

RESOLUTION NO. 3423

A RESOLUTION OF THE CITY COUNCIL IMPLEMENTING PHASE 2 OF THE TRANSPORTATION FEE

Findings

A. The Bend City Council is authorized to adopt fees for services provided by the City under its home rule authority and the authority of the Charter of the City of Bend. The City is the road authority for roads within city limits and has authority and responsibility to maintain City streets within its boundaries. Bend Municipal Code (BMC) section 12.15.005 states that the City Council may, by resolution, establish and amend fees or service charges (collectively "fees") for any and all services provided by the City. The fee shall not exceed the average cost of providing the service. The fees established by this resolution recover costs incurred by the City and do not exceed the City's average cost of providing transportation system services. The fees are therefore authorized by BMC 12.15.005.

B. On March 20, 2024, Council adopted Ordinance No. NS-2494 adopting Bend Municipal Code Chapter 3.110, Transportation Fee, establishing a transportation fee to fund transportation programs and the maintenance, operation, repair, preservation, reconstruction, administration, safety enhancements, and capital alteration of the City's transportation system, and Resolution No. 3368 amending the City's fee resolution to set rates for Phase 1 of the Transportation Fee.

C. The City has developed new ways to inform the community on expenditures of the Transportation Fee revenue, through annual reporting on Transportation Fee activities and a public-facing data dashboard that highlights key operational and financial metrics updated on an at least quarterly basis.

D. Pursuant to Ordinance NS-2494 and BMC 3.110.060.D., the Transportation Fee is being implemented in phases with increasing revenue targets in each phase. Beginning in Phase 2, for Fiscal Year 2025-2026, the Transportation Fee will be charged based on square footage and transportation impact following input by the Bend Economic Development Advisory Board (BEDAB).

E. Ordinance NS-2494 contemplated that transportation funding discussions would occur during the 2025 Oregon Legislative Session, and that any legislative action could influence Transportation Fee implementation phases and associated expense and revenue targets. No additional transportation funding has been allocated to the City of Bend from the Oregon legislature, and the revenue target for Phase 2 remains \$10 million as set forth in BMC 3.110.050.B.2., to meet the transportation operation and maintenance needs of the City.

F. The fee schedule adopted by this resolution builds on the methodology used for developing the Phase 1 Transportation Fee rates adopted by Resolution 3368, developed with the assistance of a consultant, the Galardi Rothstein Group, as described in the Resolution No. 3423

Summary of Analysis presented to Council with this resolution. The methodology is based on trip generation estimates for broad user categories developed using information available primarily from the Institute of Transportation Engineers (ITE) Trip Generation Manual (ITE Manual). The ITE Manual is used to estimate these groups' impacts on the transportation system by using average daily trip rates for different development types based on travel surveys from across the country. Average daily trip (ADT) rates help estimate the intensity of transportation system use per unit of scale for different types of system users. Phase 2 implementation of the Transportation Fee for non-residential users uses units of scale (per 1,000 square feet for most non-residential users) and adds units of intensity, based on ADT, to get to a rate per unit of scale.

G. For the development of these Phase 2 Transportation Fee rates, BEDAB met five times at public meetings at which public comment was accepted between December 16, 2024, and March 17, 2025, to review and make recommendations on implementation of Phase 2, as directed by Council and Ordinance NS-2494. BEDAB's recommendations were presented at a City Council work session on April 2, 2025, and Council continued its consideration of these recommendations at a work session on April 16, 2025. Additional opportunities for public involvement were provided, including a website for public outreach and education, a dedicated email address for comments that were consolidated and provided to City Council, an information session for the business community on April 24, 2025, and a duly noticed public hearing on adoption of this fee schedule on May 7, 2025.

H. The City Council recognizes the impact of additional fees on both residents and non-residential entities, and seeks to charge users in proportion to their impacts and reliance on the transportation system, balancing increasing costs between user classes. The rate schedule adopted by this resolution seeks to maintain the proportion of Phase 1 fees that were collected from residential (56%) and non-residential (44%) users.

I. The City Council finds that commercial activity and successful local industries are foundational to a thriving local economy, including in providing employment. The Council further finds that some industries generally run on tighter financial margins than others; that availability of childcare is essential for a well-functioning economy; and that Bend's hotels and motels differ in some ways from the majority of the hotel uses considered by the ITE Manual, as described in the Summary of Analysis presented to Council with this resolution. The City Council finds that it is necessary to balance the need to set fee rates that accurately reflect different users' impacts and reliance on the transportation system and, the need to efficiently and straightforwardly administer fee collection, which in some instances requires assigning the same fee to a broader category of similar but somewhat distinct user types. In recognition of these factors and the recommendations made by BEDAB, the rate schedule adopted by this resolution makes adjustments to rates imposed on childcare, restaurant, medical, and tourism accommodations, as described in the Summary of Analysis presented to Council with this resolution. Council intends to regularly review the Transportation Fee impacts on users and may adjust rates or implement discount or other incentive programs as determined appropriate by Council.

