is the cultural, culinary, and specialty retail hub of the region. Bend hosts the region's largest medical facility, the largest news media organization, and numerous governmental agencies, from federal (U.S. Forest Service), to regional (Deschutes County seat), to local (City of Bend). Bend is also home to a majority of the region's largest and most influential employers.

Bend's role as a regional social and cultural center is also an important consideration as a driver of economic growth. Bend's high quality cultural and natural amenities are repeatedly cited by business owners and employees as reasons to relocate to, or remain in, Bend. They are also the driver of much of the tourism industry, which is a significant portion of the economy. Such amenities play an important role in continuing to attract tourist dollars, new households and future firms.

Bend's economic growth relies on the City's ability to create an environment for businesses of the future to thrive. The industries of the past are not the industries of the future. Governments, economic development groups, and developers must play complementary roles in retaining, expanding, and recruiting businesses that will serve Bend's 21st century economy.

Economic Trends

Economic development in Bend will continue to occur in the context of long-term national, state and regional trends. A number of those trends, and their implications for Bend's economy, are highlighted below.

- **Moderate growth rates and recovery from the national recession.** The "Great Recession" is widely considered to have ended in 2009; however, economies take time to recover and Bend's economy is no exception. After 2009, Bend experienced a period of minimal growth, followed by a period of dramatic growth. Bend can expect continued economic growth (measured by employment growth, unemployment rates and wage growth) over the coming years.



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- **Growth of service-oriented industries.** As the goods-producing industries decline, service-oriented industries are on the rise. This trend will continue to impact the composition of Bend's economy, leading to an even higher percentage of jobs in health care, government, retail trade, personal services and food services. Historically, Bend's economy was heavily dependent on manufacturing and resource extraction industries such as sawmills and pumice mines. Similar to state and national trends, Bend's economy has undergone fundamental changes over several decades as employment in traditional manufacturing sectors declined and growth in service-oriented sectors increased.
- **Availability of trained and skilled labor.** In Bend, population and in-migration growth rates are generally high and residents are more likely to have a Bachelor's degree (relative to state and national rates). This results in a pool of available labor in Bend, a trend that is forecast to continue over the coming years.

Vision for Economic Development in Bend

What does a healthy Bend economy look like?

- Bend attracts and retains targeted industries. The City targets employment sectors that are projected to grow, that are a good fit for the City, and that help Bend achieve its economic goals – including an emphasis on jobs that pay higher than median wages. Targeted sectors include higher education, health care, recreation equipment, and specialty manufacturing.
- Bend's downtown is strong. The downtown continues to be an active focal point for residents and visitors with strong businesses, urban housing, civic services, arts and cultural opportunities, and gathering places. Parking downtown is adequate and strategically located.
- Bend maintains an adequate supply of serviceable industrial and commercial lands. There is enough suitable land within Bend's UGB to accommodate future jobs and businesses. The City monitors and maintains the land supply.
- Bend builds a diversified economy. Bend continues to move toward a more diversified economy that provides professional service, high-skill manufacturing, high-tech, and other higher than median wage jobs.
- Bend provides opportunities for university education and research. A high-quality university in Bend provides education and training for the next generation of Central Oregonian workers whose ideas, talents and energy will create the foundation of Bend's future economy.



- **Aging population.** While Bend’s population is younger than the state’s as a whole, it is still aging and the percentage of people over age 60 is expected to increase. Businesses in Bend will need to replace workers as they retire, at a rate that will likely outpace job growth.
- **Importance of natural resource amenities.** Bend is widely acclaimed as one of the top “smaller” cities in the country. The City has a distinctive and appealing vibe, a growing national profile, a fun and relaxed way of life, and a beautiful natural setting for outdoor living and recreation. As a fast-growing City, Bend’s attractiveness brings a central challenge: how to accommodate more people and jobs while preserving what the community values so Bend gets better, not just bigger.

Additional information about how Bend forecasts employment growth, identifies target industries, and evaluates its ability to accommodate future employment can be found in the 2016 Economic Opportunities Analysis (EOA). The EOA is adopted and incorporated as Appendix K of the comprehensive plan and it provides the factual base to support the goals and policies for the economy in this chapter. It includes estimates of the amount of employment that can be accommodated on existing land in the UGB and the amount of residual employment that will require new land.

