



## MEETING AGENDA

# Southeast Area Plan Advisory Committee Meeting #8

MEETING DATE: Thursday, June 4, 2020

MEETING TIME: 5:30 PM – 8:00 PM

LOCATION: Online using Webex. Participation details can be found at:

<https://www.bendoregon.gov/government/departments/growth-management/land-use-planning/southeast-area-plan#Committee>

## Objectives

- Achieve a common understanding of the area's needed infrastructure project costs and available funding tools
- Consider options for funding needed infrastructure
- Provide direction on the draft code amendments that will be used to implement the Southeast Area Plan

## Agenda

### 1. Welcome, Introductory Items (Chair Sharon Smith) – 15 min

- a. Introductions/conflict of interest disclosures
- b. Approval of minutes from December 3, 2019 meeting
- c. Public Comment - Note: only written comments are being accepted at this time. Comments may be submitted by email to [dsyrnyk@bendoregon.gov](mailto:dsyrnyk@bendoregon.gov) by 2:30 p.m. on Thursday, June 4. All comments received by that deadline will be provided to the Committee and summarized by Chair Smith at the meeting. Comments received after that time will be provided to the committee at the next meeting.

### 2. Agenda Overview and Where We Are in the Process (Joe Dills) – 10 min

- a. Schedule and process review

### 3. Funding Plan (Part 2) (Project team) – 80 min

*This is both an informational and a discussion item. Committee members will learn about the area's infrastructure needs, associated costs, and possible funding tools. Then the committee will be asked to consider and discuss several funding options developed by the Project Team.*



#### Accessible Meeting Information

This meeting/event location is accessible. Sign language interpreter service, assistive listening devices, materials in alternate format such as Braille, large print, electronic formats and CD Formats, or any other accommodations are available upon advance request. Please contact Damian Syrnyk meeting at [dsyrnyk@bendoregon.gov](mailto:dsyrnyk@bendoregon.gov), 541-312,4919. Providing, at least, 3 days' notice prior to the event will help ensure availability.

- a. Briefing on the area's infrastructure needs and costs, key issues, funding tools, and funding options
- b. Committee discussion
- c. Summary of next steps

**4. Draft Code Amendments** (Damian Syrnyk and BreAnne Gale) – 45 min

*This is a discussion and direction item for SEAPAC to provide input and direction regarding the draft amendments to the Bend Development Code that will be used to implement the Southeast Area Plan.*

- a. Staff briefing
- b. Committee discussion and direction

**5. Next steps**

- a. Announcements
- b. Next meeting dates

**Agenda Item No. 1:**  
Minutes from SEAPAC #7,  
December 3, 2019

# Minutes

## Southeast Area Plan Advisory Committee Meeting #7

Southeast Area Expansion Plan

**December 3, 2019**

Bend-La Pine School District Education Center  
520 NW Wall Street, Room 314, Bend, Oregon



CITY OF BEND

### Committee Members

Ken Atwell, *Member*

Kip Barrett, *Member*

Sarah Bodo, *Member*

Butch Hansen, *Member*

William Hubbert, *Member*

Anthony Oddo, *Member*

Jeff Reed, *Member*

Sharon Smith, *Chair*

Rachel Strickland, *Member*

Steve Wilson, *Member*

Rachel Zakem, *Member*

### City Staff

BreAnne Gale, *Senior Planner*

Russ Grayson, *Community Development Director*

Robin Lewis, *Transportation Engineer*

Ryan Oster, *City Engineer*

Damian Szyrnyk, *Senior Planner*

Sharon Wojda, *Chief Financial Officer*

### Consultants

Matt Craigie, *ECONorthwest*

Joe Dills, *Angelo Planning Group*

Kyra Haggart, *Angelo Planning Group*

Matt Kittelson, *Kittelson & Associates*

## 1. Welcome, Introductory Items

Mr. Dills called the meeting to order at 5:18 PM.

Members introduced themselves and disclosed the following conflicts of interest:

- Member Bodo disclosed her employment with Bend Parks & Recreation District, which owns property within the plan area
- Chair Smith disclosed her employment with Bend-La Pine School District, which owns property within the plan area
- Member Reed disclosed his ownership of property within the plan area
- Member Hubbert disclosed his ownership of property within the plan area
- Member Atwell disclosed his membership with the Southeast Bend Neighborhood Association
- Member Hansen disclosed his membership with the Old Farm District Neighborhood Association

- Member Zakem disclosed her employment with Cascades East Transit
- Member Wilson disclosed his ownership of property within the Elbow
- Member Barrett disclosed his affiliation with the Economic Development for Central Oregon
- Member Oddo disclosed his ownership of property within the Elbow

Chair Smith requested a motion to approve the previous meeting's minutes. A motion to approve the minutes was made by Member Reed and seconded by Member Zakem. Minutes were approved unanimously.

## **2. Public Comment**

No public comment.

## **3. Agenda Overview and Where We Are in the Process**

Mr. Dills reviewed the Southeast Area Plan project and timeline, as outlined in the presentation. Mr. Dills noted one change to the agenda, moving item #7 Preliminary Code Concepts ahead of item #6 Funding.

## **4. Transportation Analysis Results**

Mr. Kittelson provided an overview of the Transportation Analysis and key findings, as outlined in the presentation. He noted that the analysis was still in the preliminary results stage and further input and review from internal staff and agency partners would occur. Mr. Dills highlighted that the transportation analysis model was based on a well-connected, local street system, which was consistent with the land use and transportation plans previously approved by the committee.

Member Atwell recommended Ferguson Rd. be a lower classification roadway. Member Hansen inquired about traffic on Reed Market Rd. Member Barrett recommended Knott Rd. intersections design should take into account safety concerns and light industrial related traffic. There was consensus among the members that sufficient right-of-way width should be dedicated to accommodate a 5-lane cross-section for Knott Rd., even if a 5-lane cross-section was not initially developed.

Mr. Grayson and Mr. Oster provided an overview of how infrastructure planning and financing work, including right-of-way dedication and the City's Capital Improvement Plan (CIP). Mr. Dills summarized the discussion and reiterated the members' comments regarding a desire to ensure adequate right-of-way widths on Knott Rd. to accommodate long-term additional capacity and future reclassification if needed.

## **5. Water and Sewer Infrastructure**

Mr. Syrnyk provided an overview of the Sewer Infrastructure Concept plan, as outlined in the presentation and provided for in the packet. Mr. Oster and Mr. Grayson discussed critical sewer infrastructure needed in order for development to occur in a majority of the plan area. Mr. Dills

clarified that a regional pump station was referencing an area that was almost entirely within the plan area boundary.

Mr. Syrnyk provided a brief update on the water infrastructure and some initial work the City is undertaking to coordinate with Avion Water Company in determining key water infrastructure needs and preliminary cost estimates.

Member Hansen recommended fire hydrants be required and a fire station be located in the plan area. City staff noted that the Murphy Rd. overcrossing will dramatically improve fire and life safety response times and that a new station was not in the CIP or plans for this area.

Member Oddo expressed concerns with the requirements and costs associated with private water service. Chair Smith explained changes to the federal tax code related to private utilities and associated fees. Member Wilson requested the water utility map shown in the presentation be posted on the website.

## **6. Preliminary Code Concepts**

Mr. Dills introduced the preliminary code concepts and provided an overview of the site studies and visualizations, as outlined in the presentation. Mr. Dills noted the studies and code concepts were based on the committee's previous recommendations on uses and compatibility, and while non-binding, were useful to inform how design standards might be crafted to result in an attractive neighborhood and quality place.

Mr. Syrnyk provided an overview of how Special Planned Districts are used to create area specific development standards and discussed the initial, conceptual allowed uses based on the committee's desire for compatibility, while allowing for existing uses to remain as permitted.

Chair Smith recommended staff examine proposed changes to the Bend Central District standards aimed at removing barriers to development, to see if there was opportunity to replicate these standards. A member of the public recommended boarding kennels be a permitted use since there is an existing facility in the plan area. Member Barrett expressed caution for the allowance of residential uses in the commercial and industrial zones and recommended enough property be retained in master plans to meet and maintain job count requirements. In general, there was consensus among the committee that the code concepts were moving in the right direction.

