



CITY OF BEND

Notes

**BEDAB Advocacy Subcommittee**

**Monday, July 12, 2021**

**Remote-Via Zoom**

**710 NW Wall, Bend, Oregon**

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**12:00 p.m. BEDAB Advocacy Subcommittee Meeting**

1. **Roll Call:** Chair-Kevin Cole, Don Myll, Travis Davis, Karna Gustafson, Karen Koppel, Wes Price, Brenda Speirs, Briana Manfrass

Ben Hemson.(Overview), Things to touch on, First of all, permitting turnaround times at the city, secondly, barriers to development and cost, finally, permit fees predictability on regulation and permit turnaround time.

Karna Gustafson- One other issue to discuss is the standards and specs and how they have changed in Bend over time and how it affects the cost.

2. **Review March Advocacy Meeting Notes-- tabled**

3. **Continue Development Cost Discussion | Group**

Gary North and Kevin Spencer presented

Gary North-- Primary complaint is the permitting process being so far behind. How can we get creative and work together to help?

Kevin Spencer- City, it appears, has not had the opportunity to fine tune the new program. Currently the program does not give a very good timeline. For example, we submit building permits in March and the first opportunity that we have to react on all the failures or changes is three and a half or four months later. It sits in engineering for four months before we get an opportunity to correct anything. Engineering is in every single sector of progress and it ends and stays right there. We are seeing eight to nine months for site plan review. By the time the customer gets the opportunity to physically build their building, not only do they not know where their financing is, they don't know what their terms and interest rates are. SDC changes in between the time they start the process to when they get a building permit. Process is so long customers are reluctant to come to Bend. We can take them to other cities and SDC charges & permit costs do not change.

Kevin Cole- I have a couple of clarifying questions. You said you are seeing eight to nine months for the city to review a site plan and then an additional six months for a building permit?

Kevin Spencer- Yes, Russ sent out an email that states 6 to 8 months site plan review, realistically seeing plans coming out dead on the last day and our building permit is months after that.

Briana Manfrass-Is the 10 months the best scenario and multiple iterations after that?

Kevin Spencer- Depending on who we get for an examiner, I may not have to wait that long. Some staff members change our parameters. What can this group do to figure out a quick start like in prior years? There are ways the city can help out to move processes along quicker by things they did in the past.

Wes Price- 40% differential in cost of building materials this can render a project completely unbuildable due to the high construction costs.

Kevin Cole-One of the issues you have encountered recently with Bend is that the rules and or standards or what they're requesting has changed during this extended window between your site plan, your building plan, is that an accurate statement?

Kevin Spencer-Let's just say I don't think any of us, including the city, has negotiated through the new program efficiently. You used to be able to get a response from the old program, now you put it in the portal, which decides who gets it and then you wait. The city does not even know how their system works.

Kevin Cole—So it sounds like a factor of rules changing during the process as opposed to a lack of clarity on what's required for each step of process under this new system the city has implemented?

Gary North-I understand the investment the city has made, and what they are doing, my question is should they go back to doing something else? We deal with developers that develop all over California, Washington, Idaho and Montana and every single one of the will tell you Bend is the hardest place to develop.

Kevin Cole- Are there other cities that use the City View system that Bend uses that don't have this problem or is that something unique to Bend?

Karna Gustafson-Unfortunately, Bend is the largest city to have implemented the City View system. The vendor is not performing and fixing the stuff that have been identified as a problem, let alone, all the stuff that still has not come to light.

Kevin Spencer- What I propose this group to do, can we implement some type

of a fast start for all these permits?

Kevin Cole- Can I ask a follow up question on the fast start concept? Are there cities that have a successful fast start Program?

Kevin Spencer- I know that Bozeman's permits are coming out 3 months. By the time site plan comes out building permits are following right behind it. Redmond, La Pine, Sisters, Madras all easy to get these permits out.

Kevin Cole- No one else needs a fast track program, so there isn't a model that we can follow?

Briana Manfrass- I think there would be something to be said for project scale. There should be a difference between a small project vs a large project?

Kevin Spencer-In all our three counties do you know how long it takes me to get a tenant improvement plan?

Roger Lee-We are experiencing this with our client's tenant improvements that takes months to get through the city.

Karen Koppel- The same thing here. I have got clients who are trying to get into spaces and doing very little tenant improvements who submitted plans in March and were recently told it will be another eight to twelve weeks to get a permit.

Kevin Spencer- I see Bend losing a lot of great people because we can't have a building up for them for 18 months to two years, because the building permit length of time.

Kevin Cole—Earlier you asked what it looks like from a lender's perspective. For us it looks like a giant pipeline of things that just sit in our pipeline. We have to manage a construction limit, pricing, the cash flow, everything is unknown until it comes back from the city.

Gary North- Its driving away small business, this shouldn't be what's driving their business decision.

Kevin Cole—Does Boise and Bozeman have fast track program for tenant improvements?

Kevin Spencer-- We have not needed to ask them for one they are just quicker at getting a site plan approved. I do not think Bozeman has one.

Briana-Just to clarify, as Kevin said, do you ask for certain reviewers or certain people to review your stuff? And how could that be improved if you're getting different responses, or different outcomes from something that you would expect, normally?