The need for employment growth correlates strongly to the need for land within Bend’s urban growth boundary. The Urbanization Report provides a discussion about how employment land needs are determined and how Bend will meet those needs over time.

EMPLOYMENT AND MIXED USE PLAN DISTRICTS

The role of the Comprehensive Plan is to provide and maintain an adequate supply of industrial, commercial, and mixed-use land to accommodate and promote quality economic growth and assure a diverse economy. The Plan also provides the policy framework to guide on-going land use decisions and public infrastructure investments relating to employment lands.

The Comprehensive Plan designates lands for a range of commercial, industrial and mixed-use districts that are shown on the Comprehensive Plan Map and described in Table 6-1 below. These employment districts provide for a variety of locations with different characteristics to support the continued growth and diversity of Bend’s economy. With the exception of the Industrial districts, there is a significant amount of “mixing” of uses in different employment districts as allowed by the Bend Development Code. This trend is expected to continue, with plan policies and code provisions that allow and support a mix of employment and residential uses in commercial and mixed use districts, particularly in centers and along transit corridors.



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Table 6-1. Employment and Mixed-Use Plan Districts

Employment Plan Designation	Implementing Zone(s)	Characteristics
Commercial		
Central Business District	Central Business (CB)	The Central Business District designation is intended to apply to the historic downtown and central business district. This designation is intended to provide for commercial and/or mixed-use development with a storefront character. Areas with this designation have higher employment densities and building mass, and require high-quality pedestrian, bicycle, and multi-modal transportation systems.
Convenience Commercial	Convenience Commercial (CC)	The Convenience Commercial designation is intended for relatively small commercial areas adjacent and connected to the residential districts they serve. It is intended to provide for primarily commercial uses to meet the frequent shopping and service needs of nearby residents. Areas with this designation have lower employment densities and building scales than the Central Business District, but require high-quality pedestrian, bicycle, and multi-modal transportation systems.
Limited Commercial	Limited Commercial (CL)	The Limited Commercial designation provides locations for a wide range of retail, service, and tourist commercial uses in the community along highways or in new centers. This designation is intended for small and large commercial uses which may be more auto-oriented, yet also provide multi-modal access.
General Commercial	General Commercial (CG)	The General Commercial designation provides a broad mixing of commercial uses that have large site requirements, are oriented to the higher classification roadways and provide services to the entire City and surrounding area.
Industrial		
Industrial General	General Industrial (IG)	The Industrial General designation provides for light and heavier industrial uses in an industrial environment with a minimum conflict between industrial uses and nonindustrial uses.
Industrial Light	Light Industrial (IL)	The Light Industrial designation provides for light industrial uses and limited heavy commercial and corporate office uses in areas with easy access to collector and arterial streets.



Employment Plan Designation	Implementing Zone(s)	Characteristics
Surface Mining	Surface Mining (SM)	The Surface Mining designation provides for the extraction of pumice, ash, and rock to serve the construction needs of the urban area.
Mixed Use		
Mixed Employment	Mixed Employment (ME)	The Mixed Employment designation provides for a broad mix of employment uses and mixed use development. It is intended for areas that already exhibit a pattern of mixed development, or in new areas that provide a transition between different employment and residential uses.
Mixed Use Riverfront	Mixed Use Riverfront (MR)	The Mixed Use Riverfront designation provides a mix of commercial, industrial, and residential uses to implement policies for redevelopment of mill site properties adjacent to the Deschutes River.
Mixed Use Urban	Mixed-Use Urban (MU)	The Mixed-Use Urban designation provides opportunities for vibrant mixed use centers and districts with a mix of commercial, residential, and/or public and institutional uses. Suitable for areas generally within or adjacent to the central core of the city with high-quality connectivity to and within the area.
Mixed Use Neighborhood	Mixed-Use Neighborhood (MN)	The Mixed-Use Neighborhood designation provides neighborhood-scaled, pedestrian-oriented mixed use centers and corridors with a range of residential, retail, service, and office uses that are compatible with adjacent development. Suitable for areas with high-quality pedestrian, bicycle, and multi-modal transportation systems.
Professional Office	Professional Office (PO)	The Professional Office designation provides for professional offices, housing as part of mixed use development, and limited service commercial in locations near arterial or collector streets or to provide a transition between residential areas and other more intensive zones.



