



CITY OF BEND

# Employment Incentives

**BEDAB**

June 3, 2024

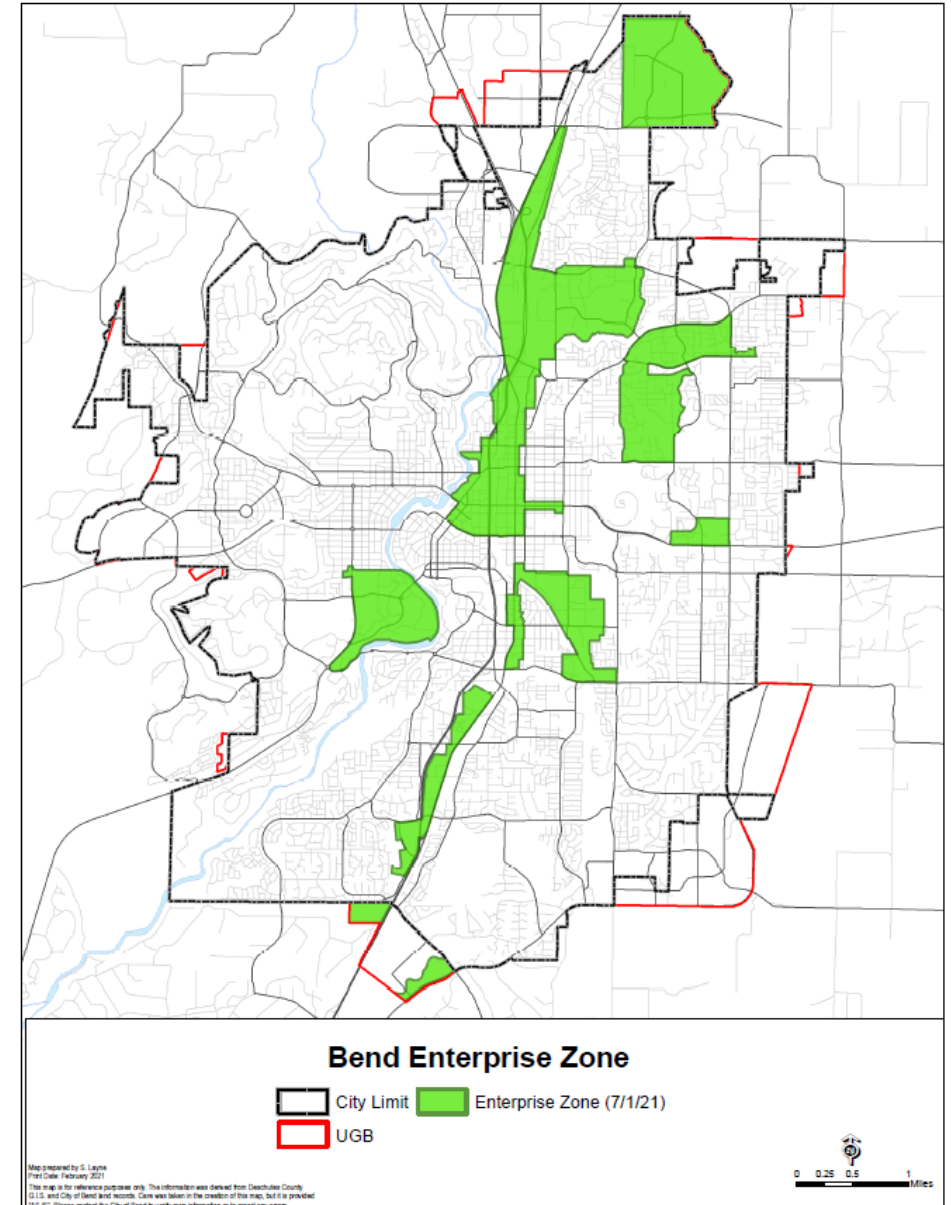
# Existing Employment Incentives

## *Enterprise Zone*

3 or 5-year tax exemption for eligible projects that make minimum investment into their site

### Eligibility:

- Project must be located within Enterprise Zone area
- Traded sector business that provide goods, services, products to other businesses/orgs (manufacturing, assembly, fabrication, processing, shipping, storage, etc)
- Increase full time employment by one job or 10%, whichever is greater
- Maintain minimum employment levels during exemption period
- Enter into a first source hiring agreement with local job training providers
- For 5-year exemption, must provide new hire salaries at or above 150% AMI