Ms. Haggart reviewed the Light Industrial (LI) code concepts including buffers, parking location, and a list of preferred façade treatments and materials, as outlined in the presentation. Member Barrett and Chair Smith expressed concern with the costs associated with large landscaped buffers and specialty materials in the LI zone. Member Bodo recommended additional buffer be located between the multi-use path and the street as opposed to between the path and the LI building and added that there have been early conversations about low stress networks being located away from a collector road. Chair Smith and Member Wilson stated that buffers should

be located between the use transitions and not zoning district transitions. Member Oddo recommended Mixed Employment (ME) zones remain at the existing allowed height.

Ms. Haggart provided a brief overview of the existing lighting codes and noted that they are generally adequate to achieve the committee's stated desire to preserve dark skies, therefore no additional regulations are likely needed.

Mr. Dills provided an overview of integration of natural features including natural trees, ridge and rock outcroppings, and significant vegetation and noted the committee's previous direction to balance natural preservation with development. Staff will reexamine the existing arborist report for the area and will relook at potential code change options for the committee to consider. Member Wilson noted the trees along the canals will likely die when the canals are piped. A member of the public noted trees and natural features make Bend unique and expressed concern for the loss of vegetation and habitat, and recommended developers offset loss of habitat. Mr. Grayson stated that tree preservation regulations within the code are generally to prevent clear cutting but do not prevent removal of trees upon land use approval and development.

Staff will look at reductions to the 20' landscape buffer and location and configuration of the sidewalks and multi-use paths within the buffer. Staff will also relook at preferred LI materials to reduce potential construction costs and consider options such as higher quality materials only required on higher classification streets.

## **7. Funding Plan (Part 1)**

Mr. Dills provided a summary of the funding plan, as outlined in the presentation. Mr. Syrnyk provided an overview of the key points of the funding plan including the need for significant infrastructure projects for the Southeast Expansion Area and need to identify funding sources as existing City resources for infrastructure are largely committed to existing projects, including the Murphy Rd. extension to serve this area. Mr. Syrnyk and Mr. Grayson reiterated that infrastructure is typically paid for by the triggering private development benefiting from the improvements. Mr. Grayson noted that development and infrastructure are expensive and that a funding plan needs to be implementable. Mr. Grayson commented that the City does not have the resources to fund all of the infrastructure and that an equitable cost sharing for development within the area will need to be established, including examination of whether improvements provide a benefit beyond the development site. Mr. Grayson also commented that geographic considerations will need to be accounted for when determining how infrastructure might be phased. Mr. Grayson noted that there are some transportation infrastructure projects that have been identified by the City in the Transportation System Plan (TSP) however, they are in the 15-20 year, long term list and there are no funded projects in the plan area at this time.

Mr. Craigie provided an overview of the draft Funding Plan, as outlined in the presentation and packet, and noted there may be an opportunity for cost sharing. Mr. Craigie pointed out that there is an additional fee not listed in the draft funding plan, the ODOT TPR fee, which will need to be

added. Mr. Craigie also noted there are additional tools that will need to be explored and that staff will look at more closely, such as Transportation System Development Charges (TSDCs).

Mr. Craigie identified the two primary revenue sources for sewer are System Development Charges (SDCs) and utility fees. Ms. Wojda provided an overview of the transportation and sewer funds and availability and explained that there have been year over year utility rate increases to pay for projects currently underway. Ms. Wojda noted that the City Council is sensitive to the impact that increasing utility fees has on the users and that there is currently nothing in the 5-year sewer CIP for projects specific to this area.

Mr. Dills summarized the funding plan, including identifying the team's next step of work on the funding strategies and bringing ideas of how to fund needed infrastructure back to the committee.

## **8. Public Comment**

Ken Granacki expressed concern about the requirement for tree preservation and stated the ME and LI zones have a majority of the trees. Mr. Granacki stated in order to accommodate development in those areas, the trees will need to be removed.

Jen Sawyer inquired if taxing for second homes was a funding source for needed infrastructure improvements. Chair Smith noted that the committee does not have the purview over taxes or taxing authority. Ms. Sawyer noted trees and natural features are what make Bend unique and expressed concern for the loss of vegetation and habitat. Ms. Sawyer recommended developers be responsible for offsetting the loss of habitat and stated a desire for a larger diversity of habitat to be preserved.

A written comment, submitted by Jon Stackpole, was read by Chair Smith stating a need for buffering between the proposed RH and CG properties in the NE area of the plan and existing RL neighborhood to maintain lifestyle and views to the south.

## **9. Next steps**

Mr. Dills noted the next meeting is scheduled for March but that a specific date had not been determined. Mr. Dills stated two additional Advisory Committee meetings and one public open house were planned for in the future.

Mr. Dills adjourned the meeting at 8:18 PM.

Respectfully submitted,

BreAnne Gale  
Damian Syrnyk  
Growth Management Department



### **Accessible Meeting/Alternate Format Notification**



This meeting/event location is accessible. Sign and other language interpreter service, assistive listening devices, materials in alternate format such as Braille, large print, electronic formats, language translations or any other accommodations are available upon advance request at no cost. Please contact Jenny Umbarger no later than 24 hours in advance of the meeting at [jeumbarger@bendoregon.gov](mailto:jeumbarger@bendoregon.gov), 541-323-8509, or fax 541-385-6676. Providing at least 3 days' notice prior to the event will help ensure availability.

DRAFT

**Agenda Item No. 4:**  
Southeast Area Plan  
Funding Memo



# Southeast Area Plan Funding Memo

PREPARED FOR: SEAPAC  
 PREPARED BY: Project Team  
 DATE: March 12, 2020

## Requests to SEAPAC and Next Steps

At your December 3, 2019 meeting, the project team presented an Annotated Outline and Working Draft for the Southeast Area Plan Infrastructure Funding Plan. ECONorthwest prepared the draft dated November 25, 2019 (See Agenda Item No. 6) that outlined the transportation and sewer projects needed to serve development in the Southeast Expansion Area, including their respective costs.

The project team asks that SEAPAC members review the information presented in this memorandum and bring comments and questions to the March meeting. The goal of that meeting is informational—to achieve a common understanding of the SE Expansion Area’s infrastructure project costs, the funding tools that could be brought to bear to pay for the infrastructure, and the potential approaches for funding the infrastructure’s development. This memorandum builds on the above-referenced memo discussed in December.

In addition, City staff would like to know if property owners would like to attend small group meetings, as has been done throughout the SEAP process, to discuss infrastructure funding in more detail. If so, those meetings will be scheduled in March and April.

## Introduction

The purpose of this memorandum is to provide information that will inform the SE Area Plan (SEAP) Infrastructure Funding Plan. The City does not have the ability to fund the infrastructure required for the SE Area to develop. Any solution to the infrastructure challenges will involve substantial private investment, which includes investment from property owners in the SE Area. The focus here is two-fold:

1. **Education** – Infrastructure funding has a lot of technical aspects. There are funding tools, cost and revenue metrics, legal explanations, and City practices that are both complicated and comprehensive. The intent of this memorandum is to summarize that information, as a first educational step, to set the stage for discussions about which funding approach is the most appropriate and viable strategy for transportation and sewer infrastructure funding.
2. **Funding Options** – Over the past several months, the project team has evaluated numerous parameters to consider in funding infrastructure for the SE Expansion Area. In this memorandum, we offer several high-level funding options to frame the issues and (hopefully) move the group towards a workable funding strategy for the SEAP.

This memorandum is organized as follows:

- **Infrastructure Costs in the SE Expansion Area.** A concise account of the project-by-project costs for the infrastructure that will need to be funded to enable development in the Area. This information has been updated since shared with you in the December 3, 2019 meeting packet. *Note: we only summarize transportation and sewer infrastructure costs. Avion Water District is the water utility for the Area. As of yet, water infrastructure costs are not known by the City of Bend.*
- **Issues and Challenges.** A brief description of issues and challenges with serving the area with infrastructure.
- **Funding Tools: 101.** An overview of funding tools potentially available to fund infrastructure projects.
- **Infrastructure Funding Options.** A discussion about the range of possible strategic funding options that could be used—likely in combination—to fund SE Expansion Area infrastructure.