J. The Transportation Fee rates established by this resolution may be adjusted annually for inflation, to reflect revenue needed to fund continued operations and maintenance of the transportation system, or for other reasons, as determined by Council.

K. The Transportation Fee was initially planned to be implemented in three phases, with Phase 3 aiming to generate revenue of \$15 million per year. Before adoption of fees in Phase 3, it is the express intent of Council for the City to hold further discussions about the other revenue sources recommended in the Funding Strategy of the Transportation System Plan adopted in 2020. The discussion should include how to increase revenue from individuals who do not live or operate businesses in Bend but come to the city and use the transportation system, whether to refer a gas tax or other revenue sources to Bend voters, and whether or how these additional revenue sources should affect the revenue targets and rates for Phase 3 of the Transportation Fee implementation plan.

Now, therefore, based on the above findings,

THE CITY OF BEND RESOLVES AS FOLLOWS:

- Section 1. The City of Bend Fee Schedule, Resolution 3408, is amended to replace line 4.1.15d, "Short-Term Rental Transportation Fee", and Section 6.10, "Transportation Fee, BMC Chapter 3.110", with the attached Exhibit A, effective July 1, 2025.
- Section 2. The attached Exhibit B is adopted as the assignment of ITE Use Codes and TF rate bins, to be used by staff in assessing transportation fee charges to non-residential users under the Fee Schedule.
- Section 3. If any provision, section, phrase or word of this resolution or the documents adopted hereby, or application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

Adopted by motion of the Bend City Council on May 7, 2025.

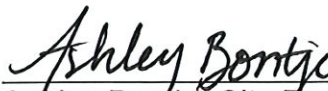
YES: Kebler, Franzosa, Méndez, Norris, Perkins, Platt, Riley

NO:



Melanie Kebler, Mayor

ATTEST:

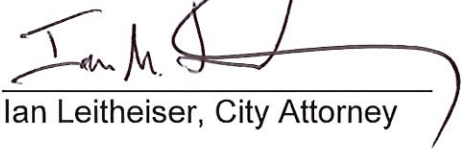


Ashley Bontje, City Recorder's Office

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APPROVED AS TO FORM:



Ian Leitheiser, City Attorney

Exhibit A to Resolution No. 3423

SECTION 4. REGULATORY:			
	<i>Description</i>	<i>Fee</i>	<i>Unit</i>
4.1.15d	Short-Term Rental Transportation Fee		See 6.10.02e & 6.10.02f
SECTION 6. OTHER SERVICE CHARGES			
6.10	Transportation Fee, BMC Chapter 3.110		
	<i>Description</i>	<i>Fee</i>	<i>Unit</i>
	Charges will be prorated based on a 30-day billing cycle unless otherwise specified.		
	Alternate payment arrangement may be set by agreement with public entities with multiple properties and billing accounts.		
6.10.01	Residential Rates		
6.10.01a	Single-unit residential charges	\$ 10.50	Per dwelling unit
6.10.01b	Accounts on Utility Billing Assistance	\$ 5.25	Per dwelling unit
6.10.01c	Multi-unit residential charges	\$ 7.75	Per dwelling unit
6.10.02	Non-Residential Special Unit		
6.10.02a	Public schools K-12	\$ 1.10	Per student
6.10.02b	Public schools - higher education	\$ 1.25	Per student
6.10.02c	Tourist accommodations	\$ 9.00	Per room or space
6.10.02d	Parks with off-street parking	\$ 0.80	Per acre
6.10.02e	Short-Term Rental Supplement - Units authorized for whole-house rental use	\$ 200.00	Per unit, per year
6.10.02f	Short-Term Rental Supplement - All others	\$ 108.00	Per unit, per year
6.10.02g	Gas station	\$ 41.00	Per fueling position
6.10.02h	Gas station with convenience store	\$ 61.50	Per fueling position
6.10.02i	Car wash (auto & self service)	\$ 51.25	Per bay
6.10.02j	Cemetery	\$ 6.25	Per acre
6.10.02k	Golf course	\$ 30.75	Per hole
6.10.03	Non-Residential Standard - All other non-residential customers. Minimum charge \$6.25 per month. See Resolution No. for uses in each bin.		
6.10.03a	Bin 1 (0-10 Average Daily Trips per 1,000 SQFT)	\$ 6.25	Per 1,000 SQ FT
6.10.03b	Bin 2 (>10-15 Average Daily Trips per 1,000 SQFT)	\$ 8.25	Per 1,000 SQ FT
6.10.03c	Bin 3 (>15-30 Average Daily Trips per 1,000 SQFT)	\$ 10.75	Per 1,000 SQ FT
6.10.03d	Bin 4 (>30-40 Average Daily Trips per 1,000 SQFT)	\$ 15.25	Per 1,000 SQ FT
6.10.03e	Bin 5 (>40 Average Daily Trips per 1,000 SQFT)	\$ 20.50	Per 1,000 SQ FT