# Incentive Feedback and Desired Goals



## **Develop City incentives with reduced outside volatility.**

- *Identified challenges with outside adjustments to current incentive programs.*

## **Increase returns for the community.**

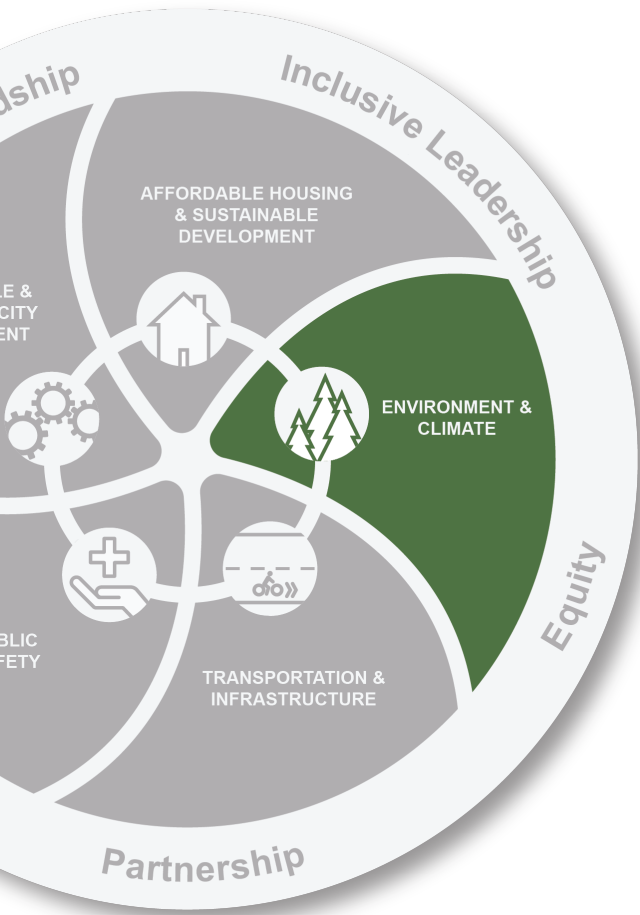
- *Greater financial returns allow Council more opportunities for continued investments for community needs.*

## **Remedy issues with current market rate incentives.**

- *Unanticipated impacts to TIF revenues, bond capacity.*
- *Non-flexible adjustments to changing market conditions.*
- *Certain areas of the community are being overly impacted by development.*
- *Reduced program requirements.*



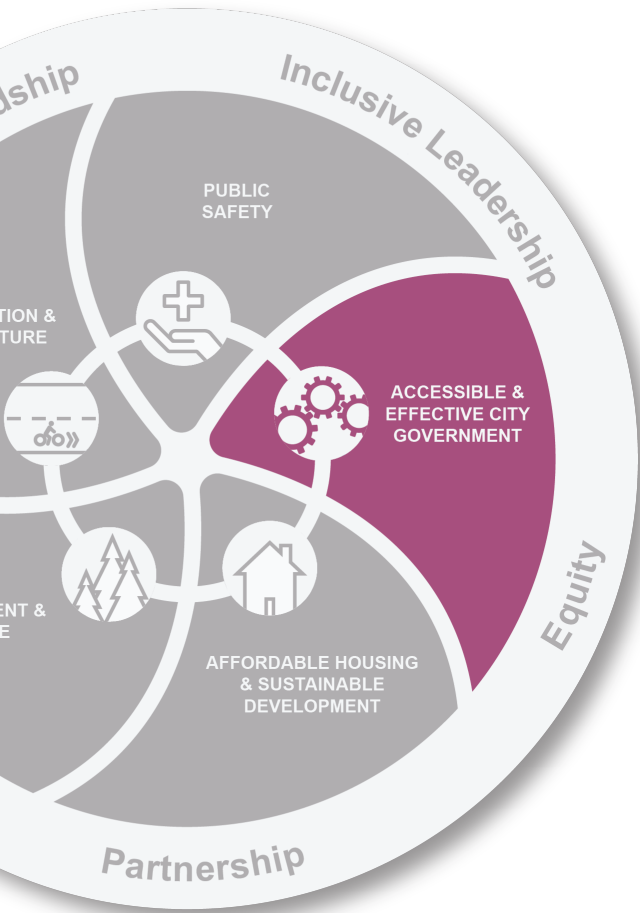
# Incentive Feedback and Desired Goals



## **Reduce and eliminate blighted properties.**

- *By focusing on ORS 457 designations, the City of Bend can increase public health, safety, and welfare.*