## Infrastructure Costs in the SE Expansion Area

This section presents sewer and transportation infrastructure costs applicable to the SE Area as a whole, and for subsets of the entire area. It is organized by infrastructure type. A total tally of all estimated infrastructure costs, minus the water infrastructure, is presented at the end of the section.

### Sewer Project Costs

The SE Area Sewer Plan identified eight needed infrastructure projects: six (6) gravity lines, one (1) force main, and one (1) pump station. The Class 5 estimate cost for all of these projects ranges from \$12.6 million to \$18.4 million. These are area-wide improvements needed to serve all of the properties, and do not include individual property connections that would be developed through the land entitlement process.

The analysis divided the SE Area into east and west subareas. The division between these subareas follows the two sewer catchment zones identified in the Sewer Plan (i.e. the West Catchment Area and the East Catchment Area). With sewer planning complete, planning level infrastructure costs are also known for both sewer catchment subareas:

- The East Catchment Area (343 vacant acres) encompasses three gravity lines (i.e. gravity lines 2, 4, and 6), the force main (line 5), and the pump station. The Class 5 estimate cost for these projects ranges from \$10.7 million to \$15.6 million.
- The West Catchment Area (144 vacant acres) encompasses three gravity lines (i.e. gravity line 1, 3a, and 3b). The Class 5 estimate cost for these projects ranges from \$1.85 million to \$2.76 million.

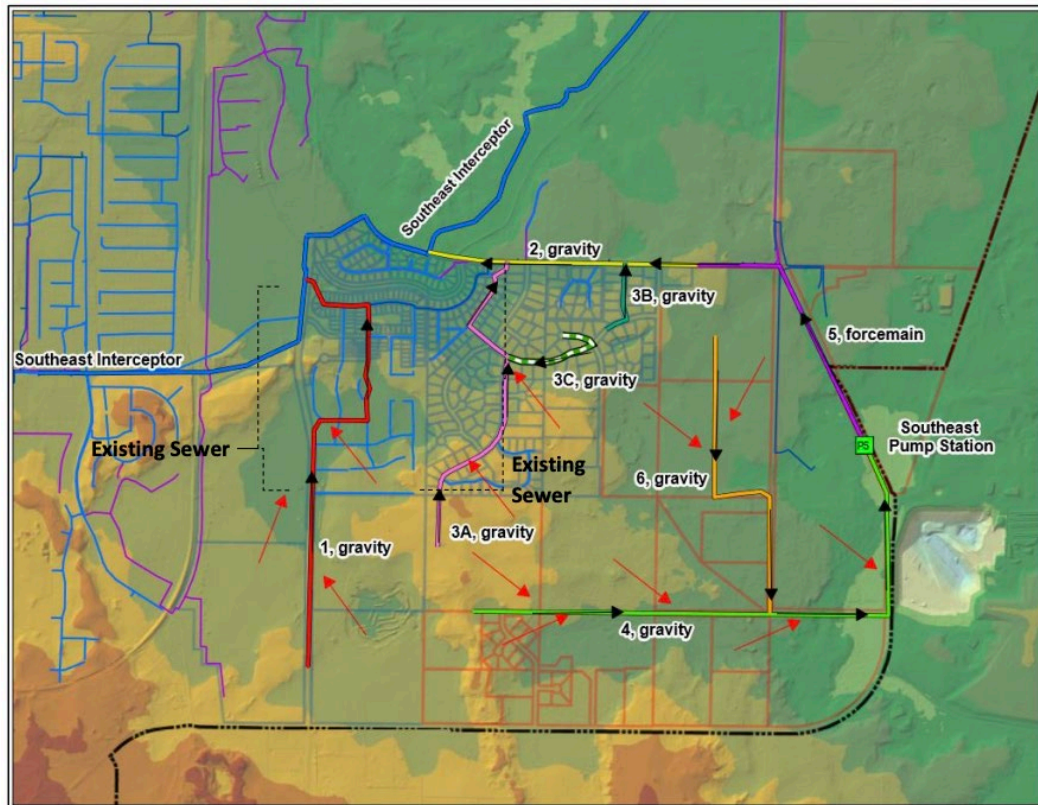
Estimated sewer infrastructure costs are summarized in Exhibit 1 and projects are displayed in Exhibit 2.

**Exhibit 1. Sewer Infrastructure Projects and (Class 5) Cost Estimates (2019 dollars)**

Infrastructure	Estimated Costs (Low)	Estimated Costs (High)
1 – gravity	\$1.2 million	\$1.8 million
2 – gravity	\$1.3 million	\$1.9 million
3a – gravity	\$0.29 million	\$0.43 million
3b – gravity	\$0.36 million	\$0.53 million
4 – gravity	\$2.8 million	\$4.1 million
5 – force main	\$1.3 million	\$1.8 million
6 – gravity	\$1.8 million	\$2.7 million
Pump Station	\$3.5 million	\$5.1 million
<b>TOTAL Costs</b>	<b>\$12.6 million</b>	<b>\$18.4 million</b>

Source: Jacobs and Murraysmith.

**Exhibit 2. Sewer Infrastructure Projects Concept Plan**



Source: Jacobs and Murraysmith.

Note: Line 3C is not included in Exhibit 1 because it is being designed and constructed as a part of the City’s Septic to Sewer Conversion Program.

## Transportation Project Costs

The City of Bend's draft Transportation System Plan (TSP) update identifies and includes 17 projects that will support development in the SE Expansion Area, including new roads, new roundabouts, street and frontage improvements. The estimated cost for all of these projects is \$49.3 million.

Individual transportation projects, and corresponding cost estimates, are outlined in Exhibit 3.

**Exhibit 3. Transportation Projects and Cost Estimates (2018 dollars)**

Location	Mitigation	Estimated Costs
15th St / Ferguson Rd	Single Roundabout	\$3,700,000
27th St / Ferguson Rd	Single Lane Roundabout	\$3,700,000
China Hat Rd / Knott Rd	Single Lane Roundabout	Paid through Citywide TSDC <sup>(1)</sup>
Knott Rd / Country Club Dr	Single Lane Roundabout	Paid through Citywide TSDC
15th St / Reed Market Rd	Expand to a Multilane Roundabout	Paid through Citywide TSDC
Knott Rd / New Road #2	TWSC <sup>(2)</sup> improvements	\$100,000
Knott Rd / New Road #3	TWSC* improvements	\$100,000
27th St / Diamondback Ln	Single Lane Roundabout	\$3,700,000
Knott Rd / Brosterhous Rd	Single Lane Roundabout	Built by Others
Murphy Rd / Country Club Dr	Single Lane Roundabout	Murphy Corridor Project
27th St / Reed Market Rd	Multilane Roundabout	Built by Others
15th St / New Road #1	Single Lane Roundabout	Built by Others
East-West Collector	New Road	\$7,200,000
Local Framework Road	New Road	\$2,000,000
North-South Collector	New Road	\$8,700,000
East-West Collector/North-South Collector Roundabout	Single Lane Roundabout	\$3,700,000
Knott Rd/27 <sup>th</sup> St	Frontage Improvements	\$16,425,000
<b>TOTAL Costs<sup>(3)</sup></b>	-	<b>\$49,325,000</b>

Source: Kittelson Associates.

<sup>(1)</sup> Note: "TSDC" is an acronym for Transportation System Development Charges which are discussed in the Funding Tools: 101 section below

<sup>(2)</sup> Note: "TWSC" is an acronym for two-way stop-controlled intersection.

<sup>(3)</sup> Note: Cost estimates are based on the ongoing TSP update but continue to be refined through the Southeast Area Plan analysis. Additional cost estimate adjustments may occur as the transportation mitigation package is further refined.

## Summary of Total Infrastructure Costs

Combined, the SE Expansion Area sewer and transportation infrastructure costs are estimated to be in the range of \$62 million to \$68 million. As a recap, the City does not have the ability, nor is it required, to fund the infrastructure required for the SE Area to develop. Any solution to the infrastructure challenges will involve substantial private investment, which includes investment from property owners in the SE Area.