Kevin Spencer—I don't know how responses would be. I'm not asking for concessions, just what the rules are.

Gary North-There are people within the city that don't know who their customer is. I do know the customer; the end user is the customer. The downtown business restaurant who is trying to open, that is ready to go, has the SBA lined up but they can't get a building permit to put in a toilet. I am not your customer. I work for your customer and you should too. At the end of the day, they're employing all of us, without that developer coming to town we are all going to be looking for someplace else to go.

Roger Lee- What other industry do you have a situation where, "I am too busy but go ahead and pay me your couple hundred thousand dollars and we will get to it when we get to it". That is a huge barrier for what we are trying to do at EDCO.

Karna Gustafson-- I made a note of at least six things that we need to fix. We need to find a decision maker to get these things done. On July 21 there is a supplemental budget submitted to Council.

Don Myll-I stop and think whether I should even respond to RFPs for companies to move to Central OR. It's not really worth our time as we cannot fulfill our promises, which reduces the funnel of good companies. Second, is the problem conversion issues that will get fixed or replaced over time or is it institutional - are policies messed up or is it people that are not in the right spot to be successful?

Karna Gustafson- All three.

Don Myll—Then we need complete recommendations to attack each of these with separate solutions.

Ben Hemson - My job is to respond to these issues. Some of my end arounds are no longer available with this new system. The path to getting a permit should be fairly simple, or at least straight forward, even if the timelines are longer than you would like, but it's not great when it goes from three months to 18 months or may not work at all. I'm trying to think about how to move forward since BEDAB does not meet till 21<sup>st</sup>. There may be an opportunity to have some BEDAB members chat with Russ Grayson and Jon Skidmore to talk through some of this.

Kevin Cole- Is there nothing in supplemental budget for more planning staff?

Ben Hemson- Yes, for Engineering.

Karna G- I spoke with Eric King, and engineering is going to get more people. I feel a follow up conversation with Russ and Jon before the 21<sup>st</sup> is necessary.

Wes Price--What about proposing something real specific such as what Gary

and Kevin brought up?

Karen K- I want to add to that an area that needs to be reviewed, this is a fourth issue, the organizational structure of the department and how they process things.

Kevin Cole—And then we've raised the issue with Russ, and I believe, Jon about some kind of express line and they were pretty resistant to it, as I recall.

Ben Hemson- Yes, the standard response, we are in City View. This flexibility, promised by the city and the vendor, has not arrived. It has become THE issue not just one among many, the sole issue that businesses are struggling with.

Karen Koppel- I would say the city needs to find at least a temporary solution or a work around to keep these businesses going.

Briana M- What's the common goal? We're going to bring business to the city of Bend, we're going to allow people to operate, we're going to allow them to make improvements. It's going to bring money to the city, we need work force housing. These are the driving goals that all align with City Council goals and then what are the ways we're going to get there?

Karna Gustafson-Of all the comments I have heard today I think timing is the number one issue second to predictability and tell me what the rules are and I will follow them.

Travis Davis- March 29 our meeting minutes say the exact same thing, here we are in July, and we have no progress. So, your question on how do we make progress?

Kevin Spencer- Time is the biggest issue. I don't feel like anybody wants to stop what they are doing currently today and open those options up.

Ben- BEDAB has one lever that other individuals can avail themselves of and you have the ear of Council, maybe Travis, Briana, Karna and Kevin can join me for a discussion with Jon and Russ in August. A discussion on where we're at now, what the options may be that will prep for any open discussion in August. BEDAB can choose to weight into Council and tell them this has become a real issue.

Kevin Cole- Karna what are the legal implications of the city not meeting state mandated timeline for approving things?

Karna Gustafson- Legal options not helpful and are expensive and time consuming. Unlike some state agencies where actually is deemed approved that doesn't work here.

Travis Davis- Kevin Spencer my question for you, if you have any other jurisdictions you worked with that they outsource plan review permitting

engineering, have you seen that?

Kevin Spencer-Bozeman outsources all of its building permits.

Travis Davis- Okay, and then question two, permit review being a super high critical need I do not want to miss out on land availability, especially as an industrial builder, so can you give me a 1 to 10 critical nature of permit review?

Kevin S- I think short fall is in engineering. If you want to build a subdivision, site plan reviews the engineering. You want to hook up public utilities, you have to go to engineering. A site plan with drainage goes to engineering, everything ends up on engineering's plate. The engineering department has got the largest load, because everything has to go through engineering before it gets passed.

Kevin Cole-Then do we have enough material to work with here?

Ben Hemson- Yes! And thank you Kevin and Gary for being here.

Kevin Cole- Karna you said you had six recommendations, would you be willing to email the six things that you identified and Ben and I will put those together with our notes, and try to come up with some kind of actionable things we can to present to Russ and Jon in the follow up meeting?

Karna Gustafson-Yes.

Kevin Cole—I think that is good and inside knowledge is going to be helpful. Thank you for all your participation and for focusing on things we can control or improve and not focus on things that are more out of our control.

Ben Hemson—I will follow up with you on this and August meeting.

- 4. Upcoming Topics for Advocacy Discussions | Group Tabled**
- 5. Adjourn 1:19pm**