# Incentive Feedback and Desired Goals



## **Reduce administrative burdens for staff and developers.**

- *Programs were subject to various requirements over the course of the program.*

## **Make programs available to large and smaller developers**

- *Community members requested that incentives offered should scale to the smallest possible development that meets key objectives.*

# Initial Incentive Assessment Summary



**STEP 1**  
**HOUSING  
DEVELOPERS**



**STEP 2**  
**FINANCIAL  
REVIEW**



**STEP 3**  
**INCENTIVE  
REVIEW**



**STEP 4**  
**COMMUNITY  
IMPACT &  
BENEFITS**

# Site-Specific TIF Policy Formation

## What Is It:

- Using tax increment from substantial development as an annual tax credit for eligible projects.
- **Two Policy Objectives: Housing Affordability & Employment Developments**

## Why This Tool (Benefits):

- Enables BURA to meet community needs and Council goals with low barriers.
- Allows the City to use TIF to provide incentives for targeted development per ORS 457.
- Same policy will be utilized in existing TIF areas.



# Proposed Concept - Site Specific TIF

- Bend Urban Renewal Agency Tool
- Flexible tool that could be used for additional uses other than traded sector. Can not be utilized with Enterprise Zones designations.
  - We do anticipate Bend's Enterprise Zone eligible areas to decrease over time
- Works well in 3 types of scenarios:
  - New development at a site with little or no existing improvements
  - Redevelopment of an existing site (TIF area needs to be established prior demolition, prior to new construction)
  - Significant tenant improvements (including installation of machinery & equipment) with high assessed values
- Does not work for low value improvements – basic tenant improvements.





# Wilsonville Investment Now (WIN) Program

- Established in 2012 because Wilsonville does not have any eligible Enterprise Zone areas
- Site Specific TIF program that offers 4 or 7-year tax rebate for qualifying development projects based on a Scoring Criteria
  - >60 points: not eligible
  - 60-79 points: 4-year rebate
  - 80+ points: 7-year rebate
- Eligible anywhere in the City except within existing Urban Renewal Areas
- One project to date:
  - Twist Bioscience \$80M tenant improvement, 7-year abatement
    - Year 1 rebate forecasted to be \$800,000

## Scoring Criteria:

- **Capital Investments:** 1 point per \$500K of investment
- **New Employment:** 0-0.6 points per job (scale based on annual wage)
- **Local Business Tenure:** .5 points per verified year of business in City (max 4 points)
- **DEI:** 4 points for meeting at least two of the following
  - Certifications (MBE, WBE, DBE, SDV)
  - B corporations
  - DEI Procurement Plan
  - Workforce Development Plan
  - DEI Company Program
  - Provides on-site employer childcare



# Proposed Framework – Employment Development

## Site Requirements

1. Located in the City of Bend
2. Property is compliant with ORS 457
3. Property is compliant with BURA Policy

## Financial Requirements

1. \$500,000 Minimum Investment.
2. Financial Viability and Impact.

