



CITY OF BEND

Minutes

Bend Economic Development Advisory Board (BEDAB)

Monday, December 4, 2023

Hybrid Meeting: Council Chambers or via Zoom

Noon **BEDAB Meeting**

Roll Call: Briana Manfrass- Chair, Brenda Speirs, Kelly Kearsley, Kevin Perkey, Ryan Andrews, Tierney Booker

Chad Young, Jim Sansburn, Don Myll- Ex Officio

Councilor Perkins-Council Liaison

1. **Review November 6 Meeting Minutes**

Briana Manfrass-Chair, noted a correction to the November 6 minutes, regarding Agenda item 3 (a) **Committee discussion** – “Flat fee is the **least** favorable option. Is the Base Charge-ERU the simplest to do? Committee was agreeable to using square footage for the initial calculation”.

Briana requests that more discussion around the other options be added to the November 6 minutes. The minutes will be revised to show committee discussion in regard to other options.

Approval of November 6, 2023, meeting minutes to be postponed until the December 18, 2023 BEDAB meeting.

2. **Nonres. Transportation Fee: Business Feedback | Sarah Hutson & Ben Hemson**

- 289 responses
 - Filter question to exclude residents/home-based businesses (99 people)
- Distributed via City Business Registration List, Bend Chamber, local media outlets

There was a wide variety of representation in terms of business types, sizes and locations throughout the city. A lot of businesses are in the 1K to 5K square foot range. Most respondents represent businesses with 50 or fewer employees. Average business size in Bend is about 7 employees. Most respondents work in-person, with half working exclusively in person.

Transportation Values-Top two values are reduced traffic congestion and enhanced street quality.

Phase in Preferences-Two thirds of respondents desire a phase in over three years, some wanted to charge the full amount immediately. Link to all open-ended responses [here](#).

Incentives/discounts-42% of respondents said no businesses should be considered for a reduced fee. 29% of respondents said nonprofits, and childcare should be

considered for a reduced fee.

Ways to Assess Fee-Asses by number of employees, revenue, parking spaces, vehicle registration and use, utility usage, customer visits, charge tourism focused businesses more and flat fee.

Preferred method of communication-Direct email updates from the city was the most common.

57% of businesses surveyed were aware of the transportation fee prior to the survey being sent out.

It was suggested for Sarah Hutson to come back to BEDAB on December 18 with any new data.

Upcoming Touchpoints-

December 18:

- Preliminary analysis of preferred near-term option
- Continue to discuss business feedback
- Develop recommendations for Council

January 3:

- BEDAB recommendations during Council Work Session.

Committee comments: Do you do a temporary implementation with the information that you have while you build the data with all these things that are more fair? If the concern is that it is not going to be fair upfront, it's a valid point if a bunch of people were going to appeal, then your spending all that time and energy, versus implementing what the intent is. What other information can be gathered around that specific data or how long it's going to take to get the correct data, before BEDAB has to make a recommendation?

Russ Grayson comment-Two elements: scale and intensity. First phase addressing the scale size, a base charge that we would charge to every account anyway, and then we need to get more business information about intensity and how we want to classify that. Over the next few weeks we will be working on bringing back to BEDAB cost per square foot.

3. Public Comment-Transportation Utility Fee

Todd Dow/Frameworks-resides in Sisters. Todd thinks 41% not hearing of survey is concerning. Their company did not get an email they heard via EDCO and the Chamber. The spread for the square footage from 1K to 5K is a huge spread, he is not sure it is going to make any difference in the calculation, but from his perspective not a lot of retail that is 5K or greater.

Sisters has a gas tax that covers some of this type of issue. Todd is representing High Desert Frameworks, custom picture framing and digital printing business located at 61 NW Oregon Avenue in downtown Bend. Full disclosure the City of Bend has been our landlord for the last 15 years. There are five employees, which includes ownership. We are about 4.5 FTE and our square footage is 1700 sqft. Although we are retail, we are primarily a service-based business. Customers are coming to the shop as a destination, we do not necessarily have to be there we just love being there. Open 5 ½ days per week and on average we see approximately five to 15 customer groups per day. We have a low customer volume with a high average ticket and compared to our neighbors we have a very small impact on the transportation system. He is not

disputing the fact that there needs to be funds raised for the transportation, we are, however concerned on how it is done.

Todd has reviewed the prior two meetings on this subject via YouTube/Livestream and he sees that BEDAB wants to make this calculation fair and easy to administer. "You are sensitive about adding staff to the city to administer the fee and you are leveraging other cities frameworks and examples". To his knowledge there has been no discussion on the success of those frameworks by the other city and the impact to the appeal process, and the impact to how businesses feel about that fee. There has been very little discussion on assessing the fee on a business type, and most of the discussion has been on square footage and employee count.