### Exhibit 4. Summary of Estimated Infrastructure Costs, SE Expansion Area

	Low	High
Sewer	\$12,600,000	\$18,400,000
Transportation	\$49,325,000	\$49,325,000
<b>TOTAL Costs</b>	<b>\$61,925,000</b>	<b>\$67,725,000</b>

Source: Jacobs, Murraysmith, and Kittelson Associations.

Note: Estimated water infrastructure costs are unknown as of this date. Project team staff are developing water infrastructure cost estimates for the SEAP.

## Issues and Challenges

The following is a summary of issues and challenges that must be addressed to arrive at a viable infrastructure funding strategy for the SE Expansion Area.

- **The SE Expansion Area has many properties and development is likely to occur incrementally.** There are 27 individual ownerships within the SE Expansion Area. While the number of property owners may change over time, the funding plan should not rely on an assumption of a “master developer” approach as has been done with Bend’s West and Northeast expansion areas. Rather, the funding plan should work if the parcel pattern stays largely the same as we see today, and the area develops in a series of relatively small, individual projects. However, the plan should be flexible enough to accommodate future property consolidation.
- **Sewer in the “East Catchment Area” is a challenge.** As discussed above, the SE Expansion Area contains two drainage basins that dictate how and where new sewer infrastructure can be developed. The “West Catchment Area” drains west and can be served by gravity systems that largely exist today, or that will be in place soon. The “East Catchment Area” drains east and requires three new gravity lines, a pump station, and force mains. There are three main challenges for the East Catchment Area system:
  - At an estimated cost of \$15.6 million, no single development could afford to create the needed improvements;
  - The routing and location of the facilities are such that they are “off-site” from most of the properties they will serve; and,
  - Except for a small area near Ferguson Road which could potentially be served by gravity or interim facilities, no urban development can occur in the East Catchment Area until a majority of the complete system is built and operational.
- **Roundabouts are needed but are costly and will require an area-wide funding tool.** The three roundabouts in the eastern part of the plan area are the appropriate intersection treatments at 27th/Ferguson, 27th/Diamondback, and the internal intersection of the two



new collectors. Per the transportation analysis, they will safely manage the expected future traffic volumes. They are estimated to cost \$3.7 million each, which is likely too high a cost for most development projects to carry alone. Each roundabout serves multiple properties and the network as a whole, so an “area-wide” funding tool, such as a System Development Charge for transportation improvements in the Southeast Expansion Area or a Local Improvement District, is needed to fund them. They may not be needed on “day one”, so there is an opportunity to collect funds over time and fund them at a targeted point in the growth of the area.

- **Funding tools and their revenue streams need to consider the timing of infrastructure improvements (and vice versa).** There are several types of funding tools that could be deployed to fund SE Expansion Area infrastructure (see the next section). Each of these funding tools has its own mechanism for collecting revenue and allocating it to projects. Some, like a Local Improvement District, enable the City to use “day one” cash flows to borrow money to support infrastructure projects. Others, like System Development Charges, collect fees linked to new development and therefore delay borrowing for infrastructure projects until cash flows have accumulated.
- **This can be a “which comes first” situation**—if a funding tool is chosen that relies on new development but development cannot happen without new infrastructure, how can development move forward? The implication of this issue is that timing and phasing considerations must be brought to the forefront when selecting an infrastructure funding option.
- **There is an opportunity to streamline transportation reviews and the allocation of cost responsibilities to proposed development.** Development in Bend, as in most cities, typically undergoes a cycle of transportation analysis during the development review process. The typical steps are:
  - Developer’s proposal;
  - Transportation analysis and determination of impacts; and then,
  - Decisions regarding the transportation improvement obligations by the developer.

This situation occurs project by project and is time consuming for all parties. The City of Bend is working to streamline and clarify this process and has had recent successes negotiating master plan agreements in the West and Northeast expansion areas. These agreements identify—up front—which transportation improvements are required and when they must be built. For the SE Area Plan, the question is: how might a similar process be created that works for the likely incremental development pattern and multiple annexation agreements that will occur?



## Funding Tools: 101

This section provides brief descriptions of existing sources and potential new funding tools available to address the challenges identified in the previous section. It is organized by infrastructure type.

More information about potential new tools is presented in Appendix A.

### Sewer Funding Options

The City's existing tools, outlined below, may be used to fund sewer infrastructure projects:

- **Sewer System Development Charge (SSDC).** SSDCs are charges on new development, and some redevelopment, which occurs within the City. Revenues are used to fund growth-related capital improvements that are on the City's adopted SSDC project list, as prioritized by the Bend City Council. The City's SSDC is based on equivalent dwelling units (EDU). In 2019 the SSDC rate was \$4,891 per single-family dwelling, duplex (per unit), and townhome (per unit). The rate for multifamily housing and mobile homes in parks is \$3,913 (per unit). Motels, board, and rooming houses is \$1,956 (per room). Currently, there are no SE Expansion Area sewer projects on the Sewer SDC eligible list.
- **Sewer Utility Fee.** A sewer utility fee is typically assessed to all businesses and households in a jurisdiction or geographic area. The City already imposes a monthly sewer utility fee. Currently, the utility rate for a single-family dwelling unit is \$36.42 per month, plus \$3.82 per 100 cubic feet of average winter quarter water usage (WQA). Multifamily dwelling units are charged a base rate of \$14.39, plus \$3.82 per 100 cubic feet of WQA. Non-residential customers are charged a base rate of \$36.42 per month, plus \$3.82 per 100 cubic feet of WQA.

In addition to these currently established funding tools, the City has considered the following new tools to fund sewer projects. These are:

- **Supplemental SSDC.** Supplemental Sewer SDCs are additional one-time fees that are typically paid at the time of building permit issuance. These fees are layered on top of the City-wide SSDCs. These fees are paid by new development within a defined geographic area and are therefore potentially applicable for the SE Expansion Area. Supplemental SSDC funds may be used for SSDC-eligible capital projects that increase capacity and benefit/serve the defined area, or to reimburse the City for City projects funded through existing revenue sources or debt. A supplemental SSDC can be implemented without a public vote.
- **Local Improvement District (LID).** An LID is a type of special assessment district where property owners are assessed a fee to pay for capital improvements that are necessary to serve new development within the LID boundary. Projects that benefit multiple property owners in the SE Expansion Area may be funded by LID assessments. LIDs allow for cost-sharing among property owners that face the same need for costly infrastructure to develop their properties; it removes the burden of these costly projects from one developer alone. The City has had several previously successful sewer LID projects, for projects that cost anywhere from approximately \$88,000 up to approximately \$4.4 million. Either the City Council on its own motion or on petition of property owners may initiate formation of an LID.
- **Reimbursement District:** A reimbursement district is a cost sharing mechanism, typically initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the

time the property benefits from the improvement. A developer applies to create a Reimbursement District by demonstrating benefit to properties beyond their own. In addition, the size of the improvement must be measurably greater than would otherwise be ordinarily required for the initial development. The City's Municipal Code governs the creation and structure of Reimbursement Districts, but does not currently authorize district creation in areas that are not annexed into the City.

## Transportation Funding Options

The City has one primary, existing tool which may be used to fund transportation infrastructure projects in the SE Expansion Area:

- **City-wide Transportation System Development Charge (TSDC).** TSDCs are charges on new development, and some redevelopment, which occurs within the City. Revenues are used to fund growth-related capital improvements that are on the City's adopted TSDC project list, as prioritized by Council. Projects can only be funded if they are on the adopted TSDC project list, which is how, for example, the Murphy overcrossing, benefitting the SEAP area, was funded. Transportation projects that benefit the SE Area Plan need to be added to the TSDC list or funded through another mechanism to be developed. The City's TSDC rate, as of January 1, 2020, is \$8,000 per equivalent dwelling unit (EDU).

The following funding tools, in addition to this currently established tool, will need to be considered to fund transportation projects in the Area. The City's Transportation System Plan identified the first two tools (listed below) as suitable for Expansion Area's in Bend.