## Program Requirements

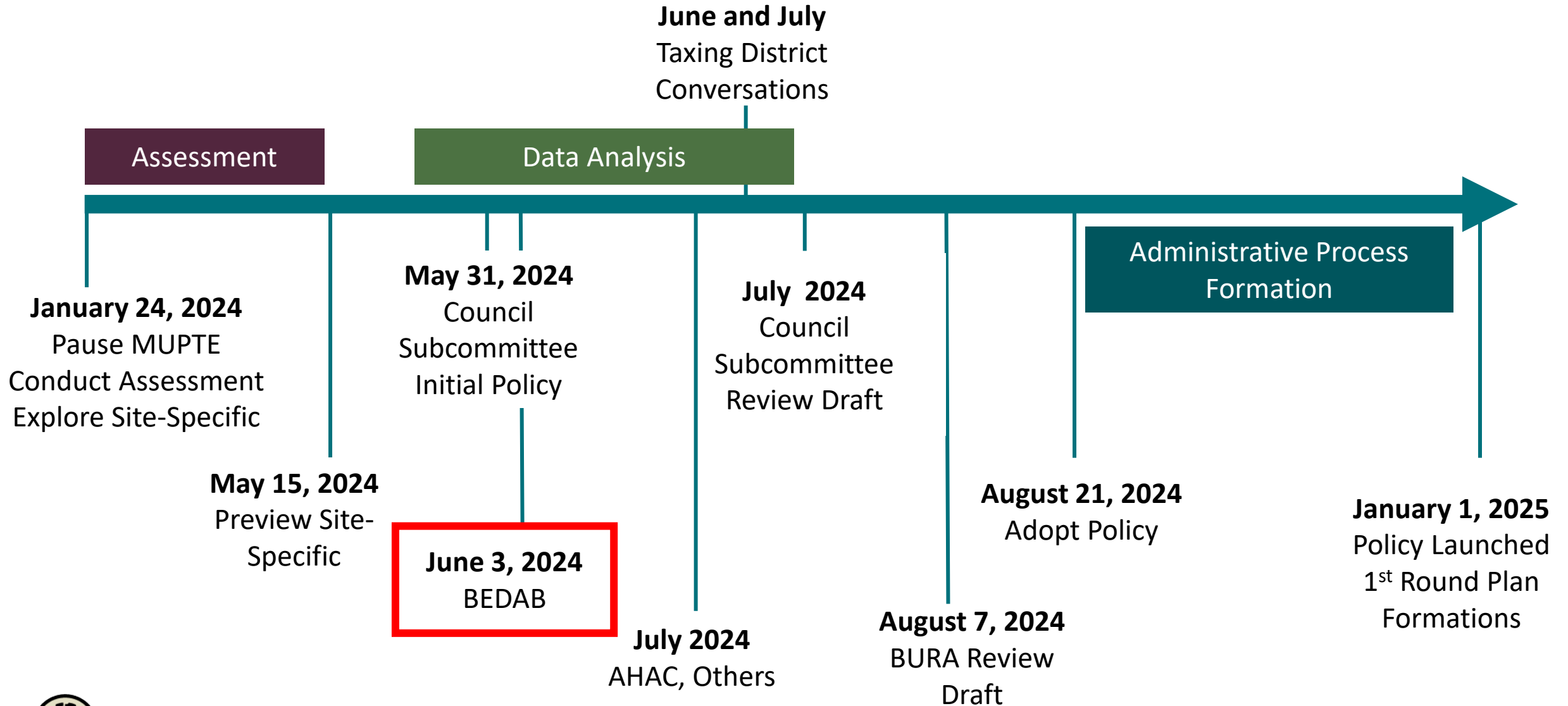
1. Project is compliant with ORS 457
2. Pre-Application Summary
3. ***Identified Industry Cluster (in process)***
4. ***Targeted salary based on analysis (in process)***

## Subcommittee Direction

Continue with this proposed framework, collect necessary data and coordinate with BEDAB on policy goals to be considered in July.



# Site-Specific TIF – Policy Adoption Timeline



# Questions for BEDAB

We can work with several BEDAB volunteer members over next several months to refine BEDAB input into policy

- **Question 1:**
  - Should the policy focus on traded sector employment OR traded sector AND local sector employment?
- **Question 2:**
  - What should the targeted wages of this policy be?
    - E-Zones (5-year only): 150% Average Annual Wage (AAW) (~\$90,000)
    - 100% AAW: ~\$60,000 (Local and Trade Sector)
- **Question 3:**
  - Are there specific geographies you would like to see the site-specific TIF deployed?
  - Staff's Recommendation – City Wide



# Two Options Examples – Conversation Starter

- **Option A: Enterprise Zone - Modified**

- *7 years -modification*
- Traded Sector
- *Increase employment by 3 jobs or 10% - modification*
- 150% AAW (~\$90,000)

- **Option B: Promoting Employment**

- 12 years (Yr. 1-7 100%, Yr. 8-12 75%) – *Priority areas additional years of incentive.*
- Traded, Target, and Local Sectors
- 5 new FTE
- Wage: 100% AAW (~\$60,000)



# Accommodation Information for People with Disabilities



To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact Allison Platt at [aplatt@bendoregon.gov](mailto:aplatt@bendoregon.gov) or 541-322-6394; Relay Users Dial 7-1-1.