A couple of our concerns; First we are wondering where the 53% residential and 47% business percentages came about? What analysis was done to get there? How does that impact the average trips? Is 53% really representative of residential on the impact of the transportation system? As a business I would like to know how those numbers were calculated and what assumptions were made in those. Second, if BEDAB doesn't do the hard work now and make solid recommendations based on analysis such as employee count versus square footage versus business and chooses taking an easier approach, the number of appeals will be very, very high. I understand that home-based businesses will not be charged an additional fee over their existing residential fee. Many home-based businesses have a direct impact on the transportation system and the impact is up and above the residential impact. We have home based businesses in Bend that have customers coming to them. They are having delivery product, they're manufacturing, they have deliveries, all those types of things and that is up and above a typical residential fee. So, to waive those home based businesses that have the impact on transportation fee only shifts the responsibility to retail and warehousing and other types of businesses. Regarding businesses that are to be excluded or have lower fees, it's our opinion that all businesses should be assessed the fee. For example, nonprofit business many have a very healthy cash flow, it allows them to work together for the community good and transforming shared beliefs and hopes into action. But their cash flow can handle the additional fee.

One final thought, we have High Desert Frameworks, Fed Ex, USPS, Smith Rock records, and Red Chair Gallery, we are all under 3K square feet and we are all under about 7FTE or less, we are all different business types. But under your current plan we will be assessed the same fee based on per square foot, regardless of the impact to the transportation industry and the transportation system. I think this is going to cause some frustration with the businesses. Additional fees to businesses that don't necessarily justify that fee, and it potentially could cause a fair amount of appeals, which is going to increase the cost to the city to administer the fee. Those are our concerns and thoughts.

4. SDC Methodology Update | Sarah Hutson & Russ Grayson

Power point presented.

Reasons for Methodology update:

- Need to make sure SDC's are recovering Capital costs for infrastructure that is growth related.
- Water and Transportation system plans were updated most recently in the past few years. So, we need to look at SDCs to make sure those project lists are working together.
- Standard practice is to update methodologies every 5 to 10 years.
 - Water SDC update 2008

- Transportation SDC update 2011
- Sewer SCD update 2015
- Parks SDC update in 2021

Project objectives were outlined.

- Consultant team brought on fall of 2022.
- Extended Affordable Housing and Childcare exemptions in December 2022.
- Convened Stakeholder group that represented over 30 organizations. They met 6 times between February and August to provide recommendations to staff on elements of the methodology.
- September work session, where more direction from Council was given and bringing forth recommendations from the stakeholder group to solidify guidance from Council.
- Started 90-day public comment period.
- Released the methodology update a couple of weeks ago.
- Council work session on Wednesday for more direction.
- Public hearing mid-January

Goal is to generate about \$340M in capital over the next 20 years for Transportation and \$167M for Water.

Getting ready to kick off Sewer Methodology update.

Efficiency and Economic Development around:

- Non-Residential
 - Improve the administrative efficiency
 - Reduce reassessments. i.e., when doing a TI or changing the use.
 - Expanding exemptions for Affordable Housing as well as Childcare.
- Residential
 - Charging different rates at different square footage ranges in terms of affordability and production.
 - Stay with fixed fee for multi-family unit.
 - Change policy around when SDC's are collected.

November 17, 2023, Methodology reports published, accepting comments.

December 6, 2023 Council work session to review details of Methodology Report, code updates.

January 17, 2024, Public hearing

Committee discussion-

- (1) If you look at the pie chart of the different parts of the SDC fee, do you know what that pie chart looks like?
 - **Answer:** It changes dependent on where you are at. On the residential side, parks is the highest charge and then typically transportation on a scale system but that may change a little bit. Parks is not applied for on most commercial developments. Transportation is usually the bigger piece of the pie.
- (2) I noticed on an earlier slide it stated, money for SDC's to reimburse for capital expenditures, how does this work? The SDC's that are paid today go into an account that funds tomorrow's CIP on transportation or is this some kind of float that is financed right now and paid for, then when the SDC's are paid it pays off that financing?

- **Answer:** Both is actually occurring. Used Empire and Murphy construction as an example.
- (3) Are there specific types the city is trying to incentivize developers to build through the SDC fee?
- **Answer:** Looking at where the housing needs are and where we want to focus, obviously the tiering of a single family was to help production of the smaller units, which is a real need in the community.

5. BEDAB and Business Advocate Updates | Ben Hemson

Two new BEDAB members that will start in January:

- Petra Oroslanova, Director of Finance for Lonza.
- Mark Kroncke, located in Bend Oregon, owner of business that does payment processing for several major transit agencies across the U.S.
- Two new alternates.

Kelley Kearsley will be terming off.

Briana Manfrass and Tierney Booker will both be reappointed.

Cyrus Mooney new Business Advocate currently events lead at the Bend Chamber and will be starting next Monday December 11, 2023.

6. Roundtable & Future topics | Group

- a) Cost of Development we will work on this once we get through the Transportation Fee discussions.
- b) Are we revisiting BEDAB goals with the new members coming on board?
 - **Answer-**Usually we review these goals every three years.
- c) Who keeps the stats on migration in and out of the city or Deschutes county? Are people moving in or out as we see a lot of rentals on the market?
 - **Answer-**Portland State University has the population research center. They just came out with the numbers for Bend, 106K. Bend has continued to grow and in percentage terms slowed down during the pandemic.
- d) What is the impact of remote workers on Bend?
 - **Answer-**American community survey came out with a report earlier this year. Working from your home has gone up.

7. Adjourn 1:11pm

To view a live recording click on the link below:

[December 4,2023 recording](#)

Upcoming Meetings:

December 6: Bend City Council | Council Chambers, 5 pm | SDC Methodology (Work Session)

City of Bend Mission Statement:

Delivering the right public services for the Bend way of life.