- **Supplemental TSDC.** Supplemental TSDCs are additional one-time fees that are typically paid at the time of building permit issuance. These fees are layered on top of the City-wide TSDCs. These fees are paid by new development within a defined geographic area for TSDC-eligible capital projects that increase capacity and benefit/serve the defined area. TSDCs are therefore potentially applicable for the SE Expansion Area. A supplemental TSDC can be implemented without a public vote.
- **Local Improvement Districts (LIDs).** As previously discussed, LIDs are a type of special assessment district where adjacent property owners are assessed a fee to pay for capital improvements within the LID boundary. Local street infrastructure improvements that benefit specific properties in a defined area may be funded by LID assessments. LIDs may be appropriate for use in the SE Expansion Area to finance infrastructure that is needed to develop properties within the specific LID boundary. The City has regulations that allow LIDs. However, to date LIDs have not been widely used for transportation infrastructure in the Bend area.
- **Reimbursement District:** As previously discussed, reimbursement districts are a cost sharing mechanism, typically initiated by a developer. Street improvements are eligible projects as long as they demonstrate benefit to properties beyond their own.

As helpful context, a range of other tools that are generally suitable and appropriate for transportation projects were identified in the Transportation System Plan planning process.

## Infrastructure Funding Options

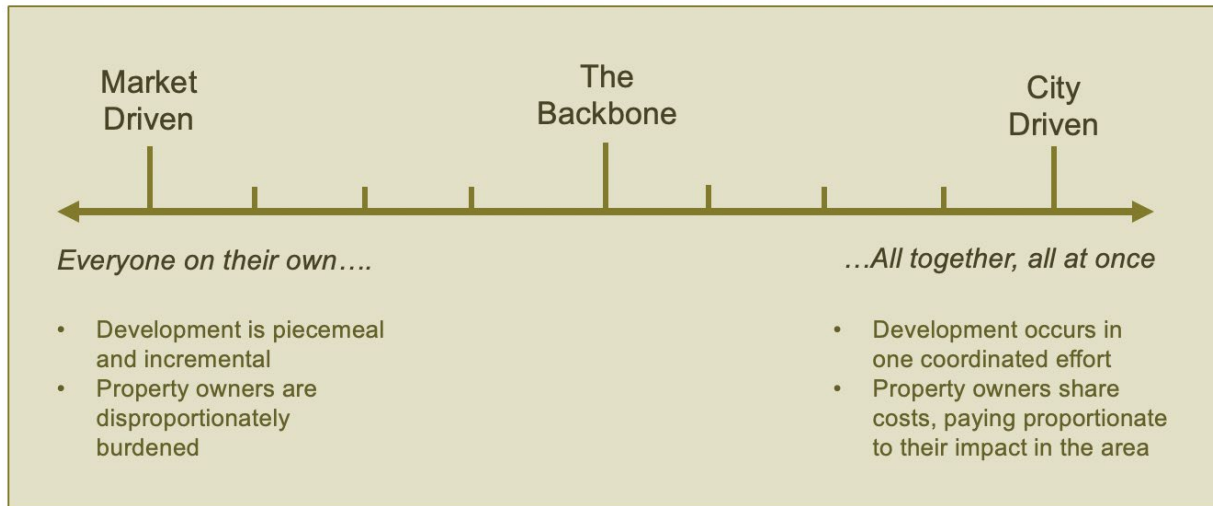
The project team has considered a wide range of approaches that could fund infrastructure for the SE Expansion Area. In this section, we present three broad funding options that, together, represent a spectrum of choices about how costs are allocated, which funding tools are used, when infrastructure development would occur, and how responsive the tools are to the issues and challenges described above. Each of these options could have multiple scenarios.

Given the reality of incremental development of the SEAP project area, the SEAP funding plan may identify two types of strategies: (1) a “toolbox” of flexible funding options available for case-by-case use, negotiated as part of annexation agreements; and (2) a “recommended” approach that City Council can consider for new tools such as a Supplemental TSDC.

These high-level funding options are:

- **Market Driven.** (“Everyone on their own”) This approach aligns with existing practices, where property owners and developers are individually responsible for paying for the infrastructure their properties need to enable onsite development. This approach requires that property owners/developers are responsible for sewer connections to their property, collector streets, and street frontage improvements. With the exception of public capital improvements already programmed, this funding option leaves infrastructure development largely up to the private sector to identify funding without public sector support.
- **City Driven.** (“All together, all at once”) This approach relies on a funding mechanism that spreads specific infrastructure costs across all property owners in the SE Expansion Area. Funds to pay for the infrastructure would need to be generated through the implementation of a new funding tool(s). An LID is likely the most suitable tool for the job; however, to make this option work, the LID would require a full, one-time annexation of the entire SE Expansion Area (because the City of Bend can only establish an LID for lands within the City limits). This funding option could be effective at promoting near-term development but would levy fees on existing property owners from “day one.” It would also require a coordinated annexation process, which presents many challenges.
- **The Backbone.** (“Targeted placement of investments; shared heavy lifting of major infrastructure”) This approach is the “defined development driven” alternative which focuses on enabling near-term development by funding specific “backbone” infrastructure projects. The intent is to catalyze development, building momentum and accruing infrastructure supportive fees at the same time. One approach would be to create cost-sharing funding mechanisms that encourage near-term development of the East Catchment Area (described later in the section).

## Exhibit 5. Funding Approaches Illustrated as a Continuum of Options



Source: ECONorthwest.

Note: The project team understands that there are benefits to approaches at each end of the spectrum. This graphic is intended to illustrate these approaches as ends of a spectrum with the goal of informing other potential approaches.

Once a recommended Funding Option is established, it would be adopted as part of the SEAP package of adoption products, described as an “Action” within the SEAP appendix of the Comprehensive Plan. As such, the funding strategy would offer guidance but would also be subject to further decisions by the City Council to be effective. An annexation agreement process would be used to “lock in” specific obligations for specific annexing properties. Moreover, the adopted funding strategy would not preclude negotiated, unique funding approaches worked out in annexation agreements.

### The Backbone Funding Option: High Level Description

The Market Driven and City Driven approaches demonstrate strategies on opposite ends of the range of funding options. Either property owners and developers incrementally, individually, and disproportionately pay for projects (or portions of projects) as they develop their properties—or—all property owners (across the entire area) contribute payments to all or a large subset of projects required to unlock and move development forward. Each of these options have their trade-offs and both are unlikely to alleviate all of the issues and challenges described in this memorandum. The Backbone Funding Option, which is described at a high level here, attempts to find a middle ground.

**The following high-level Backbone approach is preliminary, subject to change, requires further discussion with and direction from the City Council. It is provided solely for discussion. It is not intended to suggest that any decisions have been made, or that the City has settled on a particular policy or approach for funding and developing SE Area infrastructure.**

- Sewer: The City could lead construction, and participate in funding, for the trunk sewer improvements needed for the East Catchment Area, where gravity service is not available. Where gravity service is available—primarily the West Catchment Area—property owners/developers would fund and build sewer lines.

To move ahead on the above-described sewer improvements, the City would need the assurance that “X” acres of land has annexed or will annex, and annexation agreements specify what the private sector will fund and build.

- Transportation: Property owners/developers would be responsible for developing the transportation needed to support their development: collector streets, local streets, trails and all street frontages (including 27<sup>th</sup> Street and Knott Road). An area-wide fee instrument, such as a Supplemental TSDC could fund a proportional share of key “backbone” improvements that would benefit the overall transportation network. A long-term funding strategy would be needed for the full urban upgrades to 27<sup>th</sup> Street and Knott Road (they are currently listed for “Long Term: 15-20 years” funding in the draft TSP update).

The selected “backbone” funding improvements would be the transportation projects that complement the sewer system’s East Catchment Area. This approach to transportation has the potential to:

- Provide the funding needed for these projects;
- Increase the certainty of transportation costs and predictability for how/when projects will be built;
- Relieve property owners and the City of multiple, incremental transportation reviews over time – replacing those reviews with a coordinated system and simplified fee structure.