GOALS

The intent of the Comprehensive Plan is to provide sufficient land to meet the City's goals of promoting quality economic growth and assuring a diverse economy. The following goal statements describe the economic hopes of the community and serve as the foundation for policy statements in this chapter. The citizens and elected officials of Bend wish to:

- Promote a vital, diverse and sustainable economy, while enhancing the community's overall livability.
- Ensure an adequate supply of appropriately zoned land for industrial, commercial, and mixed-use development opportunities.
- Strengthen Bend's position as a regional economic center.
- Create more opportunities in Bend for jobs that pay a higher than median wage.
- Create commercial areas that support multimodal access.
- Encourage more small neighborhood commercial developments and convenience commercial centers to reduce the number and length of single occupancy vehicle (SOV) trips.

POLICIES

General Policies

- 6-1 Bend's economic lands (commercial, industrial and mixed use) serve Bend residents and the needs of a larger region.
- 6-2 Bend is a regional center for health care, art and culture, higher education, retail, tourism, and employment. The economic land policies recognize Bend's role in the region, and the need to support uses that bolster the local and regional economy:
 - The Medical District Overlay Zone provides economic lands for a variety of health care and related services to a population much larger than the City of Bend.
 - Commercial and Mixed Use-designated lands support retail, tourism, and arts and culture uses to serve a local and regional role.
 - Public Facility and Special Plan Districts support higher education to serve Bend residents and the needs of the region.
 - Industrial and Mixed Employment-designated land located at Juniper Ridge has a local and regional role.
- 6-3 Investment in transportation, water, sewer, fiber, and other utility infrastructure should be prioritized to serve economic lands.



- 6-4 Infrastructure will be planned, designed, and constructed to support continued economic growth and orderly development.
- 6-5 The Bend Municipal Airport is one of the City's highest-value economic development assets. Bend will coordinate with Deschutes County to create policies and development regulations that ensure long-term employment growth at the airport.
- 6-6 Employment lands for Bend's target sectors will be provided and protected to promote expansion of existing businesses and attract new businesses.
- 6-7 Bend will diversify its economic base to withstand expansions and contractions in the business cycle.
- 6-8 The City will recognize the statements of the City's overall economic development objectives and desirable types of employment contained in the 2016 Economic Opportunities Analysis (EOA).
- 6-9 The City will prioritize providing an adequate number of suitable industrial sites while also providing a variety of commercial sites.
- 6-10 The City will seek opportunities to designate or allow additional sites for employment use and increase the use of existing employment land within the existing urban growth boundary prior to expanding the UGB.
- 6-11 The City will periodically review existing development and use patterns on industrial and commercial lands. The City may consider modifying Comprehensive Plan designations and zoning to better respond to opportunities for redevelopment and revitalization of employment lands in underutilized areas.

Short Term Supply Policies

- 6-12 The City establishes a goal to have at least 25% of the predicted economic land need identified in the adopted EOA qualify as competitive short-term land supply.
- 6-13 Beginning in 2019, and every two years thereafter, the City will:
 - o Update the economic lands Buildable Lands Inventory to identify developed and vacant economic lands by Comprehensive Plan designation;
 - o Estimate the acreage of vacant economic lands that qualify as competitive short-term supply;
 - o If the acreage of vacant lands that qualify as competitive short-term supply is less than the 25% goal, then staff will deliver a report to the City Council that details:



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- Economic lands that have a relatively good opportunity to qualify as competitive short-term land supply to meet the 25% goal,
- Obstacles preventing those lands from qualifying as competitive short-term supply, and
- Efforts, plans, and potential funding mechanisms to prepare the lands to qualify as competitive short-term supply.