Exhibit B to Resolution No. 3423
Land Use and ITE Code Assignments by Non-Residential Standard Bin

Bin 1

Land uses in Non-Residential Bin 1 include:

ITE Code	Land Use
110	General Light Industrial
130	Industrial Park (mix of predominately Bin 1 uses)
140	Manufacturing
150	Warehouse
151	Mini-Warehouse
180	Specialty Trade Contractor
254	Assisted Living
255	Continuing Care Retirement Community
437	Bowling Alley
560	Church
575	Fire and Rescue Station
816	Hardware/Paint Store
842	Recreational Vehicle Sales
890	Furniture Store
897	Medical Equipment Store

If a specific use is not listed, the City will assign a bin based on the methodology used to categorize other uses, employing the definitions from the North American Industry Classification Systems and the ITE Trip Generation Manual, and the trip rates from the ITE Trip Generation Manual. Appeal process is available to request review of bin assignment for a particular account.

Bin 2

Land uses in Non-Residential Bin 2 include:

ITE Code	Land Use
170	Utility
565	Day Care
610	Hospital
630	Clinic
650	Free-Standing Emergency Room
710	General Office Building
720	Medical-Dental Office
770	Business Park (flex space with mix of industrial and/or other Bin 2 uses)

If a specific use is not listed, the City will assign a bin based on the methodology used to categorize other uses, employing the definitions from the North American Industry Classification Systems and the ITE Trip Generation Manual, and the trip rates from the ITE Trip Generation Manual. Appeal process is available to request review of bin assignment for a particular account.

Bin 3

Land uses in Non-Residential Bin 3 include:

ITE Code	Land Use
495	Recreational Community Center
536, 540	Private School (e.g., Charter Elementary School, Junior/Community College, Church School)
640	Animal Hospital/Veterinary Clinic
730	Government Office Building ¹
812	Building Materials & Lumber
820	Shopping Center (>150K SQFT) ²
822	Miscellaneous Retailer - Standalone Use (e.g., Florist, Gift/Novelty Shop, Pet Supply, Mail Center, Drycleaning) ³
823	Factory Outlet Center
840	Automobile Sales (New)
841	Automobile Sales (Used)
843	Automobile Parts Sales
848	Tire Store
861	Sporting Goods Superstore
862	Home Improvement Superstore
863	Electronics Superstore
875	Department Store
918	Hair Salon
943	Automobile Parts and Service Center

¹ If open to the public; otherwise categorized as General Office Building (ITE Code 710, Bin 2)

² A group of commercial establishments >150 KSF that is planned, developed, owned and managed as a unit. Also applies to mixed uses outside of an industrial zone that do not include manufacturing, industrial or warehouse uses. This rate is automatically applied to utility accounts within the Central Business District (CBD) and Old Mill District (OMD)

³ ITE Code 822 used a proxy for standalone miscellaneous retail uses.

If a specific use is not listed, the City will assign a bin based on the methodology used to categorize other uses, employing the definitions from the North American Industry Classification Systems and the ITE Trip Generation Manual, and the trip rates from the ITE Trip Generation Manual. Appeal process is available to request review of bin assignment for a particular account.

Bin 4

Land uses in Non-Residential Bin 4 include:

ITE Code	Land Use
492	Health/Fitness Club
813/815	Free-Standing Discount Superstore/Discount Club
821	Shopping Center (<150K SQFT) ¹
930-934	Restaurant
937	Coffee/Donut Shop
970, 971	Tasting/Tap Room
975	Drinking Place

¹ A group of commercial establishments <150 KSF that is planned, developed, owned and managed as a unit. Also applies to mixed uses outside of an industrial zone that do not include manufacturing, industrial or warehouse uses.

If a specific use is not listed, the City will assign a bin based on the methodology used to categorize other uses, employing the definitions from the North American Industry Classification Systems and the ITE Trip Generation Manual, and the trip rates from the ITE Trip Generation Manual. Appeal process is available to request review of bin assignment for a particular account.

Bin 5

Land uses in Non-Residential Bin 5 include:

ITE Code	Land Use
445	Movie Theater
590	Library
817	Nursery/Garden Center
850	Supermarket
851	Convenience Store
880, 881	Pharmacy/Drugstore
882	Marijuana Dispensary
899	Liquor Store
912	Bank
941	Quick Lubrication Vehicle Shop

If a specific use is not listed, the City will assign a bin based on the methodology used to categorize other uses, employing the definitions from the North American Industry Classification Systems and the ITE Trip Generation Manual, and the trip rates from the ITE Trip Generation Manual. Appeal process is available to request review of bin assignment for a particular account.