## Appendix A. Funding Tool Descriptions

This section identifies and describes a range of funding tools that are potentially suited to paying for infrastructure projects in the SE Expansion Area. With some exceptions, these tools can be used for either sewer or transportation capital project costs.

Tools marked with an asterisks (\*) were identified in the City's Transportation System Funding Plan as suitable and appropriate for transportation projects in Expansion Areas generally.

- System Development Charge (rate increase) \*
- Supplemental System Development Charges \*
- Utility Fee (rate increase)
- Local Improvements Districts \*
- General Obligation Bond \*
- Reimbursement Districts

## System Development Charges (SDCs) rate increase

The City of Bend has both a Sewer System Development Charge (SSDC) and a Transportation System Development Charge (TSDC). Growth-related *sewer* capital improvements are funded by SSDCs and growth-related *transportation* capital improvements are funded by TSDCs, which are assessed on new development. Existing rates for each SDC are as follows:

- In June 2019, Bend City Council increased their TSDCs to \$8,000 per PM peak hour trip effective January 1, 2020. A possible rate increase was considered during the City's Transportation System Plan planning process. The City evaluates whether SDCs need to be increased on an annual basis.
- For fiscal year 2019-20 that began July 1, 2019, the City of Bend's SSDC rate is \$4,891 per single-family dwelling, duplex (per unit), and townhome (per unit). The rate for multifamily housing and mobile homes in parks is \$3,913 (per unit). Motels, boarding, and rooming houses is \$1,956 (per room).

SDCs are fees paid by land developers and are intended to reflect the increased capital costs incurred by a municipality or utility as a result of a development (in most states, they are called "impact fees"). Enabling legislation (ORS 223.297-223.314) provides a uniform framework that all local governments must follow to collect SDCs. SDC revenue can only be used to fund capital improvements for water supply, wastewater collection, drainage and flood control, transportation, or parks and recreation.

Local jurisdictions must adopt a method for calculating the charges that sets the fee to reflect the actual cost of the needed capital improvements to which the fee is related. SDC rates typically vary by the type of development.

### Considerations

- *Efficiency*
  - *Stability*. SDCs are more volatile and unpredictable than many funding sources, as they are tied directly to the level of development that happens within a jurisdiction.
  - *Administrative Ease*. Virtually all jurisdictions in Oregon collect some form of SDC.
  - *Flexibility*. SDC funds can be used for the portion of project costs that increase capacity to accommodate new development and/or the portion of project costs that increased capacity to accommodate development that has already been constructed or is under construction. They must be used for capital projects and may not be used for operations or programs.
- *Equity*. SDCs are calculated based on the increased demand that a new development will place on the system (e.g. transportation or sewer system).
- *Political Acceptability*. Virtually all local jurisdictions in Oregon use SDCs to fund transportation and/or sewer improvements. Although developers likely oppose higher SDCs, the general public understands the principle that "new development should pay for itself," and SDCs do not increase taxes on existing residents and businesses.
- *Legality*. SDCs are allowed in Oregon to fund transportation and sewer improvements.
- *Additional Funding Potential*. SDC funds can be used for the portion of project costs that increase capacity to accommodate new development and/or the portion of project costs that increased capacity to accommodate development that has already been constructed or is under construction.



## Supplemental System Development Charges

Supplemental System Development Charges are a tool to finance infrastructure needed as a result of growth. They work in the same way that System Development Charges work, but are an *additional* one-time fee paid by developers. The additional charge is intended to reflect the increased capital costs incurred by a municipality or utility company as a result of a development.

### Considerations

- *Efficiency*
  - *Stability*. Dependent on growth and whether there is an increase in smaller developments or larger developments.
  - *Administrative Ease*. SDCs are already collected in the City. The collection of additional fees would not interfere with the existing system to collect.
  - *Flexibility*. Statute establishes that SDCs may be used only for capital improvements, defined as facilities or assets used for: water, wastewater, storm water, transportation, and parks.
- *Equity*. SDCs are only charged to developers developing projects which would drive up the cost of capital improvements for water, wastewater, storm drainage, and transportation. Affordable housing units are exempt from the fee in Bend. Properties that were never connected to the water or wastewater pipes of the City are also exempt from Supplemental Sewer SDCs.
- *Political Acceptability*. Resistance from developers could make this tool less politically acceptable. Supplemental system development charges could also act as a disincentive for the development that the City is seeking to encourage.
- *Legality*. ORS 223.297-223.314, known as the SDC Act, provides a “uniform framework for the imposition of system development charges by governmental units to provide equitable funding for orderly growth and development in Oregon's communities and to establish that the charges may be used only for capital improvements.”
- *Additional Funding Potential*. The increase in total SDC revenues over time further suggests that development in Oregon cities is increasing, even in smaller cities outside of the Metro region.



## Utility Fee (rate increase)

A fee for specific utilities, such as sewer, water, transportation, or stormwater, is assessed to all businesses and households in a jurisdiction. The fee may be flat or based on a metric (e.g. water usage, trip generation, etc.).

### Considerations

- *Efficiency*
  - *Stability*. Monthly fees that vary only according to base and volume provide a consistent, predictable source of funding.
  - *Administrative Ease*. Many cities in Oregon have utilities in place. The City of Bend has an existing sewer utility fee.
  - *Flexibility*. Revenues could be used for flexibly for either capital improvements or operations, maintenance, and program administration. The fee must be used for costs associated with the fee purpose. For example, a transportation utility fee would be used for roadway construction; repair, maintenance, and preservation of the transportation system; sidewalks; bike/pedestrian; operations; and administration. A sewer or water fee would apply the same concept.
- *Equity*. Because the fee is the same each month, varies only according to base and volume, and generally imposed on every household or employer, it is regressive in nature. The fee may be structured in a way to improve equity. For example, the City of Hillsboro has implemented a fee discount and waiver program to improve equitability of their transportation utility fee.<sup>1</sup> They offer five waiver types: vacancy waiver, hardship waiver (based on annual / monthly household income), unemployment waiver, motor vehicle discount, and transit pass discount.
- *Political Acceptability*. Based on success in other cities, the public seems to prefer fees to other taxes. Establishing any new fee, however, is not always well received at first.
- *Legality*. In Oregon, cities can enact a utility fee, including fee increases, by ordinance or resolution. The City Code allows City Council to add or increase fees without a public vote.
- *Additional Funding Potential*. Utility Fees can generate revenue via a flat fee or metric-based generation. A jurisdiction has some flexibility in who/what the fee is imposed on (particular if a waiver/discount option is introduced). A jurisdiction may also choose one methodology for residential purposes and another methodology for commercial purposes.

---

<sup>1</sup> Hillsboro, Oregon. Discount and Waiver Programs, Transportation Utility Fee (TUF). <https://www.hillsboro-oregon.gov/departments/public-works/transportation/transportation-utility-fee/discount-waiver-programs>

## Local Improvement Districts (LIDs)

LIDs can be used to fund specific capital improvements for transportation or sewer. An LID is a type of special assessment district where nearby property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space.

Local infrastructure improvements that benefit specific properties, in a defined area, may be funded by LID assessments. To establish an LID, local jurisdictions would meet with property owners expected to benefit from a proposed transportation improvement. Once an agreement is reached on the portion of funding to come from the LID, the jurisdiction would sell bonds to finance the project, and the bonds would be repaid through annual payments by affected property owners within the LID. The amount of funding raised through LIDs would depend on the specific capital projects they would fund.

### Considerations

- *Efficiency*
  - *Stability*. Revenue is fairly stable and predictable once enacted and does not require high administrative costs to oversee the program once the infrastructure improvement is completed.
  - *Administrative Ease*. LIDs have relatively low ongoing administrative costs and require no upfront capital investment. However, LIDs require significant program administration and public outreach to convince property owners to voluntarily assess themselves to pay for infrastructure. Establishing multiple large LIDs could be challenging.
  - *Flexibility*. LIDs can be used for all forms of infrastructure but must be used for capital improvements, not operations or programs.
- *Equity*. LIDs charge property owners within the district, which is not a direct fee paid by city-wide users of the system. However, the charges established by the LID should be proportional to the benefits individual property owners will enjoy.
- *Political Acceptability*. Revenue sources that are not already in use tend to be less politically acceptable than existing sources. The creation of LIDs usually requires extensive political outreach, to garner support from property owners who will be asked to pay for the capital improvement. If property owners believe they will receive tangible benefits from the capital improvement, then the political acceptability is relatively high.
- *Legality*. LIDs are legally allowed in Oregon. Bend Code 2.10.005 provides the governing rules and procedures to create an LID.
- *Additional Funding Potential*. The revenue capacity for LIDs is more of a political question than a technical question. LIDs have the potential to fund significant transportation and sewer projects that can cost in the millions of dollars. However, due to political acceptability, LIDs tend to be fairly humble.