Industrial Development

- 6-14 Large-lot industrial sites, those sites 50 or more acres in size, are important to the overall inventory of available economic land. Any sites included in the UGB to meet this special site need will be protected with specific plan and/or code provisions.
- 6-15 The City supports the redevelopment of brownfield sites to make efficient use of existing economic lands and improve the quality of the City's land and water resources.
- 6-16 The Juniper Ridge District inside the Bend UGB will be used to help meet the long-term need for future industrial and employment development.
- 6-17 At least 30% of the total net buildable area of the portion of Juniper Ridge District inside the UGB should be reserved for sites of ten acres and larger in size.
- 6-18 The City will work to preserve prime industrial lands for industrial purposes and protect them from incompatible commercial and residential uses.
- 6-19 The community will attempt to diversify its industrial base.
- 6-20 Existing industrial operations are encouraged to reduce waste discharge levels and improve air quality conditions.
- 6-21 Industrial developments along highways will be subject to special development standards relating to setbacks, landscaping, signs, and outside storage.
- 6-22 Wherever industrial uses abut residential uses or residential zoning, special development standards relating to setbacks, screening, signs, and building height will be established for the industrial uses.

Mixed Use Development

- 6-23 Mixed-use development may be regulated through one or more plan designations and zoning districts to encourage the development of a mix of employment, or a mix of employment and residential uses.



- 6-24 Mixed-use development will achieve the following purposes:
- o provide a variety of employment opportunities and housing types;
 - o foster pedestrian and other non-motor vehicle access within and to the site;
 - o ensure compatibility of mixed-use development with the surrounding area and minimize off-site impacts associated with the development;
 - o ensure the site planning, access, parking areas and building designs are functionally coordinated and aesthetically pleasing; and
 - o where applicable, improve the natural conditions along the Deschutes River, and encourage access to and enjoyment of the Deschutes River.
- 6-25 The City will encourage vertical mixed use development in commercial and mixed use zones, especially where those occur within the Central Core, Opportunity Areas and along transit corridors.

Commercial Development

- 6-26 The existing pattern of commercial plan designations shown on the Comprehensive Plan Map along arterial and collector streets including Newport Avenue and Galveston Avenue will not be extended into residentially designated areas unless approved through an Area Plan.
- 6-27 New employment districts with a mix of employment designations such as commercial, industrial, and mixed use may be created along Highway 97, Highway 20, and O.B. Riley Road.
- 6-28 The City will encourage development and redevelopment in commercial corridors that is transit-supportive and offers safe and convenient access and connections for all transportation modes.
- 6-29 New commercially designated areas are encouraged to develop with mixed-use centers to include housing, open space, commercial development, and other employment uses.
- 6-30 The City shall strive to retain and enhance desirable existing commercial areas and encourage property owners' efforts to rehabilitate or redevelop older commercial areas.
- 6-31 Proposed Comprehensive Plan Map amendments for new commercial centers shall meet the location and size standards in the Comprehensive Plan text in addition to Plan amendment and/or zone change criteria.



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- 6-32 All commercial developments shall be subject to development standards relating to setbacks, landscaping, physical buffers, screening, access, signs, building heights, parking areas, and design review.
- 6-33 The City will encourage the development of Neighborhood Commercial centers. Such centers should be scaled to serve the frequent needs of the residents of the neighborhood.
- 6-34 Unless otherwise approved through an Area Plan, new Convenience Commercial Comprehensive Plan designations should be limited to five acres and should be at least one mile from another commercial Comprehensive Plan designation.
- 6-35 Commercial developments that abut residential zones or residential uses shall be subject to special setback and screening provisions.
- 6-36 The City shall continue the revitalization process in the Central Business District through rehabilitation or redevelopment of existing areas.
- 6-37 The City will provide a process through the development code to review and approve exceptions to height limits where it supports City goals and policies.
- 6-38 Commercial development adjacent to arterial streets and highways shall be subject to City of Bend and/or Oregon Department of Transportation access management standards (as applicable) and shall provide for multimodal access.
- 6-39 The City will limit the amount of ground-floor residential development in the commercial zones and mixed employment zones to preserve economic lands for economic uses.
- 6-40 The City will monitor parking needs for commercial uses and set requirements at the lowest level to meet the community needs.
- 6-41 The City will write parking requirements to encourage walkable commercial development while providing for adequate parking.