



March 31, 2023

Bend Economic Development Advisory Board (BEDAB)
RE: Proposed Permit Fee Increase - Request for Information

Dear Chair Davis, Vice Chair Dodge, and members of BEDAB,

On behalf of Central Oregon Builders Association, I am writing to request more detailed information relating to the proposed permit fee increases. There are three areas we would like addressed: 1) how the Community & Economic Development Department's (CEDD) reserves were spent; 2) detail on the overhead budget categories, and how it is allocated; and 2) information on the additional staffing required for the permitting software program, CityView.

As the regional representative of builders and developers in Central Oregon, we have a vested interest in the impact of the proposed fees on our 767 members.

Reserves. We understand that CEDD has proposed an increase of over 70% over four years in building, planning, and engineering fees. We have been told that this increase is being justified in part by the need to replenish the \$14 million that were in reserves in 2019, and that were used during the pandemic. While we appreciate the city's efforts to maintain fiscal stability and minimize fee increases during a difficult time, we believe that it is important to have a clear understanding of how these reserves were spent, particularly since the city is projecting that reserves will be below \$2 million by 2025 - a decrease of \$12 million in only six years.

Specifically, we would like to request the following information:

1. A breakdown of CEDD's reserves for the past five years, including the sources of these reserves and any interest earned on them.
2. A detailed description of how these reserves have been spent, including the specific projects and staff that were funded by these reserves.
3. An explanation of the decision-making process behind the allocation of these reserves, including the criteria used to determine which projects and staff receive funding.

Overhead. Please provide a breakdown of the budget categories identified as "City Overhead" and "Department Overhead" that itemizes the specific expenditures within each, including staff and consultant salary. Please provide us the statutory authority to allocate costs to CEDD that are unrelated to the operation of that department. We understand from our last meeting with city staff that recent Council decisions and direction on social and environmental policies have increased costs for the city, and some of the costs for staff salaries relating to those new policies have been allocated to CEDD. Further, staff has indicated that some of the increase is related to state mandated policies such as the Climate Friendly and Equitable Communities (CFEC). We have reviewed the fee schedules of other cities that are subject to the same rules and none of them are proposing fee increases above 9%. Why are the City of Bend's costs so much higher than its peer cities?



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Permitting Software. Finally, we request the budget for the permit software change-over when CityView was selected in June 2019, as well as the current unbudgeted expenditures on software updates, maintenance and operations, additional city staff needed, and any consultants or CityView staff that have been necessary for the upkeep and maintenance of the software.

We understand that the city is committed to transparency and accountability in its financial practices, and we appreciate the efforts made by staff to engage COBA in this discussion. This information will be critical for us as we evaluate the proposed fee increase and provide feedback to our members and the broader community, and we appreciate your willingness to provide us with this information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Morgan Greenwood", is written in a cursive style.

Morgan Greenwood
Vice-President, Government Affairs