## General Obligation (GO) Bond

General obligation (GO) bonds are a temporary increase in property tax rates. Proceeds from GO bonds can only be used for capital projects. State law allows local governments to issue general obligation debt for infrastructure improvements. GO bond levies typically last for 20 to 30 years. Bend's charter requires a public vote for any new tax, regardless of the term. GO bonds must be approved by a public vote.

### Evaluation

- *Efficiency*
  - *Stability*. Property tax revenues from GO bonds are predictable and stable, given limits on assessed value growth enacted by Measures 5, 47, and 50 in the 1990s.
  - *Administrative Ease*. Collection mechanisms are already in place for property taxes.
  - *Flexibility*. Property taxes can be approved for a wide range of services; however, general obligation bonds are limited to capital projects.
- *Equity*. Property taxes do not always provide a strong connection between users of a capital project/system and the people who pay the property taxes. However, the tax is subject to a public vote, which implies this tool could only be used in situations where the public believes it is a fair use of funds.
- *Political Acceptability*. General obligation bonds are widely used tools across Oregon. In 2011, the City of Bend approved a general obligation bond to finance \$30 million in transportation projects. The League of Oregon Cities finds: the continued high rate of passage of bonds suggests that voters are generally supportive of city tax increases when necessary to pay for services and capital construction. However, the risk with relying on GO bonds are that they require a vote to pass; revenue is not collected if the bond fails at the polls.
- *Legality*. The tool is legal and allowed in Oregon. Under ORS 287A.001-287A.145 General Obligation debt can be incurred for capital costs, including costs associated with acquisition, construction, improvement, remodeling, furnishing, equipping, maintenance or repair, having an expected useful life of more than one year. This does not include maintenance and repair (the need for which could be reasonably anticipated), supplies, and equipment that are not intrinsic to a structure. A public vote is required.
- *Additional Funding Potential*. Revenue capacity is development on debt limitations (which varies depending upon type of local government) and political acceptability of the magnitude of the bond.

## Reimbursement Districts

A Reimbursement District is a cost sharing mechanism, typically initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the time the property benefits from the improvement. A developer applies to create a Reimbursement District by demonstrating benefit to properties beyond their own. In addition, the size of the improvement must be measurably greater than would otherwise be ordinarily required for the improvement.

Applications typically include: a fee sufficient to cover the cost of administrative review, a description of the project, properties that would be impacted, and a detailed methodology and calculation of how the estimated costs would be reimbursed by payments from benefitted properties over a specified timeframe. A report from the City Engineer is generated in review of the submitted application. After a public hearing process, the council will approve, reject or modify the proposal. The approval of a Reimbursement District results in a resolution and distribution of notice among benefitted properties before construction can begin.

Benefitted properties must pay the Reimbursement Fee when they make a physical connection to the improvement (or in the case of a sewer project, when the benefitted property creates an impervious surface that drains into the public sewer) within the Reimbursement District Area. Reimbursement fees are collected by the City and are distributed to the developer for the duration of the Reimbursement District, which are typically 10 years.

### Considerations

- *Efficiency*
  - *Stability.* The developer (applicant or installer) fronts the cost and is paid back over time by any/all property owners who initiate their benefit to the improvement, regardless of their acquisition of the property.
  - *Administrative Ease.* Reimbursement Districts require City staff involvement to review the application, conduct an engineering report, make a decision through a public hearing process, and collect Reimbursement Fees for the duration of the Reimbursement District agreement term.
  - *Flexibility.* Eligible Reimbursement District projects typically include (but are not limited to) construction or connections of a sewer, water, storm water or street improvements.
- *Equity.* Fees are calculated and based on proportional benefits that a new development would provide to nearby property owners. The fee encourages development by ensuring compensation to the installer who fronts the payment on behalf of all benefiting property owners.
- *Political Acceptability.* They generally work best when a developer or property owner would be highly motivated to construct a particular segment of infrastructure, for example, when one segment of infrastructure serves a large development parcel or parcels, and that infrastructure is necessary to allow development to occur. Benefitted property owners arguably have an option to connect to the infrastructure improvement and incur the Reimbursement Fee.
- *Legality.* Reimbursement Districts are legal in Oregon. Bend Code 2.20.005 provides the governing rules and procedures to create a Reimbursement District.
- *Additional Funding Potential.* The cost to be reimbursed to the applicant shall be limited to the cost of construction, engineering, and right-of-way acquired as part of the project.

**Agenda Item No. 5:**  
Southeast Area Plan  
Code Summary Memo

# Southeast Area Plan Code Summary

PREPARED FOR: Southeast Area Plan Advisory Committee (SEAPAC)  
COPY TO: File  
PREPARED BY: Project Team  
DATE: February 27, 2020

## Overview

This memorandum provides a summary of the latest draft Bend Development Code amendments that will implement the Southeast Area Plan and vision. At SEAPAC Meeting #7 (December 3, 2019), the project team presented SEAPAC, for their review and consideration, a memo outlining high-level development code concepts. Since that time, staff has been working to draft regulations that reflect the ideas and concepts discussed during the SEAPAC #7 meeting and throughout the planning process. Below is a summary of the draft Bend Development Code amendments.

As previously discussed, the proposed amendments will create an Area Plan for the Southeast Expansion Area which will provide more detail about the type of development intended for the area than is typically identified by the City's zoning code or Comprehensive Plan. Once adopted, it will create standards for the development of land within the plan boundaries that will supersede (where applicable) those of the underlying zone.

For SEAPAC Meeting #8 (March 12, 2020), the project team requests feedback from SEAPAC on the proposed Bend Development Code amendments. Following SEAPAC's feedback and discussion, the project team will incorporate the committee's comments and return with a more detailed draft for final review and recommendation.

## Recommended Concepts for the Southeast Area Plan

The following is a summary of the concepts for the Southeast Area Plan that were reviewed and discussed at the SEAPAC Meeting #7 (December 3, 2019). For each of these topics, updates are summarized in the Code Summary section.

1. Land use districts with the permitted and conditional uses tailored to implement the Southeast Area Plan.
2. Design standards to ensure quality design and compatibility with surrounding neighborhoods. As discussed, design standards for employment uses are intended to be straightforward and easy to implement.
3. Requiring buffers and transition areas where non-residential uses are located adjacent to residential neighborhoods.
4. Landscape standards that integrate natural features such as significant rock outcrops and large trees into site design and focus on the most significant features.

## Southeast Area Plan Code Summary

The following is a summary of the current work-in-progress for the Comprehensive Plan and Bend Development Code SEAP amendments:

## COMPREHENSIVE PLAN

### *New and amended policies to:*

- Ensure the adequacy of Industrial lands needed for industrial jobs (related to re-designated Industrial lands)
- Remove the requirement for a master plan application at time of annexation if the annexed property is part of an adopted area plan
- Reflect proposed SEAP plan designation changes (i.e. number of acres from IL to ME)

## BDC Chapter 2.7 – SPECIAL PLANNED DISTRICTS, REFINEMENT PLANS, AREA PLANS AND MASTER PLANS

### New Southeast Area Plan

#### **Residential Districts (RS, RM, and RH):**

- Exclude repair services, conducted entirely within a building including vehicle repair, small engine repair, and similar uses in residential zones.
- Require residential uses on collector streets be oriented to the street (to avoid long fence walls and unmaintained streetscapes).

#### **General Commercial Districts (CG):**

- Establish a minimum and maximum 10' setback with allowed increases when a usable public space is provided.
- Establish the requirement for "Main Streets" in the two Commercial districts and provide design and use standards for Main Streets including corner treatments, entries, and limitations on ground floor residential development.
- Allow standalone residential uses on sites not fronting Main Streets or Arterials and establish special standards for standalone residential uses in the CG zone, including building orientation to the street, minimum densities, permitted uses (proposed to be the same as RH density and uses), and include live-work as a permitted use in the CG zone.
- Limit/prohibit large-scale, non-commercial users, such as school, parks, and other public/institutional uses, in the CG zone to preserve adequate land for employment capacity (jobs), neighborhood commercial uses, mixed-use, and commercial-supportive higher density residential uses. The proposed land use plan for the Southeast Area Plan includes more land designated for residential and mixed employment uses, and less land for General Commercial.
- Prohibit parking from being located between the building and the primary street frontage.

#### **Mixed Employment Districts (ME):**

- Include live-work as a permitted use.
- Allow for a limited percentage of residential use on the ground floor to accommodate entries, residential-related parking, etc.
- Allow for existing uses (such as veterinary clinics and kennels) that are not allowed in the ME zone, to be treated as permitted uses. Expansions of such uses greater than 25%, would be subject to conditional use criteria.

#### **Light Industrial Districts (IL):**

- Prohibit the following uses otherwise permitted in the IL zone:
  - Heavy Manufacturing, assembly, and processing of raw materials and recycling;

- Junk yards, automobile wrecking yards, and similar uses;
- Marijuana grow sites and marijuana producing;
- Marijuana wholesale;
- Marijuana processing of cannabinoid concentrates and cannabinoid products; and
- Processing of cannabinoid extracts.
- Include a 20' minimum landscaped setback on arterials and collectors, or when located adjacent to or across the street from a residential zone.
- Include the following additional Design Standards:
  - Emphasized building entries;
  - Encouragement of durable, quality materials including, but not limited to, brick, stone, concrete, and wood;
  - Encourage exterior design features such as materials, texture, color, and trim detailing on all building elevations visible to public streets and pedestrian paths, and adjacent to non-industrial districts; and
  - Prohibit parking from being located between the IL building and the street.

#### **Public Facility Districts (PF):**

- Allow the following uses as permitted uses (instead of conditional uses). These uses would only be permitted for community or regional parks established in the Southeast Area Plan.
  - Ball fields, sport complexes, and similar outdoor recreational areas that have night lighting or amplified sound systems; and
  - Park sites with outdoor amphitheater or facilities for community events such as music or theater performances and similar events.

#### **Tree Preservation and Rock Outcropping Standards**

- On a development site, require retention of at least 50 percent of all trees measuring 24" or greater as measured four feet above the ground (known as DBH, "diameter at breast height") unless exempted (dead, diseased, dying, hazardous, or emergency).
- Prohibit development from occurring in specific rock outcropping areas, which will be mapped in the code. *Note:* The project team will be seeking specific feedback from SEAPAC on the size of sites this should apply to (i.e. on development sites greater than 5 acres).

#### **Street Standards**

- Require the two collectors (E/W connecting 15<sup>th</sup> St to 27<sup>th</sup> St, and N/S connecting Ferguson Rd to Knott Rd) to be constructed to the alternative collector standard identified in the code.

#### **Bicycle, Pedestrian, and Trail Connectivity**

- Require dedication and construction of low stress bicycle facilities and urban trails where identified for Southeast Expansion Area to provide connections to schools, parks, and other destinations.
- Require coordination with Bend Parks and Recreation District (BPRD) for trails identified in their Comprehensive Plan Urban Trails Map.



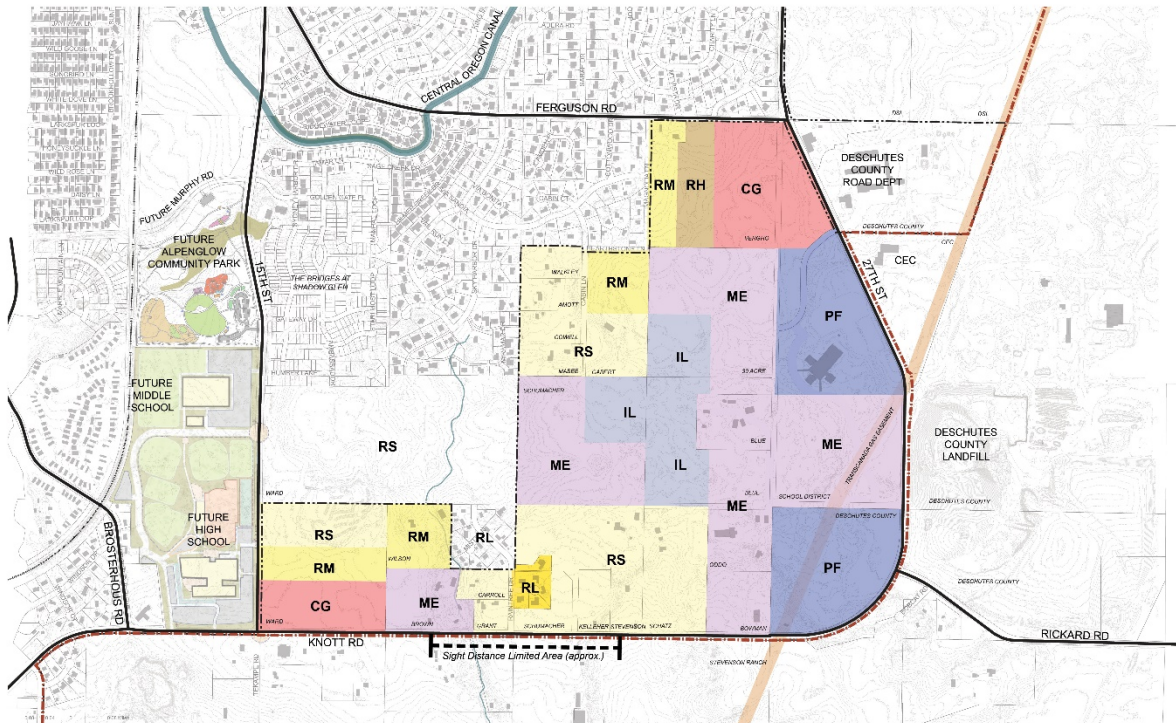
- Provide flexibility in selecting final alignment of trail facilities in order to minimize trail grade, accommodate street crossings and other safety issues, and to fit the context of the natural terrain and topographic/geographic constraints.
- Require trails to be built to a minimum of 10 feet in width, conform to accessibility requirements, and be allowed as part of the alternative standard collector.
- Ensure trails can be used to meet open space requirements for master plans.

Chapter 4.1 – DEVELOPMENT REVIEW AND PROCEDURES, CHAPTER 4.2 – MINIMUM DEVELOPMENT STANDARDS REVIEW, SITE PLAN REVIEW AND DESIGN REVIEW, CHAPTER 4.3 – SUBDIVISIONS, PARTITIONS, REPLATS AND PROPERTY LINE ADJUSTMENTS, and Chapter 4.5 – MASTER PLANNING AND DEVELOPMENT ALTERNATIVES

- Clarify review procedures for area plans.

Chapter 4.9 – ANNEXATIONS

- Remove the requirement for an area plan or master plan for annexations that meet certain requirements and are located within an area that already has an approved Area Plan (such as the Southeast Expansion Area once the SEAP is adopted). Such annexations will still be required to meet the Master Plan approval criteria.



**RECOMMENDED  
LAND USE CONCEPT**



- Existing City Boundary
- Railroad
- Urban Growth Boundary
- Piped Canal
- Area of Special Interest
- Canal
- Tax Lots
- Utility Easement

**COMPREHENSIVE PLAN DESIGNATIONS**

- CG - Commercial General
- IG - Industrial General
- IL - Industrial Light
- PF - Public Facility
- ME - Mixed Employment
- RH - Residential Urban High Density
- RM - Residential Urban Medium Density
- RS - Residential Urban Standard Density
- RL - Residential Urban Low Density

**SUBJECT TO CHANGE  
2/28/2020**

